Norengros og arbeid med Etisk handel.

Norengros er medlem av Initiativ for etisk handel (IEH) (Se Norengros Medlemsbevis). IEH er en medlemsorganisasjon og Norges største nettverk av bedrifter, organisasjoner og offentlig virksomheter som jobber forpliktende og systematisk for å sikre bærekraftige leverandørkjeder.

Norengros medlemskap i IEH innebærer å ha oversikt over og kartlegge egen leverandørkjede, samt vi rapporterer fremdrift og status i vårt arbeid innen etisk handel til IEH. Alt arbeid i Norengros gjør i samarbeid med IEH er offentlig tilgjengelig informasjon.

Etisk handel for Norengros betyr å forhindre:
Tvangsarbeid, ekstrem bruk av overtid, barnearbeid, brutal behandling på arbeidsplassen, diskriminering, korrupsjon.

Etisk handel for Norengros betyr å fremme:
Retten til fagorganisering, regulere ansettelser, trygge arbeidsplasser, respekt for marginaliserte befolkningsgrupper, en lønn å leve av, bærekraftig miljøforvaltning.

- ***Norengros har også oppnådd «Silver Recognition» hos EcoVadis for arbeidet vi gjør innen CSR*** *(se vedlegg 1).*

Norengros og systematikk i leverandørkjeden

Norengros som stor aktør i det norske markedet og som totalleverandør omsetter et bredt spekter av varer. Vi handler varer produsert i mange av verdens land hvor risiko varierer fra land til land og fra bransje til bransje. Norengros ønsker bærekraft i egen leverandørkjede fordi dette samsvarer med organisasjonens behov for å fange mulighetene og unngå risiko. Derfor er det viktig for oss å ha en systematisk tilnærming i håndteringen av leverandørene og utvikle den nødvendige kompetansen.

For å systematisk etterleve denne strategien, og de retningslinjene er det opprettet systematikk for kontakt og rutiner for kommunikasjon internt og med leverandørene. Denne systematikken gjør Norengros egnet til å sikre rett prioritering og allokere nødvendige ressurser til alvorlige risikofaktorer.

Norengros har utarbeidet en «Code of Conduct» (CoC) i samarbeid med IEH som er styrende i vårt samarbeid med leverandører (se Norengros CoC vedlegg 2). Alle leverandører til Norengros må signere vår CoC/samsvarserklæring (se vedlegg 3) og pålegger dem å videreføre denne til sine underleverandører. Signering av vår Samsvarserklæring er avtalefestet og er en prekvalifisering til å bli en leverandør til Norengros.

Norengros har retningslinje å avlegge fysisk besøk av alle nye leverandører, dette som ledd i arbeidet med etisk handel. Her har vi som mål å danne et bilde av forholdene ved å bruke observasjon: typiske elementer vi ser etter er følgende:

- Har alle nødutganger fri passasje?
- Er arbeidene utstyr med nødvendig/tilstrekkelig verneutstyr?
- Er det god/tilstrekkelig ventilasjon i lokaler?
- Er det generell ryddighet i fabrikk/ lokaler?
- Virker evt boligkvarter, kantine, toaletter hygieniske?

På oppfordring fra Norengros må leverandøren kunne dokumentere arbeidet som sikrer etterlevelse av Norengros retningslinjer. Dokumentasjonsplikten gjelder som hovedregel til og med produksjonsstedet for den aktuelle varen, eller det ledd i leverandørkjeden Norengros mener er relevant for hva som kreves i den aktuelle leveransen.

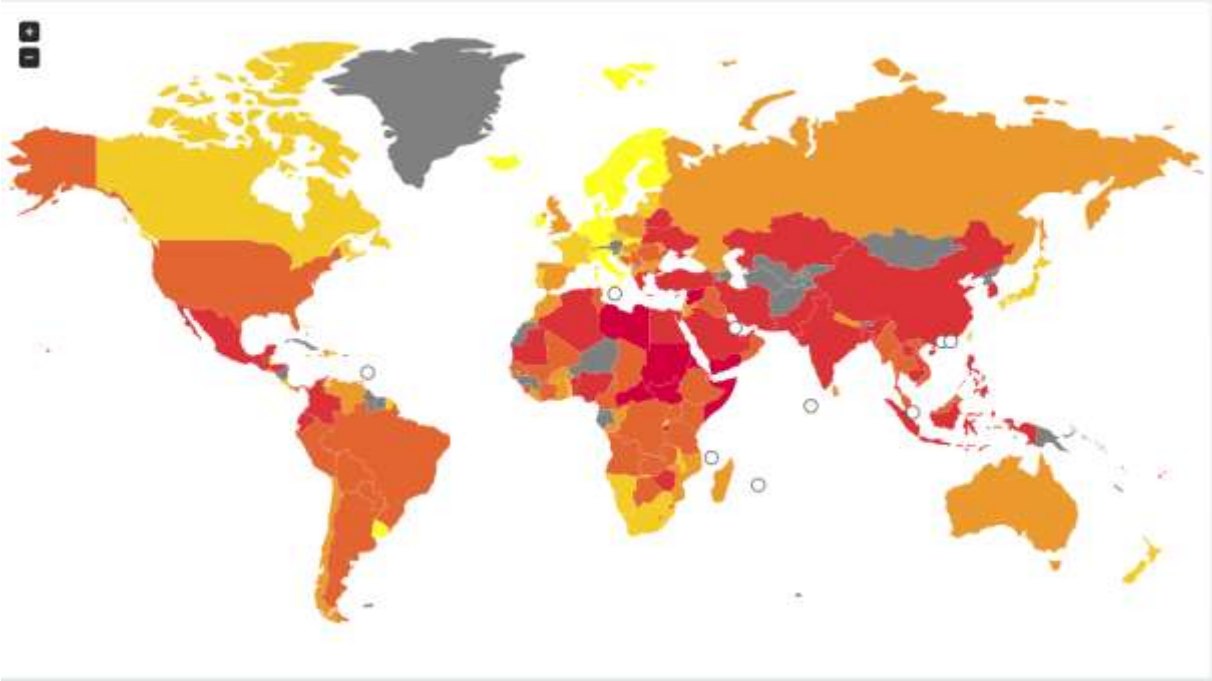
Norengros pålegger alle leverandører å besvare eller innhente informasjon hos siden produsenter ved ett egenrapportering skjema (Ref dok. 3101). Denne har som formål å dokumentere hvordan leverandør/produsent håndterer saker som; arbeidsforhold, HMS, barnearbeid, eller om det foreligger retningslinjer for etisk handel.

Dersom Norengros ønsker å kartlegge underleverandører med hensyn til etterlevelse av retningslinjene for etisk handel, plikter leverandøren å tillate en slik kartlegging og oppgi navn og kontaktopplysninger på disse. Norengros foretar revisjon av leverandører ved å gjøre ettersyn på deres organisasjon.

Norengros arbeider med Etisk Handel i en systematisk og praktisk tilnærming som fremgår i figuren under.

I dette arbeidet kartlegger Norengros risiko ved spørreundersøkelser og egenrapportering hvor vi kartlegger hvor produksjonen foregår (se vedlegg 4/Factlines), samt om de

etterfølger retningslinjene våre og om de videreformidler dem i leverandørkjeden. Slik informasjonsinnhentingen skjer kontinuerlig på varenivå og legges inn i våre databaser. Basert på tilbakemelding fra leverandører gir det et bilde av risiko basert på produksjonsland med betraktning i varen og bransje. Ut i fra denne rådfører vi oss med statistikk og rapporter fra IEH og samarbeidspartnere (se vedlegg 5: Country Briefing: China)



Kilde: IEH. Kartet gir et umiddelbart inntrykk av ett lands risiko nivå. I dette tilfellet arbeidsforhold.

Norengros og risikohåndtering

Risikobildet vi danner gir oss innfallsvinkel på hvordan mest effektivt ta opp de problemstillinger som er statistikk gjeldene for det spesifikke landet. Ved behov gjennomfører vi revisjon ved produksjonsfasiliteter og gjennomgår spørsmål, observasjoner relatert til problemstillingen med øvrig grunnleggende informasjon.

Risiko innen forretningsetikk, HMS, og menneskerettigheter er de punkter som vi tar for oss i evaluering av risiko. Hvorav grunnleggende behovene til mennesket som veies tyngst i enhver avgjørelse og aksjon. Eksempler på dette er:

- Arbeidsgiver inndrar og oppbevarer arbeidernes identifikasjonspapirer/pass. Arbeidene må betaler depositum å få jobben, deretter betaler så høy pris på bolig og levekostnader at de aldri blir kvitt gjelden, dermed ikke mulig å fritt avslutte arbeidsforholdet.

- Fysisk mishandling eller avstraffelse, eller trusler om fysisk mishandling. Det samme gjelder seksuelt eller annet misbruk og andre former for ydmykelser.

- Arbeidstaker skal ikke være mindre en 15 år og i tråd med nasjonal minstealder samt over obligatorisk skolegangsalder.

Mye av arbeidet knyttet til kvalifisering av leverandører gjøres i forkant av et eventuelt samarbeid, hvor målet er å inngå avtaler hvor risikobildet er kartlagt og muliggjør en kalkulert beslutning. Nedskrevet i Norengros prosedyre pålegger alle leverandører må signere vår CoC før videre kommunikasjon kan finne sted. Det finnes flere tilfeller hvor en leverandør ikke har ønsket å signere vår CoC heller ikke tillate revisjoner i produksjonslokaler. Dersom denne ikke er signert vil ikke Norengros inngå samarbeid med den aktuelle.

Ved avdekking av brudd på våre etiske retningslinjer (CoC) vil Norengros møte enhver utfordring med passende aksjon. Norengros vil overveie grad av brudd, og gjøre tiltak deretter. Som oftest er det ved dialog og kommunikasjon for å sikre bedre samarbeid. Ved slike tilfeller vil Norengros være i tett dialog med leverandør og påse at alle tiltak og iverksettelser utføres i henhold til avtalt plan. Dersom leverandør ikke gjennomfører avtalte tiltak nødvendig for å tilfredsstille våre retningslinjer kan terminering av avtaleforhold være siste instans.

Norengros har ved flere anledninger kommet med forslag til forbedring hos flere leverandører, som mål å bedre arbeidskår for arbeiderne hos våre samarbeidspartnere. Eksempler på dette er å sette opp belysning på veistrekninger arbeidere benytter fra arbeidsted til boenhet, eller innføring av enklere systemer for avfall og ryddighet.

Norengros er for øyeblikket i en overgangsfase i å erstatte vårt sporbarhetsverktøy (Sharex) til ett nytt sporbarhetssystem (Factlines) som vil bidra til å styrke Norengros arbeid innen etisk handel. Oppstart på nytt sporingsverktøy starter januar 2019.

Norengros mener at det å ha kartlagt risikobildet gir fortinn innen innovasjon, effektivitet og langsiktig konkurransedyktighet.

Norengros' retningslinjer for Etisk Handel.

Innledning

Norengros jobber for å fremme gode arbeids- og miljøforhold i våre leverandørkjeder. Dette ønsker vi å gjøre i nært samarbeid og i dialog med våre leverandører og samarbeidspartnere. For å tydeliggjøre hva vi forventer av våre leverandører, har vi utarbeidet retningslinjer for etisk handel. Retningslinjene dekker grunnleggende krav til menneskerettigheter, arbeidstakerrettigheter, miljø og antikorrupsjon i leverandørkjeden.

Norengros forventer at våre leverandører videreformidler disse retningslinjene til sine underleverandører og bidrar til deres etterlevelse av dem, i tillegg til å jobbe for å etterleve kravene på egne vegne.

Norengros er medlem i Initiativ for etisk handel (IEH). IEH er et ressurssenter for etisk handel, hvor vi årlig rapporterer åpent om vårt arbeid med etisk handel.

Krav til egen virksomhet

Norengros jobber kontinuerlig for å forbedre egen policy og praksis, blant annet innkjøpspraksis, som kan bidra til at leverandørene etterfølger våre retningslinjer for etisk handel i dialog med leverandører og andre interessenter.

Norengros, inkludert alle ansatte, skal aldri tilby eller motta ulovlige eller urettmessige pengegaver eller andre godtgjørelser for å oppnå forretningsmessige eller private fordeler for egen del eller fordeler for kunder, agenter eller leverandører.

Norengros og **Norengros** leverandører skal unngå handelspartnere som har aktiviteter i land som er pålagt handelsboikott av FN og/eller norske myndigheter.

Oppfølging av etterlevelse av kravene

På oppfordring fra **Norengros** må leverandøren kunne dokumentere hvordan de selv, og eventuelt underleverandører, arbeider for å etterleve retningslinjene. Det kan gjøres ved oppfølgingssamtaler med **Norengros** og/eller kartlegging av arbeidsforholdene på produksjonssted. Dersom **Norengros** ønsker å kartlegge underleverandører med hensyn til etterlevelse av retningslinjene for etisk handel, plikter leverandøren å tillate en slik kartlegging og oppgi navn og kontaktopplysninger på disse.

