



Supply chain due diligence's influence on supply chain strategies

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An analysis on the upcoming
Norwegian Transparency Act

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Abstract

The aim of this thesis is to gain insight on how the Norwegian Transparency Act affects supply chain strategies, and further acquiring knowledge on which resources are being used and activities done to meet the requirements of the act. For this purpose, quantitative and qualitative studies were conducted in terms of a questionnaire answered by 29 companies and three in-depth interviews with three companies. The research concludes that public policy and governmental regulations, exemplified by The Norwegian Transparency Act, have an impact on supply chain strategies. However, supply chain due diligence's impact on supply chain strategies is varying depending on several factors, like size of supply chains, suppliers' location, implemented guidelines similar to the act and operations in countries with due diligence laws. The most implemented resources and activities are creation of specialized teams, information sharing, use of legal services and other third-party contributions. The SCOR model (APICS, 2017), useful for measuring performance of supply chains, seems to have received little attention for its recently added 6th "enabling" process, which includes i.e., regulatory compliance management. This process should be greatly emphasized as due diligence has an increasing impact on supply chain management. The Norwegian Transparency Act has not yet entered into force. Hence, this thesis contributes by expanding knowledge of companies' awareness about the act and, if aware, how they prepare and adjust to meet new requirements. Further, it provides valuable insight for policy formulation, more effective implementation, and ultimately ensuring decent working conditions for all.

Title of dissertation: Supply chain due diligence's influence on supply chain strategies – An analysis on the upcoming Norwegian Transparency Act

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Resumo

O objetivo desta tese é perceber como a Lei Norueguesa da Transparência afeta as estratégias da cadeia logística, e adquirir conhecimento sobre recursos a ser utilizados e atividades realizadas para cumprir os requisitos da lei. Para este efeito, foram realizados estudos quantitativos e qualitativos em forma de questionário respondido por 29 empresas e ainda entrevistas com três empresas. A investigação conclui que a política pública e regulação governamental, exemplificados pela Lei Norueguesa da Transparência, têm impacto nas estratégias da cadeia logística. Contudo, este varia em função de vários fatores, como a dimensão das cadeias logísticas, localização dos fornecedores, orientações implementadas semelhantes à lei e operações em países com leis de diligência prévia. Os recursos e atividades mais implementados são: criação de equipas especializadas; partilha de informação; utilização de serviços jurídicos; outras contribuições de terceiros. O modelo SCOR (APICS, 2017), útil para medir o desempenho das cadeias logísticas, parece ter recebido pouca atenção devido ao posteriormente adicionado 6º processo de "capacitação", que inclui, por exemplo, a gestão da conformidade regulamentar. Este processo deve ser enfatizado dado que a diligência prévia tem um impacto crescente na gestão da cadeia logística. A Lei Norueguesa da Transparência ainda não entrou em vigor. Consequentemente, esta tese contribui através da expansão do conhecimento das empresas sobre a lei e, se conscientes, sobre a forma como se preparam e ajustam para satisfazer novos requisitos. Além disso, proporciona uma visão valiosa para a formulação de políticas, implementação mais eficaz e, em última análise, assegurando condições de trabalho dignas.

Título: A influência da diligência devida nas estratégias da cadeia logística - Uma análise sobre a futura Lei Norueguesa da Transparência

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Palavras-chave: A Lei Norueguesa da Transparência, Åpenhetsloven, diligência prévia na cadeia logística, política pública

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1. Introduction

Every day, businesses all over the world are facing decisions about partnerships in the supply chain. Many businesses are teaming up with other companies in the best interest of pushing their own business forward and doing good. However, there is not always coherence in marketing and actual practice in regard to the supply chain (Shi et al., 2020). Thus, many countries in the world are implementing mandatory supply chain due diligence in order to promote companies' respect for human rights and decent working conditions (Smit et al., 2021). Consequently, the laws do not only regulate how the companies should act in relation to specific parts of the supply chain but also the companies' responsibility for the supply chain as a whole. In July 2022, one of these supply chain due diligence laws called "The Norwegian Transparency Act" (Åpenhetsloven) will come into force in Norway. This law will require businesses to ensure good working conditions throughout the supply chain. Further, "The enterprises shall carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises" (Lovdata, 2021, p. 1).

Due to the complexity of the supply chain, several managers are looking at ethical decision-making only to each business activity itself, instead of the whole chain as a totality (Markman & Krause, 2016). It is therefore worth asking how a business prepare itself for a supply chain due diligence law? How are supply chain strategies affected by such a law? The main reason for the government to implement a supply chain due diligence is to avoid the exploitation of vulnerable people (Lovdata, 2021). In this thesis, it will not be researched whether the implementation of such laws is the most effective measure to avoid such exploitation. However, to get an understanding of how prepared companies are will provide useful information about the awareness of unethical behavior, and not only in their own companies but also with their suppliers. This collective awareness is needed in our common responsibility to not leave anyone behind – an important sustainability goal.

Thus, the problem this thesis strives to give an understanding of, is how supply chain strategies are being affected by The Norwegian Transparency Act and the following research questions are stated:

RQ1: How does public policy and governmental regulations, specifically mandatory due diligence, affect supply chain strategies?

RQ2: What are the resources and activities used by businesses in order to be prepared for The Norwegian Transparency Act?

This dissertation focuses on companies affected by The Norwegian Transparency Act. This means larger enterprises covered by the Accounting Act section 1-5 or where two of the following three conditions must be exceeded on the date of financial statements:

1. “Sales revenues: NOK 70 million
2. Balance sheet total: NOK 35 million
3. Average number of employees in the financial year: 50 full-time equivalents”
(Lovdata, 2021, p.1)

These questions will hopefully provide a more in-depth picture of several companies’ perception on a supply chain due diligence law being implemented, and thereby their actions for change.

1.1 Academic and Managerial Relevance

It is relevant and important that companies ask themselves questions about their own supply chains and their ethical sustainability, due to the implementations of new transparency regulations in Europe that is happening right now (Smit et al., 2021). The laws will firstly apply to larger companies, but it is expected that more businesses will be affected in the following years. Indirectly also smaller firms will be affected immediately, by for example being a part of a supply chain as a supplier delivering to larger companies. Nevertheless, although previous implementations of laws concerning parts of the supply chain within certain industries, there is an academic gap in the research on how prepared companies are for such law to be implemented and how it is affecting supply chain strategies – especially now when it is affecting the whole supply chain. For example, similar laws have been implemented as early as 2012 in California; “The California Transparency in Supply Chains Act” (State of California Department of Justice, n.d.) and in the UK in 2015; “UK Modern Slavery Act 2015” (The National Archives (n.d.). Companies affected by these laws needed to ensure that they met the new requirements in their whole supply chain before the law entered into force. However, studies have shown that

there are companies affected by these laws failing to meet the requirements years after the laws have been implemented (Know The Chain, 2015; GOV.UK 2018).

This thesis will provide information for expanding the body of research on the adaptiveness of businesses to regulations and the (lack of) effectiveness in implementing new regulations and how such implementations are met and understood. Further, acquiring knowledge about how companies prepare themselves for the new act, is important background information for further research. There is a growing awareness among the general public, and thus potential customers, on sustainability. Measuring awareness will also give valuable insight on businesses' ability to meet this concern to the public. Greenwashing, in the sense that marketing and actual practice is contradicting, might be punished by putting companies out of business. Therefore, this thesis aims to provide useful information for governing bodies, businesses, and customers.

The overarching goal of The Norwegian Transparency Act is to inspire for action to adhere to due diligence and thus reduce the exploitation of vulnerable people. The success lies in how companies adjust their supply-chain strategies to reduce the likelihood of harmful exploitation. Research and dissemination on whether affected companies know about, prepare, and adjust, including implications for policy will be one of the important steps toward reaching this important goal. As these laws are being implemented around the world, it is likely that more research within this field will be done in the future.

