



NORGES BANK
INVESTMENT MANAGEMENT

Japan Responsible Supply Chains Committee
Business and Human Rights Lawyers Network
C/O Research Center for Sustainable Peace
University of Tokyo
3-8-1 Komaba, Meguro-ku,
Tokyo, 153-8902

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Consultation by the Japan Responsible Supply Chains Committee

Norges Bank Investment Management (NBIM) welcomes the Japan Responsible Supply Chains Committee's draft *Engagement and Remedy Guidelines for Promotion of Responsible Business Conduct and Supply Chains*. We appreciate the opportunity to contribute our perspective.

NBIM is the investment management division of the Norwegian Central Bank (Norges Bank) and is responsible for investing the Government Pension Fund Global. NBIM is a globally diversified investment manager with USD 56 billion (JPY 6 014 billion) invested in equities and USD 32 billion (JPY 3 437 billion) in bonds in Japan, at the end of 2018. We work to safeguard and build financial wealth for future generations.

As a long-term investor, we consider our returns over time to be dependent on sustainable development in economic, environmental and social terms. The long-term legitimacy of sectors and markets depends, among other things, on operations and products that are ethically acceptable. In addition, the way companies address supply chain risks may affect their performance.

We expect companies to follow the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPR). In line with these international standards, companies should have an adequate supply chain management system in place, including policies and measures for detecting, preventing and responding to risks in the supply chain.

As we explain in our Expectation Document on Human Rights¹, which lays out our expectations of companies, we consider that ensuring the respect of human rights in direct

¹ See NBIM expectations on [human rights](#)



operations and supply chains is essential for good business practice and risk management. We also expect companies to establish appropriate grievance mechanisms and engage with workers and other relevant stakeholders on human rights.

Japan Responsible Supply Chains Committee's has drafted comprehensive *Engagement and Remedy Guidelines for Promotion of Responsible Business Conduct and Supply Chains*. We believe the document's principles-based approach provides valuable and comprehensive guidance to companies.

As an investor, we rely on companies' disclosures for our assessments and ownership decisions. We therefore appreciate when companies report on their grievance mechanisms and engagement with stakeholders, while respecting the confidentiality of complainants and protecting whistle-blowers. We further believe that qualitative information needs to be supplemented with quantitative metrics illustrating companies' commitment and performance over time. Where possible, companies should use metrics to report on their grievance mechanisms that enable year-on-year comparison. The Committee could consider encouraging disclosure of performance metrics that allows for comparison over time in the Guidelines and the Basic Action list.

We appreciate your willingness to consider our perspective, and we remain at your disposal should you wish to discuss these matters further.

Yours faithfully

Carine Smith Ihenacho
Chief Corporate Governance Officer

Severine Neervoort
Senior Analyst, Policy Development