

Ethical principles of the grocery trade supply chain

Ethical values and social responsibility are significant factors for the retail sector. The Finnish Grocery Trade Associations member organisations understand their role as promoters of responsible supply chain operations, and make this a focus area in their activities. Grocery retailers have been aware of the importance of compliance with ethical principles for a long time. This is an update to the statement issued by the Finnish Grocery Trade Association (PTY) on 6 April 2001 concerning the ethical principles of the grocery trade supply chain.

Principles of the United Nations

The United Nations' Guiding Principles on Business and Human Rights were issued in 2011. In these principles, the duty to protect human rights is divided into foundational and operational principles. As is determined in the UN Guiding Principles, the responsibility of business enterprises to respect internationally recognised human rights extends throughout the value chain. The nature of an enterprise's responsibility depends on the degree of complicity in adverse human rights impacts. According to the principles, business enterprises should carry out a human rights due diligence process in order to prevent, mitigate and account for how they address their adverse human rights impacts, and take adequate action if any adverse impacts are detected. Moreover, business enterprises must monitor the effectiveness of their actions.

A round-table group called by the Finnish Ministry of Employment and the Economy and the Ministry for Foreign Affairs of Finland in 2015 agreed on a shared vision concerning the implementation of these principles across the supply chains in grocery trade in Finland.

Business Social Compliance Initiative (BSCI)

BSCI is an international initiative for the monitoring of corporate social responsibility by retailers, importers and brands. BSCI offers a common Code of Conduct representing the participants' goals and minimum standards for compliance with internationally recognised human rights and basic labour rights. The tools for identifying, preventing and mitigating adverse human rights impacts are in line with the UN's guiding principles mentioned above.

PTY's ethical principles applicable to the supply chain are based on the BSCI Code of Conduct:

1. The Rights of Freedom of Association and Collective Bargaining

Employees must have the right to form unions and to engage in collective bargaining.

2. No Discrimination

Employees must have the right to equal treatment, and discrimination in all forms is forbidden.

3. Fair Remuneration

Employees are entitled to fair remuneration for their work. The remuneration must be sufficient to secure reasonable living conditions for employees and their families.

4. Decent Working Hours

Working hours must comply with local legislation, and the maximum of 48 regular working hours per week must not be exceeded.

5. Occupational Health and Safety

The employer must take care of its employees' health and safety.

6. No Child Labour

No work shall be assigned to children of compulsory education age, which extends to 15 years.

7. Special Protection for Young Workers

Special measures must be taken to protect young employees from working conditions that could harm their health, safety, morals, or mental or physical development.

8. No Precarious Employment

The employment relationship must be based on a mutual, documented agreement that complies with local laws and practices, as well as international treaties.

9. No Bonded Labour

The work must not be based on slavery, forced labour, bonded labour, exploitation, illegal trafficking of labour force, or other such non-voluntary conditions.

10. Protection of the Environment

The key environmental impacts of the business operations must be assessed, and efficient practices and methods to ensure environmental responsibility shall be implemented.

11. Ethical Business Behaviour

No acts of corruption, extortion, embezzlement or bribery shall be tolerated.

Sources:

1. ILO's conventions: <http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>
2. Guiding Principles on Business and Human Rights – Implementing the United Nations “Protect, Respect and Remedy” Framework, 2011, United Nations, Human rights
3. Common view of compliance with the UN's Guiding Principles on Business and Human Rights in the grocery trade supply chain, 20 August 2015
4. Business Social Compliance Initiative (BSCI) Code of Conduct, version 1/2014. www.bsci-intl.org