1.2 Methodology

In this research both quantitative and qualitative data will be collected in order to answer the research questions and move the research further in the area of public policy and supply chain. A Qualtrics questionnaire will be conducted to understand the awareness of The Norwegian Transparency Act and whether resources and activities have been implemented for preparation and meeting the requirements set. Further, if public policy and governmental regulations, and supply chain due diligence as such, are influencing the companies' supply chain strategy. In-depth interviews will be conducted with three companies affected by the act to gain deeper insight and acquire information the questionnaire cannot provide.

1.3 Thesis Structure

In the following chapter literature will be reviewed on relevant topics for the research questions of this thesis. The chapter will be looking at different definitions within relevant theories that further will be carefully explained. In chapter three, the research settings used for data collection and examination of the research questions will be presented. Further, in chapter four, collected data will be carefully reviewed and analyzed. Lastly, in the fifth chapter, a conclusion of the data analyzed, limitations and future research will be presented and suggested.

2. Literature review

2.1 Public policy

To understand what supply chain due diligence truly is, why it is important and where it comes from, as well as in relation to stakeholders, we need to understand what public policy is. Fugate et. al., (2019, p. 3) state that «Public policy consists of what lawmakers and administrative agencies choose to do—or not do, in response to a perceived problem, on behalf of the public’s interest, and government regulations are explicit mechanisms used to enact those decisions» Further, Cochran & Malone (2005, p. 13) describe public policy as “... a form of government control usually expressed in a law, a regulation, or an order”.

Public policy pressure has been an important factor for the increasing focus on Corporate Social Responsibility (CSR) in terms of responsible business behavior, from its emergence in the 1960s (Walden & Schwartz, 1997). Further, extended from this, legislations, and supply chain due diligence acts as such, are being implemented to ensure these behaviors which used to be voluntary in a broader sense (McCall-Smith & Rühmkorf, 2019). The process of public policy evolves over time (Lemieux, 1995) and legislation is most efficient if political, social, and administrative actors are involved in decision-making (Knoepfel et al., 2007).

There are many various definitions of different stages in the public policy process, where most of them refer to fundamentally the same steps (Hill & Hupe, 2002). Knoepfel et al. (2007) is stating 5 sequences of a public policy. 1st phase is the emergence of problems, 2nd is agenda setting, 3rd formulation and adoption of the policy program, 4th is policy implementation, and lastly, the 5th phase, is policy evaluation (Knoepfel et al., 2007). These sequences are done to mainly address an evident problem (Colebatch, 2006). However, the significance of the decisions made and announced is not always clear, and continuous improvement is a part of the process (Colebatch, 2006). Therefore, the sequence of public policy and its different phases often happens simultaneously.

Even though public policy and governmental regulations, and further its implications to supply chain management, is extremely important for a firm’s strategy, there is lack of research within this field (Morash & Lynch, 2002; Tokar & Swink, 2019). This thesis aims to bring research forward in this regard.

2.2 Supply chain

2.2.1 Supply chain

A supply chain is defined by Tsay (1999, p. 301) as « two or more parties linked by a flow of goods, information, and funds.” More in-depth, supply chain is defined by Christopher (2005, p. 17) as a “. . . network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate consumer”

The term “supply chain” is widely defined (Janvier-James, 2012). When defining who is being included in the chain, the definitions usually tend to oversimplify or overly complex it (Carter et al., 2015). A supply chain can be seen as a network (Carter et al., 2015; Hearnshaw & Wilson, 2013) where “no pair of firms operates in isolation from others” (Ford, 1990, p. 441). Whereas in the antecedent time the focus used to only be on the buyer-supplier relationship, new literature focuses on a network going beyond buyer-supplier, to buyer-supplier-supplier relations (Carter et al., 2015). Mentzer et al., (2001) describes this degree of supply chain complexity as direct supply chain, an extended supply chain and an ultimate supply chain, based on how many suppliers/levels are involved both upstream and downstream.

Carter et al. (2015) have come up with six foundational premises for a supply chain. FP1 and 2 is about supply chain as a network with nodes and links which is a complex adaptive system. FP 3 and 4 is about every supply chain being connected to a particular product and agent, and both includes a physical and a support supply chain. Lastly, FP5 and 6 is about the supply chain bounded to only what is visible for the focal agent, and this visible horizon is “. . . subject to attenuation, where distance is based on factors including physical distance, cultural distance, and closeness centrality” (Carter et al., 2015, p. 94), which means that an increase of physical and cultural distance decreases the clarity of supply chains (Carter et., al 2015). All these premises exist alone in previous literature, but Carter et al. (2015), argues that when the premises are integrated together, they show what a supply chain is and how it behaves. This theory emphasizes the complexity of the supply chain.

2.2.2 Supply chain management

Supply chain management is “the task of integrating organizational units along a supply chain and coordinating material, information, and financial flows in order to fulfill (ultimate)

customer demands with the aim of improving the competitiveness of a supply chain as a whole” (Stadtler, 2008, p. 11). A shorter definition given by Cooper et al. (1997, p. 68) defines supply chain management as “...an integrative philosophy to manage the total flow of a channel from earliest supplier of raw materials to the ultimate customer, and beyond, including the disposal process”. Simplified, it can be described as the following: “supply chain management is about managing relationships among partners to create value for stakeholders” (Saberi et al., 2019, p. 2125).

Supply chain management has been in continuous change from its inception (Tan, 2001). In the early 1950s and 60s, it was mainly about minimizing unit production costs, and openness with suppliers and customers was considered risky and was thus minimal (Tan, 2001). Later, the focus has shifted to an increasing importance of efficiency in the entire supply chain and customers as the main focus and as a driver to change, internally and externally (Tan, 2001). Further, supply chain management has been of increasing importance and is to be seen as one of the main points for competition (Şahin & Topal, 2019). Gronwald (2020, p. 25) writes that “the goal of an efficient supply chain management system is to minimize inventories while maintaining high delivery performance”.

A model called “The Supply Chain operations reference model” (referred to as the SCOR model), was developed by the Association for Supply Chain Management (ASCM, previously known as APICS) in 1996 in order to measure the performance of the supply chain and to define and improve accordingly (Jain et al., 2018; Saberi et al., 2019; Zhou et al., 2011). In literature the SCOR model usually categorizes the supply chain and the processes of supply chain management into 5; plan, source, make, deliver and return (Jain et al., 2018). The relationship between the different processes is positive (Zhou et al., 2011) and the model is helpful to “simplify the complexity of supply chain management” (Huan et al., 2004, p. 1). Just as a supply chain can be described as a network, supply chain management represents this network, thus emphasizing this complexity (Ellram & Murfield, 2019). In the later years, another process was implemented by ASCM to the SCOR model, which is the 6th and final process called “enable” (Es-Satty et al., 2020). This process includes, among other things, regulatory compliance management, data management and business rules management (ASCM, n.d.). However, this 6th process is not to be found to a great extent in the literature, even in later published theory.

There has been an increasing importance of due diligence in supply chain management as firms are required to establish enabling management systems due to regulatory requirements (Schütte 2019). How supply chain strategies are changing according to due diligence acts implemented may be of increasing importance, and no doubt be of interest to investigate. Thus, this thesis aims to push the research forward in this field.

2.2.3 Supply chain activities and resources

Several activities are needed to be done when structuring a supply chain (Stevens, 1990). Due to the increasing importance of supply chain networks, information sharing and collaboration is crucial to satisfy customer needs (Lee et al., 2010). These are major supply chain management activities which should be included both on operational and strategic levels in order to achieve great interorganizational relationships. Information technology (IT) is useful for breaking down barriers of communication, negotiation & co-ordination (Cheng et al., 2001). Beyond the various steps described in the SCOR model, there are several activities within this that needs to be integrated in the process: sourcing, procurement, production scheduling, order processing, inventory management, transportation, manufacturing, warehousing, customer services, information flow (Shukla et al., 2011; Stevens, 1990). Blockchain technology can be useful for physical verification and authentication in combination with new digital protocols, and further reduce the complexity of due diligence (Düdder et al., 2017). This technology and other technologies such as radio-frequency identification tags and scanning devices makes it possible to trace the supply chain to a greater extent than before (Smit et al., 2021). These resources are expected to be used to a greater extent due to increasing laws on mandatory due diligence.