Ved brudd på de etiske retningslinjene skal leverandøren, i samarbeid med **Norengros** lage en plan for utbedring av manglene. Utbedring skal skje innen rimelig tid. Heving av kontrakt vil kun forekomme dersom leverandør, etter gjentagende henvendelser, ikke viser vilje til å rette opp i forholdene.

Våre leverandører skal ha et velfungerende system for håndtering av klager knyttet til menneskerettigheter, arbeidstakerrettigheter, miljø og korrupsjon. Leverandøren skal sørge for at slike klager kan fremsettes av arbeidere og eksterne parter så som lokalsamfunn og sivilsamfunnsorganisasjoner.

Krav til forhold i leverandørkjeden

Våre leverandører og avtalepartnere skal respektere grunnleggende krav til menneskerettigheter, arbeidstakerrettigheter, miljø og antikorrupsjon. Varer som leveres til **Norengros**, skal være fremstilt under forhold som er forenlige med kravene angitt nedenfor. Kravene bygger på sentrale FN-konvensjoner, ILO-konvensjoner og nasjonal arbeidslovgivning på produksjonsstedet. Der hvor nasjonale lover og reguleringer dekker samme tema som disse retningslinjene, skal den høyeste standarden gjelde.

1. Tvangsarbeid/slavearbeid (ILO konvensjon nr. 29 og 105)

1.1. Det skal ikke forekomme noen form for tvangsarbeid, slavearbeid eller ufrivillig arbeid.

1.2. Arbeidere skal ikke måtte levere depositum eller identitetspapirer til arbeidsgiver og skal fritt kunne avslutte arbeidsforholdet med rimelig oppsigelsestid.

2. Fagorganisering og kollektive forhandlinger (ILO konvensjon nr. 87, 98, 135 og 154)

2.1. Arbeidere skal uten unntak ha rett til å slutte seg til eller etablere fagforeninger etter eget ønske, og til å forhandle kollektivt. Arbeidsgiver skal ikke blande seg inn i, hindre eller motarbeide fagorganisering eller kollektive forhandlinger.

2.2. Fagforeningsrepresentanter skal ikke diskrimineres eller hindres i å utføre sitt fagforeningsarbeid.

2.3. Dersom retten til fri organisering og/eller kollektive forhandlinger er begrenset ved lov, skal arbeidsgiveren legge til rette for, og ikke hindre alternative mekanismer for fri og uavhengig organisering og forhandling.

3. Barnearbeid (FNs konvensjon om barnets rettigheter, ILO konvensjon nr. 138, 182 og 79, ILO anbefaling nr. 146)

3.1 Minstealder for arbeidere skal ikke være mindre enn 15 år og i tråd med

i) nasjonal minstealder for ansettelse, eller;

ii) minstealder for obligatorisk skolegang,

med høyeste alder som gjeldende. Dersom lokal minstealder er satt til 14 år i tråd med unntaket i ILO konvensjon 138, kan dette aksepteres.

3.2 Nyrekruttering av barnearbeidere i strid med ovennevnte minstealder skal ikke finne sted.

3.3 Barn under 18 år skal ikke utføre arbeid som er til skade for deres helse, sikkerhet eller moral, inkludert nattarbeid.

3.4 Det skal etableres handlingsplaner for snarlig utfasing av barnearbeid som er i strid med ILO-konvensjonene 138 og 182. Handlingsplanene skal dokumenteres og kommuniseres til relevant personale og andre interessenter. Det skal legges til rette for støtteordninger hvor barn gis mulighet til utdanning inntil barnet ikke lenger er i skolepliktig alder.

4. Diskriminering (ILO konvensjon nr. 100 og 111 og FNs Kvinnediskrimineringskonvensjon)

4.1. Det skal ikke forekomme diskriminering når det gjelder ansettelse, avlønning, opplæring, forfremmelse, oppsigelse eller pensjonering basert på etnisk tilhørighet, kaste, religion, alder, uførhet, kjønn, sivil status, seksuell legning, fagforeningsarbeid eller politisk tilhørighet.

4.2. Det skal etableres vern mot seksuelt påtrengende, truende, fornærmende eller utnyttende adferd og mot diskriminering eller oppsigelse på usaklig grunnlag, f. eks ekteskap, graviditet, foreldrestand eller status som HIV-smittet.

5. Brutal behandling (FNs konvensjon om sivile og politiske rettigheter, art. 7)

5.1. Fysisk mishandling eller avstraffelse, eller trussel om fysisk mishandling er forbudt. Det samme gjelder seksuelt eller annet misbruk og andre former for ydmykelser.

6. Helse, miljø og sikkerhet (ILO konvensjon nr. 155 og anbefaling nr. 164)

6.1. Det skal arbeides for å sikre arbeidere et sikkert og sunt arbeidsmiljø. Farlige kjemikalier og andre stoffer skal håndteres forsvarlig. Nødvendige tiltak skal iverksettes for å forhindre og minimere ulykker og helseskader som resultat av, eller relatert til, forhold på arbeidsplassen.

6.2. Arbeidere skal ha jevnlig og dokumentert opplæring i helse og sikkerhet. Helse- og sikkerhetsopplæring skal gjentas for nyansatte og omplasserte arbeidere.

6.3. Arbeidere skal ha tilgang til rene sanitærfasiliteter og rent drikkevann. Hvis relevant, skal arbeidsgiver også besørge tilgang til fasiliteter for trygg oppbevaring av mat.

6.4. Hvis arbeidsgiver tilbyr losji, skal dette være rent, sikkert, tilstrekkelig ventilert og med tilgang til rene sanitærfasiliteter og rent drikkevann.

7. Lønn (ILO konvensjon nr. 131)

7.1. Lønn til arbeidere for en normal arbeidsuke skal minst være i tråd med nasjonale minstelønnsbestemmelser eller bransjestandard, den høyeste gjelder. Lønn skal alltid være tilstrekkelig til å dekke grunnleggende behov, inkludert noe sparing.

7.2. Lønnsforhold og utbetaling av lønn skal være skriftlig avtalefestet før arbeidet påbegynnes. Avtalen skal være forståelig for arbeideren.

7.3. Fratrekk i lønn som disiplinærreaksjon tillates ikke.

8. Arbeidstid (ILO konvensjon nr. 1 og 14)

8.1. Arbeidstiden skal være i tråd med nasjonale lover eller bransjestandard, og ikke overstige arbeidstid i samsvar med gjeldende internasjonale konvensjoner. Normal arbeidstid per uke skal vanligvis ikke overstige 48 timer.

8.2. Arbeidere skal ha minst én fridag per 7 dager.

8.3. Overtid skal være begrenset og frivillig. Anbefalt maksimum overtid er 12 timer per uke, dvs. samlet arbeidstid på 60 timer per uke. Unntak fra dette kan aksepteres dersom det er regulert av en kollektiv avtale eller nasjonal lov.

8.4. Arbeidere skal alltid ha overtidstillegg ved arbeidstidstid over normal arbeidstid (se punkt 8.1 over), minimum i tråd med gjeldende lover.

9. Regulære ansettelser (ILO konvensjon nr. 95, 158, 175, 177, 181)

9.1. Forpliktelser overfor arbeidere, i tråd med internasjonale konvensjoner, nasjonale lover og regler om regulære ansettelser skal ikke omgås gjennom bruk av korttidsengasjementer (som bruk av kontraktsarbeidere, løsarbeidere og dagarbeidere), underkontraktører eller andre arbeidsrelasjoner.

9.2. Alle arbeidere har krav på arbeidskontrakt på et språk de forstår.

9.3. Lærlingprogram skal være klart definert med hensyn til varighet og innhold.

10. Marginaliserte befolkningsgrupper (FNs konvensjon om sivile og politiske rettigheter, art. 1 og 2)

10.1. Produksjon og bruk av naturressurser skal ikke bidra til å ødelegge ressurs- og inntektsgrunnlag for marginaliserte befolkningsgrupper, for eksempel ved å beslaglegge store landarealer, uforsvarlig bruk av vann eller andre naturressurser som befolkningsgruppene er avhengig av.

11. Miljø

11.1. Tiltak for å redusere negative effekter på helse og miljø i hele verdikjeden skal gjennomføres gjennom minimering av utslipp, fremme effektiv og bærekraftig ressursbruk, inkludert energi og vann og minimering av drivhusgassutslipp i produksjon og transport. Lokalmiljøet på produksjonsstedet skal ikke bli drevet rovdrift på eller skadet av forurensning.

11.2. Nasjonal og internasjonal miljølovgivning og -reguleringer skal overholdes og relevante utslippstillatelser skal innhentes.

12. Korrupsjon

12.1. Alle former for bestikkelser, er uakseptabelt, så som bruken av alternative kanaler for å sikre illegitime private eller arbeidsrelaterte fordeler til kunder, agenter, kontraktører, leverandører eller deres tilsatte samt offentlige tjenestemenn/-kvinner.

13. Ledelsessystem hos leverandører

Ledelsessystem er sentralt for implementering av etiske retningslinjer**.** Norengros understreker viktigheten av at leverandør har systemer som støtter implementeringen av disse. Forventningene er tydeliggjort ved at:

- Leverandøren bør utpeke en ansvarlig, sentralt i organisasjonen, for implementering av de etiske retningslinjene i egen virksomhet
- Leverandøren skal gjøre retningslinjene kjent i alle relevante deler av sin organisasjon
- Leverandøren skal innhente samtykke fra Norengros før produksjon eller deler av produksjon settes ut til en underleverandør/kontraktør der dette ikke er avtalt på forhånd
- Leverandøren skal kunne gjøre rede for hvor varer som er bestilt av Norengros blir produsert.

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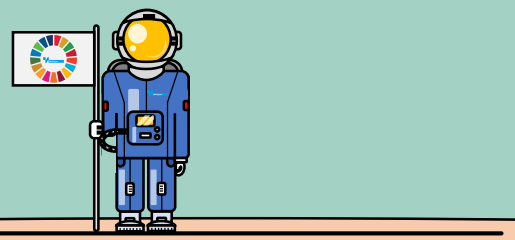
Vedtatt av Norengros A/S' styre 15.02.2018

Etisk handel i Norengros

NorEngros

«En bærekraftig utvikling er en utvikling som imøtekommer dagens behov uten å ødelegge mulighetene for at kommende generasjoner skal få tilfredsstille sine behov»

- Gro Harlem Brundtland, *Vår felles framtid*

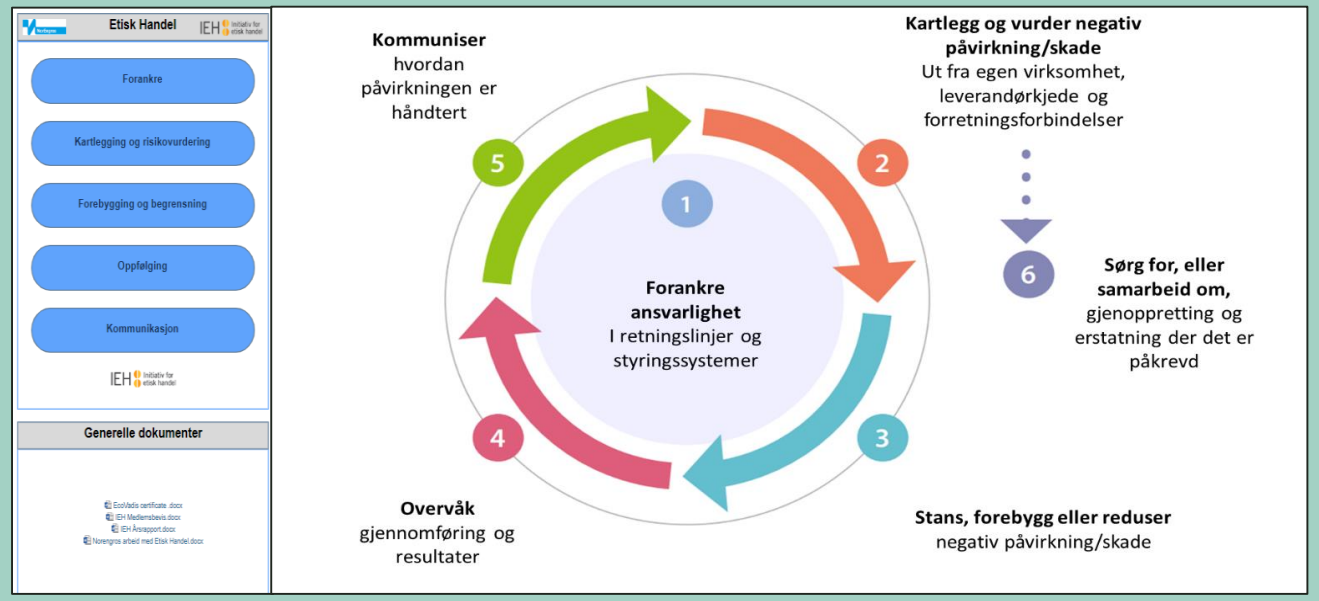


Norengros arbeid med Etisk Handel

Norengros arbeider med etisk handel ut i fra modellen utarbeidet av OECD. Denne tar for seg prosessen i enkle steg.

