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# Assessments and actions in an unstable world

The Norwegian Transparency Act: A study of human rights  
due diligence reporting in 10 large Norwegian companies

by Renee Andersen / Lysverket



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# Preface

This study on the implementation of the Transparency Act through corporate reporting was a collaborative project between between Amnesty International Norway, LO and Framtiden i våre hender. The purpose of it was to document and summarize how ten Norwegian companies are publicly communicating their efforts to conduct human rights due diligence, i.e. to address, mitigate, and prevent negative human rights impacts. We hope the results of this study will contribute to improving corporate reporting standards and public disclosure under the Transparency Act.

The Norwegian Transparency Act came into force in 2022 and obligates large companies operating in Norway to conduct human rights due diligence aligned with international standards and communicate those efforts publicly. The Act marks the transition from due diligence assessments based on voluntarism to a mandatory framework and is set to follow minimum requirements.

The Act promotes responsible business conduct and allows stakeholders, including civil society, trade unions, and consumers, the ability to access important information around a company's commitment and action to respect human rights and decent work, while also allowing stakeholders to make informed choices.

Amnesty International Norway, LO and Framtiden i våre hender scrutinized how Norwegian companies are meeting the requirements of the Transparency Act. The result of our collaboration can be found in this study conducted by Lysverket.

We examined 10 companies and looked at how they conduct human rights due diligence assessments. The companies assessed include Kid Interiør, IKEA, Skuld, Gard, Yara, Elkem, Hydro, Equinor, Aker BP and Aker Solutions.

Under the Transparency Act, companies covered by the law must publicly communicate their human rights due diligence policies, processes, actions and outcomes annually. This includes risk mapping of their own business operations and supply chain; identification of risks and negative impacts; and the actions taken to address, mitigate, and prevent these impacts.

In addition to documenting and summarizing each company's efforts on human rights due diligence, the study focused on whether information was publicly provided on certain high-risk countries or occupied territories. These included Pakistan, Colombia, China, USA and Western Sahara – all in where the risks of human rights violations are high. The study looks especially at the right to decent work.

The Transparency Act enhances the requirement for more transparency and for companies to respect human rights. Regarding legal developments in this field, Norway is leading the way – not the least regarding the right to information (The Transparency Act, §6) - and setting clear requirements for companies to take responsibility for upholding human rights in their operations and supply chains.

The way forward must be for companies to comply with the law and learn from each other's experiences. It is also important that trade unions, NGOs, journalists, consumers and other stakeholders use the act to obtain more information about companies' policies and practices and to demand improvements where needed. In addition, the Transparency Act should be strengthened by, among other things, including transparency about production sites. A strengthened law should have more clear information requirements, e.g. not only about possible and actual risks identified, but also about which specific mitigating measures companies have

implemented, and the effects of these. With this study, we want to contribute to more information about due diligence assessments related to operations in risk-exposed countries or occupied territories and to provide some input on how the Transparency Act should be strengthened.

Best regards,

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Executive Director, Future in Our Hands

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Secretary General, Amnesty International Norway



Mine in Bicol, Philippines. Photo: Joseph Fortin/ILO/CC BY-NC-ND 3.0 IGO

# Forord

Denne studien er resultatet av et samarbeid mellom Amnesty International Norge, LO og Framtiden i våre hender. Hensikten med kartleggingen er å se nærmere på hvordan en rekke store selskaper kommuniserer utad hvordan de vurderer, forebygger og håndterer menneskerettighetsbrudd. Vi håper at denne kartleggingen bidrar til at deres rapportering og offentliggjøring av informasjon blir bedre.

Åpenhetsloven trådte i kraft i 2022 med mål om å avdekke, forhindre og forbedre næringslivets negative påvirkning på menneskerettigheter og arbeidsforhold. Loven markerer overgangen fra aktsomhetsvurderinger basert på frivillighet til at det nå er pålagt med slike vurderinger etter standardisert tilnærming. Loven har satt en ny standard for et ansvarlig næringsliv og bidratt til et bedre kunnskapsgrunnlag for å ta informerte valg, samtidig som den legger grunnlaget for en mer bærekraftig og rettferdig global økonomi.

Amnesty International Norge, LO og Framtiden i våre hender ønsket å kartlegge hvordan norske selskaper møter åpenhetslovens krav. Resultatet av vårt samarbeid finner du i denne studien utført av Lysverket.