2.2.4 Supply chain due diligence

While theory about supply chain has been existing for ages, supply chain transparency is a relatively new concept (Bateman & Bonanni, 2019). A reason for this is that it can be costly for firms to gather and disclose information about their supply chain while the benefits for the company of doing such an act, has not been clear (Sodhi & Tang, 2019). However, there are some possible benefits of getting extensive control over supply chain and further disclosure information, which are usually highlighted: reducing supply chain disruption risk (Tang, 2006), gaining trust and reduce the chances of reputational damages (Sodhi & Tang, 2019), supply chain efficiency (Sodhi & Tang, 2019), meeting governmental regulations (Marshall et al. 2016) and public exposure on suppliers forces them to improve accordingly (Tang & Babich,

2014). However, whether the effect of disclosing information according to the laws being implemented in Europe, is beneficial for the firm or not, is too early to say at this stage (EU, 2020).

Supply chain disclosure can be done on all tiers or just partially. While it is becoming more normalized and expected to disclose Tier-1 suppliers, we remain to see more companies sharing information about tiers beyond tier-1 (Sodhi & Tang, 2019). A possible reason for this could be the loss of deniability, revealing competitive edge or vulnerabilities, negative stakeholder response and costly & difficult to assess the information about tiers beyond Tier-1 (Sodhi & Tang, 2019). However, supply chain due diligence, sometimes referred to as risk-based due diligence or human rights due diligence, have in recent years moved further from social expectations to statutory obligations, which makes it interesting, and important, to research how supply chain strategies will be changing due to this (Bright et al., 2021).

In 2011, OECD presented its updated guidelines, first presented in 1976, for businesses in the report called “OECD guidelines for Multinational Enterprises” in order for businesses to accommodate ethical choices and actions in relation to its supply chain (OECD, 2011). The guidelines presented are not legally binding, but the report has become a leading literature in supply chain due diligence, and many refer to this report when new laws, supply chain decisions or further research in this field are being made. Additionally, OECD have made multiple articles and reports in relation to this, and one is the “OECD Due Diligence Guidance for Responsible Business Conduct” (OECD, 2018). This report is a guidance for businesses which are carrying out due diligence (OECD, 2018). The 10 principles of the UN Global Compact, the world's largest corporate sustainability initiative, have had and still have, major effects on due diligence laws that are created and implemented globally (UN Global Compact, n.d.). Research associated with both the UN and the OECD in connection with supply chain choices is therefore of increasing importance.

When the EU did a survey about current due diligence laws for businesses, the results showed that stakeholders currently did not find the laws to be clear, efficient, or effective, and that this is resulting in disadvantages (EU, 2020). It is therefore beneficial to take into account stakeholders in relation to due diligence laws being implemented.

2.2.5 The Norwegian Transparency Act

In July 2022, the Norwegian Transparency Act will be taken into force in Norway. This law has the purpose to “promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions” (Lovdata, 2021, p. 1)

Businesses will need to, in accordance with the OECD Guidelines for Multinational Enterprises, carry out due diligence regularly (Lovdata, 2021). Further, this means to identify and assess the impact on human rights and decent working conditions in the supply chain, include responsible business conduct into its policy and to implement suitable measures for improvements within the supply chain and stakeholders affected. An account of due diligence shall be updated and published before June 30th of each year (Lovdata, 2021).

The requirements for companies being affected by the Norwegian Transparency Act is as followed: larger enterprises covered by the Accounting Act section 1-5 or where two of the following three conditions must be exceeded on the date of financial statements:

1. “Sales revenues: NOK 70 million
 2. Balance sheet total: NOK 35 million
 3. Average number of employees in the financial year: 50 full-time equivalents”
- (Lovdata, 2021, p.1)

It will also apply to “larger foreign enterprises that offer goods and services in Norway, and that are liable to tax to Norway pursuant to internal Norwegian legislation” (Lovdata.no, 2021, p. 1).

The Norwegian Consumer Authority has been assigned the task of supervision and enforcement. As a starting point, guidance will be prioritized but lack of due diligence assessments, lack of prevention and recovery as well as failure to comply with information requirements can be sanctioned by for example fines (Lovdata, 2021).

Due to the complexity of supply chain theory and its broad definitions (Burges et al., 2006; Carter et al., 2015), it may be hard for businesses to know which definitions to be used in relation to supply chain due diligence acts. It will therefore be important to follow definitions

given or supported by organizations/or governmental bodies presenting/creating these laws. According to Lovdata (2021), which also presents the Norwegian Transparency Act, supply chain can be defined as “... any party in the chain of suppliers and sub-contractors that supplies or produces goods, services or other input factors included in an enterprise's delivery of services or production of goods from the raw material stage to a finished product.” (Lovdata, 2021, p.1)

2.3 Stakeholder theory and engagement

Freeman (1984, p. 46) defines a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives”. Depending on definitions and corporate entity, stakeholders range from many to very few players (Buchholz & Rosenthal, 2005). In older theories with a traditional economic view, stockholders are often defined as the only primary stakeholder (Buchholz & Rosenthal, 2005). Although this theory still proves to be strong in some companies, newer theory tries to correct this by including several groups or individuals as primary stakeholders (Buchholz & Rosenthal, 2005).

A company’s operations affect a different set of relations, where all these relations are crucial for the firm’s functioning by providing different resources and influence (Freudenreich et al., 2020). Unethical behavior, perceived by the stakeholders itself, is therefore an aspect of the firm’s decisions which can result in change in support from its stakeholders, and further threaten viability of the firm (Freudenreich et al., 2020).

While business operations and decisions mainly take into consideration the internal stakeholders, supply chain due diligence concerns external stakeholders in a broader way (regulators, consumers, investors etc.) (Sodhi & Tang, 2019). Human rights due diligence can lead to improvements for stakeholders due to an understanding of risk by corporate decision makers and financial managers (Graetz, 2013), and make external stakeholders make decisions with a broader view due to transparency (Sodhi & Tang, 2019). Further, trust through transparency is important for the relations between the various stakeholders (Smith & Woods, 2015). Stakeholder engagement regarding supply chain due diligence will become even more important by undertaking stakeholder consultation with potential or actual victims to understand their views (Buhmann, 2018). It is also important that stakeholders are using their position to hold firms accountable for their due diligence practices (Buhmann, 2018). Even though there can be improvement for stakeholders, literature also shows that stakeholders can

be negatively affected by the laws if, for example, a business is not able to meet requirements and therefore receives sanctions which hurts their stakeholders unjustly (Fasterling & Demuijnck, 2013). Further, how mandatory supply chain due diligence affects supply chain strategies in relation to stakeholders is important. Research shows that stakeholders should be included in every step of the due diligence process, and that failure to meet this can potentially harm the effectiveness of due diligence (Schilling-Vacaflor & Lenschow, 2021). There are issues which remain to be further elucidated, such as how stakeholders are only held accountable for their own injustices, the general position of stakeholders under due diligence and which stakeholders are important (Fasterling & Demuijnck, 2013).

3. Methodology

3.1 Research Design

To answer the research questions, different methodologies have been used. Due to The Norwegian Transparency Act being a new law, there is zero or minimal previous research conducted, and therefore primary data was obtained. Within this, there have been made use of both quantitative and qualitative approaches.

A survey was sent to different companies affected by The Norwegian Transparency Act to find out if their supply chain strategy is affected by the new, upcoming law. Furthermore, the questionnaire was aiming to give insight on how it may be affected, and what resources are used, and activities done to meet requirements. When it comes to the qualitative method, and to get a deeper insight into this, interviews were conducted with a few companies in different industries. Quantitative data, and a questionnaire as such, is useful for gaining a larger and more representative sample compared to qualitative methods, and further gain insights on behavior in a more efficient way (Hox & Boeijs 2005). Qualitative, such as in-depth interviews have the advantage of giving a concrete understanding of how the companies are working towards meeting requirements and how it is affecting supply chain strategies (Boyce & Neale, 2006). The data from the survey was analyzed using the statistical software platform SPSS for content and descriptive analysis to analyze means, frequencies and to look for selected cases.