1. Norengros og forankring
2. Norengros og kartlegging og risikovurdering
3. Norengros og forebygging og begrensning
4. Norengros og oppfølging
5. Norengros og kommunikasjon

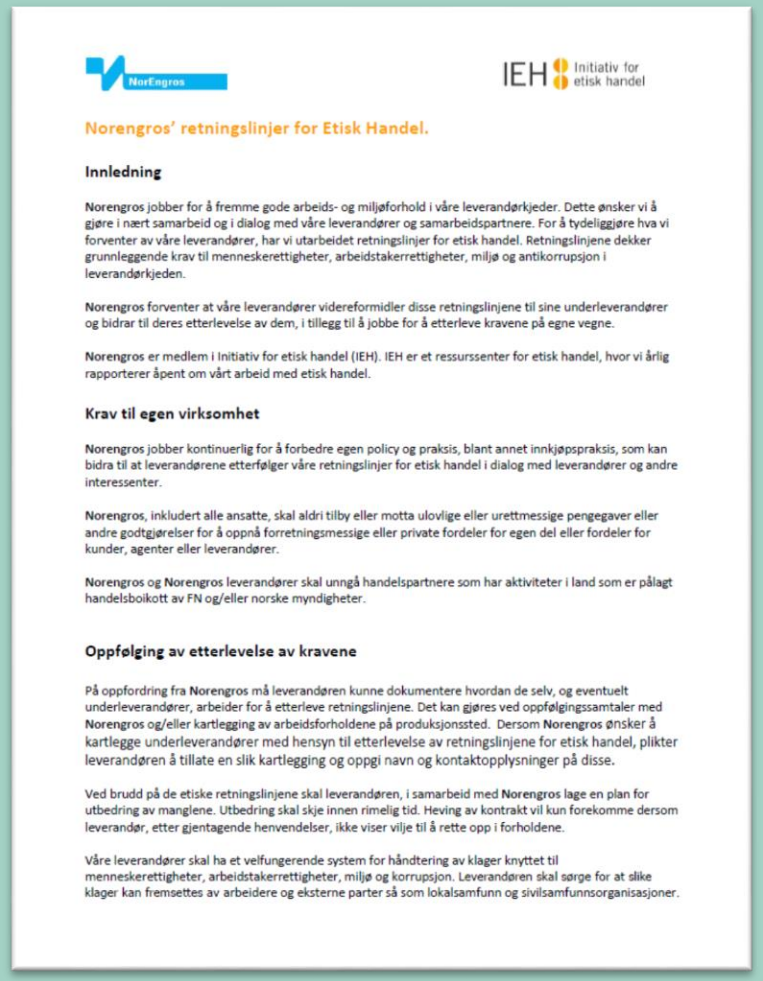
Bilde av Norengros styringssystem



1 Norengros og forankring

- Norengros jobber for å fremme gode arbeids- og miljøforhold i våre leverandørkjeder, og har utarbeidet etiske retningslinjer som bygger på ILO konvensjoner:
  - Barnearbeid
  - Moderne slaveri
  - Arbeidsrettigheter
  - Diskriminering
  - HMS
  - Miljø
  - Korrupsjon

Norengros' Etiske retningslinjer



NorEngros

IEH Initiativ for etisk handel

Norengros' retningslinjer for Etisk Handel.

Innledning

Norengros jobber for å fremme gode arbeids- og miljøforhold i våre leverandørkjeder. Dette ønsker vi å gjøre i nært samarbeid og i dialog med våre leverandører og samarbeidspartnere. For å tydeliggjøre hva vi forventer av våre leverandører, har vi utarbeidet retningslinjer for etisk handel. Retningslinjene dekker grunnleggende krav til menneskerettigheter, arbeidstakerrettigheter, miljø og antikorrupsjon i leverandørkjeden.

Norengros forventer at våre leverandører videreformidler disse retningslinjene til sine underleverandører og bidrar til deres etterlevelse av dem, i tillegg til å jobbe for å etterleve kravene på egne vegne.

Norengros er medlem i Initiativ for etisk handel (IEH). IEH er et ressurssenter for etisk handel, hvor vi årlig rapporterer åpent om vårt arbeid med etisk handel.

Krav til egen virksomhet

Norengros jobber kontinuerlig for å forbedre egen policy og praksis, blant annet innkjøpspraksis, som kan bidra til at leverandørene etterfølger våre retningslinjer for etisk handel i dialog med leverandører og andre interessenter.

Norengros, inkludert alle ansatte, skal aldri tilby eller motta ulovlige eller urettmessige pengegaver eller andre godtgjørelser for å oppnå forretningsmessige eller private fordeler for egen del eller fordeler for kunder, agenter eller leverandører.

Norengros og Norengros leverandører skal unngå handelspartnere som har aktiviteter i land som er pålagt handelsboikott av FN og/eller norske myndigheter.

Oppfølging av etterlevelse av kravene

På oppfordring fra Norengros må leverandøren kunne dokumentere hvordan de selv, og eventuelt underleverandører, arbeider for å etterleve retningslinjene. Det kan gjøres ved oppfølgingssamtaler med Norengros og/eller kartlegging av arbeidsforholdene på produksjonssted. Dersom Norengros ønsker å kartlegge underleverandører med hensyn til etterlevelse av retningslinjene for etisk handel, plikter leverandøren å tillate en slik kartlegging og oppgi navn og kontaktopplysninger på disse.

Ved brudd på de etiske retningslinjene skal leverandøren, i samarbeid med Norengros lage en plan for utbedring av manglene. Utbedring skal skje innen rimelig tid. Heving av kontrakt vil kun forekomme dersom leverandør, etter gjentagende henvendelser, ikke viser vilje til å rette opp i forholdene.

Våre leverandører skal ha et velfungerende system for håndtering av klager knyttet til menneskerettigheter, arbeidstakerrettigheter, miljø og korrupsjon. Leverandøren skal sørge for at slike klager kan fremsettes av arbeidere og eksterne parter så som lokalsamfunn og sivilsamfunnsorganisasjoner.

1 Norengros og forankring

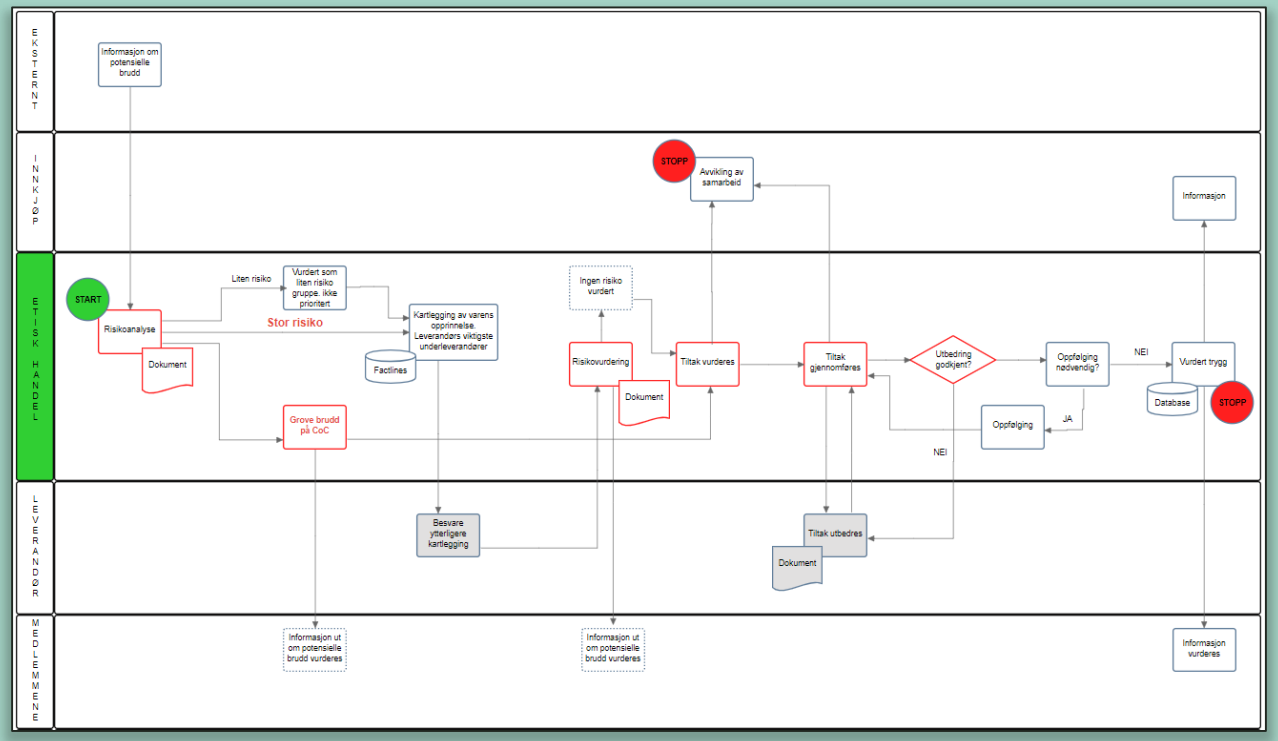
Norengros er medlem av Etisk Handel Norge

Etisk handel Norge' formål er å fremme ansvarlige leverandørkjeder slik at internasjonal handel bidrar til å ivareta menneske- og arbeidstakerrettigheter, bærekraftig utvikling og forsvarlig miljøhåndtering.

Medlemskapet innebærer å jobbe forpliktende og systematisk for å sikre bærekraftige leverandørkjeder. Å ta tak i de utfordringer i som finnes i egen leverandørkjede.

1 Norengros og forankring

I Norengros er alle prosesser inkorporert i styringssystemet.
Her finner man en systematisk fremgangsmåte på prosessen, og nødvendig materiell.



1 Norengros og forankring

- Etisk handel er del av Norengros handlingsplan utarbeidet av eiere og ledelsen
- Alle prosesser og prosedyrer for Etisk handel er forankret i prosesskart for avdeling i organisasjonen
- Alle sentrale avtaler i Norengros inneholder våre etiske retningslinjer og krav til leverandører
- Ansatte i Norengros som jobber med tematikken får nødvendig opplæring
- Alle ny ansatte skal få informasjon om hvordan Norengros arbeider med Etisk handel

1 Norengros og forankring

Norengros har i selskapets handlingsplan periode 2019 - ’25 vedtatt at organisasjonen skal bidra til å nå FNs Bærekraftsmål.

Gjennom arbeidet med etisk handel bidrar vi til å nå målene:

Mål 8

“Fremme varig, inkluderende og bærekraftig økonomisk vekst, full sysselsetting og anstendig arbeid for alle”

Hvordan?

- Bidra til å forhindre tvangsarbeid, og sosial diskriminering.
- Ved å kartlegge våre leverandørkjeder tilrettelegger for bedring av arbeiderrettigheter og miljø.
- Bruke vår posisjon til å stille krav om forbedringer og endring hos våre leverandører og samarbeidspartnere

