

General corporate social responsibility and sustainability guidelines (policy document) – labour and human rights

Last revised	<i>14.12.2018 – approved by the Board of Directors</i>
Owner	<i>Head of HR and Legal</i>
Responsible	<i>Head of HR and Legal</i>

SpareBank 1 Østlandet has sustainability as one of six main strategic goals for the Bank. Central to the work on sustainability is respect for international labour and human rights, and this is therefore important for the Bank. These guidelines are rooted in our Sustainability and Social Responsibility Strategy and our General Corporate Responsibility and Sustainability Guidelines.

Below are some of the most important conventions, frameworks and guidelines in the area of human rights. This does not mean that other human rights are not important. These are also to varying degrees relevant for us, our customers and business associates, depending on the industry and whether the business operations and supply chains are national or international. How these guidelines are operationalised within the Bank's business areas is therefore described in the guidelines for the area in question, and where necessary in specific guides, procedure descriptions and checklists.

International framework for business and human rights

- International law affirms that states have the primary responsibility to protect their own citizens from human rights violations. However, through the United Nations Guiding Principles on Business and Human Rights (UNGP), adopted in 2011, the world community has determined that companies and business actors have an *independent responsibility* to respect human rights. According to Guiding Principle 15, all companies should have policy commitments on human rights, conduct due diligence assessments to avoid contributing to violations and have processes in place to address any human rights violations. They shall also encourage their own business associates to do the same, especially within their own supply chains. This applies to all companies, including SpareBank 1 Østlandet and our business associates.

The UN's Guiding Principles specifically refer to what is called the International Bill of Human Rights. It contains the UN Universal Declaration of 1948 and the two conventions from 1966 on economic, social and cultural rights, as well as political and civil rights. The ILO's Declaration on the Fundamental Principles and Rights at Work is also a central document.¹ However, companies must relate to the rights relevant for them and their operations, depending on the context and industry in which they operate. For Norwegian companies, the Government has made a Norwegian action plan for following up on the UN's Guiding Principles.²

- In 2000, the UN launched the Global Compact, a global network for companies that want to work towards corporate social responsibility and sustainable business practices. Today, the Global Compact is the world's largest initiative for corporate social responsibility and contains ten principles derived from UN conventions. The principles therefore form a global frame of reference for corporate social responsibility and represent a common value base for the international business community. SpareBank 1 Østlandet is member of the Global Compact and is on the board of the newly created Norwegian Network.³ As a member, we report annually to the UN Global Compact.
- Norway is a member of the OECD and is committed to promoting the OECD's guidelines for multinational companies. The guidelines are recommendations from OECD countries to business

¹ UN Guiding Principles on Business and Human Rights, page 13.

https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

² Business and Human Rights. National action plan for following up on the UN's Guiding Principles Ministry of Foreign Affairs.

https://www.regjeringen.no/globalassets/departementene/ud/vedlegg/naringsliv/ud_naeringsliv_og_menneske_uu-versjon2.pdf

³ Global Compact Norway. <http://gcnordic.net/about-the-nordic-network/countries/norway/>

and industry in all sectors. The guidelines cover the entire spectrum of corporate social responsibility, including transparency and reporting, human rights, labour rights, the environment, corruption, consumer protection, taxation and competition. SB1Ø seek to follow these guidelines, as well as the OECD guide on how the business community should conduct due diligence, and the specific OECD sector guides, especially for finance.⁴ Complaints can be submitted to the OECD regarding any company that does not comply with OECD guidelines. The Norwegian Contact Point handles cases where Norwegian companies are involved, as well as cases that arise against foreign companies with operations in Norway.⁵

Labour rights

- The ILO is the UN's international special organisation for working conditions. It is a tripartite organisation consisting of *employees* represented by unions, *employers* represented by employers' organisations and the 187 member states' *authorities*. All three parties are represented in the ILO's governing bodies. The purpose of the ILO is to promote social justice and rights in the workplace.
- The ILO conventions are legally binding, a legal instrument that regulates most areas of employment. By ratifying a convention, states undertake to fulfil the conventions and at the same time accept monitoring through the ILO control system. ILO's eight core conventions constitute a *minimum* of rights to be respected in the workplace. They are divided into the four main categories:
 - child labour (ILO Convention no. 138, 182 and 79, ILO recommendation no. 146)
 - freedom of association and the right to collective bargaining (ILO Convention no. 87, 98, 135 and 154),
 - discrimination (ILO Convention no. 100 and 111)
 - forced and compulsory labour (ILO Convention no. 29 and 105).