For the open-ended questions of the interviews, thematic analysis has been done. This method is defined by Braun & Clarke (2006, p. 79) as «... a method for identifying, analysing, and

reporting patterns (themes) within data. It minimally organizes and describes your data set in (rich) detail”. In order to do this, the following steps are being carefully followed (Braun & Clarke 2006, p. 87):

- “1. Familiarizing yourself with your data:
2. Generating initial codes:
3. Searching for themes:
4. Reviewing themes:
5. Defining and naming themes:
6. Producing the report:”

3.2 Data collection

Data was collected through a questionnaire and in-depth interviews. Questions were made to cover both general supply chain strategies for the responding companies, their perception on due diligence and further their understanding and actions to The Norwegian Transparency Act.

The questionnaire and the interview guide were provided to a test panel which consisted of both people with prior knowledge about due diligence and The Norwegian Transparency Act, as well as to people without any knowledge about the topic. This was an important step before collecting the data to receive feedback to ensure that the questions were easily understood and clear, and further to measure the approximate time spent on the survey and the interview. Some of the questions were rephrased after receiving feedback to enhance clarity, and explanations were included, and a few questions were added (to facilitate further explanation). The survey (see appendix A) consisted of 20 questions, whereas some of them were open-ended questions and it was divided into two main categories. First part was about the general supply chain strategy and management for the firm and their understanding of due diligence. In the second part, the Norwegian Transparency Act was presented before questions about awareness about the act, the company’s possible change in supply chain strategy and their level of confidence towards meeting the requirements was asked. The questionnaire was distributed to companies via the distribution tool in Qualtrics with a customized, explanatory mail (see appendix B). It has been an important process of collecting participants willing to respond to the questionnaire, but also a rather challenging one. Collection of firms affected by The Norwegian Transparency Act happened through reaching out on Facebook and LinkedIn as well as looking for mails on websites. To ensure validity and reliability several measures are needed before such a

questionnaire is distributed and the interviews done. “Validity is concerned with the question of whether the researcher is studying the phenomenon she or he purports to be studying” (McKinnon, 1988, p. 36), whereas “reliability is concerned with the question of whether the researcher is obtaining data on which she or he can rely” (McKinnon, 1988, p. 36). Firstly, it was important to make sure that all companies receiving the email truly were going to be affected by the act, before distributing the questionnaire. This was checked by using Proff.no which is Norway's largest website for in-depth information about Norwegian companies (Proff.no, n.d.). The website is often used in connection with the selection of suppliers and partners. Secondly, it was made sure that a company only answered once. To ensure this, a link from Qualtrics was sent out which could only be opened by the one who received the email. The survey was distributed to 102 companies, whereas only 30 answered. Further, one of the companies that contributed to the survey was recently acquired by a foreign company, and the survey was finalized at the foreign headquarters. This information occurred in one of the answers in the questionnaire. This means that they are not going to be directly affected by The Norwegian Transparency Act and their contribution is therefore omitted from the data to avoid bias and increase reliability. 3 in-depth interviews were conducted to get a better understanding of some companies' thoughts on The Norwegian Transparency Act and general supply chain strategies. The interviews lasted for around 30 minutes each and were held over zoom and teams. The interview-guide (See appendix B) was built on the questionnaire, but space was given for longer inferences and thoughts. Interview objects and survey respondents were chosen from availability and willingness to participate. This could have given a bias, such as only companies aware of The Norwegian Transparency Act, or exclusively proponents of due diligence participating, thus being a threat to reliability and validity of the research. However, the data material collected is rich and does not show such bias. However, in the conclusion both validity and limitations will be further discussed.

4. Analysis & Results

In the following chapter, the data collected will carefully be reviewed and further analyzed. Most important findings will be highlighted by quotations and data presentations from the data set. In Appendix D, frequencies, means and data manipulation in terms of grouping presented in the text can be found, as well as extended tables. Further, in appendix C, the codes for nominal and ordinal data can be found. Note that the quotations are both from the questionnaire and from interviews, and only some are presented even though their opinions may be emphasized by other companies. In table 1 below, codes with respective themes and sub-themes, identified when building the framework for thematic analysis, can be found.

Codes	Themes
<ul style="list-style-type: none"> • Advantage • Disadvantage • Control • Time • Resources • Responsibility 	<p>Perception of due diligence</p>
<ul style="list-style-type: none"> • Internal • External • Legal • Consulting • Auditors 	<p>Awareness of The Norwegian Transparency Act</p>
<ul style="list-style-type: none"> • Change • Increased • Process • Team • Resources • Requirements • Supplier 	<p>The Norwegian Transparency Act's influence on supply chain strategies</p>
Themes	Sub-themes
<p>Perception of due diligence</p>	<ul style="list-style-type: none"> • Advantages & disadvantages of due diligence
<p>Awareness of The Norwegian Transparency Act</p>	<ul style="list-style-type: none"> • Knowledge about The Norwegian Transparency Act • Information sources • Confidence of meeting requirements
<p>The Norwegian Transparency Act's influence on supply chain strategies</p>	<ul style="list-style-type: none"> • Recourses and activities implemented

Table 1 - Codes with respective themes and sub-themes

4.1 Perception of due diligence

To better understand how The Norwegian Transparency Act is perceived and further what resources and activities are used to meet requirements, the companies' general perception of due diligence will be analyzed. This background may help to understand their general perception of what is now required of them in The Norwegian Transparency Act, and thus also their actions to meet it. Furthermore, it also provides deeper insight into companies' understanding of due diligence as part of public policy and governmental regulations.

An almost unanimous group of the responding companies are seeing advantages by carrying out due diligence. 89.7% answered YES to the question "Do you see any advantages of carrying out due diligence?". Only 3 companies answered that they did not see any benefits. This was justified by one of the companies that it was not relevant to their core business, and further for one company it is likely to believe that they said no by mistake due to their explanation. The last company did not write an explanation.

Further, from the companies saying that they are seeing advantages with due diligence there was a wide range of answers, where several of them are repetitive. Many are pointing out that increased control over suppliers, their values, as well as unused suppliers are helping to reduce risk, as well as due diligence are important to ensure supply of goods and services. This is consistent with research by Graetz (2013) saying that due diligence can lead to improvements for stakeholders due to an understanding of risk by corporate decision makers and financial managers. Most importantly for most of the companies, is that due diligence helps to not violate human rights and further to ensure greater compliance. This is an important finding which supports and emphasizes the theory highlighted by Buchholz & Rosenthal (2005), about several groups becoming the primary stakeholders. The government is requiring due diligence to be carried out, but the law has been formed due to pressure groups, and it is also shown here that companies are driven from the inside to contribute to counteract participation in human rights violations. The following quotes exemplifies the advantages of due diligence by some of the respondents from the questionnaire and the interviews:

- Fulfill customer requirements of transparency in the Supply Chain - Secure supply of goods and services - Reduce reputational risk stemming from the Supply Chain/Supplier base - Support reaching our targets for Sustainability, where emissions in our Supply

Chain make up one part - Reduce financial risk - Proactivity in this area can increase employee engagement, support a "wider purpose" of the job

– Chief Procurement Officer

Gives valuable insight - reduces risk - possible to take mitigating actions - control of our value chain – compliance

– CEO

Yes, you get knowledge of your suppliers and their ethical standards and their systems, which again gives a better understanding of the risks (both for the society and for the company as such).

– Group leader

You can go through all your suppliers and remove unused suppliers. You can merge your suppliers to fewer suppliers. Achieve quantity discount. Easier to understand and to map the market.