Mål 12

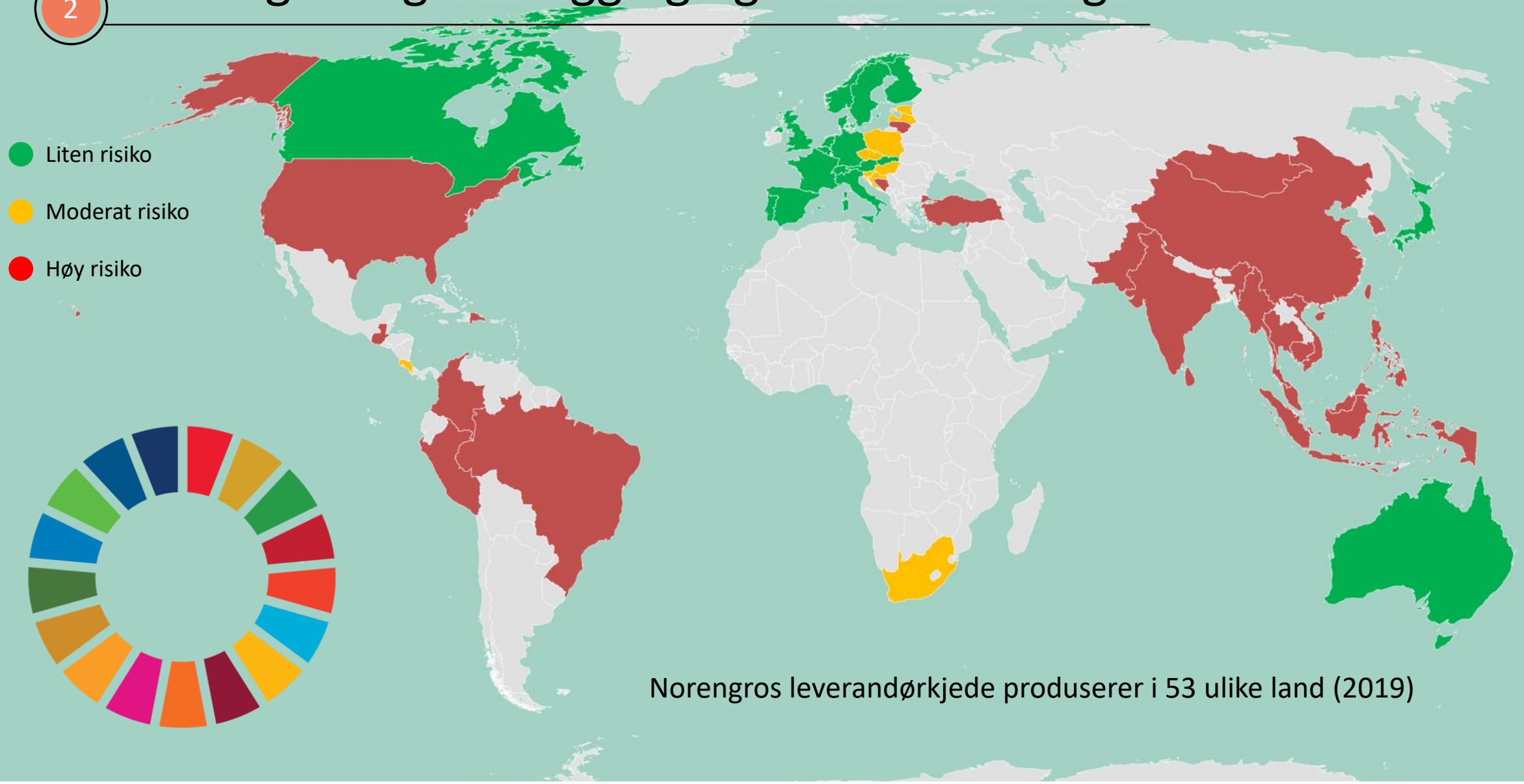
“Sikre bærekraftig forbruks- og produksjonsmønstre”

Hvordan?

- Bevisst de valg vi tar ved produktdesign, utvelgelse av materialer og utnyttelsen av disse, bidrar til å bedre utnyttelse av naturresursene.
- Bidra ved å stille strenge krav til bruk av kjemikalier, og korrekt forvaltning av disse for å verne miljø og arbeidere

Norengros og kartlegging og risikovurdering

2



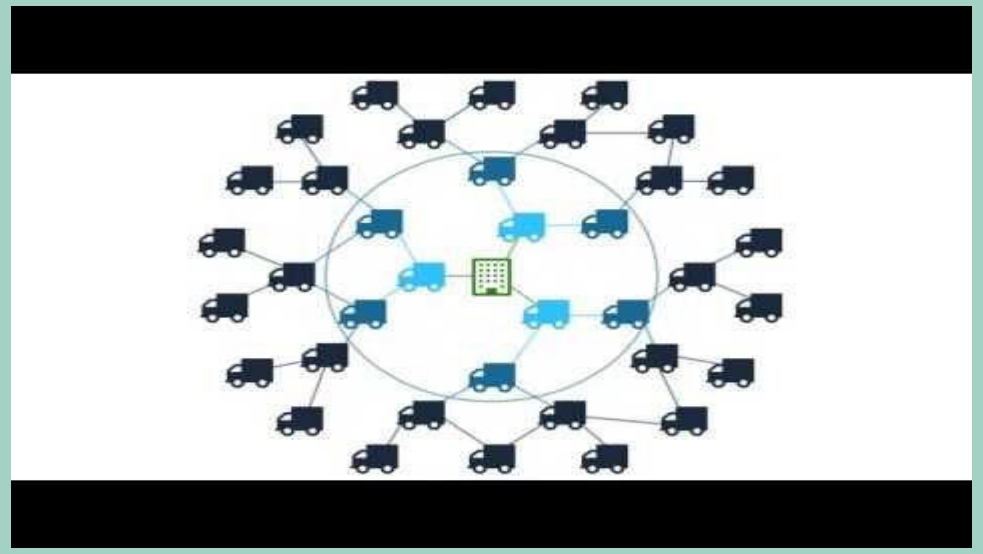
Norengros leverandørkjede produserer i 53 ulike land (2019)

Norengros og kartlegging og risikovurdering

FACTLINES
We simplify fairness

Norengros sporingsverktøy

- Factlines systemet tilrettelegger for kvalitetssikring og samfunnsansvar i leverandørkjeden ved leverandørkartlegging. Løsningen gir oversikt og grunnlag for videre forbedringsarbeid, for bærekraftige verdikjeder



2 Norengros og kartlegging og risikovurdering

Norengros sporingsverktøy

Factlines er et web-basert verktøy som forenkler informasjonsutveksling mellom parter i leveransekjeden, og lar oss identifisere og vurdere risiko gjennom kjeden, som muliggjør effektiv forbedringsarbeid innen samfunnsansvar.

FACTLINES
We simplify fairness

Prosessen

Kartlegging
Kartlegging av leverandørkjeden for å få innsikt i risiko

Risiko og rapportering
Gir oversiktlig risikoprofil på leverandører og videre arbeid

Dokumentasjon
Dokumenterer arbeidet og alle forbedringer som er gjennomført

Aktomhetsvurdering

2 Norengros og kartlegging og risikovurdering

- Etter kartlegging av våre leverandører gjennomføres en aktsomhetsvurdering av den enkelte leverandør og sannsynligheten for brudd, og hva type brudd.
- Kartlegging kan gjøres på forskjellige nivå ut i fra behov, dette kan være land, bransje, produkt etc
- Vurderingen gir oss svar på hvilken svakheter det finnes i de spesifikke 53 land våre leverandører produserer i og innenfor hvilken 7 kategorier.
- Kategoriene gjenspeiler Norengros etisk retningslinjer

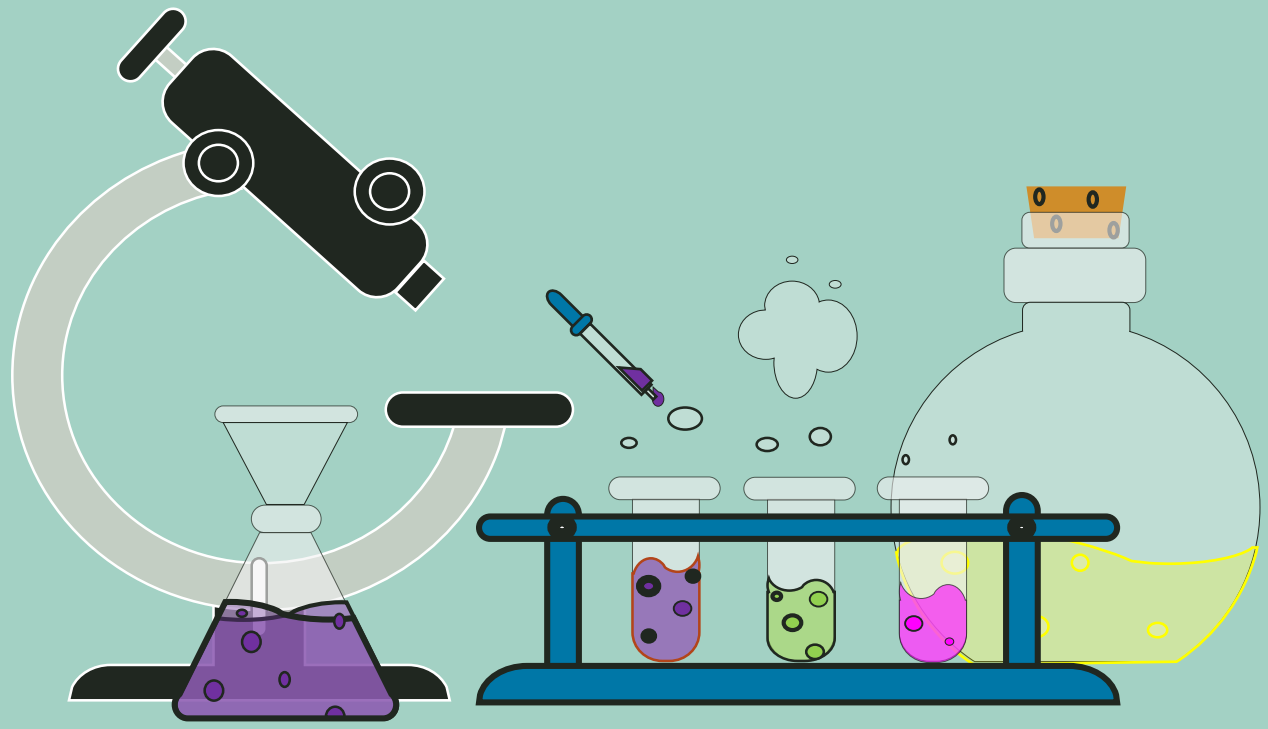
	Country	How safe is the county?	Workers rights	Environment	Child Labor	Forced Labor	Helath and Safety	Corruption	Total Score	Manually Weighted score	Color
					Probability						
1	Australia	77,94	60	74,12	92,72	97,60	89	77	81,20	26	
2	Austria	84,50	100	78,97	92,72	86,23	85	76	86,20	28	
3	Belgium	66,80	100	77,38	92,72	80,84	86	75	82,68	26	
4	Bosnia and Herzegovina	56,71	40	44,28	92,72	58,68	65	38	56,49	14	
5	Brazil	49,10	40	60,7	9 %	85,03	76	35	49,42	15	
6	Cambodia	58,20	20	42,85	58,35	5,39	45	20	35,68	11	
7	Canada	80,64	80	72,18	95,40	99,40	88	81	85,23	28	
8	Cape Verde			50	73,50	51,50	49	57	40,14	11	
9	China	55,59	20	50,74	58,39	66,47	73	39	51,88	15	
10	Colombia	39,42	20	65,86	95,40	67,66	73	36	56,76	18	
11	Costa Rica	60,20	80	68,8	95,40	95,21	72	56	75,37	22	
12	Croatia	71,86	80	65,62	92,72	32,34	80	48	67,22	22	
13	Czech Republic	79,91	100	67,68	92,72	64,67	82	59	78,00	22	
14	Denmark	83,85	100	81,6	92,72	89,82	84	88	88,57	28	
15	Dominican republic	51,22		64,72	95,40	52,10	58	30	50,21	16	
16	Estonia	69,72	100	64,31	92,72	56,29	81	73	76,72	22	
17	Finland	78,10	100	78,97	92,72	89,22	86	85	87,14	28	
18	France	32,00	100	83,95	92,72	81,44	86	72	78,30	25	
19	Germany	75,06	100	78,37	92,72	80,24	86	80	84,63	28	
20	Guatemala	48,43	20	52,62	95,40	63,47	52	27	51,28	14	
21	Hong kong	55,59	20	53,74	58,39	66,47	73	76	57,60	16	
22	Hungary	73,71	60	65,01	92,72	55,69	80	46	67,59	20	
23	India	43,17	20	30,57	58,39	31,74	63	41	41,12	10	
24	Indonesia	55,98	20	46,92	58,39	44,31	66	38	47,09	11	
25	Italy	66,61	100	76,96	92,72	73,05	82	52	77,62	24	
26	Japan	76,05	80	76,72	58,39	100,00	89	73	79,02	25	

Norengros og kartlegging og risikovurdering

Produkttesting

Norengros tar ut vilkårlige produkter i hver kategori årlig for testing av kjemiske stoffer som for eksempel:

- Stoffer på Kandidatlisten REACH
- Produktforskriften (POPs-forordningen)
- Prioritetslisten