Som følge av åpenhetsloven er selskaper forpliktet til å årlig publisere en redegjørelse om aktsomhetsvurderingene de har foretatt. Aktsomhetsvurderinger innebærer at selskapene skal kartlegge forholdene i egen virksomhet og leverandørkjede, forebygge menneskerettighetsbrudd og sikre at slike brudd blir rettet opp. Selskapenes forpliktelse til å svare på direkte henvendelser fra allmenheten, nedfelt i informasjonsretten, er et svært viktig bidrag til mer åpenhet og ansvarliggjøring.

I denne studien tar vi utgangspunkt i Pakistan, Vest Sahara, Colombia, Kina og USA, der det er høy risiko for at menneskerettighetene brytes. Studien ser spesielt på rett til anstendig arbeid.

Vi har undersøkt 10 selskaper og hvordan de gjennomfører sine aktsomhetsvurderinger. Selskapene vi har vurdert er Kid Interiør, IKEA, Skuld, Gard, Yara, Elkem, Hydro, Equinor, Aker BP og Aker Solutions.

Med åpenhetsloven skjerpes kravet til større åpenhet og til at virksomheter respekterer menneskerettighetene. Når det gjelder lovutviklingen på dette feltet går Norge i bresjen og stiller klare krav til selskaper for at de tar ansvar for opprettholdelse av menneskerettighetene i egen virksomhet og leverandørkjede.

Veien videre må være at selskapene lykkes i å etterleve loven og lærer av hverandres erfaringer. Det er også viktig at fagbevegelsen, frivillige organisasjoner, journalister, forbrukere og andre aktører bruker loven aktivt til å få mer informasjon om selskapers policy og praksis og å kreve forbedringer der det er behov for det. I tillegg bør åpenhetsloven styrkes ved blant annet å omfatte åpenhet om produksjonssteder. En styrket lov bør ha et klarere informasjonskrav om ikke bare mulig og faktisk risiko som er identifisert, men om hvilke konkrete avbøtende tiltak selskapene har iverksatt, og effekten av disse. Med denne studien ønsker vi å bidra til mer informasjon om aktsomhetsvurderinger knyttet til virksomhet i risikoutsatte land og områder og å gi noen innspill til hvordan åpenhetsloven bør styrkes.

Med vennlig hilsen

**Anja Bakken Riise**  
Leder  
Framtiden i våre hender

**Steinar Krogstad**  
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Generalsekretær  
Amnesty International Norge

# 1 – Introduction

In July 2022, Norway passed the Act Relating to Enterprises' Transparency and Work on Fundamental Human Rights and Decent Working Conditions, also known as the Norwegian Transparency Act (see Appendix A). This Act incorporates the OECD Guidelines' six-step process for human rights due diligence into domestic law. The law's stated purpose is to promote businesses' respect for fundamental human rights and decent working conditions, including a living wage, throughout their business operations, supply chains, and business relationships.

Section 5 of the Transparency Act mandates businesses, within the scope of the law, to publish information on their business structure, area of operations, and human rights due diligence policies and processes to address identified human rights risks and negative impacts. Reports must be published by June 30th of each year, signed by the board and CEO, and must be publicly available and easily accessible to the public, rights-holders, and other stakeholders.

The Transparency Act also provides an access to information provision under Section 6 of the law, requiring businesses to answer requests for information regarding their due diligence process, procedures, risks and negative impacts. The right to information applies to the public, journalists, NGOs, trade unions, investors and other stakeholders. This provision is unique to Norway, and it is an accountability tool which may be used to promote business compliance with their responsibility to respect human rights, while also allowing consumers and other stakeholders to make informed decisions about the products and services they buy or invest in. Businesses have significant flexibility and discretion as to how they meet their obligation to report on their respect for human rights under Section 5 of the Act. Therefore, the active use of the access to information aspect of Section 6 of the Act will be key for raising standards and holding companies accountable for their human rights impacts.

Landsorganisasjonen i Norge (LO) Amnesty International Norge, and Framtiden i våre hender commissioned Lysverket to conduct research based on the reporting of Norwegian companies under Section 5 of the Act. The purpose of the research was to assist civil society and trade unions to 1) understand how different business sectors are implementing their HRDD obligations under the Act; 2) contribute to the learning process around HRDD, including through engagement with companies; and 3) strengthen due diligence reporting and disclosure standards by highlighting strengths and weaknesses in reporting.