– Production Coordinator & CEO

To the question “Do you see any disadvantages of carrying out due diligence?” 41.4% answered YES and 58.6% answered NO. Nevertheless, there was broad agreement on both sides that due diligence is time consuming, but the disadvantage of this is emphasized differently. From a company that wrote YES, the following answer was given:

It is time consuming and requires skills, but I do not see that as a disadvantage.

– Group leader

However, from two of the companies answered NO, the following answers was given:

No disadvantages, other than it requires a lot of resources and it will “compete” with other tasks.

– *Procurement Director & CSR Manager*

No, not apart from the workload it implies.

– *Procurement Director*

Supplementarily, money is extensively mentioned as another negative side of due diligence. Resources and time = money and it is clear that this is a concern when needing to carry out due diligence. The respondents are emphasizing the research by Sodhi & Tang (2019) stating that it can be costly to carry out due diligence. Furthermore, trust is another mentioned factor that might be weakened between the company and their suppliers because of the high level of control in the due diligence process and might therefore turn into a disadvantage rather than an advantage. This is an important aspect as theory usually talks about increased trust, mainly gained from stakeholders, when talking about due diligence and transparency (Sodhi & Tang, 2019; Smith & Woods, 2015). The following quote is stating a company's answer to disadvantages of due diligence, and clarifying the possibility of distrust:

- Time-consuming processes for employees - resource scarcity - High level of control towards suppliers might harm trust between buyer and supplier - High demands on suppliers (e.g., for documentation) can disqualify suppliers that from other evaluation criteria are considered a good for the company

– *Chief Procurement Officer*

Moreover, the companies participating in the survey are highlighting increased competition, followed by further increases in prices as disadvantages. It is therefore conceivable that due diligence is not only costly for the companies in terms of resources, but also for the consumer as supply chain due diligence may force the companies to increase prices. This is a risk, but it is also a risk of losing customers if harmful practices made by suppliers are discovered. This may also be the price we need to pay so that we as consumers can be sure that we are taking use of ethical products and services. In some cases, unnecessary bureaucratic tasks due to no findings in the supply chain is another mentioned factor. One of the interviewees said the following:

Basically, it is just a major bureaucratization. If there are a lot of advantages... the only thing I can think of is that you may get a bit more equal and fair supply chain for everyone, from the companies' perspective. But for society, there is a larger positive outcome, because you get to ensure that things that are wrong are discovered.

– CEO

This quotation is further emphasizing the research by Sodhi & Tang (2019) stating that it can be costly for firms to gather and disclose information about their supply chain while the benefits for the company of doing such an act, has not been clear. Hence, it can reinforce the perception of due diligence as just another major bureaucratization.

In the following years, it is likely that supply chain due diligence will be a part of the normal supply chain management process for a larger majority of companies. As discussed, there is not only The Norwegian Transparency Act which is entering into force, but similar laws are expected, and some confirmed, to be implemented in other countries in the years to come, and stricter requirements will therefore be imposed on companies operating internationally, and locally. Hence, due diligence, even though it may be perceived negatively, must be considered for resource and strategy planning, no less than other important supply chain management steps which we are including today. The theory that due diligence is becoming a part of the normal supply chain management process is confirmed i.e., by the following statement:

As a global company it is expected that we have good control, and it is just part of normal business.

– Chief Sustainability Officer

Although, due diligence clearly can be perceived, but is not limited to, a disadvantage for some, there are perceived advantages. The above-mentioned advantages from the participating companies in this research support the existing theory mentioned in chapter 2.2.4 Supply Chain Due Diligence about benefits that companies can achieve by carrying out due diligence. Further, previous research by Sodhi & Tang (2019) stated that the advantages from disclosing information about the supply chain are not clear, however this conducted research shows that it is at least clear that there are some perceived advantages by the participating companies to carrying out due diligence and further disclose it. The advantages of carrying out due diligence,

answered by the participating companies, are further emphasizing the perception companies have on the importance governmental regulations and public policy has on ensuring responsible business behavior and compliance between marketing and actual practice in the supply chain when due diligence needs to be done. This is in line with the theory from Walden & Schwartz (1997) that public policy pressure has been important for increasing the focus on CSR and responsible business behavior.

4.2 Awareness of The Norwegian Transparency Act

When the problem statement was in progress, the thought that many of the companies may have never heard about The Norwegian Transparency Act, and more importantly that it affects them, was never up for discussion. "Have you heard about the Norwegian Transparency Act before reading about it in this questionnaire?" was included as a security question before any further question just in case a company or two may have missed out on it. Nonetheless, this question, and the answers to it, attained a more significant importance to the research than expected. A background check was made for all the companies participating in the research to ensure that they were going to be affected by The Norwegian Transparency Act. However, Remarkably, 24.1% answered that they had never heard about the law before they were presented with it in the questionnaire. The distribution can be seen in figure 1.

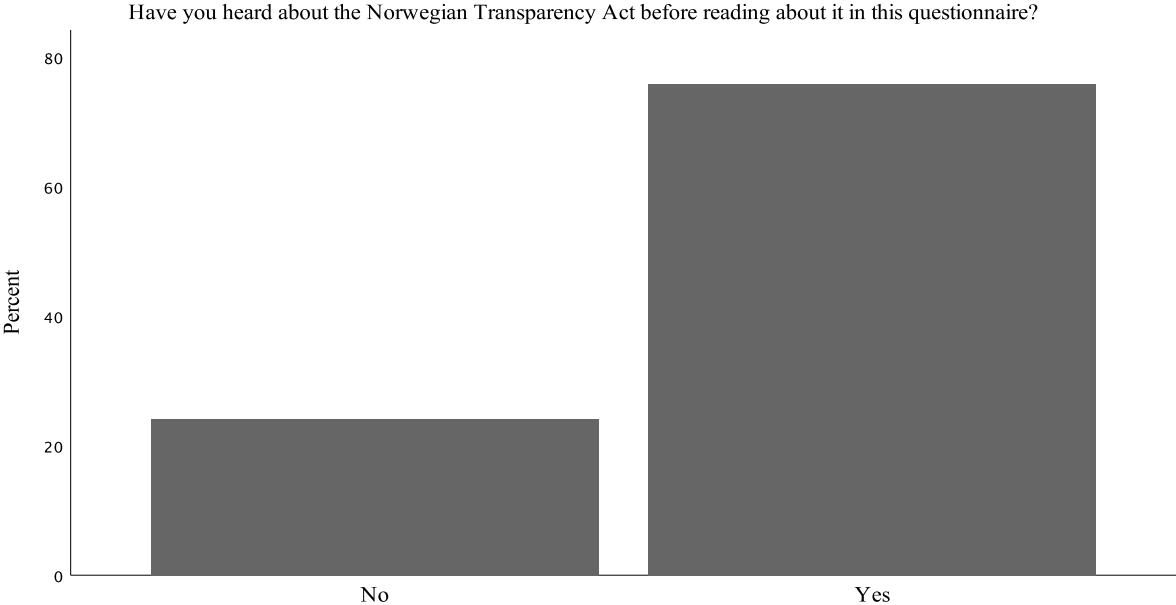


Figure 1 - Awareness of The Norwegian Transparency Act

Further, 1 out of the 3 interviewees had also not heard about it before. There is a limitation to the research that the questionnaire and the interviews are covering a very small amount of the companies that are going to be affected by the law, but these numbers are still surprisingly and of big importance for the following research. However, every company that is or has been following the OECD guidelines before answered that they have heard about the act before reading about it in the questionnaire (Appendix D, selected cases). This may be explained by the fact that The Norwegian Transparency Act, and many other due diligence acts are based partly on the OECD guidelines (Lovdata, 2021; UN Global Compact, n.d.), and companies with knowledge about this may be more updated about news in relation to this. Further, the participating companies were asked to answer how easy it is to get information about what is required for their firm. 3.4% answered that it is extremely easy, 17.2% answered that it is somewhat easy, 27.6% somewhat difficult and 6.9% extremely difficult. The remaining 44.8% answered that it was neither difficult nor easy. This gives a mean of 2.83 (scale of 1-5, where 1 = extremely difficult and 5 = extremely easy) which is between somewhat difficult and neither difficult nor easy. As mentioned, the questionnaire answered by the companies was answered on behalf of a person with a leading position in the firm. This means that it was answered by a person with a position that requires overview of the company's strategy, which further makes it likely to believe that their answers reflect the company's general understanding, especially if they answer that they have not heard about the act before. This cannot be confirmed in this research, but it is important to mention.

