POLICY FOR RESPONSIBLE BUSINESS CONDUCT



Passed by Norwegian Church Aid Senior Management Team. Last modified February 2024.

INTRODUCTION

Norwegian Church Aid strives towards responsible business conduct that respects people, society and the environment. This policy document, including our Code of Conduct, forms the foundation of our sustainability work.

Norwegian Church Aid considers responsible business conduct to be a prerequisite for sustainable development, meaning that today's generation get their needs covered without compromising the ability of future generations to meet their own needs¹. Reference is made to Norwegian Church Aid's: Statement of principles

The UN Sustainable Development Goals (SDGs) is the world's joint action plan for sustainable development. Norwegian Church Aid works actively with the Sustainable Development Goals. Norwegian Church Aid's Programme Framework is guided by the organisation's global strategy, **Faith in Action**, and contributes to reaching ambitions mapped out in the Sustainable Development Goals as well as the national strategies and plans in the countries Norwegian Church Aid and its partners operate. Reference is made to NCA's programme framework.

As a member of Ethical Trade Norway Norwegian Church Aid commits to working actively with due diligence for responsible business conduct². Due diligence is a risk-based approach to respect and safeguard people, society and the environment in our own business and throughout the supply chain. We expect our suppliers and partners to follow the same approach.

REQUIREMENTS - OWN BUSINESS

Norwegian Church Aid acknowledges that our business conduct and affairs can potentially have negative impact on people, society and the environment. At the same time, we see the potential to contribute to a supply chain that respects human rights, and which takes environmental protection measures. With this in mind, we have compiled the following principles and criteria guiding our own business:

DUE DILIGENCE

Norwegian Church Aid shall conduct due diligence for responsible business conduct. This involves conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place are monitored and their effect evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to significant negative impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing a remedy³.

RESPONSIBLE PURCHASING PRACTICES

Norwegian Church Aid considers responsible purchasing practices to be one of our most important tools for responsible business conduct. Norwegian Church Aid shall adapt our purchasing practices to strengthen, and not undermine, our suppliers' ability to deliver on our requirements related to people, society and the environment. We strive to find suppliers that demonstrate willingness and ability to contribute to a positive development in the supply chain whenever possible.

¹ The Brundtland commission, «Our Common Future», 1987

² UN OHCHR, Guiding Principles on Business and Human Rights (UNGP)", 2011; OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.

³ OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.

FREEDOM OF ASSOCIATION AND WORKER REPRESENTATION

Norwegian Church Aid supports the right to freedom of association and other forms of democratically elected worker representation. We are open to dialogue with worker representatives and other relevant stakeholders in our work with responsible business conduct.

SUPPLIER DEVELOPMENT

Through our policies and procedures, including our procurement documentation, we will raise awareness related to responsible business conduct. In dialogue with suppliers, we will consider contributing with capacity building that enables our suppliers to comply with Norwegian Church Aid's requirements related to responsible business conduct.

ANTI-CORRUPTION

Corruption primarily affects the poor, marginalized and most vulnerable people. As NCA's mandate is to work with them and for their rights, striving towards zero tolerance of corruption will contribute to delivering more justice for all.

Our procedures and internal routines for control are stated in our Operations Manual. All our staff are trained in our procedures and are responsible for implementing these in all their work. Furthermore, all employees must undergo an annual training in our ethical guidelines. Add link: ACT Code of Conduct

Norwegian Church Aid, including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of relatives, beneficiaries, agents or suppliers. Reference is made to the ACT Anti-Fraud and Corruption Policy. ACT Anti-Fraud and Corruption Policy

ANTI-TERROR SCREENING

Norwegian Church Aid will actively mitigate against the possibility of funds or assets being transferred to individuals or entities engaged in terrorist activities. This will be achieved by screening all suppliers and partners against sanctions lists held by United Nations, European Union and other countries.

REQUIREMENTS - CONDITIONS IN THE SUPPLY CHAIN

We expect our suppliers and partners to work focused and systematically to comply with our guidelines for suppliers, hereunder our code of conduct for contractors, that covers fundamental requirements on human rights, labour rights, anti-corruption, animal welfare and the environment. Our suppliers shall:

- Follow our code of conduct for contractors <u>Code</u>
 of <u>Conduct for Contractors</u> and our Protection
 from Sexual Harassment, Exploitation and Abuse
 (PSHEA), and Child Safeguarding (CS) Policy:
 <u>Norwegian Church Aid's Protection from Sexual Harassment</u>, Exploitation and Abuse (PSHEA), and
 <u>Child Safeguarding (CS) policy (2021)</u>
- If the supplier is responsible for the negative impact/damage, they are responsible for providing a remedy.⁴
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of Norwegian Church Aid be able to document how they, and potential subcontractors, work to comply with the guidelines.

If the supplier, after several requests by Norwegian Church Aid, does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.

PRINCIPLES FOR RESPONSIBLE BUSINESS CONDUCT (CODE OF CONDUCT)

These principles for responsible business conduct are based on UN and ILO conventions and provide minimum, not maximum standards. The relevant legal framework at the place of production shall be respected. Where national laws and regulations address the same subjects as these guidelines, the most stringent shall apply.

⁴ OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.