The research collected and summarized data on human rights due diligence (HRDD) reported by companies. There were two focus areas for this research:

- Reporting and disclosure of HRDD policies and processes implemented to identify and address risks/negative impacts, with a focus on labor rights.
- Reporting and disclosure of heightened due diligence measures to address negative human rights and labor rights impacts in selected countries identified as high-risk. The countries were: Pakistan, Western Sahara, Colombia, China, and the United States.

Using a sample of ten Norwegian companies operating in high-risk countries, the research mapped what the companies reported about for how each company is developing, implementing, and embedding HRDD throughout their business operations. For this study, we focused on four business sectors with a total of ten assessments of company reporting:

- Textile sector (Kid Interiør and IKEA)
- Shipping insurance sector (Skuld and Gard)
- Manufacturing sector (Yara, Elkem, and Hydro)

- Energy sector (Equinor, Aker BP, and Aker Solutions)

Based on this sample, and drawing on the description of due diligence in the OECD Guidelines, Lysverket identified key takeaways from company reporting on human rights due diligence. In addition, recommendations were formulated for use by civil society organizations and trade unions in their work to strengthen company disclosure and the rules governing company reporting.

This study is not an assessment of legal compliance with the Transparency Act. Rather, the goal of this research was to identify some of the broad patterns of company implementation of human rights due diligence and disclosure as a result of the Act, based on company reporting.



## 2 – Methodology

This project involved desktop research to collect, compile, and summarize publicly available company information on human rights due diligence. Data collection focused on Transparency Act reports, annual reports, sustainability reports, corporate policies for human rights and other related topics, codes of conduct, supplier declarations or guidelines, and corporate webpages.

Not all company information is external and published on corporate webpages and it may be the case that certain information is not disclosed or is reported in a manner that is difficult to find. The analysis conducted for this report is not based on an open-source investigation, but on the reporting the company places in the public domain.

In certain cases, some of the information about a company's due diligence was not found. We have indicated this here as "not found" or "not disclosed". This is not intended to imply that the information does not exist or that the company is not in compliance with the Transparency Act. It simply means that the information is not easily accessible in the public domain or not disclosed within the selected corporate reporting analysed for this study.

This study was conducted between February 2024 and ended in May 2024. Most companies released their 2023 reporting during this time. The analysis of three companies only looked at 2022 reporting as that was what was available at the time. To ensure the maximum amount of company reporting, we maintained flexible cut-off dates for including reports. These are indicated in each company assessment.

This study applied a three-step framework.

1. Documenting basic information about the company, its principal value chains and related activities. This information includes a) headquarters, b) business sector(s), c) business area of operations, c) top suppliers and business partners (if available), d) corporate and sustainability governance, and e) company initiatives and partnerships.
2. Documenting and summarizing the company's human rights due diligence policies, risk mapping and assessment process. This step included a) examining the company's human and labor rights policies and procedures; b) examining the companies general risk mapping, which should include, pursuant to the OECD Guidelines, identification of sector, geographic, product/service, and supply chain/business partner risks; c) examining the company's risk assessment process for identified and prioritized human rights risks, including whether the company has performed targeted human rights impact assessments, and whether these assessments are disclosed. In order to place this analysis in context, a check for human and labor rights risks was conducted. For this purpose, we drew on the databases maintained by the Business and Human Rights Resource Centre, the OECD Watch Complaints Database, and the Corporate Human Rights Benchmark Alliance.
3. Documenting and summarizing the company's concrete actions taken to mitigate and prevent the companies' reported identified human rights and labor rights risks and/or impacts. This step looked for company reporting about actions that directly correlate with the company's identified risks, including how the company interpreted its responsibility using the cause, contribute, directly linked framework of the OECD Guidelines. It also involved documenting what the company reported about grievance mechanisms, remediation, and monitoring systems.

In addition to documenting company due diligence practice, country case studies were conducted with respect to labor rights and conflict. This did not constitute an investigation of human rights or labor rights violations, but was intended as a high-level mapping, drawing on secondary sources, to identify risks that may or may not be mentioned in a company's due diligence reporting.

# 3 – Executive Summary

## Key Takeaways

### Disclosure:

- All ten companies reviewed included a description of their business structure, general area of operations, and included information on their human rights due diligence policies and procedures.
- Only two companies went beyond the minimum disclosure requirements and published their suppliers or disclosed top suppliers of raw materials.
- Seven companies had fragmented reporting, meaning information relating to human rights risks and impacts were missing in Transparency Act reporting but were found in other public company documents/reports.
- Companies tend not to report on their business operations connected to conflict affected countries or where they may be sourcing conflict minerals.