Further, "From whom have you had information about the Act?" was asked to the participants. As mentioned, 24.1 % had never heard about The Norwegian Transparency Act before it was presented in the questionnaire. From the remaining companies, the answers varied, as well as the depth of information. The most mentioned answers as the most important source of information about the act were, among other things, consulting companies and auditors. This is exemplified with the following statements from two of the participating companies:

Many consulting companies and auditors are providing information in their general information email/letter, and invite to web courses and meetings (They want jobs...)

– Procurement Director & CSR Manager

Different websites and consulting companies that will assist/make money on implementation.

– HR director

Furthermore, internal sources were brought up by several companies, but from whom the company was originally informed is not further explained. This could be due to not knowing exactly where the company got to know about The Norwegian Transparency Act the first time, and therefore the information has just been passed on internally. For some companies they have been contacted by customers (either partners or consumers) because of interest or concern about the consequences for them. This aspect reflects on existing theory by Buhmann (2018) that says that it is important that stakeholders are using their position to hold firms accountable for their due diligence practices and further the research done by Fasterling & Demuijnck (2013) that shows that stakeholders can be negatively affected if companies are not able to meet requirements of due diligence laws.

Important to mention is some of the answers that got received in the process of obtaining responses to the research questionnaire. Several companies replied that they were unsure if they were the right ones to ask as the company had not familiarized itself with The Norwegian Transparency Act. Further, some asked what the act is about, and many never answered. This could of course be due to lack of time, or just willingness to answer questionnaires in general, but it could also indicate a lack of knowledge or even zero knowledge about the coming law. In either way, the results from the questionnaire and the interviews are showing that there has been a lack of information for companies, and that the availability of this could and probably should have been sufficiently improved. Research by Knoepfel et al. (2007) shows that legislation is most efficient if political, social, and administrative actors are involved in decision-making. Engagement with the ones being affected by the law has been done with the creation of The Norwegian Transparency Act, and can be confirmed by one of the participating companies:

We were part of the hearing when the law was developed

– Chief Sustainability Officer

The mentioned quote shows that the existing theory about effective legislation is still valid and not opposed in this research. However, improvements on how to better reach out to those concerned by the law should be carefully reviewed by governing bodies in the 5th phase of the policy process, stated in the research by Knoepfel et al. (2007) as policy evaluation. Even though the questionnaire may not reflect on the general companies' understanding and awareness of The Norwegian Transparency Act, it is reasonable to predict that many more companies will be surprised when the act enters into force on July 1st this year (2022). If the companies had been informed earlier, with time for due diligence and improvements accordingly, it is conceivable that the information is received in a different, and maybe a more positive way, than it may be received now.

4.2.1 Level of confidence to meet the requirements of the law

With the aim of understanding how confident the companies are that the resources used, and the activities done are sufficient to meet the requirements of the act, the following question was asked: «How confident are you that your firm will be able to meet the requirements of The Norwegian Transparency Act? ». The answer to this question varied from not very to very confident with a mean of 3.72 (scale of 1-5, with 1= not confident at all and 5=very confident) which is between neutral to confident. The distribution can be seen in figure 2.

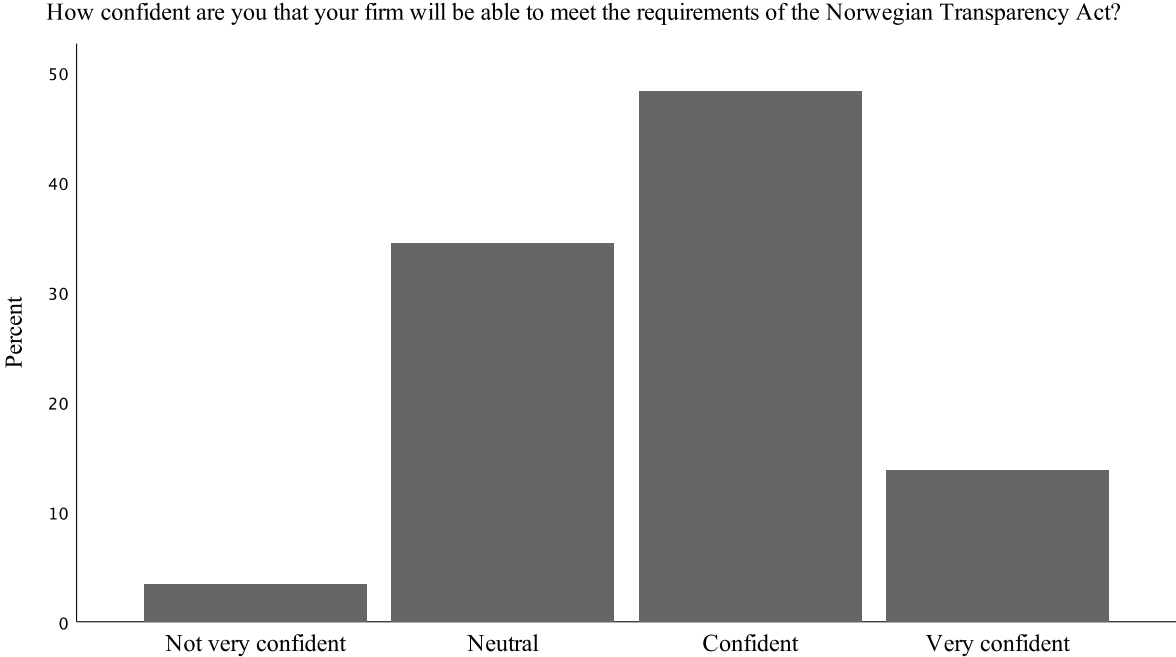


Figure 2 - Level of confidence

Even though this gives the impression that the companies are not too afraid of the upcoming requirements, a deeper insight is acquired when the companies were asked to clarify the reasons for their answer. Several companies are either indirectly or directly saying that they are uncertain about what the actual requirements will be for them and their suppliers. This supports the outcome from the survey that EU (2020) did about current due diligence laws that showed that stakeholders are finding these laws to not be, among other things, clear. The following three quotations from three different participating companies are emphasizing the uncertainty of the act:

It is not clear how deep in the value chain one must focus, as well as how transparent this information actually is.

– Chief Financial Officer

*- Challenging to understand in detail what requirements the Act put on us as a company
- Still in evaluation phase, so pt neutral on this - Current hypothesis that existing practices will cover us, but this is not verified pt*

– Chief Procurement Officer

We are awaiting guidelines from The Consumer Authority who should tell us and others about what is specifically desired. However, we are looking forward to this law which hopefully can enhance the work with respect for human rights and decent working conditions.

– Ethics & Compliance Officer

From the companies answering that The Norwegian Transparency Act was new information for them, 42.9% answered that they were either very confident or confident that they will meet the requirements of the act. None of these said that they have been following the OECD guidelines or equivalent guidelines before. But worth mentioning is that one of the companies clarified the reason why they are confident to meet the requirements by answering that they are Eco-lighthouse certified (Miljøfyrtårn), which further sets requirements that prepares them to meet The Norwegian Transparency Act.

Whether a company is confident or not that they will meet the requirements of The Norwegian Transparency Act is highly related to the size of the supply chain. This has a natural explanation due to the fact that it is to be expected that a supply chain due diligence is more resource-intensive in terms of time, money, and people, the larger the supply chain is. The following quotations emphasizes this, as it can be seen that a large number of suppliers is affecting the confidence level:

Not very confident:

Large number of supplies distributed in many countries.

