Human rights
Expectations of companies
Norges Bank Investment Management manages the assets of the Norwegian Government Pension Fund Global. We work to safeguard and build financial wealth for future generations. As a long-term and global financial investor, we are dependent on sustainable development, well-functioning markets and good corporate governance.

Our expectation documents set out how we expect companies to manage various environmental and social matters. Our expectations are based on internationally recognised principles such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the G20/OECD Principles of Corporate Governance, the OECD Guidelines for Multinational Enterprises and other topic-specific standards. This document serves as a starting point for our interaction with companies on human rights. We expect companies to address this topic in a manner meaningful to their business model and wish to support them in their efforts.

Our expectations are primarily directed at company boards. Boards should understand the broader environmental and social consequences of company operations, taking into account the interests of relevant stakeholders. They must set their own priorities and account for the associated outcomes. Companies should pursue relevant opportunities and address significant risks. They should report financially material information to investors, and broader impacts as appropriate. Boards should effectively guide and review company management in these efforts.
Human rights

All companies have a responsibility to respect human rights. They may impact human rights in several ways through their business operations and supply chains, their community interactions and the marketing and use of their products and services. Respecting human rights is an inherent part of good business practice and risk management. We expect companies to integrate human rights into their policies, corporate strategy, risk management and reporting.

We hold a diversified portfolio across sectors and markets. The long-term legitimacy of those sectors and markets depends, among other things, on operations, products and services that are ethically acceptable.

Companies’ operations impact on their employees, contract workers, workers in supply chains, customers, communities and the environment around their operations. End-users of products or services may also be affected by companies. Moreover, certain features of a company’s business model (the way in which the company will create value) may also entail an inherent risk of negative impact on human rights.1

It is broadly accepted that companies have a responsibility to respect human rights, including in supply chains and other business relationships. Respecting human rights is, more generally, part of good business practice and risk management.

Under international law, the legal obligation to protect human rights rests with governments. Although international human rights treaties do not impose direct legal obligations on business enterprises, they nevertheless constitute important standards for companies. The UN Guiding Principles on Business and Human Rights refer to the responsibility of companies to respect the human rights expressed in the International Bill of Human Rights2 and the ILO core conventions3 as a minimum. These encompass economic, social and cultural rights,

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1 Features of a business model that may entail inherent human rights risks include: the value proposition (what the company offers and to whom), the value chain (how the company delivers value) and the revenue model (how the business is profitable).


3 The ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. They pertain to forced labour, child labour, freedom of association and collective bargaining, and discrimination.
The Guiding Principles establish a normative starting point for companies’ policies and strategies with respect to human rights. The Guiding Principles moreover provide a reference point for companies in understanding what human rights are, how their own activities and business relationships may affect them, and how to ensure that they prevent or mitigate the risk of adverse impacts on human rights. The responsibility to respect human rights applies to all companies. It is the duty of companies themselves to decide how and to what extent the Guiding Principles and other relevant principles and guidelines apply to their operations. In practice, certain human rights will probably be more at risk of being impacted than others, depending on sector, geographical area, business model and other circumstances.

In line with the Guiding Principles, we encourage companies to identify their salient human rights issues, i.e. the human rights that may be at risk of the most severe negative impact through a company’s business operations, including its supply chains and other business relationships, as well as through the use of its products and services.

Our expectations are especially relevant for companies with direct operations, supply chains or other business relationships in high-risk sectors, high-risk geographical areas or otherwise high-risk operational environments. Some operational environments, such as conflict-affected areas, may increase the risk of companies being complicit in gross human rights violations committed by other actors. In such situations, it is expected that companies respect the standards of international humanitarian law and undertake enhanced due diligence.

Companies’ impacts on their own workforce are generally the most direct way in which they affect human and labour rights. A diverse and inclusive working environment and focus on the health and safety of employees and other workers can contribute to profitable business operations, better risk management and ensure respect for human and labour rights. We expect companies to consider diversity & inclusion and health & safety as part of their governance, risk management and reporting. Companies should, as appropriate, adopt policies and practices that promote a diverse, inclusive and safe workplace, and report on these efforts, including relevant data and performance metrics.

We acknowledge that information on human rights can be sensitive, both for companies and for affected rights-holders. We nevertheless encourage companies to be transparent, as far as possible, about the dilemmas they face and priorities they set in their efforts to respect human rights. Principles and practices for companies’ human rights reporting are developing over time. We support the ongoing development of good practices. Appropriate and timely reporting and measurable data are important in this regard. For selected companies, we use such information to assess their human rights risk exposure, management and performance.

