

A SURVEY OF STATE CORPORATE SOCIAL RESPONSIBILITY POLICIES AND THEIR RELEVANCE TO BUSINESS AND HUMAN RIGHTS

Response from NORWAY

1. Has your national government or any local governments adopted a corporate social responsibility (CSR) policy or policies?

The Norwegian government presented a comprehensive policy for *Corporate social responsibility in a global economy* (Report no. 10, 2008-2009) to the parliament on 23. January 2009. Also relevant in this respect are other White papers and action plans on related topics:

- On the Management of the Government Pension Fund – Global (Report no. 20, 2008-2009)
- An Active and Long-Term State Ownership (Report no. 13, 2006-2007)
- The Government's Environmental Policy and the State of the Environment in Norway (Report no. 26, 2006-2007)
- Norwegian Climate Policy (Report no. 34, 2006-2007)
- Environmental and Social Responsibility in Public Procurement (The Norwegian Action Plan 2007-2010)
- Aid for Trade – Norway's Action Plan (2007)

Drafting and administration

1. How was the policy developed – which department(s) drafted the policy and was there a government/public consultation about the policy? Is the policy publicly available?

- The Ministry of Foreign Affairs was responsible for drafting the policy, in close cooperation with other Ministries. A body of state secretaries from the most involved Ministries met regularly to discuss political content.
- The involved Ministries included: the Ministry of Trade and Industry, the Ministry of Environment, the Ministry of Finance, the Ministry of Labour and Social Inclusion, the Ministry of Children and Equality, the Ministry of Justice and the Police, the Ministry of Government and Administration Reform, the Ministry of Agriculture and Food, the Ministry of Fishery and Coastal Affairs and the Ministry of Foreign Affairs.
- Within the Ministry of Foreign Affairs, the section for economical and commercial affairs coordinated input from all Ministries and stakeholders.

- Public consultations included meetings with Kompakt, the government consultative body on corporate social responsibility. It included meetings with the social partner organizations, businesses, NGOs, research institutions and other relevant institutions. Several of these institutions also provided written submissions to the White paper through an open, web-based portal. International experts were also consulted.
- The policy is publicly available on www.government.no.

2. Which government department(s) administers the policy and, where applicable, has overall responsibility? What steps have been taken or are being planned to inform other government departments about the policy and coordinate implementation?

- The Ministry of Foreign Affairs/section for economic and commercial affairs administers the policy and is responsible for coordinating follow-up.
- To coordinate implementation, the state secretary body and government officials are continuing to meet regularly to discuss status and implementation
- Within the involved ministries, seminars are being held to inform various departments about its content and implementation.

3. Is the policy a stand-alone policy or is it part of another policy?

The policy is a stand-alone policy, the first comprehensive policy on corporate social responsibility by a Norwegian government.

4. Does the policy include a review process in the near or long-term future?

The policy as a whole does not include a review process, but certain new initiatives do entail a stock-taking. New CSR-reporting requirements will be reviewed five years after they have been instituted. The new model for the NCP will be reviewed three years after it has been adopted.

Substance: aims and guidance

5. What are the policy's stated aims and main elements?

- The stated aim of the white paper is to raise awareness about social responsibility in both the private and public sectors. The Government also aims to clarify the authorities' expectations of the private sector, and to discuss the respective roles and responsibilities of the authorities, the private sector and other actors.
- It is designed to boost Norwegian companies' motivation and ability to exercise social responsibility, by strengthening guidance and advisory measures, and increasing openness, dialogue and exchange of experience between the authorities and the private sector.

- The Government will play an active role in international processes aimed at further developing the CSR framework.

The main elements of the policy are:

- The role and responsibilities of the authorities
- The private sector's role and responsibilities
- Challenges and dilemmas in international operations
- CSR in a development perspective
- International frameworks for corporate social responsibility
- International initiatives and processes for corporate social responsibility
- Evaluation of legal instruments
- Instruments for strengthening corporate social responsibility

6. Does the policy apply to all types of companies (i.e. listed v private; state owned enterprises)?

- The policy applies to all companies – whether state-owned enterprises or private. One section of the policy, however, specifically addresses companies in which the state has an ownership interest (chapter 2.1).
- Social responsibility in companies in which the state has an ownership interest is addressed in greater detail in Report no. 13 (2006-2007) to the Storting: An Active and Long-Term State Ownership and in the Government's ownership policy document (2007 and 2008).

7. Which departments and other state or quasi-state agencies (i.e. export credit agencies; development agencies) does the policy mention and how? For example, does it discuss steps state or quasi-state agencies could take to encourage CSR, i.e. through trade (investment, state purchasing/procurement, state owned enterprises)?

- The export credit agencies (Guarantee Institute for Export Credits (GIEK) and Eksportfinans ASA) are addressed in chapter 9.1 of the policy. The Government wants Norway to be a driving force in OECDs export credit groups in efforts to implement guidelines for good working conditions. The Government requests Eksportfinans and GIEK to draw up a dedicated policy for social responsibility that can be tried out in 2009.
- The Norwegian Agency for Development Cooperation (Norad) will impose environmental requirements on suppliers in connection with tenders for aid-funded projects; will use respect for workers' rights as a criterion for the use of Norwegian

aid funds; and will seek to consistently integrate social responsibility as a factor in the administration of aid.