### Embedding Human Rights:

- Nine companies had a separate human rights policy. These policies all referred to core human rights and labor rights conventions and the UNGPs.
- Nine companies commit to respecting fundamental human rights, decent working conditions, including the right to a living wage, in their own business operations and supply chains. Three of these companies went beyond the minimum requirements and referred to additional human rights conventions.
- All companies disclosed their supplier Code of Conduct or the expectations they have for suppliers and which they included in contracts and agreements.
- Most companies referred to their supplier Codes of Conduct as a mitigating action for human rights risks such as forced labor, child labor, and low wages, shifting responsibility to suppliers without providing information on how the company supports suppliers in meeting those company obligations.
- Through their supplier Codes of Conduct, most companies cascade obligations onto suppliers without including commitments to provide support, capacity-building, and/or cost-sharing (Examples of support for suppliers in these cases could include updating management systems, providing support for suppliers to implement digitalized wage systems, developing responsible pricing arrangements to promote living wages, supporting better conditions for worker organizing, covering the costs for PPE, and/or providing targeted safety training for suppliers and their contractors. However, no documentation to support these actions were provided).
- Some companies stated they conduct training for suppliers around human rights due diligence or would consider doing so. Despite this, risks identified through auditing suppliers consistently identified issues with poor management systems, poor documentation of wage payments, poor working conditions, and health and safety concerns. Only one company addressed these risks by including information on how they are using their influence and providing support to help their suppliers improve.
- No companies disclosed separate human rights policies tailored to high-risk countries or vulnerable or marginalized groups.
- Companies varied in their reporting of connections to conflict areas, but no companies disclosed specific policies or procedures for business operations in conflict affected areas.

- No companies disclosed details on how they support suppliers in high-risk and/or conflict affected countries.
- No companies disclose if they include targeted contractual clauses for suppliers and business partners operating in high risk or conflict affected countries.

#### **Risk mapping:**

- All companies disclosed human rights risks they identified through their risk mapping process. There was a great disparity between companies as to whether the company goes beyond a high level of generality to specify risks by, for example, sector, value chains, potential impact, and locality.

#### **Risk Assessments:**

- All companies stated that risk assessments were performed. Only three companies reported that Human Rights Impact Assessments (HRIAs) were conducted.
- No companies made public the risk assessments, or summaries thereof, for sourcing or operating in conflict affected areas in their Transparency Act reporting.
- No companies reported conducting Heightened Human Rights Due Diligence aligned with international standards in conflict affected countries or high-risk countries.
- Only two companies disclosed negative human rights impacts identified through risk/impact assessments. Often company reporting was unclear about the distinction between impacts and risks. The language used in reporting often obfuscated what human rights or labor rights impacts were identified. Some companies, for example, stated there were identified “non-compliance issues” or “improvement areas” uncovered through auditing.
- Two companies reported contractor fatalities and injuries, but it was not clear, through the reporting, if the companies identified these as negative human rights impacts to which they are directly linked through a business relationship. In addition, health and safety disclosures were often found outside Transparency Act reporting, and it was not clear if the companies performed a cause, contribute, directly linked analysis to these severe impacts. No specific information on the fatalities, remediation to family, or follow up were included in the reporting.

#### **Actions**

- All companies disclosed mitigating actions to address some of the identified risks and/or impacts. Mitigating actions were often vague and generalized, often without reference to specific risks or impacts. For example, companies often point to their supplier code of conduct, commitments to improving due diligence processes, and developing Corrective Action Plans as mitigating actions. Corrective Action Plans, or summaries thereof, were not disclosed in company reporting, making it unclear what mitigating actions were taken by companies to address specific identified risks and impacts.
- Only one company included information on the results or outcomes of mitigation actions.
- Only two companies disclosed statistics on grievances lodged.
- Only one company disclosed cooperating in remediation for negative human rights impacts.
- All companies stated they have systems in place to monitor and track their due diligence processes. Only one company included specific information on these monitoring processes, and only one company included how it monitors for effectiveness.

## Key Recommendations

The following recommendations, developed from the key take aways in this study, can be used to strengthen human rights due diligence reporting. Some recommendations will require changes to the Transparency Act to increase its effectiveness.

