

Norwegian Transparency Act Statement 2022

Introduction

The Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions ([Transparency Act](#)) entered into force on 1 July 2022. It is the [Norwegian Consumer Authority](#) that monitors compliance with the provisions of the Act.

The Act shall promote companies' respect for human rights and decent working conditions in own operation, supply chain and other business relationships, as well as ensure the public has access to information on how the company handles negative consequences for these conditions.

Chr. Michelsen Institute (CMI) falls within the scope of the Act. The Transparency Act states that businesses that are covered by the Act must carry out due diligence assessments (The Act, §4) in line with the OECD's Guidelines for Multinational Enterprises and annually publish an account of the due diligence assessments (The Act, §5).

This report presents CMI's work with human rights, how we comply with the requirements set out in the Transparency Act and covers the period from and including the law effective date 1 July 2022 up to and including 31 December 2022.

About CMI

Founded in 1930, Chr. Michelsen Institute (CMI) is an independent and not-for-profit development research institute located in Bergen, Norway.

Inspired by our vision *Research for a just and equal world*, CMI addresses global development challenges by providing research-based knowledge that inspires and shapes policy and practice. The Institute has a particular focus on challenges facing poor and vulnerable groups in the global South, and the primary audience are national and international actors who influence international development.

The Institute carries forward the legacy of our founder, the late Christian Michelsen, to promote respect, understanding and amicable relations between nations and peoples. The work is carried out in close collaboration with partners from all over the world, including the people to whom the research is most important.

The research is organized in seven multi-disciplinary research groups:

- Tax
- Rights and Gender
- Democracy and Governance
- Poverty and Global Health
- Climate and Natural Resources
- Corruption
- Humanitarianism and Migration

CMI had a total of 111 employees as of 31.12.2022 and conducted 83,3 person-years (full time equivalents) during the year. The Institute's total revenue in 2022 was 119.0 MNOK and CMI carried out externally funded projects of a total value of 97.9 MNOK.

Anchored accountability

Responsible business conduct is embedded in CMI's governing system and policies, with CMI having to safeguard human rights and carry out risk-based due diligence assessments in our value chain. As an employer, CMI is committed to respect basic human and employee rights, and ensure decent working conditions.

The CMI Board has the overall responsibility for internal control and risk management at the institute, including implementation of the Transparency Act. Director and management are responsible for operationalizing the institute's risk management and internal control, while the staff function for quality is responsible for arranging frameworks and tools for risk management and internal control in collaboration with other staff areas.

In 2022 the institute worked on developing a new [strategy for the period 2023-2028](#), which anchor our accountability to responsible business conduct and CMI's commitment to the Transparency Act is especially visible in the strategy's structural priorities 3; Social responsibility: *CMI works for sustainability in all areas of our operation, especially those focused on environmental, social and governance issues. At CMI, we raise awareness about situations where our own activities can potentially have harmful impacts, and we work systematically to prevent or reduce these situations. [...] CMI will offer transparency into our operation throughout the entire organization as well as our network of suppliers and partners.*

Protection of third-parties human rights has always been important to CMI. In our operation we do research on and with people and it is here our risk of violating human rights is the greatest. Embedded in [CMI Code of Conduct, Ethics and Integrity](#), and related policies and procedures, is the commitment to respect the human rights of those affected by our activities in accordance with international human rights instruments and standards, and to ensure that our partners adopt similar commitments in connection with our common projects. We must always respect the dignity of individuals by protecting personal integrity, preserving individual freedom, respecting privacy and family life, and avoiding harm and unreasonable strain. Research involving vulnerable groups (e.g., children, refugees and displaced persons, victims of violence, minorities) and exposed groups (e.g., opposition politicians, regime critics, anti-establishment, social movements) must take measures to avoid negative repercussions for research subjects, employees, partners and others related to the activity.

Due diligence at CMI

Central to CMI's work to respect fundamental human rights and decent employment is the implementation of due diligence assessments. A due diligence assessment is a process to map, risk assess and follow up how the institute handles actual and potential negative consequences of our operations, both internally and in our supply chain and other business relationships.

Based on our risk assessments and due diligences we will implement suitable measures to stop, prevent or limit negative consequences. We will monitor the implementation and results and introduce additional measures when necessary. We will communicate with affected stakeholders and rights holders about how negative consequences have been handled and ensure or cooperate to recovery and compensation where this is required.

In 2022, CMI carried out a high-level risk assessment that was based on risk factors relating to area of operation, geography and specific activities to identify human rights risks across our operation, business partners and supply chains. The purpose of the assessment was to identify which human rights were

most likely to be significant for CMI. The risk assessment will be revised on a yearly basis or as needed to ensure that CMI remains responsive to changing circumstances and emerging risks.

We have identified and prioritised human rights risks that are relevant to CMI's own operations and value chain. We have assessed our prioritised areas based on severity and likelihood of potential adverse impacts. The high-level risk assessment formed the basis for our approach to prioritising human rights areas requiring further assessment and measures. The prioritisation was based on criteria including the severity of potential impacts, the likelihood of the risk occurring and the extent to which CMI may contribute to or elevate the identified risk.

Broadly CMI's purchasing can be categorised into two categories – operation of the institute and operation of research projects. Suppliers for the operation of the institute are in large Norwegian based, and are mainly related to development and operation of ICT solutions, professional services, communication, travel and safety, goods and services related to property and office equipment.