- The Norwegian Investment Fund for Developing Countries (Norfund) is, among other things, to exert its influence actively through directorships and investment positions in order to improve working conditions and social responsibility in the projects in which the fund invests.
- Companies in which the state has an ownership interest are to play a leading role when it comes to exercising social responsibility (see chapter 2.1).
- The Government has recently presented a White paper to the Storting concerning a review of the ethical guidelines for the Government Pension Fund – Global and the fund's other activities (see chapter 2.2).
- In terms of public procurement, the Government requires all central government agencies to follow up the action plan for environmental and social responsibility in the public sector. To this end, the Government will establish a support and advisory service on public procurement (see chapter 2.3).

8. Does the policy expressly mention human rights, including international human rights and labor standards, and if so, in what way?

- The corporate responsibility to respect human rights is discussed in chapter 3.2.1 of the policy. The Government expects companies to respect fundamental human rights, including those of children, women and indigenous peoples, in all their operations, as set out in international conventions.
- The support of the work of the UN special representative on human rights and business is discussed extensively. The Government will be a driving force in the ongoing work of the UN on business and human rights and will follow up the recommendations of the Special Representative, in addition to supporting the work both politically and financially (see chapter 7.1).
- The corporate responsibility to provide decent work is addressed in chapters 3.2.2 of the policy. The government expects companies to base their operations on the ILO core conventions regarding the right to organise and the abolition of forced labour, child labour and discrimination.
- The Decent Work agenda is addressed in chapter 7.2 of the policy, where the government presents its strategy for promoting workers' rights globally. Among other things, initiatives will be taken to work for establishing international forums where improved coherence of the work in the ILO, WTO and OECD can be discussed. The Government will also promote the importance of workers' rights in trade agreements.

- Chapter 3.3 in the white paper concerns the scope of corporate responsibility in these areas, concerning companies' "sphere of influence" and "complicity".

9. Does the policy provide guidance on the activities abroad of companies incorporated in your state?

- Chapter 3 provides general guidance for Norwegian companies, and contains the Government's expectations of Norwegian companies' operating abroad. It also provides guidance on exercising social responsibility in the supply chain and investment management.
- Challenges and dilemmas in challenging environments are addressed in chapter 4. The chapter provides guidance on conducting business in conflict-affected areas and engagement in vulnerable natural environments. Specific guidance is also provided for natural resource-based companies.
- Chapter 5 concerns how companies can increase their development impact through the use of local contractors and suppliers, partnerships with government and NGOs, and capacity-building.

10. Does the policy provide guidance on how companies may integrate CSR or more specifically, human rights considerations, into their operations?

The policy recommends due diligence to gain awareness of, prevent and address the negative consequences of their operations. It refers to the April 2008 report of the UNSRSG on Business and Human Rights, and recommends due diligence including:

- Adopting a human rights policy
- Carrying out impact assessments regarding the implications of their activities
- Integrating human rights policies throughout the company
- Monitoring and auditing in order to track human rights performance

The policy addresses the question of complicity, and refers to the work of the UNSRSG special representative, the International Commission of Jurists and the ethical guidelines of the Government Pension Fund – Global. It recommends due diligence, for instance by carrying out risk assessments, to ensure that companies are not complicit in human rights violations. The Government recommends using risk assessments both for a company's own activities and for those of its business partners. One of the tools referred to for this process is the Human Rights Compliance Assessment (HRCA), developed by the Danish Institute for Human Rights.

11. Does the policy refer to binding legal obligations on companies (such as the development of mandatory sustainability reporting laws etc)?

- The evaluation of legal instruments in chapter 8 addresses criminal sanctions, limitations in international law, the development of international criminal law norms, Norwegian criminal legislation and civil liability. It also addresses the question of national binding guidelines for Norwegian companies operating abroad on CSR.
- The Government proposes an extension of the duty to disclose information on ethical guidelines and social responsibility in the Accounting Act.
- Grievance and monitoring mechanisms are discussed further, including the National Contact Point (NCP) for the OECD Guidelines, principles for grievance mechanisms (from the UNSRSG 2008 report), international mechanisms and the question of a national ombudsman for corporate social responsibility.
- The Government will consider various models that can provide a better overview of how the private sector follows up its social responsibility, different ways of organizing advisory services and appropriate ways of organizing the NCP for the OECD Guidelines. A proposal will be submitted for consultation by the summer of 2009.

Substance: international frameworks

12. Does the policy refer to international CSR standards (e.g. the OECD Guidelines on Multinational Enterprises) or initiatives (i.e. the UN Global Compact)?

- Extensive reference is made to the OECD Guidelines for Multinational Enterprises and the UN Global Compact in chapter 6. The Government will, among other things, strengthen the Norwegian NCP for the OECD Guidelines and its informational activities.
- Efforts will be made to increase knowledge and engagement regarding the UN Global Compact, and the Government will contribute to developing the initiative.
- Reference is made to the Global Reporting Initiative as a useful basis for reporting on economic, social and environmental factors, particularly for large companies.

13. Does the policy discuss collaboration/capacity building with other states or international institutions on CSR related issues, including human rights?

Trade and international cooperation is discussed in chapter 7.5. The Government will:

- Raise issues relating to CSR in negotiations and dialogues on trade-related issues with other countries.
- Stress CSR and good public administration in bilateral trade agreements. This has been included in the preambles to several EFTA trade agreements.

- Include CSR as an important element in connection with bilateral investment treaties (BITs).
- Cooperate bilaterally on training in and the transfer of expertise on CSR.