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4 The Guiding Principles state that other standards dealing with specific or collective rights may also apply to business enterprises, depending on the context. A comprehensive list of rights and how they might be relevant to business enterprises can be found at: www.ungpreporting.org/resources/how-businesses-impact-human-rights/.  
5 The concept of human rights due diligence concerns risk management processes to identify, prevent, mitigate and account for how a company addresses its adverse human rights impacts. It will vary in complexity with the size of the company, the risk of severe human rights impacts, and the context of its operations.  
6 The UNGP Reporting Framework, the GRI Standards and the SASB Standards are examples. In some jurisdictions, companies are also required to report on human rights issues and supply chain due diligence.
A. Integrate human rights into policies and strategy

• Companies should understand the business implications of human rights issues and integrate findings into their strategic business planning.

• Companies should make a public policy commitment regarding the respect of human rights, including in their supply chains and other business relationships. Companies’ approaches to human capital management should include initiatives to promote diversity & inclusion and health & safety.

• Companies should adopt strategies and policies based on emerging industry standards and good practices addressing human rights. Strategies and policies should be appropriate to company size, sector, operational context, ownership and structure.

• Companies should regularly consider whether their business model, organisational structure, incentive systems, training programmes and wider company culture integrate sustainable business practices appropriately. Employees and contractors should be engaged in these efforts and made aware of company policies and practices.

• Companies should consider putting in place a mechanism for third-party expert input into their human rights strategies and policies. This should not replace appropriate internal processes, roles and responsibilities.

B. Integrate salient human rights into risk management

• Companies should conduct ongoing human rights due diligence, based on the perspective of those who may be negatively impacted. They should strive to identify actual and potential negative impacts on relevant human rights in relation to all aspects of a business operation.

• Human rights due diligence processes should be guided by the severity of the risks of adverse human rights impacts and practical considerations such as company size and the nature and context of its operations.

• Company policies should include measures to address salient human rights risks, including, where appropriate, through cessation, prevention, mitigation and remediation of adverse human rights impacts.

• Companies should, where relevant, define qualitative and quantitative indicators that enable monitoring and tracking of abuses of human rights and their efforts to address these. The performance of preventive and corrective actions should be tracked.

• Companies should carry out relevant impact and risk assessments before, for example, making significant investments in new business activities, agreeing mergers and acquisitions, entering new countries, regions or locations, and establishing new business relationships.

• Companies should have an adequate supply chain management system, including policies for detecting and preventing supply chain human rights abuses, monitoring systems, contractual clauses, incentives and corrective instruments, such as education and training.

7 For an explanation of saliency, see http://www.ungreporting.org/key-concepts/salient-human-rights-issues/. 
C. Report on management of salient human rights
• Companies should publicly disclose their human rights strategies, policies and processes and report on their implementation of the UN Guiding Principles on Business and Human Rights and other relevant international standards.

• Companies should ensure that information is communicated in a relevant and accessible manner, which demonstrates explicit board oversight and active commitment from senior management.

• Companies should, for example, disclose human rights action plans, governance structures, operational procedures and risk and impact assessments, as well as information about stakeholder relationships and remediation processes, where appropriate.

• Companies should identify, monitor and report on the status of relevant topics. Performance reporting should, where appropriate, use metrics that enable year-on-year comparison in line with applicable internationally accepted reporting standards or initiatives.

• Companies should be transparent about how they assess and manage workforce equality and diversity. As appropriate, they should report on efforts to promote a diverse, inclusive and safe workplace, including relevant data and performance metrics.

• Companies should disclose information at the appropriate level of detail on their activities in high-risk sectors and geographical areas or otherwise high-risk operational environments and, as far as possible, be open about their human rights due diligence process, dilemmas they face and priorities they set.

• Where appropriate, companies should report the above information for supply chains and other business relationships, taking a full value-chain perspective.

D. Engage transparently and responsibly on human rights, including through grievance mechanisms
• Companies should, as appropriate to their size and the nature and context of their operations, consult and engage with their workers and their representatives, health and safety representatives, potentially affected groups and other relevant stakeholders on human rights issues.

• Companies should establish or participate in effective and accessible operational-level grievance mechanisms for individuals and communities that may be adversely impacted by their operations.

• Companies should, where relevant, have policies or guidelines for engaging constructively with policy makers and regulators on human rights and be transparent about those policies and guidelines.
See our website www.nbim.no for a full and updated list of our expectations on sustainability topics. We also regularly publish our perspectives on issues such as sustainability reporting and the UN Sustainable Development Goals.