

Labour rights and Gender Equality

Expectations for companies



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Introduction

Our overall vision for the investment area is to achieve “sustainable returns for a sustainable future”. Managing risk is the backbone of our business, and identifying and quantifying environmental, social and governance risk has always been an integral part of our business practice. We believe that active and responsible ownership will play a key role in the allocation of capital, engagement and value creation and thereby achieve a much more rapid transition to a sustainable economy.

SpareBank 1 Forsikring AS (hereafter SpareBank 1 Forsikring) recognizes that we have a responsibility to ensure that international labour rights and gender equality norms are respected by the companies in which we invest. We carry this responsibility through our investment decision making, stewardship activities, collaborations with other investors and policy dialogue.

We expect our external managers and the companies we invest in to demonstrate an active commitment with regards to labour rights and gender equality to ensure that they prevent or mitigate the risk of adverse impact on these rights in all their activities, including supply chain.

Definition and Legal Framework

The International Labour Organization (ILO) is the United Nations agency that was established for the purpose of setting international labour standards. There are four fundamental categories of labour principles and rights:

1. Freedom of association and the effective recognition of the rights to collective bargaining
2. The eliminations of all forms of forced or compulsory labour
3. The effective abolition of child labour
4. The elimination of discrimination in respect of employment and occupation

The 8 International Labour Organization (ILO) core conventions:

Freedom of association and the effective recognition of the rights to collective bargaining:

- Freedom of Association and Protection of the Rights to Organize Convention
- Rights to Organize and Collective Bargaining Convention

Forced Labour:

- Forced Labour Convention
- Abolition of Forced Labour Convention

Child Labour:

- Minimum Age Convention
- Worst Forms of Child Labour Convention

Discrimination in respect of employment and occupation:

- Equal Remuneration Convention
- Discrimination (Employment and Occupation) Convention

SpareBank 1 Forsikring recognizes that companies play an important and positive role in implementing these principles. Rather than excluding companies that fails to recognise these principles in their business and/or value chain, our first response (via our external managers) would always be to try to improve the situation via intense dialogue and request for transparency.

Expectations of portfolio companies:

- Companies should respect and implement the ILO core conventions on labour rights
- Companies should have a policy commitment and establish process to ensure integration and implementation of the core principles in all activities and operations, promoting these principles in their contracts with subcontractors and suppliers
- Companies should have a proactive and structured approach to promoting diversity and inclusion. Companies should have zero-tolerance policy commitments towards any forms of discrimination, gender-based violence in the workspace, including verbal, physical and sexual harassments
- Companies should uphold the freedom of association and the effective recognition of the rights to collective bargaining
- Companies should eliminate any forms of child labour, forced labour and discrimination in respect of employment; develop policy commitment to mitigate gender discrimination
- Companies should commit to pay fair wages, and apply a maximum of working hours
- Companies should have systems in place to actively manage pay equity
- Develop and implement a comprehensive health and safety policy
- Companies should promote equal access of women and men to senior level positions
- Companies should offer opportunities for training and professional developments
- Report relevant information and to be transparent on their practice and processes

We understand that adopting standards is not sufficient to ensure that they are respected. In the area of labour standards, that requires efficient, honest, and effective labour inspections, including suppliers. Companies should have an adequate supply chain management system, including procedures for preventing suppliers labour rights abuses, monitoring systems, incentives, and corrective instruments, such as targeted professional development, education, and training.