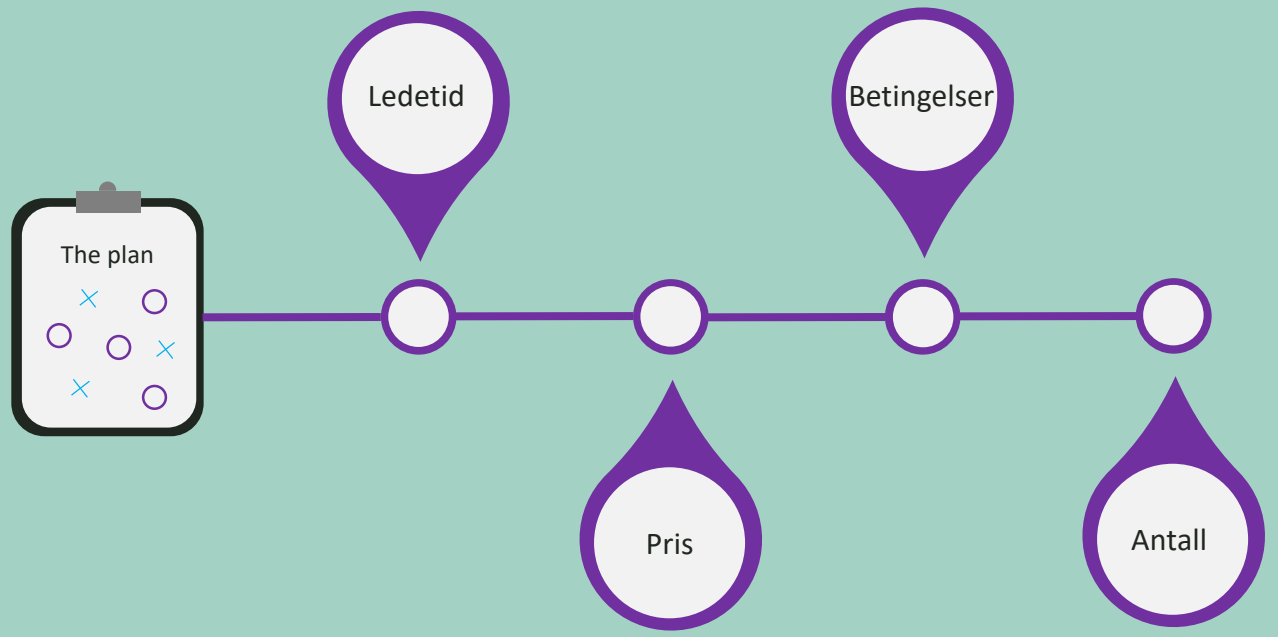


Norengros og forebygging og begrensning

Innkjøpspraksis

Norengros etterstreber å tilrettelegge for en forutsigbar innkjøpspraksis for å skape forutsigbarhet. Ved å lytte til leverandører/produsenter og i den grad mulig harmonere vårt behov mot deres prosesser og kapabilitet. Dette gjøres ved blant annet:

- Standardisere rammeverk i avtaler
- Lange sunne leverandør relasjoner
- Fastsatte ledetider fra leverandør
- Bestillingskalender
- Optimalisert innkjøp og logistikk
    - Minimumsbestillinger av miljøhensyn



4 Norengros og oppfølging

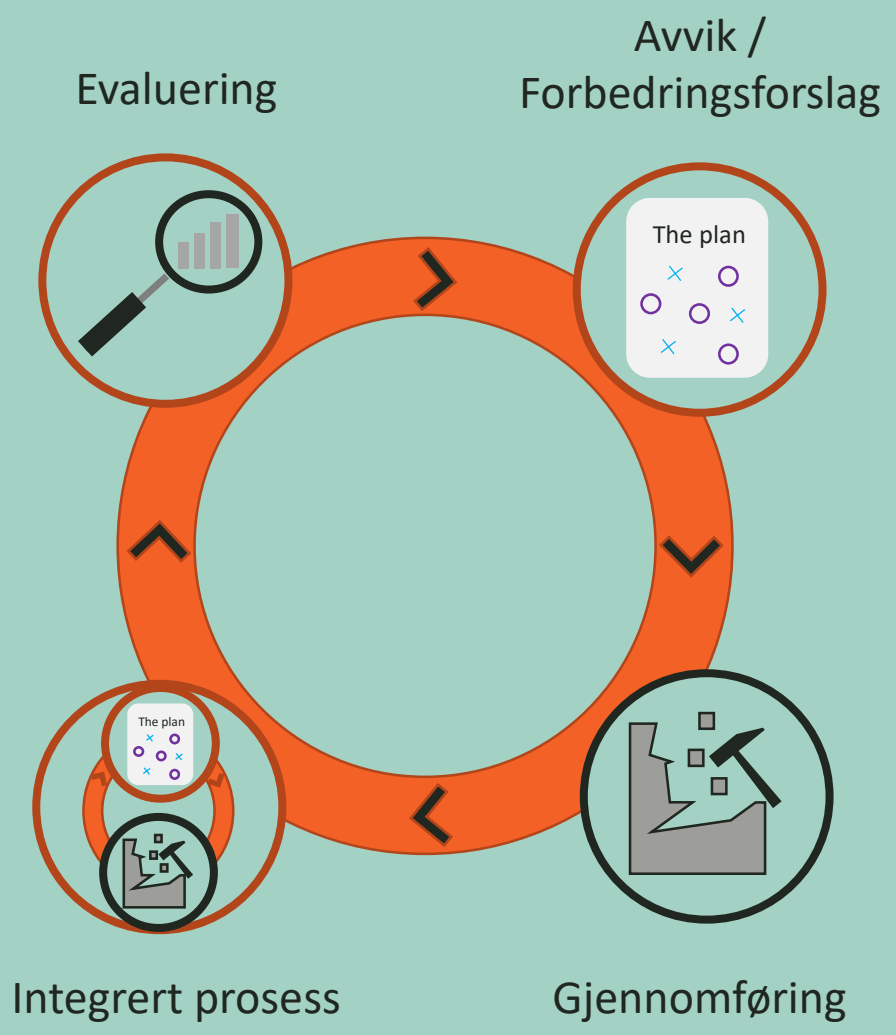
Oppfølging & Forbedringsarbeid (CAP)

Norengros benytter ulike metoder for oppfølging av leverandører.

- Egenrapportering (Factlines)
- Egne inspeksjoner/revisjoner
- 3-parts inspeksjoner (BSCI)

Norengros gjennomfører forbedringsarbeid (CAP) sammen med sine leverandører. Dette kan være innenfor flere kategorier:

- Implementering av etisk handel i organisasjonen
- Forbedringsforslag av mangler eller avvik
- Brudd eller fare for brudd på etiske retningslinjer

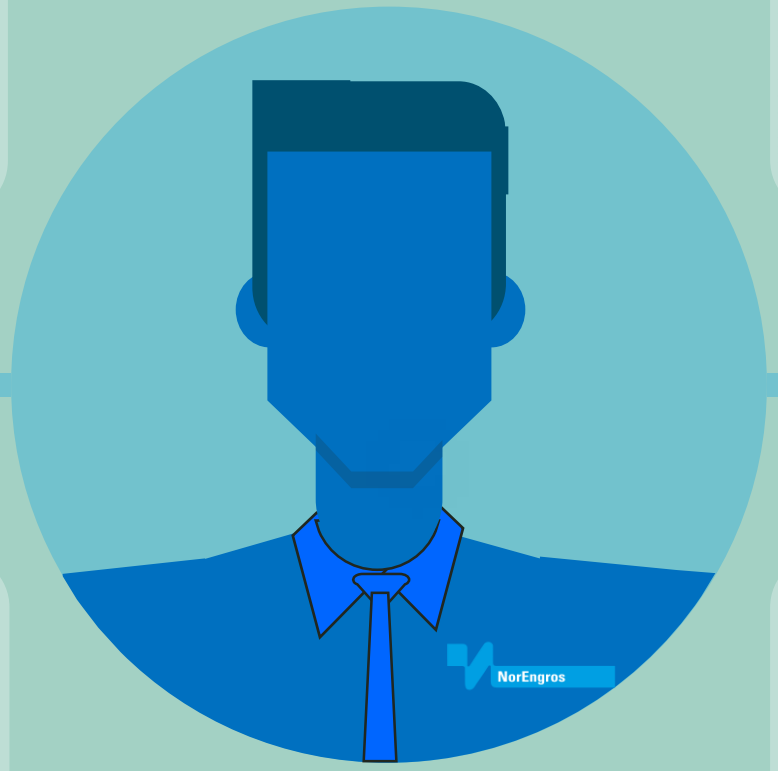


5 Norengros og kommunikasjon

Ekstern Kommunikasjon

Initiativ for etisk handel - Norengros Medlemsrapport (årlig)

Kunder / Leverandører



Intern Kommunikasjon

Workplace

SharePoint

LANDAX

ecovadis
SUSTAINABLE SUPPLY MANAGEMENT

Corporate Social Responsibility (CSR)

NORENGROS AS (GROUP)

has been granted a

Silver Recognition Level

Based on their EcoVadis CSR rating

March 2018

2018
CSR Rating
SILVER
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ECOVADIS SAS
Global CSR Monitoring
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EGENERKLÆRING FRA LEVERANDØRER TIL
Norengros

Spesifikasjoner	**Svar**
CoC: Aksepterer bedriften Norengros Code of Conduct? (legges ved avtalen). Leverandør er ansvarlig for kommunikasjon, innhenting av signaturer, samt overholdelse av CoC fra produksjonsfasiliteter og underleverandører. Leverandør plikter å opplyse om leverandørkjeden ved forespørsel.	☐ Ja ☐ Nei
ISO Sertifisering eller tilsvarende: Er bedriften ISO sertifisert eller tilsvarende? Hvilke(n) ISO standard(er) eller andre standard(er)? (kopi legges ved avtalen)	☐ ISO 9001 ☐ ISO 14001 ☐ ISO 13485 ☐ Ikke sertifisert ***Annet:***
HMS-system: Leverandøren har etablert HMS-system i henhold til forskriften for HMS-Internkontroll?	☐ Ja ☐ Nei
Kvalitetssikring: Har leverandøren etablert system for kvalitetssikring?	☐ Ja ☐ Nei
Sporbarhet: Finnes det løsninger for å spore produktet fra produksjon til sluttbruker?	☐ Ja ☐ Nei **Hvilken type?:**
Merking: Er produktene merkepliktige i henhold til forskrifter om klassifisering, merking av farlige kjemikalier (miljø-, helse-, brann- og eksplosjonsfaremerking?)	☐ Ja ☐ Nei ☐ Ikke relevant
Miljøvederlag: Er Leverandøren medlem av ett godkjent returselskap, og bekrefter at det betales vederlag på alle vederlagspliktige produkter i henhold til gjeldende satser.	☐ Ja ☐ Nei
Resirkulering: Inngår produktenes emballasje i et innsamlings- , gjenbruks- og/eller gjenvinningssystem?	☐ Ja ☐ Nei
Er det spesielle forhold vedrørende innsamlings- og gjenvinningsordninger for emballasjen som vi bør vite om (organisering av systemet, hvilken emballasje som skal leveres hvor, kostnader for bruker og lignende)?	☐ Ja ☐ Nei
Miljømerking: Tilfredsstiller noen av produktene kravene i de offisielle miljømerkene? Har dere produkter som er sertifisert? List opp de produktene som tilfredsstiller miljømerkekriterier i Prisfil, både offisielle og egne merker.	☐ Ja ☐ Nei
Kjemikalier: Inneholder noen av produktene stoffer oppført i Kandidatlisten (REACH vedlegg 17), utover tillatt verdi? Hvis ja, Spesifiser.	☐ Ja ☐ Nei ☐ Ikke relevant **Kommentar:**
Kjemikalier: Overholdes kapittel 4 i Produktforskriften (POPs-forordningen)? Inneholder noen av produktene kort kjedede klor parafiner (SCCP), stoffer som omhandles i Produktforskriftens kapittel 4 (POPs-forordningen)?	☐ Ja ☐ Nei ☐ Ikke relevant

Kjemikalier: Overholdes kravet i RoHS-direktivet?	☐ Ja ☐ Nei ☐ Ikke relevant
Kjemikalier: Inngår det kjemikalier i produktene som står oppført på myndighetenes liste over prioriterte kjemikalier for reduksjon/utfasing? **Ref.:** http://www.miljostatus.no/tema/kjemikalier/prioritetslisten/ eller lignende.	☐ Ja ☐ Nei ☐ Ikke relevant
EE-produkter: Oppfyller Elektriske og elektroniske produkter (EE-produkter) krav til merking av EE-produkter (ihht til produktforskriftens §§ 2a-6, 7, 8 og 9)?	☐ Ja ☐ Nei ☐ Ikke relevant
Samsvarserklæring: Foreligger det EK/EE- sertifikat eller samsvarserklæring på alle relevante produkter?	☐ Ja ☐ Nei ☐ Ikke relevant
Forskrift om utgangsstoffer: Er noen av produktene berørt av Forskrift om utgangsstoffer for eksplosiver (EU- forordning 98/2013)?	☐ Ja ☐ Nei ☐ Ikke relevant
Lovkrav: Oppfyller produktene alle norske lovkrav/direktiver?	☐ Ja ☐ Nei
Avfall: Må noen av produktene eller deler av produktene behandles som spesialavfall?	☐ Ja ☐ Nei
Bruk: Krever produktene spesielle tiltak ved bruk – verneutstyr eller lignende?	☐ Ja ☐ Nei
Lagring: Krever produktene spesielle tiltak ved lagring – sikkerhet, temperatur eller lignende?	☐ Ja ☐ Nei **Kommentar:**
Treemballasje: Vareleveranser med treemballasje er behandlet og merket i samsvar med den internasjonale plantesanitære standarden ISPM nr.15.	☐ Ja ☐ Nei ☐ Ikke relevant
Emballasje: Leverandøren etterstreber å bruke minst mulig emballasje og at den emballasjen som benyttes er minst mulig skadelig for miljøet.	☐ Ja ☐ Nei

.....den .....