All ILO member states must report their fulfilment of the ILO's core conventions, regardless of whether or not they have ratified them.⁶

- It is important that companies work to ensure that the ILO conventions are followed, especially with operations or business associates in high-risk countries. This applies in particular to the ILO's conventions on wages (10 different conventions deal with wages, including no. 131), working hours (inter alia no. 1 and 14), HSE (no. 155) and regular employment, also for migrants (ILO convention no. 95, 158, 175, 177, 181).⁷

Freedom of association, partnership and corporate democracy

- There is full freedom of association in Norway, secured through human rights. This means that workers are completely free to join or form trade unions or other associations. At the same time, workers are also free not to organise. Freedom of association is one of a series of international instruments by which Norway is bound, including the European Convention on Human Rights

⁴ How to comply with the guidelines. OECD's contact point in Norway. <https://www.responsiblebusiness.no/oecd-retningslinjer/hvordan-etterleve-retningslinjene/>

⁵ Dialogue and mediation. OECD's contact point in Norway. <https://www.responsiblebusiness.no/dialog-og-mekling/>

⁶ The ILO's human rights system. The Government <https://www.regjeringen.no/no/tema/utenrikssaker/menneskerettigheter/-ilos-menneskerettighetssystem/id447081/>

⁷ ILO conventions. United Nations Association of Norway. <https://www.fn.no/Om-FN/Avtaler/Arbeidsliv/ILO-konvensjoner>

(ECHR) Article 11. The ECHR has been enacted in Norwegian law. Provisions in the Norwegian Working Environment Act also relate to freedom of association, for example the prohibition against discrimination due to membership of a trade union in Section 13-1 of the Working Environment Act.

- There is a well-developed partnership in the banking and financial service industry in Norway between the employers' side represented by Finance Norway, and the Finance Sector Union of Norway and the Norwegian Union of Commerce and Office Employees as the largest trade unions. The industry has an agreement structure based on a main agreement and central agreement, which are negotiated at an industry level, and company agreements and special agreements at an enterprise level. It is also common for representatives of Finance Norway and member enterprises to work together with representatives of the unions to find common understandings and possible solutions to important strategic questions that the industry must take a stand on – including outside formal negotiations.
- SpareBank 1 Østlandet recognises freedom of association and right to demand collective pay agreements. The Bank currently has collective agreements with both of the two major trade unions, which organise most of the employees in the industry. Should demands be presented from others or new trade unions, that new party would be treated in the same way. The Bank has established agreements with the trade unions that entail the Bank covering the costs associated with two full-time employee representatives in the Finance Sector Union of Norway and the Norwegian Union of Commerce and Office Employees Østlandet, respectively. From the Bank's perspective this is recognition and acceptance that it is important to have competent employee representatives that help to safeguard the parties' mutual interest in a well-developed corporate democracy that supports the enterprise's strategy and objectives.

Vulnerable groups

- Vulnerable groups have their own human rights conventions and need special attention in human rights issues.
- Companies should pay particular attention to respecting women's rights. It is important to recognise that women and men are affected differently when it comes to human rights violations. The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) shall ensure that women are free from oppression and have the same rights as men.⁸ Globally, women are often not heard and/or allowed to participate in decision-making processes that concern them. All companies should have zero tolerance for all forms of gender discrimination, including verbal, physical, and sexual harassment. It is also important to strive for the equal treatment of men and women, through equal pay for equal work, and to seek the equilibrium of women and men in managerial positions, where possible and natural.
- Companies should also pay special attention to children's special needs and rights. As of 2018, there are 152 million child workers in the world, and about half are involved in potentially hazardous and harmful child labour.⁹ Children's special rights are enshrined in the Convention on the Rights of the Child¹⁰.

⁸ UN's Convention on the Elimination of all Forms of Discrimination Against Women. UN Women <http://www.un.org/womenwatch/daw/cedaw/>

⁹ Child labour. ILO. <https://www.ilo.org/global/topics/child-labour/lang-en/index.htm>

¹⁰ Convention on the Rights of the Child. UNICEF. <https://www.unicef.org/crc/>

- In 2007, the UN General Assembly adopted the Declaration on the Rights of Indigenous Peoples, prepared through cooperation between states and indigenous peoples' groups. It has provisions both in terms of basic needs such as food, health and education, and provisions on the use of traditional resources and lands.¹¹ Central to the declaration is the right of indigenous peoples to participate in the decision-making process in cases that may affect their rights. Cooperation with indigenous peoples shall achieve their "free and informed consent" before taking any action that may affect them. ILO convention No. 169 is also important, on indigenous peoples' right to preserve and further develop their own culture, which Norway was the first country to ratify.¹²

International humanitarian law, the Geneva Conventions

- The rules are set out in four Geneva Conventions with two additional protocols, and are ratified by 196 states, including all UN member states. These contain rules in war and conflicts and shall, among other things, safeguard the rights of individuals. The Fourth Convention contains provisions on occupied territories, including economic activities, something which companies should pay particular attention to.¹³

¹¹ UN Declaration on the Rights of Indigenous Peoples. The Government. <https://www.regjeringen.no/no/tema/urfolk-og-minoriteter/samepolitikk/internasjonalt-urfolksarbeid/fns-erklaring-om-urfolks-rettigheter/id87024/>

¹² The ILO's Indigenous and Tribal Peoples Convention The Government. <https://www.regjeringen.no/no/tema/urfolk-og-minoriteter/urfolkrydde-mappe/ilo-konvensjonen-om-urfolks-rettigheter-/id487963/>

¹³ Geneva Convention relative to the Protection of Civilian Persons in Time of War, (Convention IV). Lovdata. https://lovdata.no/dokument/TRAKTAT/traktat/1949-08-12-4/KAPITTEL_3-1#KAPITTEL_3-1