### 1. Disclosure

- a. Due diligence reporting should include full disclosure of identified risks, policies and procedures applied to operating in, or in connection to, conflict affected areas, including with respect to the sourcing of conflict minerals.
- b. Disclosing sourcing countries, suppliers, and places of production is a necessary part of increasing supply chain transparency and key to furthering the main goals of the Transparency Act. Adjusting the Act to ensure it promotes these objectives should therefore be considered.

### 2. Embedding Human Rights

- a. Due diligence reporting should include steps companies are taking to develop policies and processes tailored to a) high-risk countries where they operate, b) their identified risks and impacts, and c) vulnerable and marginalized groups. These steps should be informed by the company's risk mapping, assessments, and stakeholder engagement.
- b. There needs to be more transparency on steps companies are taking to support their suppliers in increasing value accumulation by suppliers, targeted assistance to suppliers in managing specific risks, capacity building to risk management in general by suppliers, and cost-sharing for increased burden on suppliers. This disclosure is most needed for suppliers and business relationships in high-risk countries and conflict affected areas.

### 3. Risk Assessments

- a. Transparency Act reporting needs to include the results of risk assessments, including social audits, and the details of corrective action plans. Summaries of findings are helpful in reporting but cannot be a substitute for detailed descriptions of risks and mitigation measures. Too often, reporting and disclosures simply state that an issue was detected, and a plan was put in place to address it, without any information as to the nature of the issue, its location in the value chain, or the steps taken to mitigate the risks of violations. The documentation needed to support findings and actions should be provided on the company's web page in support of their mandatory reporting. If necessary, changes to the Transparency Act should be made to ensure best practice in this regard.
- b. Companies need to be more transparent about their understanding of the difference between general risk assessments, human rights due diligence and human rights impact assessments.
- c. For companies operating in conflict-affected areas, heightened human rights due diligence (including for example, human rights impact assessments) should be conducted, and the results disclosed, with the necessary precautions to protect rightsholders.

### 4. Mitigating Actions

- a. More concrete mitigation actions should be disclosed corresponding to the risks and impacts identified. General language should be avoided.

- b. Transparency Act reporting should include the methodology applied for tracking and monitoring due diligence processes, and a methodology for measuring effectiveness of companies' mitigating actions. In addition, companies should disclose how rightsholders are included in the development, implementation, and monitoring of mitigation measures.

## **5. Grievance and Remedy**

- a. Transparency Act reporting should include information about rightholders' access to well-functioning grievance mechanisms and the use and outcome of such mechanisms.
- b. Companies should disclose information on how they have provided for or cooperated in remediation and/or compensation, both internally and externally, and include information on rightholders' role in such processes.
- c. Where the company is prevented from disclosing specific information on remediation, it should report these constraints.

# 4 – Appendixes

## Appendix A: Norwegian Transparency Act

In July 2022, Norway passed the *Act Relating to Enterprises' Transparency and Work on Fundamental Human Rights and Decent Working Conditions*, also known as the Norwegian Transparency Act. This Act incorporates international standards on business and human rights into domestic law, with the stated purpose of promoting businesses' respect for fundamental human rights and decent working conditions, including a living wage, throughout their business operations, supply chains, and business relationships.

Pursuant to Section 4 of the Act, businesses, within the scope of the law, are legally required to conduct Human Rights Due Diligence (HRDD) throughout a business's operations, supply chain, and business relationships. HRDD must be aligned with the OECD Guidelines for Responsible Business Conduct's six step due diligence process.

**Human Rights Due Diligence:** Businesses must 1) must integrate and embed processes and procedures for addressing human rights impacts; 2) must know their human rights impacts throughout the business model, supply chain, and business relationships by utilizing risk analysis and targeted human rights impact assessments; 3) must prioritize the risks they are addressing by severity, scope and irremediability and take action to stop, mitigate, and/or prevent actual and potential negative impacts; 4) must track the progress and results of their due diligence measures and policies; 5) must communicate, and make publicly accessible, their human rights due diligence policies and procedures to stakeholders; and 6) must cooperate in remediation and provide remedy when deemed appropriate.

**External Communication:** Section 5 of the law instructs businesses to report annually on their HRDD policies, processes, and outcomes. Reports must be published by June 30th of each year. The report must be signed by the board and CEO and must be publicly available and easily accessible to the general public, rights-holders, and other stakeholders. Businesses continue to have flexibility and discretion in their reporting on due diligence, which is why actively utilizing the right to access information will be key for raising standards and accountability.

