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In force

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Danish Ministry of Business and Growth

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Act on a Mediation and Complaints-Handling Institution for Responsible Business Conduct

WE, MARGRETHE THE SECOND, by the Grace of God Queen of Denmark, hereby proclaim that:

The Folketing has adopted and We have given Our Royal Assent to the following Act:

Part 1

Creation of a Mediation and Complaints-Handling Institution for responsible business conduct

Section 1. The Minister for Business and Growth shall create a Mediation and Complaints-Handling Institution for Responsible Business Conduct.

(2) The Mediation and Complaints-Handling Institution shall be an independent body within public administration.

(3) The Mediation and Complaints-Handling Institution shall consist of a Chairman, one expert member and three organisation representatives.

(4) The members of the Mediation and Complaints-Handling Institution shall be appointed by the Minister for Business and Growth. The Chairman shall be appointed for a term of four years, with the possibility of re-appointment. The other members of the Mediation and Complaints-Handling Institution shall be appointed for terms of three years, with the possibility of re-appointment.

(5) The Danish Business Authority shall lay down the more detailed rules for the appointment of the members of the Mediation and Complaints-Handling Institution and the qualifications of the members.

Section 2. The secretariat of the Danish Business Authority shall serve the Mediation and Complaints-Handling Institution.

Part 2

The Mediation and Complaints-Handling Institution's consideration of cases

Section 3. On the basis of a complaint, or at its own instigation, the Mediation and Complaints-Handling Institution shall consider cases concerning non-compliance with the OECD's Guidelines for Multinational Enterprises when such non-compliance has either taken place in Denmark, or concerns: 1) a Danish private or public company, cf. (2), or the company's business associates, cf. (4);

2) Danish government or regional authorities, or the authorities' business associates, cf. (4); or

3) Danish private or public organisations, cf. (3), or the organisations' business associates, cf. (4);

(2) A Danish private or public company is a company that is domiciled in Denmark.

(3) Danish private or public organisations are private or public organisations that are domiciled in Denmark.

(4) By business associate is meant business partners, entities in the supply chain, and other non-public or public entities that can be related directly to the business activities, products or services of the company, authority or organisation.

Section 4. Any person may bring a complaint before the Mediation and Complaints-Handling Institution on their own behalf, or that of a third party. The complaint must be made in writing, and the petitioner must present objective grounds and reasonable documentation of the claimed non-compliance with the OECD's Guidelines for Multinational Enterprises

Section 5. The Mediation and Complaints-Handling Institution may reject the case after an initial assessment. This assessment includes formal criteria, such as written documentation. The Mediation and Complaints-Handling Institution also assesses whether there are objective grounds and reasonable documentation of the claimed non-compliance with the OECD's Guidelines for Multinational Enterprises, cf. Section 4.

(2) If the Mediation and Complaints-Handling Institution rejects the case, the Mediation and Complaints-Handling Institution notifies this to the parties.

Section 6. The deadline for bringing a case before the Mediation and Complaints-Handling Institution is five years as from the date that the contested action or omission ceased. The deadline is interrupted when a complaint is received by the Mediation and Complaints-Handling Institution, or when the Mediation and Complaints-Handling Institution raises a case at its own instigation.

Section 7. The Mediation and Complaints-Handling Institution calls on the parties themselves to find a solution and thereby close the case. If the parties themselves, at the request of the Mediation and Complaints-Handling Institution, manage to find a solution themselves and thereby close the case, the Mediation and Complaints-Handling Institution does not make any pronouncement on the case.

(2) The Mediation and Complaints-Handling Institution performs a preliminary investigation of the case if the parties do not, at the request of the Mediation and Complaints-Handling Institution, succeed in finding a solution themselves and thereby closing the case, cf. (1). If the Mediation and Complaints-Handling Institution on the basis of the preliminary investigation assesses that the case should be rejected, the Mediation and Complaints-Handling Institution publishes a brief description of the case with the grounds for rejection, but without naming the parties to the case.

(3) If the Mediation and Complaints-Handling Institution does not reject the case, cf. (2) the Mediation and Complaints-Handling Institution can offer mediation between the parties. Mediation requires the consent of both parties. The mediation is undertaken by the Chairman of the Mediation and Complaints-Handling Institution. If the case is considered by mediation, the Mediation and Complaints-Handling Institution publishes a statement that the parties have requested the Mediation and Complaints-Handling Institution to mediate in the case. If the case is resolved by mediation, the Mediation and Complaints-Handling Institution publishes a statement with a brief description of the case and the outcome of the mediation. The Mediation and Complaints-Handling Institution follows up on the statement after one year and makes a new statement. This statement is also published.

