

Mandate of the Ethics Information Committee

I Introduction

The government has decided to appoint a committee to assess whether Norway should adopt an ethics information law. The committee shall examine whether it is possible and advisable to require businesses to disclose information to consumers and organisations about production sites used in manufacturing, responsible business conduct and supply chain management. The committee shall also assess the consequences of a potential disclosure requirement. If the committee finds that such legislation is feasible and advisable, the committee shall propose its' scope and how the duty to disclose information should be enforced.

The background to the appointment of the committee is two petition resolutions where Parliament asks the Government to examine such a law:

1. Petition resolution No. 890 (2015-2016) of June 13th, 2016: *"Parliament asks the Government to assess and consider promoting a proposal for a law on Transparency of Manufacturing Sites and Ethics Information on Manufacturing to Consumers and Organizations."*
2. Petition resolution No. 200 (2017-2018) of December 12th, 2017: *"Parliament asks the Government to appoint a committee with broad representation to assess a possible law on ethics information, its scope, what the law should include and to whom it should apply. The Committee should also consider how a law on ethics information might safeguard consumers and organisations' right to information beyond existing legislation and tools. "*

In response to the first petition resolution, the Ministry of Children and Equality (BLD) commissioned the law firm Simonsen Vogt Wiig (SVW) to investigate the possibility for Norwegian authorities to introduce legislation requiring disclosure of ethics information from businesses. SVW assessed whether national regulations, EEA legal obligations or bilateral/multilateral agreements (including WTO agreements), would impede, or require specific adjustments to, an ethics information obligation. SVW delivered its report in the summer of 2017 concluding that there is a certain scope of action within existing obligations that may allow for imposing an information duty on businesses.

II The purpose of an ethics information obligation

In the global trade of commodities, many consumer goods are produced in countries where employee protection is weaker than in Norway. The lack of living wages, excessive working hours, the use of child labour, and the absence of the freedom of association are among the challenges in global supply chains.

The Government takes as a point of departure that the purpose of an ethics information obligation would be that consumers and organisations have access to information about how businesses work to safeguard basic rights and decent working conditions in their supply chains. Access to such information should facilitate the ability of consumers to make informed purchasing decisions. The duty of disclosure should also contribute to

increasing the efforts of companies to ensure decent working conditions in their supply chains. Thus, the duty to disclose information may be said to have a dual purpose.

III Assessment

a. The possibility for, and advisability of, introducing an ethics information obligation

The ethics information committee shall examine whether it is possible and advisable to require businesses to disclose information to consumers and organisations about production sites used in manufacturing, responsible business conduct and supply chain management.

The committee shall assess the usefulness of such an obligation, i.e. the extent to which such a disclosure obligation will (i) provide consumers with better opportunities to make informed purchasing decisions beyond existing legislation and tools (brand schemes, etc.) ii) affect businesses' efforts to safeguard fundamental rights and decent working conditions in supply chains, and iii) will help to improve working conditions in supply chains.

The committee shall furthermore address any potential competitive, economic and administrative consequences of such a disclosure requirement.

In order to assess the merits and consequences of an obligation to disclose information, it will to a certain extent be necessary to address the questions under point *b.* below.

b. Alternatively: Regulation

If the committee finds that such legislation is possible and advisable, the committee shall propose its' scope and how the disclosure obligation should be enforced. The assessment must be reviewed against relevant national regulations, EEA law, Norway's WTO obligations and other international regulations by which Norway is bound, cf. SVW's assessment of the legal scope of action. An information obligation may be proposed to be incorporated into existing regulations without necessarily proposing a new law. The committee shall not formulate a specific bill.

The committee shall in particular assess:

- Which sectors and businesses should be covered by the obligation to provide information, and if certain sectors or businesses should be exempted from such a duty.
- What type of information should be covered by the duty of disclosure and how far back in the supply chain the duty to disclose information should apply. It may also be relevant to address what type of information should be exempted, including how the information obligation should be weighed against other considerations, inter alia, business interests, trade secrets, copyright and competition considerations.
- How and when such information should be made available; whether the information should be publicly available without a request from a consumer or an organisation (e.g. publishing or labelling requirements) or whether the disclosure

obligation should apply only at the request of the consumer or an organization (e.g. request demands).

- How a potential regulation should be enforced, including who should supervise the regulation, and what sanctions should apply if the duty of disclosure is infringed upon.

- What appeal possibilities consumers and organisations should have in the case of a violation of the duty to provide information.

- Economic and administrative consequences of the committee's proposal, cf. Instructions for Official Studies and Reports, Chapter 2.

IV Working method, timeframe and changes to the mandate, etc.

The Ministry of Children and Equality will be responsible for establishing a secretariat for the committee.

The committee is to fulfil its mandate within the financial framework made available by the Ministry of Children and Equality.

The committee shall, as deemed necessary, consult with relevant stakeholders, such as industry and employee organizations and consumer interest groups.

The committee shall deliver its report to the Ministry of Children and Equality as follows:

- If the committee concludes that an ethics information duty should not be introduced (part *a.* of the assessment), the report shall be completed by June 1st 2019.

- If the committee finds that an obligation to inform should be introduced and it proceeds with the assessment of part *b.* of the mandate, the report shall be completed no later than December 1, 2019.

The Ministry of Children and Equality may make changes to the mandate and provide the committee with further assessment duties. Any proposals for major deviations from the mandate that the committee might have must be approved by the Ministry of Children and Equality. The committee shall discuss questions of interpretation or delimitation of the mandate with the Ministry of Children and Equality.

Public access: The committee report will be made publicly available.