**Access to Information:** Section 6 of the law provides that "anyone," has the right to access information connected to how the business addresses actual and potential negative human rights impacts. Requests can relate to:

- general information about the business;
- what due diligence policies and procedures the business has in place to mitigate and prevent negative human rights impacts;
- what actual and potential negative impacts the business has identified and how the business is addressing these impacts;
- how and why a business prioritizes its identified negative impacts;
- the results and effectiveness of the business's due diligence policies, procedures, and actions, and
- how the business engages with rightsholders.

In addition, the request for information can be connected to a specific product or service. "For example, information regarding the human and labor rights conditions under which a product is produced and how the company ensures good working conditions and a living wage in a specific high-risk country or at a particular factory."<sup>1</sup>

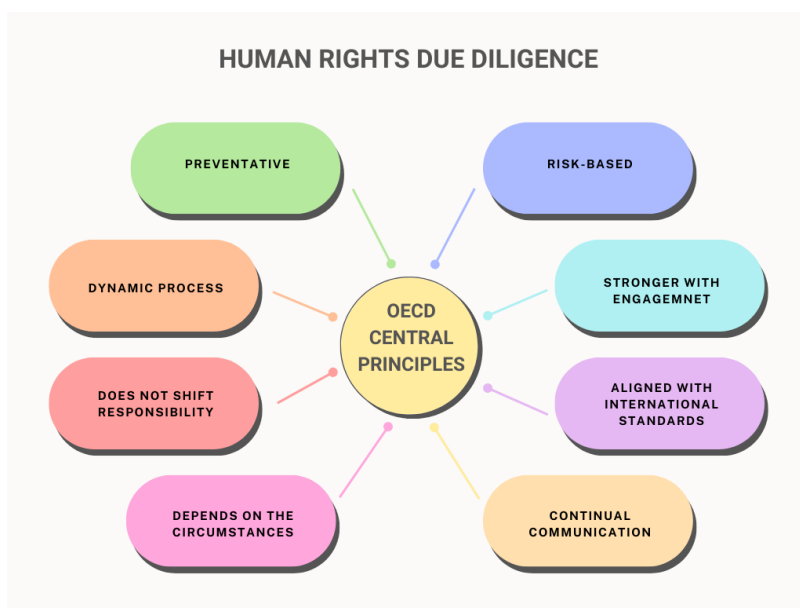
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<sup>1</sup> Tore Lund, "Lov om virksomheters åpenhet og arbeid med grunnleggende menneskerettigheter og anstendige arbeidsforhold (Åpenhetsloven)," *Vitenskapelig Publikasjon* L18.06.2021, no. nr. 99 (July 10, 2022), <http://www.rechtsdata.no>.

## Appendix B: The Transparency Act and the OECD Guidelines for Human Rights Due Diligence

The Norwegian Transparency Act obligates businesses covered by the law to adhere to the international standards on business and human rights when conducting due diligence, specifically the OECD Guidelines. The OECD Guidelines incorporate the UNGPs Protect, Respect, and Remedy framework. In addition, the OECD provides guidance for certain high-risk sectors, and meaningful stakeholder engagement.

Illustration: Central Principles for Human Rights Due Diligence in Accordance with the OECD Guidelines



The process for this study was structured in a way that reflects the six-step due diligence process according to the OECD Guidelines. The research covers human rights due diligence disclosure through corporate reporting.

**External Communication:** OECD Guidelines 5.1 requires businesses to communicate externally relevant information on due diligence policies, processes, activities conducted to identify and address actual or potential adverse impacts, including the findings and outcomes of those activities.<sup>2</sup>

**Disclosure:** Businesses must include a general description of their business model and its guidelines/procedures for work on human rights and decent working conditions. The updated OECD Guidelines include a chapter on disclosure.

“The purpose of this Chapter is to help build transparency and accountability around the operations of multinational enterprises. Clear and complete information on enterprises is important to a variety of users ranging from shareholders, potential investors and the financial community to other constituencies such as workers, local communities, special interest groups, governments and society at large.”<sup>3</sup>

<sup>2</sup> OECD, “OECD Due Diligence Guidance for Responsible Business Conduct.,” 2018, <https://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>

<sup>3</sup> OECD, *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* (OECD, 2023), <https://doi.org/10.1787/81f92357-en>. Commentary on Chapter III, Disclosure, 30.