.....

for Leverandør:

COUNTRY BRIEFING: CHINA

Last updated: August 2016

LOCAL RESOURCES NETWORK

Country Briefing: China

Objective

This country briefing is for members of the Local Resources Network (LRN). The aim of this report is to provide a synthesis of publicly available data in a format that can be used by businesses and organisations that source, or plan to source from China. It is not the intention of this country briefing to provide an in-depth analysis of any of the issues presented. It is recommended that all companies conduct an independent human rights and environmental impact assessment for the challenges that affect their specific industry. There are a number of local advisors who are registered in the Local Resource Network and can assist with this task.

Methodology & Approach

In preparing this country briefing, data has been selected based on the twelve clauses in the Code of Conducts of the ethical trading initiatives, ETI and IEH. These codes of conduct are based on key UN and ILO conventions and supporting policy documents. The due diligence guidelines presented in this report are aligned with the UN Guiding Principles on Business and Human Rights.

No research or quality assurance of primary sources has been undertaken. Only publicly available information has been used. We have, where possible, used sources that are recognised internationally as being robust and credible in their research approach, such as the ILO, the World Bank, and a number of governmental bodies. We have tried to find the most recent data available for each description below to ensure that data presented is valid at the time of publishing. Where data varies between sources, an average data source has been chosen. Should errors occur in the data presented, members of the LRN management committee cannot be held responsible, either collectively or individually, but will do our utmost to inform the authors of the information used to compile this report. Should you encounter an error or wish to provide feedback about this report, please send an e-mail to lrn@localresourcesnetwork.net. The full list of sources used to compile this country briefing are listed at the end of this document.

This report has been compiled by Marcus Borley, a freelance sustainability consultant in collaboration with the LRN Management Committee. We would like to thank Dr. Bonny Ling, Postdoctoral Research Fellow at the Centre for Human Rights Studies at the University of Zurich, and Mimi Zou, Associate Director at the Centre for Rights and Justice, The Chinese University of Hong Kong, for reviewing and providing valuable contributions to this report.

"China should release those who have been detained simply for standing up for the rights of Chinese workers, and allow legitimate non-governmental organisations seeking to help workers to do their work unhindered. China has responsibilities under international law, and it must acknowledge and respect those responsibilities. We welcome the support shown by the UN High Commissioner."

ITUC General Secretary Sharan Burrow, ITUC complaint to ILO about detention of labour rights defenders

Country context

The People's Republic of China (PRC) is an authoritarian state in which the Chinese Communist Party (CCP) is the paramount political authority. Under the current leadership, authorities have made significant and positive steps in certain areas, including abolishing the arbitrary detention system known as Re-education through Labor (RTL) and announcing (limited) reforms to the *hukou* system of household registration.

China has risen to be one of the most influential actors in the global economy over the last 30 years thanks largely to its export-oriented policies. The value of garment exports increased 250% between 1995 and 2014, yet the share of merchandise exports represented by garments halved. This reflects a structural shift to exports based on higher-level technology, and an increasing move away from low value products.

China is regarded as an upper-middle income nation (World Bank) and its relentless efforts to becoming one of the world's most advanced economies has resulted in a burgeoning middle class that supports and drives a fast-developing, diverse and tech-savvy domestic market. Wealth has, however, not fallen into the hands of all Chinese nationals and there is unequivocal evidence of increased income inequality. This makes for interesting discussions in China around wealth distribution, for example reforms to tax policy, better protection for workers' rights (including collective bargaining agreements), and social welfare reform.

China's 270 million migrant workers were dealt a helping hand recently with the Provisional Regulations for Residency (2016). This requires local authorities to establish a streamlined process for migrants to register as urban residents, providing them with access to key social services, not least schooling for their children. However, the *hukou* system remains the most pervasive form of employment-related discrimination by denying migrant workers access to the full range of social benefits, including health care, pensions and disability programs, on an equal basis with local residents. It is estimated that over 60% of migrant workers do not have a contract, and 85% work more than 44 hours per week. In addition, only 10% of migrant workers have access to unemployment insurance and only 16% have pension savings. In the absence of deeper *hukou* reforms, the precarious status of China's rural migrants and their restricted ability to access social benefits in the major cities will continue.

In ITUC's 2016 survey, China ranks as one of the ten worst countries, and is given a 5 rating, indicating that there is no guarantee of rights for workers. Despite the rise in industrial action, striking workers are commonly threatened, harassed and are often subject to physical abuse or even imprisonment.

Country data

Population (million)	1,394
Labour force participation (male)	78%
Labour force participation (female)	64%
Export of goods and services as % of GDP	23%
GDP, PPP (billion USD)	18,017
Population living below 1.25 USD a day	6.3%
GDP per capita PPP (USD)	13,206
Child labour (% of ages 5-14)	N/A
Life expectancy	76
CO2 emissions per capita	6.7
Minimum age for work	16
Unemployment rate	4.1%
Standard week (hours)	40
Corruption Perception Index Score (out of 100)	37

Sources: World Bank Data, Human Development Index, US State Department of Labor, transparency International

Useful contacts

ACWF: www.womenofchina.cn
ACFTU: http://en.acftu.org/
COSHA: www.cosha.org.cn
CLB: www.clb.org.hk
CLW: www.chinalaborwatch.org
WWF: http://en.wwfchina.org/
Ministry for Environmental Protection (MEP) http://english.mep.gov.cn/
National Bureau of Statistics of China: www.stats.gov.cn/english/

Due diligence hotspots

Freedom of Association & Collective Bargaining

China ranks as one of the ten worst countries according to ITUC. China has not ratified the core conventions C087 and C098 relating to collective bargaining and freedom of association. The law does not provide for freedom of association, and workers are not free to organize or join unions of their own choosing. Independent unions are illegal (the All-China Federation of Trade Unions – ACFTU – is the only recognized union in China, an organ of the CCP), and the right to strike is not protected in law. In 2015, workers conducted over 2,700 strikes over violations of basic labour rights, including the non-payment of wages and social security. In most such cases, employers threatened workers for having broken company rules, government officers harassed workers, and police engaged in physical attacks on workers citing the need to maintain public security. Several advocates who supported trade union activity were jailed in late 2015, leading the ITUC to file a lengthy complaint to the ILO Committee on Freedom of Association.

Working Hours & Wages

The standard working week in China is 40 hours, and workers shall not work more than 44 hours per week on average, with a maximum of 8 hours overtime per week. Enforcement however is poor and excessive working hours are seen as a key challenge in China, not least in meeting the demands of the migrant worker population who are eager to earn as much as possible in order to send money home to parents and children. According to Fair Wear Foundation (FWF), "excessive overtime continues to be one of the leading workers' rights violations in Chinese garment factories, and the most frequent problem found in FWF audits conducted in China. Workers rely heavily on wages earned during overtime hours and are normally paid piece rates. Insufficient payment of the correct overtime premiums has a severe impact on workers' monthly incomes."

Occupational Health & Safety

China has a robust framework of laws relating to OSH. Nevertheless, lack of safety monitoring, weak enforcement of laws and regulations, and poor management at enterprise level lead to an unacceptably high number of workplace accidents. As the 2012 ILO report concludes, "the current work safety situation remains grim". There were over 10,000 workplace fatalities in 2010. While a large portion of these were in high-risk industries such as mining and construction, approximately a third were in manufacturing industries. Health and safety issues comprise the largest proportion of non-compliance issues in China (representing over 55% of all issues raised). A key concern is handling and disposal of chemicals, particularly hazardous chemicals. Instances of pneumoconiosis and silicosis are high, and account for 90 percent of the 27,240 victims of occupational disease. Mass occupational poisoning incidents were high.

Legislation & Policy Gap

- Forced labour
- Child labour
- Freedom of Association & Collective Bargaining
- Health and safety
- Remuneration
- Working hours
- Discrimination
- Regular employment
- Harsh treatment
- Marginalised populations
- Environmental stewardship
- Anti-corruption

Key

- Ratified all ILO and UN conventions. Comprehensive legal framework. National policy and program in place. Issues regarding enforcement may prevail.
- Ratified relevant ILO and UN conventions, but not fully embedded into national law. Experiences challenges relating to enforcement and/or implementation.
- Ratified some of relevant ILO and UN conventions. Lack comprehensive legislation and/or serious issues relating to enforcement or implementation.

FORCED & COMPULSORY LABOUR

Enterprises should work towards:

- No forced, bonded or involuntary prison labour
- No requirement to lodge deposits or identity papers with employer
- Free to leave employer after reasonable notice

Description

China has not ratified the ILO core conventions on forced labour (C029 and C105) and is on the U.S. Department of State's Tier 2 Watch List. While legislative measures not fully comply with the minimum standards for protection of victims of trafficking in persons, China is making significant efforts to bring itself into compliance with those minimum standards. According to the US Department of Labor, the following export products are susceptible to being produced by forced labour: Christmas decorations, cotton, electronics, fireworks, footwear, garments and toys.

China's internal migrant population is vulnerable to trafficking with Chinese men, women, and children subjected to forced labor in coal mines and factories, some of which operate illegally and take advantage of lax government enforcement.

A number of women and children from neighboring Asian countries, Africa, and the Americas are victims of forced labour, including sex trafficking. Workers are lured to China with the promise of legitimate jobs, yet forced to work in factories or as prostitutes upon arrival.

Work-study programs have attracted attention and criticism from both the ILO and international media following reports that children in some work-study programs, supported by local governments and schools, are forced to work in factories, often to pay for school fees and school administration fees.

Re-education through Labor (RTL) penal institutions for political and criminal offenders were officially abolished in 2013, yet some are reportedly still operating under conditions of forced labour. State-sponsored forced labor continues to be an area of significant concern in China.

Article 41 of the Employment Promotion Law (2007) states that employment agencies shall not "detain the labourers' resident identity cards and other certificates, or charge a deposit against the labourers".

Due diligence hotspots

- Work-study programs and internships being used as a façade for forced labour.
- Forced labour in production of cotton, electronics, footwear, garments and toys.
- Forced labour in the production of Christmas decorations and fireworks
- Prison labour and labour in penal institutions and rehabilitation centres, who have found creative ways to circumvent (or ignore) the abolition of the RTL system.
- Migrant workers, including bonded labour, in smaller factories and sub-contractors.
- Immigrants working under forced labour conditions, especially where recruited through agents in own country.

Guidance for performing due diligence

- Ensure suppliers have adequate systems in place to evaluate the risk of bonded labour when recruiting workers from agents
- Ask suppliers, particularly in the informal sectors, whether original ID documents are retained for the duration of employment
- Ensure that suppliers issue contracts of employment to all employees, stipulating payment terms and termination conditions. Pay particular attention to clauses regarding the freedom to resign.
- Where employees are illiterate, contract terms should be explained orally. Contracts should also be made available in a language the employee can understand.
- Where suppliers use agency labour (aka *labor dispatch companies*), ensure that the agency issues contracts that comply with national law
- Where agencies are used, ask suppliers how they monitor compliance with relevant laws
- Ask suppliers to provide details of work-study programs and internships (objectives, training provided, support provided, duration, hours of work per day, whether students are required to live away from their home during the training program, and efforts to protect young workers on the program)

FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

Enterprises should work towards:

- Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively
- Workers representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace
- Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate the development of alternative forms of independent and free workers representation and negotiation

Description

China has not ratified the core conventions C087 and C098 relating to collective bargaining and freedom of association. The law does not provide for freedom of association, and workers are not free to organize or join unions of their own choosing. Independent unions are illegal, and the right to strike is not protected in law. The law allows for collective wage bargaining for workers in all types of enterprises. There is, however, no legal obligation for employers to negotiate or to bargain in good faith, and some employers refuse to do so. Protection varies regionally making it difficult to assess risk as at a broader level.

All union activity must be approved by and organized under the All-China Federation of Trade Unions (ACFTU), a CCP organ chaired by a member of the Politburo. The ACFTU and its provincial and local branches continued aggressively to establish new constituent unions and add new members, especially among migrant workers in large, multinational enterprises.

Strikes are increasingly used as a means to express frustration collectively over poor working conditions. In some cases spontaneous strikes resulted in positive outcomes for workers, such as wage increases. The frequency of "spontaneous" strikes remains high, especially in Guangdong and other areas with developed labour markets and large pools of sophisticated, rights-conscious workers.

Employers often circumvent legal provisions allowing for collective consultation over wages, hours, days off, and benefits through such tactics as forcing employees to sign blank contracts and failing to provide workers with copies of their contracts.

