

## **Norwegian statement**

### **on implementing Norway's National Action Plan and the UN Guiding Principles**

**UN Forum in Geneva 25–27 November 2019**

Norway's National Action Plan, was published in 2015 with the aim of achieving a more coherent policy approach to implementing the UN Guiding Principles on Business and Human Rights. As part of the follow-up, all relevant ministries are involved in an inter-ministerial working group appointed to establish and communicate a set of common expectations for responsible business conduct throughout the business sector and the public sector. Each ministry is encouraged to follow these up within its remit. The overall objective is to involve all relevant stakeholders in translating policy into tangible results through a combination of approaches to promoting responsible business conduct.

The Government expects Norwegian companies to comply with the Guiding Principles and the OECD Guidelines for Multinational Enterprises. Risk-based due diligence processes are an important element of responsible business conduct, particularly in challenging markets. The Foreign Service is actively promoting responsible business conduct and the Guiding Principles as a basis for sustainable and inclusive economic growth worldwide.

One crucial task is to link responsible business conduct and the Guiding Principles with the 2030 Agenda for Sustainable Development. These are both high-priority policy areas for the Norwegian government. Responsible business conduct and the Guiding Principles are increasingly seen as a key pathway to achieving the SDGs. One important way for companies to support the SDGs is to make upholding human rights an integral aim of their business operations. It is encouraging that the 2030 Agenda is being incorporated as the second generation of action plans is implemented. Aligning these agendas will be a key consideration when Norway updates its National Action Plan.

The Norwegian Agency for Development Cooperation (Norad) has published an evaluation of the implementation of the Guiding Principles through Norway's National Action Plan. Norad found that there were clear references to the Guiding Principles in high-level Norwegian policy documents. However, there was room for improvement in guidance documents and in the practical implementation of the principles. The Ministry of Foreign Affairs has taken various steps in response to the evaluation. Foreign Service staff need greater capacity and expertise to follow up development projects involving the Norwegian private sector and to assess the nature of relevant human rights risks in their host countries. The Ministry is therefore introducing a more systematic approach to competence building for Norwegian embassies. Compliance with the Guiding Principles and OECD guidelines for multinational enterprises has also been included in the Foreign Ministry's grant management guidelines as a criterion for supporting private sector projects as part of our development cooperation.

The Ministry of Foreign Affairs has supported the NGO FOKUS in developing a user-friendly digital tool to guide businesses through gender responsive Human rights due diligence. A pilot, called "SheDil". A tool that will provide practical advice on what to look for in the different steps of a gender responsive Human Rights Due Diligence in different industries. We hope this tool will help the private sector to work strategically when applying a gender perspective in their business conduct and in their value chains. The UNGPs also contributes in clarifying the

respective roles and responsibilities of states and the private sector when it comes to challenges to ensure women's rights and participation in responsible business conduct.

The Ministry collaborates closely with Norway's National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises. The Norwegian NCP provides guidance and training on responsible business conduct for Norwegian companies and Norwegian embassies. The NCP has also given some state-owned enterprises an introduction to due diligence as part of responsible business conduct. In addition, the NCP deals with complaints on perceived non-compliance with the OECD guidelines and gives advice on how companies can improve their business conduct.

The Government will maintain its efforts to integrate human rights concerns into public procurement processes. All applications for support from the Norwegian Export Credit Guarantee Agency and Export Credit Norway are assessed for human rights risks, impacts and consequences. Applicants are expected to evaluate potential human rights risks and impacts related to their projects, and to have adequate policies and systems in place to avoid or mitigate these where possible.

Business activities can have an impact on society as a whole and its sustainability. In principle, this could also, the companies' profitability, and thus financial returns for investors. As a long-term financial investor in more than 9 000 companies in 70 countries, the sustainability of companies is of relevance for the performance of the Government Pension Fund Global (GPF). As part of the ownership efforts to support the financial interest of the GPF, the fund manager, Norges Bank, expects companies to respect human rights. The GPF has developed expectation documents on both human rights and children's rights. Norges Bank also integrates human rights considerations into its work on developing standards, when exercising ownership and when dealing with risks and opportunities. The Ministry of Finance has established ethically based guidelines for the observation and exclusion of companies from the GPF. The guidelines allow for the exclusion of companies from the GPF if they contribute to or are themselves responsible for serious or systematic human rights violations. The Executive Board of Norges Bank makes the final decision on the exclusion of companies, based on recommendations from the Council on Ethics.

The Norwegian Ethics Information Committee is delivering its report and proposed law on November 28. The draft Act takes as a starting point that the government currently expects all Norwegian companies to follow the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The proposal of the committee will address the guidelines' requirement to "know and show" how businesses respect human rights, address risks for adverse human rights impacts and conduct due diligence with respect to human rights. The proposal is part of a wider package of legislation relating to responsible business conduct in Norway; in particular requirements relating to human rights in public procurement, reporting requirements in the Accounting Act and the Environmental Information Act, which provides a right to access environmental information from business enterprises.

Furthermore, the Government is stepping up its efforts to combat modern slavery. These efforts include a focus on responsible business conduct, measures to raise awareness of modern slavery as well as examining the need for further legislation.