**Transparency on supply chains, business relationships, and production sites:** Businesses have flexibility with what information they disclose, regarding suppliers and business partners, to provide an adequate understanding of the business's due diligence efforts. Under the Transparency Act, it is not required by law to list suppliers or production sites. However, a general description of a business's area of operations and what raw materials are sourced must be disclosed. If a company chooses not to disclose their suppliers and production sites, the company still has a duty to know the human rights risks and negative impacts in their supply chain. In addition,

"...the Transparency Act, as it is interpreted, presumes that enterprises disclose information regarding actual adverse impacts on human rights. Enterprises have to ensure trust in the contractual relationship in a suitable manner, e.g., by the supplier being informed that the enterprise is required by law to provide the general public with information regarding any actual adverse impacts on human rights."<sup>4</sup>

The Norwegian Consumer Authority has concluded that while businesses may not have a general legal obligation to disclose specific suppliers, they do have an obligation to respond to specific requests for information under Section 6 of the law. "Specific names and lists are not always necessary in order to answer this. In some cases, however, it may be necessary to give names of specific suppliers in order to be able to adequately answer an information request, unless this would fall within an exception for place or production, competitively sensitive enterprise data or other grounds for denial."<sup>5</sup>

**Embedding human rights:** Businesses are required under Section 4(a) of the law to embed human rights commitments into company policies and procedures. The OECD Guidelines, which the Transparency Act builds on, recommend tailored human rights policies and procedures to higher risk areas. In addition, human rights commitments should be included for suppliers and other business relationships through contractual clauses, codes of conduct, and guidelines. Policies and procedures should be continuously reviewed and updated based on the company's risk assessments and meaningful engagement with rightsholders.

**Risk Mapping:** Businesses are required under Section 4(b) of the law to conduct a general scoping exercise and risk map a) the business sector, b) the products and/or services the company provides, c) country risks, and d) supply chain and business relationship risks. Companies should disclose both their methodology for risk mapping and the results, including the identified risks, in their due diligence reporting. The risk mapping process should include meaningful engagement with rightsholders.

**Risk Assessment:** Businesses are required under Section 4(b) of the law to conduct risk assessments. Once risk mapping is complete, businesses should prioritize their high risks for negative human rights impacts for targeted assessments. Risk assessment process should include applying a cause, contribute, directly linked framework. Due diligence reporting should disclose a company's identified actual and potential impacts uncovered through their risk assessments. According to the preparatory work for the Transparency Act, businesses must include information regarding the actual negative human rights impacts the company has identified through its due diligence processes. Further, businesses must prioritize significant risks and impacts for mitigation and prevention measures, and this prioritization should be disclosed, applying the OECD's prioritization criteria, in due diligence reporting. In addition, risk assessments must include meaningful engagement with rightsholders.

**Actions:** Businesses are required under Section 4(c) of the law to implement suitable measures to cease, prevent or mitigate negative human rights impacts based on the company's risk assessments and prioritization. Concrete actions corresponding to the identified risks and impacts should be disclosed in due diligence reporting. Developing and implementing these measures should include meaningful engagement with rightsholders.

**Grievance and Remedy:** Businesses must, under Section 4 (f) of the Transparency Act, provide for or cooperate in remediation and compensation where this is required. Grievance mechanisms should be

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<sup>4</sup> Barne-og familiedepartementet, "Prop. 150 L (2020–2021)," Proposisjon, Regjeringen.no (regjeringen.no, April 9, 2021), 150, <https://www.regjeringen.no/no/dokumenter/prop.-150-l-20202021/id2843171/>.

<sup>5</sup> "Processing information requests," *Forbrukertilsynet* (blog), accessed May 26, 2024, <https://www.forbrukertilsynet.no/vi-jobber-med/apenhetsloven/processing-information-requests>.



developed and implemented with meaningful rightsholder engagement, to collect information on potential risks and negative impacts, and to proactively address these risks and negative impacts. To enhance transparency, due diligence reporting should include information on a company's process for handling grievances and statistics on grievances lodged and resolved.

**Monitoring and Measuring for Effectiveness:** Businesses must, under Section 4(d) of the Transparency Act, monitor for effectiveness and results of their implemented mitigation and prevention measures. "If the business's due diligence measures are not working, a business should then develop and implement new measures, and this process should be reported transparently. Businesses should, at a minimum, account for how the selected measures have contributed to reducing risks or remedying actual adverse impact.