Due diligence hotspots

- Workers not freely able to exercise their rights
- Workers' representatives threatened and coerced
- Strike leaders and organisers sometimes sacked or charged with criminal offence.
- Provincial differences make it difficult to assess risk
- General fear of unions and industrial action
- Lack of respect or adherence to existing collectively bargained agreements
- Poor protection in employment contracts, and absence of signed employment contract

Guidance for performing due diligence

- Where a union (ACFTU member) exists, ensure that there is sufficient information about the local union representative(s) for employees.
- Ensure that there are worker committees, with legitimate worker representation, who are able to engage with management and bargain on behalf of workers around wages, working hours and other conditions.
- Ask to speak to the worker representative and get some insight as to how easy it is for him/her to perform activities freely, how often he/she meets with workers and how often he/she meets with management (ask for minutes of meetings if available).
- Find out if the company has a collective bargaining agreement with workers
- Ask workers if they are aware of any collective bargaining agreement on the site.
- Ask about contracts and if all workers are provided with written, signed contracts.

CHILD LABOUR

Enterprises should work towards:

- The minimum age for workers shall not be less than 15 or with the national minimum age, whichever is highest
- No person under the age of 18 shall be engaged in labour that is dangerous or hazardous to their health
- Policies and procedures for remediation of child labour shall be established, documented, and communicated to all relevant parties.

Description

China has ratified the ILO core conventions C138 and C182. The minimum age for workers is 16, and the law provides protection for "juvenile workers" between the ages of 16-18, specifically prohibiting them from dangerous work and from excessive working hours. Despite this, child labour is observed in the production of cotton, electronics and fireworks. In addition, forced labour, including child labour, is observed in footwear, garments and Christmas decorations.

Student-worker schemes are often abused and many school children end up working as cheap labour often in contravention of hours and wage regulations. ILO research in 2014 into work-study programs in the apparel sector found that over 50% of interns worked under conditions that did not meet national minimum standards and that nearly 15% were subject to involuntary or coercive work.

There are reports that children aged 13-15 are forced to produce electronics and toys in Guangdong province (often from Henan, Shanxi, Guangxi, or Sichuan provinces). In some cases, children are forced to work in factories through arrangements between the factories and the schools that the children attend in order to cover alleged tuition debts. The programs are described as student apprenticeships, but children report that they were forced to remain on the job and not allowed to return home. Half of the students' wages are sent directly to the schools, and the children receive little compensation after deductions are made for food and accommodation.

There are also reports that children are forced to pick cotton in China. Reports from an NGO and the U.S. Government indicate that children in the Xinjiang Uighur Autonomous Region and in Gansu province are mobilized through schools and required by provincial regulations to work during the autumn harvest. According to the most recently available estimates, between 40,000 and 1 million students are mobilized annually for the harvest, beginning as early as the third grade. Most children are paid little if at all, after deductions for meals, transportation, and payments to the school. These students are required to pick daily quotas of cotton or pay fines, and performance in the cotton harvest is assessed for the students' promotion to higher grade levels.

Due diligence hotspots

- Institutionalised child labour in cotton picking in Xinjiang Uighur and Gansu province
- Migrant children in toys and electronics production, particularly in Guangdong.
- Work-Study programs (also called apprenticeships) in garment sector, footwear, electronics and toys production used to conceal child forced labour.
- Poor working conditions that do not meet legal requirements in work-study programs and apprenticeships.

Guidance for performing due diligence

- Ensure that suppliers have a policy against child labour and that this is communicated to sub-suppliers
- Ensure suppliers have an adequate system for verifying age of workers in own production
- Assess the extent to which small-scale workshops are monitored by suppliers/agents
- Ensure that suppliers have a system in place to ensure that young workers (under 18) are not required to undertake dangerous tasks, work in hazardous environments, work night shifts or do overtime.
- Ask suppliers to describe the types of training and additional protection that young workers (under 18) receive.
- Ask suppliers to provide details of work-study programs and internships (objectives, training provided, support provided, duration, measures to protect young workers on the program).
- Ask suppliers how they monitor child labour in their supply chains, especially to cotton, electronic components, processes relating to toy production and shoe production.

DISCRIMINATION

Enterprises should work towards:

- No workplace discrimination in hiring, compensation, access to training, promotion, termination or retirement.
- Establish measures to protect workers from sexually intrusive, threatening, insulting or exploitative behavior.

Description

The Employment Promotion Law provides some basis for legal protection against employment discrimination, despite certain omissions including age, disability, sexual orientation, civil status, trade union affiliation and political views.

Discrimination in employment is widespread, including in recruitment advertisements and workplace policies that discriminate based on gender, age, height, and physical appearance. Many employers prefer to hire men to avoid the expense of maternity leave and child care.

Discrimination on the basis of ethnicity occurs, particularly in the XUAR, where some job advertisements specify that Uighur applicants will not be considered for employment.

Gender discrimination is pertinent, albeit largely covert, for example in recruitment, access to career progression and dismissal. The National Program for Women's Development (2011-2020) will continue its focus on women's access to education, health and equal rights in the workplace, including increasing workforce participation, opportunity and ensuring equal pay for equal work.

Unemployment among adults with disabilities, in part due to discrimination, is a serious problem. Article 29 of the Employment Promotion Law states that "When an employing unit recruits labourers, it shall not discriminate against disabled persons." and that the rights of disabled persons shall be protected by the State. The State offers tax incentives to enterprises that hire persons with disabilities and has implemented a quota system (varies regionally). There are reports of some employers putting such employees on the payroll simply to meet the quota but not requiring them to show up for work.

Despite a 2010 nationwide rule banning mandatory Hepatitis B virus tests in job applications, many companies continued testing as part of their pre-employment screening.

Due diligence hotspots

- Gender-based discrimination in recruitment, workforce participation and career progression, including wage parity.
- Lack of equal rights in the workplace
- Exploitation of and discrimination against marginalized groups, particularly in XUAR.
- Discrimination against disabled persons
- Employment discrimination based on an individual's health status, as in the cases of denying job offers to carriers of the Hepatitis B virus.

Guidance for performing due diligence

- Ensure suppliers have a policy on non-discrimination, particularly with reference to gender, ethnicity, race, age, disability, religious belief, sexual orientation, trade union affiliation and civil status.
- Ask what percentage of managers and supervisors are women, and what measures (e.g. policy or programme) are in place to ensure equal opportunity (including wage parity) in the workplace.
- Ensure suppliers have a well-functioning grievance mechanism
- Ask suppliers about anti-discrimination training and information for managers and supervisors
- Encourage suppliers to undertake an anonymous survey of workers relating to discriminatory practices in the workplace.
- Ask suppliers if they have had any contact with local NGOs promoting workplace equality, and what the results of such conversations were. Ask if they have followed up with any concrete action.
- Ask suppliers what diseases or medical conditions they test for as part of the recruitment process.
- Ask employers what they are doing to meet the local quota for disabled persons in the workplace.

HARSH OR INHUMANE TREATMENT

Enterprises should work towards:

- Physical, sexual or verbal abuse, punishment, threats, harassment, or any other forms of intimidation are prohibited.

Description

Reports on harsh and inhumane conditions for workers in Chinese factories abound, and appear to be pervasive. In 2014, SACOM discovered that workers in Apple's supplier, Pegatron Corporation, were being forced to work 12-13 hours per day and that some had not had a rest day in over 2 months. Similar breaches were found in UNIQLO's suppliers, where there was also evidence of bullying and punitive measures being used to drive fear amongst the workforce. One example is public humiliation of workers whose productivity levels are low via a internal broadcasting system.

In another example, bank workers were publicly flogged for poor performance, and the video of a manager beating male and female workers with a wooden stick in front of co-workers was published on Youtube.

Sexual harassment appears to prevail in the workplace. In a 2013 study, 70% of women manufacturing workers in a Guangzhou study reported having been sexually harassed in the workplace. Of these, approximately 15% resigned in order to escape harassment. According to the All China Women's Federation (ACWF), a Beijing lawyer has claimed that up to 200 million women are victims of workplace sexual harassment. Access to judicial and non-judicial remedy remains poor.

Collaboration with local NGOs is recommended. That said, many local NGOs in the social and environmental field are not registered or are *semi-official* due to them needing approval of an official, sponsoring government organization to become registered. Civil society organisations therefore sometimes lack legitimacy and are not formally recognized as public watch dogs as in other parts of the world. This can have consequences for defining their role and type of engagement possible.

New legislation coming into effect in 2017 aims to further curtail the activities of international civil society organisations operating in China.

Due diligence hotspots

- Sexual harassment of workers
- Verbal and physical abuse of social and religious minorities
- Use of punitive measures, including public humiliation, to increase productivity
- Poor awareness and appreciation of psychosocial factors effecting well-being at work
- Lack of effective grievance mechanisms

Guidance for performing due diligence

- Ensure suppliers have a policy that condemns the use of physical and verbal abuse
- Ask for a copy of the policy against sexual harassment, and ask which employees (or their representatives) were involved in developing the policy
- Enquire about training received by (particularly male) supervisors and managers
- Enquire about on-site grievance mechanisms and whether they are able to deal with such complaints in a sensitive and competent manner
- Encourage suppliers to ally with a local NGO who can provide training and information on the topic (*note political sensitivity towards civil society groups*)
- Ask about campaigns/measures to promote well-being and to improve employee satisfaction.

OCCUPATIONAL HEALTH & SAFETY

Enterprises should work towards:

- The working environment shall be safe and hygienic.
- Hazardous chemicals and other substances shall be carefully managed.
- Adequate steps shall be taken to prevent accidents and injury to workers' health.
- Workers shall receive regular and documented health and safety training.
- Workers shall have access to clean toilet facilities and potable water.
- Accommodation, where provided, shall be clean, safe and adequately ventilated, with access to clean toilet facilities and potable water.

Description

China has a robust framework of laws relating to OSH. It has ratified the ILO Occupational Health and Safety convention in 2007, and a large proportion of legislation is harmonized with relevant ILO conventions and international standards. In addition, there are a number of regulations addressing specific areas of HSE, including handling hazardous chemicals, and laws relating to specific industries, for example mining and construction.

Nevertheless, lack of safety monitoring, weak enforcement of laws and regulations, and poor management at enterprise level lead to an unacceptably high number of workplace accidents. As the 2012 ILO report concludes, "the current work safety situation remains grim". There were over 10,000 workplace fatalities in 2010. While a large portion of these were in high-risk industries such as mining and construction, approximately a third were in manufacturing industries.

According to Sedex, health and safety issues comprise the largest proportion of non-compliance issues in China (representing over 55% of all issues raised). A key concern is handling and disposal of chemicals, particularly hazardous chemicals. Instances of pneumoconiosis and silicosis remain high. Mass occupational poisoning incidents are also high.

The law requires employers to provide free health checks for employees working in hazardous conditions and to inform them of the results. Workers have the right to report violations. The prevalence of smoking and the intensity of passive smoke exposure in Chinese workplaces make this exposure one of the most deadly occupational hazards seen. This problem of health promotion can probably only be effectively approached in China by worksite programmes.

June is national work safety month in China, where there is a national focus on safety and health in the workplace.

Due diligence hotspots

- Serious health and safety risks prevail, particularly around use of PPE, emergency preparedness and chemical use and disposal
- Lack of investment in technology, with outdated and poorly-maintained equipment
- Low safety management levels and poor routines in many enterprises.
- Poor level of worker involvement and training

Guidance for performing due diligence

- Ask suppliers when they last had an emergency drill, and what improvements they have implemented since
- Ask suppliers what measures are in place to protect workers who handle hazardous chemicals and/or materials specifically regarding selection, storage, labelling, containment, staff training and disposal.
- Ask if workers have access to chemical safety cards and safety checklists (distributed by ACFTU/ILO).
- Encourage production facilities to establish internal health and safety committee with representation from workers.
- Encourage suppliers to complete a self-assessment
- Provide information, training and resources for risk assessment and mediation.
- Ask suppliers about procedures for accessing PPE, who provides it, routines for cleaning, maintenance and renewal of PPE, and is it provided free of charge.
- During site visits, observe the use of PPE
- Ask suppliers about training around health and safety provided to workers, including first aid.
- Ask suppliers for records of injuries, and how workers register injuries and, if relevant, near misses.
- Encourage suppliers to adopt the use of huddle meetings and factory-floor safety boards to promote workplace safety.

WAGES

Enterprises should work towards:

- Wages shall meet national legal or industry benchmark standards, whichever is higher.
- Wages should always be high enough to meet basic needs.
- All workers shall be provided with a written contract in a language they understand, outlining their wage conditions and method of payment.
- Deductions from wages as a disciplinary measure shall not be permitted.

Description

There is no national minimum wage, but the law requires local and provincial governments to set their own minimum wage rates. Average wage levels continued to increase, and almost all local and provincial governments raised minimum wage levels during the year because of changing economic and demographic conditions.

Minimum wages in 2016 vary from province to province, with the lowest rates of 900 RMB in more rural cities to 1560 RMB in Beijing and 1800 RMB in Shenzhen. The highest rate is 1820 RMB in Shanghai. While compliance with minimum wages is generally high, research suggests that there are exceptions in certain regions, notably where the minimum wage is higher than average. Minimum wage regulations are often not adhered to lower down in supply chains, including informal workers and homeworkers.