– N/D

Neutral:

Due to our complex supply chains, it is difficult for us to get an overview that is good enough. The scope of our due diligence assessments is therefore risk-based.

– Quality manager / CSR Director

Confident:

We are starting to do the work on this now. We have in total few suppliers and mostly internationally well-known suppliers. In addition, we have for a long time had strict requirements for both suppliers and subcontractors in our contracts with high opportunity for revision. Further, we are doing physical visits.

– CEO

We have about 40,000 products in our assortment and even if we do lots of good, we will never be able to secure labor rights in all value chains at all times. Fulfillment of the law means that we prioritize, and, in that sense, we will meet the requirements of the law.

– Head of sustainable trade

We are not having our own production of individual products and most of what we are buying are coming from countries in the EU.

– Risk Manager

Further, the level of confidence is also affected by the location of the suppliers, as it can be seen from the quotation from the company that is not very confident that they will meet the requirements due to having suppliers in many different countries. Additionally, from a company saying that they are confident that they will meet the requirements of the act, they clarify this by saying that they are mostly buying products from the EU. As research by Carter et al., (2015) shows, increase of physical and cultural distance decreases the clarity of supply chains, which is consistent with what the above-mentioned quotations emphasizes.

Four companies are stating that they are very confident that they will meet the requirements of the act. However, one of them are also saying that they have not heard about the act before reading about it in the questionnaire and says that The Norwegian Transparency Act will not affect them because they are not a large company according to section 1-5 in the Accounting Act. Again, it must be mentioned that every company has been carefully reviewed before they received the questionnaire to ensure that they were going to be affected by this specific act by fulfilling the requirements mentioned in chapter 2.2.5 The Norwegian Transparency Act.

4.3 The Norwegian Transparency Act's influence on supply chain strategies

The aim of this research is to find out if public policy and governmental regulations, such as The Norwegian Transparency Act, is influencing supply chain strategies. The above-mentioned analysis and results are important foundations for the understanding on how companies are perceiving requirements they are imposed and thereby how this is affecting the companies' supply chain strategies. The participating companies were asked if there has been a change in supply chain strategy due to the act. 55.2% answered that there has not been any change, 41.4% said that it has, and 3.4% said that they do not know. This can be seen in figure 3.

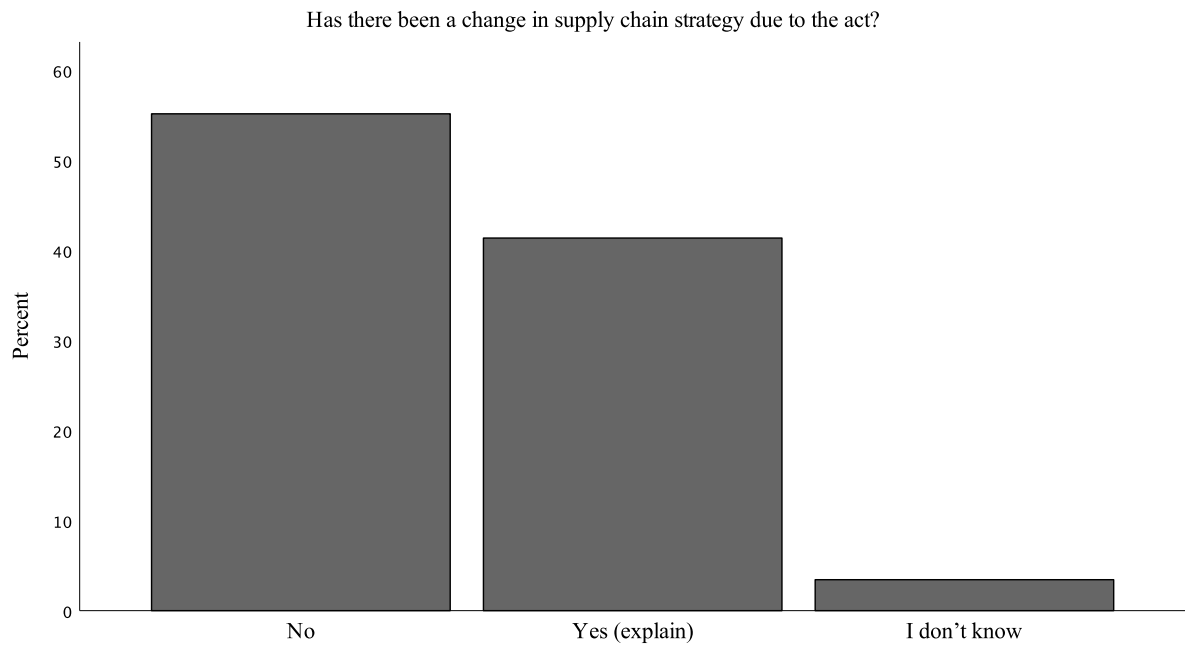


Figure 3 - Change in supply chain strategies

Even though there is a high percentage of companies saying that there has not been a change in supply chain strategies, 37.5 % of these say that they have implemented resources or activities specifically in relation to The Norwegian Transparency Act. From the ones saying that there has been a change in supply chain strategies many of them are saying that there is expected to be changes because they have recently started to make use of resources and activities or mapping out what the law means for them. This is also true for some of the ones that said that there have not been any changes. A few companies are mentioning that due diligence has not been part of their quality assurance systems before and therefore a mandatory implementation of this will be changing their supply chain strategies. Further, increased requirements of information overview and communication as a more extensive part of the supply chain strategy are highlighted as changes for the strategy itself. There are some reasons that occur in the questionnaire why The Norwegian Transparency Act may not affect every company to the same degree. There is to be understood that companies that are already a part of organizations or has certain certifications which requires them to follow a set of expectations or rules due to focuses on business assessments, are answering that they are not expecting large differences in what is required from The Norwegian Transparency Act and how they are operating in their supply chain today. As mentioned in chapter 2.2.4 Supply chain due diligence, Global Compact is the world's largest corporate sustainability initiative, and therefore has major influence on other

guidelines like mandatory due diligence, as well as social expectations without requirements. Since The Norwegian Transparency Act is partly built up on these guidelines, it is conceivable that the act does not introduce new requirements for due diligence. This is emphasized by the following quote:

Our membership in Ethical Trade Norway (Etisk Handel) and the requirements that our customers (especially public ones) have already been applicable for a long time. The Norwegian Transparency Act will not give us the need for changing our supply chain. However, we have further sharpened the requirement to be open about our due diligence assessments. If our due diligence assessments are being perceived by our customers as insufficient, it will have financial consequences for us. The Norwegian Transparency Act will therefore give us an additional pressure to put more effort to uncover conditions suppliers with high risk, as well as to implement remedial measures with these.

– Quality Manager / CSR Coordinator

The same tendency is also seen when companies are operating in countries where similar laws have been implemented which already requires, then, for example, due diligence.

Yes, we are doing due diligence continuously. We have requirements from both X (changed due to confidentiality) that our suppliers must not violate human rights, bribery, or exploitation of labor. In addition, we have requirements from The UK “slavery act” and transparency regarding this.

– CEO

Further, one of the interviewees is the CEO of a company affected by a law similar to The Norwegian Transparency Act abroad. The interviewee talked about how this law has equipped them for the coming Norwegian law and describes how it was when they first heard about it:

Then we probably got a bit caught off guard. We had to hurry to get things settled, publicly. We probably had a lot of it settled, but it made us do a bigger job of getting the formalities settled, that we register, audit, and make it more formal. It's about documenting what you do. We have probably done the same thing both before and after that has made us check, review, and have revisions, but now when it becomes a law you

have to document it and it is in our management system / reporting system that we have had due diligence.

– CEO

The mentioned quotation is emphasizing that a mandatory due diligence coming from public policy and governmental regulations can cause bigger effects on other companies not directly affected by the law than possibly envisaged by many today. Thus, this can have greater consequences for supply chain strategies in the future than can be determined today.