The institutes main operation is related to our research projects and centres, which usually are conducted in collaboration with partners from all over the world, and the research is mainly conducted in countries in Africa, Asia or Latin-America. Most countries where we do research can be defined as vulnerable states, and in some cases high-risk and/or conflict areas. Almost all of our projects are implemented in collaboration with local partners. Among our partners are universities, research institutes, think tanks, civil society organisations, non-governmental and governmental organisations. In addition to research partners, suppliers related to implementation of projects are broadly related to travel, data collection and dissemination.

Risk-based prioritisations

Norwegian businesses are highly regulated in the areas of labour rights, health and safety, and has in general a low risk of violations of fundamental human rights, especially compared to vulnerable states. Thus, CMI has identified the risk of human rights and labour rights violation to be more likely in our projects supply chain and project partners. In addition, we have identified a risk for human rights violation of the data subjects. Especially related to their Right to privacy - Respect for private and family life and Protection of personal data, but also related to Safety and Protection of vulnerable groups.

For the project team, including CMI staff, there is a priority risk area related to safety and harassment on travels and a risk of hate speak and harassment in disseminations – especially in social media.

Decent working conditions at CMI

A number of risks identified in the high-level risk assessment apply to CMIs working condition, though we consider these risks to be well mitigated through existing systems, policies and procedures which lower the risks.

CMI is both committed to and obliged by law and regulations to exercise fair labour practices and to maintain a safe and healthy work environment for the staff. CMI urges to have a diverse staff when it comes to gender, nationalities, beliefs, family relationships, or backgrounds. Fair treatment of all staff is essential, and all shall be given equal opportunities. CMI strives to arrange for good work-family balance, according to the individual's situation.

CMI has designed its wage system and welfare schemes to provide equal opportunities for wage and career development. Through its recruitment policies, CMI seeks to ensure equal opportunities for all,

and to prevent discrimination based on a person's country of origin, ethnicity, religion, or beliefs. CMI seeks to ensure that working conditions allow all individuals to enjoy equal work opportunities regardless of disability and age. CMI has an active working environment committee where any working environment issues or concerns may be addressed. CMI conducted a working environment survey (AMIS) in November 2022, and this will be used to work strategically with the working environment in 2023. Finally, CMI has a Gender, Equality, and Inclusion plan that we adhere to. The institute is also working preventively to ensure decent working conditions in own operations through training that is related to e.g., discrimination and sexual harassment, diversity and inclusion, privacy, ethics, HSE and working environment.

Measures and areas for further improvement

Our ambition is that our due diligence processes will contribute to real improvement in our own operations, within our partners and in our supply chains. This work is a continuous process, and we will continue to systematically follow-up identified risk areas, partners and suppliers.

We are in the process of revising our project contracting procedure, including a new due diligence assessment tool, revised contract templates and a Supplier Code of Conduct. This will be fully implemented in 2023. We will also make improvement to the project risk assessment tool and procedure, and continuing training staff and associates in personal data management and protection.

In 2023 we will operationalise and start implementing our new Strategy where social responsibility and transparency is a structural priority.

The aim is that these measures will drive progress towards realising our commitment to promote human rights and labour rights and to reduce potential adverse impacts in our own operation, our partners and supply chains. CMI will continue to work to improve our risk assessments, as well as measures to follow up any deviations.

We recognise that achieving the desired outcomes requires ongoing work to monitor and evaluate the effectiveness of our mitigation measures. We will also engage with stakeholders where this is beneficial to promote human rights and decent working conditions in all aspects of our operations and supply chains and partners.

Restoration, communication and compensation

It has not been revealed that CMI has directly caused or contributed to breaches of human rights or decent working conditions in our own operation, in the supply chain or at our business partners. Furthermore, with the mitigating measures, it has not been revealed that there are any major risks for negative consequences. At the same time, it is important to point out that it is not possible to remove all risks, and we are therefore continuously working to improve measures to assess risk.

If it is discovered that CMI has directly caused or contributed to a breach of fundamental human rights or decent working conditions in our own operation, in our supply chain or with our business partners, we will take measures so that those responsible for the breach rectify this. Any violations will be documented according to internal processes.

We will communicate with affected stakeholders and rights holders about how negative consequences have been handled and ensure or cooperate to recovery and compensation where this is required.

Notification channels and complaint mechanism

All employees of CMI are accountable and under obligation to raise any issues of doubts or suspicion of wrongdoing to the CMI management. Routines for such notifications and procedures are prepared and easily accessible in CMI's Whistleblowing Policy. The policy is available to all staff in the personnel handbook and externally on CMI's webpage.

For our partners, research subjects, target groups and any interested members of the public there are several channels for notification depending on severity and preference:

- The [CMI Wistelblowing policy](#) is available on our webpage with contact information
- Questions related to personal data protection can be directed to the CMI Data Protection Officer – the [CMI Privacy policy](#) is available on our webpage with contact information
- Notifications and request for information in relation to the Transparency Act can be directed to transparency@cmi.no
- With justifiable reason one can contact CMI's management and staff directly - contact information is available on our webpage

Bergen, 30 June 2023

Guri Rørtveit
(Chair)

Alexander Cappelen

Catharina Bu

Andrew Norton

Matthew Gichohi

Sofie Schütte

Espen Villanger
(Director)