Poor piece rate calculations invariably mean that piece rate workers work longer than a standard working week to attain a minimum wage. It is estimated that nearly a quarter of textile and garment workers do not receive legally-mandated overtime premiums.

Women are entitled to 98 days' paid maternity leave. Men are not entitled by law to paternity leave, although some progressive employers offer some kind of paternity leave.

Social security payment is a serious issue in China, perpetuated by the *hukou* system. The Provisional Regulations for Residency (2016) is a long-awaited amendment to the law. This will have an impact firstly on migrant workers' ability to access social and welfare services where they reside, but also negates arguments for non-payment of social costs.

Nonpayment of wages remains a problem. It is possible for companies to relocate or close on short notice, often leaving employees without adequate recourse for due compensation.

Due diligence hotspots

- Wages below minimum wage and below a living wage
- Wages not specified in contracts
- Poor piece-rate calculations, not regularly reviewed
- Non-payment of overtime premiums
- Deductions from wages in the form of penalties for not meeting productivity targets.

Guidance for performing due diligence

- Enquire whether the supplier has a collective bargaining agreement that regulates working hours and wages
- Ask suppliers what the premium overtime rates are (to give an indication of whether they are familiar with legislation)
- Ensure the supplier has a robust system for recording working hours and wage payments, and that all overtime hours are paid at the premium rate
- Ask suppliers how piece rates are calculated and how often they are reviewed to ensure that they are aligned with minimum wages in that region.
- Ask workers how often they are paid, and if they receive a pay slip for each payment, detailing all deductions made.
- Ask workers what incentives are provided for meeting production goals

WORKING HOURS

Enterprises should work towards:

- Working hours comply with national laws and benchmark industry standards and should not regularly exceed 48 hours.
- Workers are given at least one day off for every 7-day period.
- Overtime is limited and voluntary, and does not result in the employee working more than 60 hours a week (unless regulated by a collective bargaining agreement).
- Workers are paid overtime at a premium rate in accordance with national legislation.

Description

The law mandates a 40-hour standard working week, excluding overtime, and a 24-hour weekly rest period. It also prohibits overtime work in excess of three hours per day or 36 hours per month and mandates premium pay for overtime work. In many cases workers (especially migrant workers) encouraged non-compliance by requesting greater overtime to counterbalance low base wages and increase overall income.

Working hours continue to be a problem in China, and may skew the real productivity levels celebrated by industry, and sought by buying companies. In both Sedex and Fair Wear Foundation audits, excessive overtime, non-payment of overtime premiums and poor piece rate calculations continue to be a serious problem.

Overtime can extend the workweek to a maximum of 56 hours, and the applicable rate is 200% of normal wage rates. Overtime rate for working on public holidays is 300%. Employees cannot be made to work for more than 10 consecutive days without being given a compensatory full day off.

A worker that has been employed in an enterprise for at least four months prior to delivering giving birth is entitles to three months of fully paid maternity leave. Additional benefits required by labour law include sick leave, healthcare, education for workers' children, social security, old age benefits and a workers' welfare fund.

Due diligence hotspots

- Overtime in excess of legal limit
- Mandatory overtime, with or without overtime premium
- Non-payment of overtime premiums, particularly in small production facilities and farms.
- Failing to provide leave according to legal entitlement
- No regular review of piece rates to ensure that hours worked to meet the minimum wage are not more than 40 hours on average

Guidance for performing due diligence

- Enquire whether the supplier has a collective bargaining agreement that regulates working hours and wages
- Ask suppliers what the allowed overtime hours are (to give an indication if they are familiar with legislation)
- Ensure the supplier has a robust system for recording working hours and wage payments, and that all hours are registered
- For piece rate workers, enquire how piece rates are estimated and how often they are reviewed.
- Ask workers how often they work overtime, and how often they are given leave
- Ask suppliers how they plan production to optimize capacity, and whether this information can be shared online to assist buyers with planning production out of peak periods
- Ask suppliers if they need more time to prepare orders in the event of an order change close to the original shipping date

REGULAR EMPLOYMENT

Enterprises should work towards:

- Obligations to employees are not be avoided through the use of short term contracting, sub-contracting or other labour relationships.
- All workers receive a contract of employment in a language they understand.
- The duration and content of apprenticeship programs are clearly defined

Description

Many vulnerable workers are employed in the informal economy, including over half of all migrant workers. UN experts reported that women were particularly active in the informal economy, often as domestic workers or petty entrepreneurs. Workers in the informal sector often lack labour contracts, and even with contracts, migrant workers in particular have less access to benefits, especially social insurance. Workers in the informal sector work longer hours and earn as low as half of their counterparts in the formal sector.

Wageindicator.org suggests that around a third of garment and textile workers do not have contracts or social security, and pressure to increase wages (wildcat strikes) has often been conceded against trade-offs which make certain workers (notably women and migrant workers) more vulnerable.

Increasing wage costs and demands from workers has had an unfortunate impact in the labour market, namely a massive increase in the use of employment agencies, providing temporary labour known as labour dispatch workers. According to a Bloomberg report, at least 60 million workers are labour dispatch workers. Workers usually pay a fee to dispatchers, as do factory owners. According to Bloomberg, the number of temporary workers is likely to grow by up to 50 percent this year as companies try to cut costs in the face of rising minimum wages and reduced margins from price-conscious customers. Labour dispatchers often do not provide social welfare insurance, and are reluctant to pay overtime premiums. In addition, temporary workers are denied basic rights such as union membership and leave entitlement, and often fall outside of the scope of audits. There is little commitment from factory owners to non-employees of the company, and dispatch workers are vulnerable to harassment, dismissal at short notice, and disregard for working hours regulations.

Due diligence hotspots

- Use of labour dispatch workers to cut staffing costs
- Use of casual labour and informal employment in informal sector
- Withholding wage payments
- Failure to issue contracts
- Smallholders and small-scale farms and workshops

Guidance for performing due diligence

- Ask suppliers to provide details of how many permanent employees there are, versus how many are employed on short-term contracts.
- Ensure that all employees are provided with contracts stipulating conditions of employment, in accordance with the requirements of the Labour Contract Law
- Ensure that the majority of workers are being offered full-time or permanent positions after a probationary period
- Encourage suppliers to reduce recruitment costs and increase motivation through maximizing the use of permanent staff
- Encourage employers to provide workers with skills training that can enable them to move into other positions within the company.
- Ask suppliers what checks are made of labour dispatch agencies to ensure compliance with labour laws, and that agencies possess a valid licence.
- Ask whether labour dispatch agencies pay their subcontracted workers promptly and regularly

MARGINALIZED POPULATIONS

Enterprises should work towards:

- Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as claiming large land areas, use of water or other natural resources on which these populations are dependent.

Description

In addition to the plight of many marginalized groups discussed in this report, it is worth briefly mentioning the issue of land rights and access, particularly for farmers in rural areas of China.

Although there are numerous policies and regulations aimed at safeguarding farmers' land rights in China, they function ineffectively. As a result, millions of farmers have been evicted from their land without proper compensation. Farm land is owned de facto by the State, and farmers are therefore unable to sell land they farm, or use it as collateral for loans, e.g. to invest in new farming technology. Farmers are allocated 30-year usage rights, and this again is a hindrance to long-term investments that will benefit future generations.

Corruption in gaining land rights and in acquiring land is pervasive and companies looking to invest in and develop land in China, particularly land that is allocated to agricultural activities should conduct thorough due diligence.

Due diligence hotspots

- Land acquisition
- Access rights and usage permits
- Protection of small-scale family businesses

Guidance for performing due diligence

- Ask suppliers to verify land ownership and usage rights
- When acquiring land or access rights, manage expectations through engaging with relevant stakeholders, for example through town hall/village meetings.
- Engage with local communities and keep them informed of progress.
- Demonstrate that demands and expectations are perceived as legitimate and are addressed over time.
- Ensure rights to land are preserved and alternative land used to maintain livelihoods where relevant.
- Providing information on access to rights and access to remedies if they feel rights have been violated.
- Be clear about benefit-sharing and shared value creation and present this to relevant stakeholders.

ENVIRONMENTAL STEWARDSHIP

Enterprises should work towards:

- Measures to minimize adverse impacts on human health and the environment shall be taken throughout the value chain.
- National and international environmental legislation and regulations shall be respected and relevant discharge permits obtained.

Description

The amended Environmental Protection Law (2014) sets out to harmonise regulation and clearly sets out rights and obligations for citizens, business and government. The Ministry for Environmental Protection (MEP) has the main responsibility for implementing and monitoring environmental law and national policy.

With around 20% of the world's population, yet only 6% of the world's fresh water reserves, water scarcity is a serious challenge in China. Throw high levels of pollution and contamination from industrial effluents into the mix, and water stress is arguably one of the main threats to China's continued development over the coming decades.

Recent high levels of economic growth brought major environmental challenges, including serious degradation of the Pearl River Delta. Significant discharge of sewage and industrial waste water has caused serious pollution, and the health of the entire watershed has been severely impacted. Surveys conducted by relevant national authorities reveal that 83% of surface water and 28% of ground water do not meet national standards. The majority of cities in China suffer from water shortages, with the largest cities suffering from permanent water shortages. Water stress is particularly prominent in agricultural areas, especially in the north, and advances in irrigation technology are critical to ensure food security for China's growing population.

Environmental management is one of the top 10 non-compliance issues observed in factory and farm audits in the Sedex database, and poses a key risk in Chinese supply chains.

China is an active member of FAO's South-South Cooperation Network aimed at increasing agricultural practices and technologies in the region in order to increase food security and reduce water stress. The Ministry of Environmental Protection, which has the noble mission to "improve environmental quality and build a beautiful China which enjoys blue sky, green land and clean water", has its work cut out.

Due diligence hotspots

- Water intensity in production and agriculture
- Waste water management
- Chemical waste management

Guidance for performing due diligence

- Ensure that suppliers have the relevant licenses and discharge permits relevant for the production processes carried out on site
- Ensure that chemical and hazardous products are labelled properly, stored in a safe and secure manner, and that they are disposed of responsibly
- Particular attention should be paid to the handling of industrial chemicals, pesticides, fertilizers.
- Ask suppliers to describe how they are working to reduce the environmental impact of their core business processes.
- Ask suppliers if they have installed (or plan to install) water treatment equipment to reduce the risk of hazardous effluents being released into rivers, lakes and the sea.
- Ask suppliers to describe their environmental management system, including if they are certified to ISO 14001 or similar.
- Engage with local civil society organisations to perform an environmental impact assessment (EIA)
- Search the Local Resources Network to find advisors and partners who can assist with an EIA.

ANTI – CORRUPTION

Enterprises should work towards:

- Corruption in any form is not accepted. This includes bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials.

Description

Corruption has been one of Xi Jinping's priorities since entering into power. In principle, the institutional and legal frameworks to prevent corruption are strong, with bribery of foreign government officials and officials representing international companies carrying a sentence of up to 10 years' imprisonment. The Central Commission for Discipline Inspection has been successful in ensuring that a large number of officials have been removed from their posts.

However, enforcement of anti-corruption law is generally weak, and corruption remains rampant. Many cases of corruption involve areas heavily regulated by the government, such as land-usage rights, real estate, mining, and infrastructure development, which were susceptible to fraud, bribery, and kickbacks.

Companies are likely to experience bribery, political interference or facilitation payments when acquiring public services and dealing with the judicial system. When doing business in China, the common practice of *guanxi* is a custom for building connections and relationships based on gifts, banqueting, or small favours. Guanxi-related gifts can be considered bribery by foreign companies and by national and international anti-corruption laws. This is because gifts are seen to facilitate a business transaction, and encourage reciprocity.

Companies are advised to carefully consider the type and value of gifts, the occasion, and the nature of the business relation.

Due diligence hotspots

- Land rights and acquisition
- Licences and permits
- Bribery of government and non-government inspectors and auditors
- Gifts and favours as part of business transactions

Guidance for performing due diligence

- Ask the supplier who in their organization is responsible for ethics and compliance.
- Communicate clearly with suppliers around expectations and explain reasons for not being able to receive gifts or favours politely so as not to jeopardise your business relationship.
- Ask suppliers if they have a Code of Conduct or policy on corruption.
- Ask suppliers if they provide any information or training to their staff and/or other stakeholders around anti-corruption/ethical practices
- Ask auditors and inspection authorities how they monitor and mitigate corrupt practices
- Publish payments made for acquisition of land rights, licences and/or permits and ask suppliers for the same information.
- Ask suppliers what types of grievance mechanisms are available to staff and other stakeholders (e.g. whistleblower programme, anonymous complaints registration), and how received complaints are handled.
- Perform an internet search of senior management, company owners and Board members against typical search words (e.g. corruption, bribery, conviction, allegation, kickback, indictment, investigation). A more in-depth internet search can also be done to evaluate conflicts of interest (e.g. ownership, Board membership or employment at competing companies, public bodies/authorities and/ or suppliers).

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