(4) The Mediation and Complaints-Handling Institution performs an actual investigation of the case if:

- 1) the Mediation and Complaints-Handling Institution does not offer mediation;
- 2) the parties do not consent to mediation in the case;
- 3) after a mediation attempt in accordance with (3) the parties do not manage to find a solution; or
- 4) there are gross infringements of the OECD's Guidelines for Multinational Enterprises

(5) The Mediation and Complaints-Handling Institution publishes that the Mediation and Complaints-Handling Institution is investigating the case, cf. (4).

(6) On the basis of the investigation, cf. (4), the Mediation and Complaints-Handling Institution makes a statement on the case. This statement is published. The Mediation and Complaints-Handling Institution follows up on the statement after one year and makes a new statement. This statement is also published.

Section 8. The Mediation and Complaints-Handling Institution's cases concerning non-compliance with the OECD's Guidelines for Multinational Enterprises are subject to the Danish Access to Public Administration Files Act once the case is concluded.

(2) This does not apply, however, if the conclusion of the consideration of the case is that the Mediation and Complaints-Handling Institution rejects the case after an initial assessment, cf. Section 5(1), or that the parties themselves find a solution and thereby close the case, cf. Section 7(1).

Section 9. The Danish Business Authority lays down the more detailed rules for the activities of the Mediation and Complaints-Handling Institution, including the rules for the consideration of cases.

Part 3

Entry into force, etc.

Section 10. The Act enters into force on 1 November 2012, cf. (2), however. However, Section 1(4) and (5) and Section 9 enter into force on 1 September 2012.

(2) Section 11 applies to financial years commencing on 1 January 2013 or later.

Section 11. The following amendments are made to the Danish Financial Statements Act, cf. Consolidated Act no. 323 of 11 April 2011, as amended by Section 1 of Act no. 516 of 12 June 2009, Section 1 of Act no. 341 of 27 April 2011 and Section 2 of Act no. 477 of 3 May 2012:

1. In *Section 99 a(1)*, first clause, »(2)-(7)« is amended to »(2)-(8)«.
2. In *Section 99 a* after (2) the following new subsection is inserted:
»(3) If the company has policies to ensure respect for human rights and to reduce the climate impact of the company's activities the report in accordance with (1) shall expressly include details of these policies. If the company has such policies, (2) shall equivalently apply. If the company does not have such policies this must be stated in the Management's Review.«
(3)-(7) hereafter become (4)-(8).
3. In *Section 99 a(3) 1* , which becomes (4) 1, »(4), 1st clause« is amended to: »(5), 1st clause.«
4. In *Section 99 a(3) 2*, which becomes (4) 2, »(4), 2nd clause« is amended to: »(5), 2nd clause.«
5. In *Section 99 a(4), 1st clause*, which becomes (5), 1st clause, »(3), no. 1« is amended to: »(4), no. 1«.
6. In *Section 99 a(4), 2nd clause*, which becomes (5), 2nd clause, »(3), no. 2« is amended to: »(4), no. 2«.
7. In *Section 99 a(5)*, which becomes (6), »(1) and (2)« is amended to: »(1)-(3)«.
8. In *Section 99 a(6) 1*, which becomes (7) 1, »(1) and (2)« is amended to: »(1)-(3)«.
9. In *Section 99 a(7)*, which becomes (8), after clause 1 the following is inserted:
»The same applies to the information that is to be provided in accordance with subsection (3), if the progress report included human rights and climate issues.«

Section 12. The Minister for Business and Growth will present proposals for the revision of all or parts of the Act on a Mediation and Complaints-Handling Institution for Responsible Business Conduct during the 2015-16 parliamentary year.

Section 13. The Act shall not apply to the Faroe Islands and Greenland, but may be enforced in Greenland in full or in part by Royal Ordinance, subject to the amendments required by Greenlandic conditions.

Given at Christiansborg Palace on 18 June 2012

Under Our Royal Hand and Seal

MARGRETHE R.

/ Ole Sohn