4.3.1 Resources and activities implemented

To answer the research question “How does public policy and governmental regulations, specifically mandatory due diligence, affect supply chain strategies?” there is not enough to only look at if supply chain strategies are changing in the perception of the firm, but further how it is possibly changing in terms of which resources and activities are being implemented. Therefore, the second research question was created and will in the following be further analyzed: “What are the resources and activities used by businesses in order to be prepared for the Norwegian Transparency Act?”. To do so two questions were asked in the questionnaire. The first was “What are the resources being used and activities done, if any, by your firm to meet the requirements of the act?” and the next one was “Have any of these resources or activities been implemented specifically in relation to the Norwegian Transparency Act?”. To the first question 13.8% answered that they do not use any resources or do any activities regarding this. 3.4% did not answer this question. From the remaining 82.8% several resources and activities were mentioned. Creation of a team that specifically focuses on The Norwegian Transparency Act and its requirements have for some companies been the first step to ensure fulfillments of the law. The following quotations are exemplifying this:

Own staff and resources at group-level related to collecting of information

– CEO

We have established a team consisting of resources from the whole corporate group who will recommend how we are going to ensure that we will meet the requirements of the act. Here we are trying to connect insight in the requirements with knowledge to our ongoing management processes and activities affected. Our goal is to establish adjusted processes that efficiently include the new requirements – rather than to make completely

new processes on the side of our existing ones. Additionally, there will also be some new, concrete processes that need to be defined and carried out continuously.

– Procurement Director & CSR Manager

Some companies have made use of legal services by for example hiring a lawyer to get a better insight on what is needed to change to meet the requirements for their firm, and to update their supplier code of conduct. For other companies, other third parties are being involved. A recurring answer from the participating company is information meeting externally and internally in order to inform themselves and their partners/suppliers about upcoming act, as clarified by the following to participating companies:

Activities done so far is an information meeting that has been held with a large customer and the act has been added to our conformity assessment and we have discussed it in our yearly “management review”.

– Quality and HSE responsible

We have done a review of a tool that is called The Responsible Business Conduct Compass from The Norwegian Consumer Authority. We are currently using internal resources and are going to have a meeting with The Norwegian Consumer Authority before we move on.

– Risk Manager

Existing theory is stating that stakeholders should be part of every step of the due diligence process for achieving the best possible efficiency (Schilling-Vacaflor & Lenschow, 2021). Thus, information meetings with the companies’ suppliers and other stakeholders are most likely beneficial to achieve this, according to previous research. Without it being possible to confirm in this research, lack of trust, as some are describing as a possible disadvantage of due diligence, may be avoided by including the ones involved in this process.

Of the companies that answered that they are using resources and doing activities to meet the requirements of The Norwegian Transparency Act, 33.3% are also answering that they did not implement these specifically due to the act. Hence, these implemented activities and resources

are a result of other occurrences independently of the act or are already integrated in the supply chain process and therefore the exciting strategy. From both groups of companies either saying that the supply chain strategies are changing or that it is not, and further implemented resources and activities or not using any of this, several of them are explaining that they are currently in a process of getting an overview and understanding of what is needed to be done. Many further answers that there are expected to be changes in the following time before The Norwegian Transparency Act enters into force or even after. It can be stated that there are more resources and activities going to be implemented than what can be presented at this time. As mentioned, the information about the expected fines has, until now, not been clear on whether it will be consequences from day one or occurring over time. It may be conceivable that late implementations can be caused by companies taking the risk of waiting in order to get more information due to uncertainty about best practices, but it could also be due to lack of guidance and information. Due diligence can be, and is further highly perceived as, resource-intensive in terms of time, money and people, and incorrect implementations which later need to be modified can be crucial for a company's growth and lead to stagnation. The following quotes are clarifying the stage and the process some of the companies currently are in:

We are currently in the process of mapping out what this will mean for us and are expecting that it will lead to changes.

–Quality & HSE Manager

We have started a process to see how this will affect us.

– Risk Manager

Human resources involved in the HSEQ are given the task. System is on its way.

– CFO

Emphasized by the three above-mentioned quotations, some of the companies are in the process of mapping out how the act will affect them and further explains that changes are expected to come from this. However, the following two quotations are showing that other companies are waiting for more information or even the act to be implemented before further resources are being used:

We are using some resources to get an overview of what changes need to be done, but so far there has not been much work done. We are hoping/believing that there will be more comprehensive information through our system suppliers.

– Quality & HSE Manager

We will have to use more resources, but how these will be used will probably change after the act enters into force. Some measures, like reducing suppliers have been initiated, but not due to the act.

– Production coordinator & CEO

All the five above-mentioned quotations show that the companies have not completed the process of gaining information that is needed and implementation of any new resources. This may give an impression of uncertainty with what The Norwegian Transparency Act is requiring for the companies, and the fear of doing ineffective changes that needs to be redone at a later stage. Several companies are insecure about what to do. This is in line with the findings from the survey that EU (2020) did, showing unclarity about the current due diligence laws.

Research by Cheng et al., (2001) states that information technology is great to achieve good interorganizational relationships by breaking down barriers of communication, negotiation & co-ordination. Further, technology, such as blockchain, radio-frequency identification tags and scanning devices, is useful for getting control over suppliers and the supply chain (Düdder et al., 2017; Smit et al., 2021). However, from the participating companies in the questionnaire and the interviews, technology as a part of resources used to meet the requirements are mentioned to a very low degree. A reason for this may be due to the relatively new knowledge about these technologies and that there is no doubt that implementations like this will be resource-intensive and require a bigger upheaval in the strategy. On the other hand, some companies are mentioning quality-systems as an important part of due diligence, and this might be highly digitalized.

As presented, there are plenty of resources used and activities done by companies trying to meet the requirements of The Norwegian Transparency Act when it enters into force on July 1st.

Additionally, more implemented resources are expected to be used in coming months. If the requirements of The Norwegian Transparency Act are changing supply chain strategies are disagreed on by the participating companies. 60% of the ones saying that there have been resources used or activities done specifically to meet the requirements of the act, are also saying that there have or is going to be changes in supply chain strategies. The remaining 40% that also are saying that they have implemented resources and activities due to the act are further saying that there have not been any changes in the supply chain strategy. Looking at existing theory about supply chain strategies, and further the SCOR model (Zhou et al., 2011; Jain et al., 2018), the mentioned implementations in the questionnaire are partly already included in the 5 processes. Nevertheless, mandatory supply chain due diligence requires the companies to carry out due diligence and further report the findings and actions to governmental institutions, as well as the public. Thus, this is an extra step which is highly connected to the 6th process in the SCOR model, needed to be done as a part of the supply chain management process. As presented in the literature review in chapter 2.2.2 Supply chain management, the 6th process is usually overlooked in the literature, even though this is gaining increased importance, confirmed by one of the participating companies:

What is completely new is that the law requires an actual documentable due diligence assessments / risk assessments on a regular basis and that the work can be informed about to the public if there will be any questions about it. This will be resource intensive.

– Procurement Director & CSR Manager

However, this does not necessarily mean that The Norwegian Transparency Act will change the ongoing supply chain strategy itself for every company affected by this specific public policy and governmental regulation, but it will be an extended process where parts of the activities performed, and resources used may be increased. The 6th process in the SCOR model should therefore be greatly emphasized in newer theory as very relevant. The Norwegian Transparency Act is clearly changing supply chain strategies for some companies that have not been affected by similar requirements before, such as other laws abroad or member organizations' guidelines. Further, it is influencing supply chain strategies for other companies by increasing the number of resources used in the supply chain process or activities such as more frequent reassessment, information sharing and a higher degree of transparency, and further to systematize these steps.

5. Conclusion

The aim of this research was to gain insight on the impact public policy and governmental regulations, in terms of mandatory supply chain due diligence like The Norwegian Transparency Act, have on supply chain strategies. Two research questions were formed to be answered:

Research question 1: How does public policy and governmental regulations, specifically mandatory due diligence, affect supply chain strategies

Research question 2: What are the resources and activities used by businesses in order to be prepared for the Norwegian Transparency Act?

To be able to answer these questions, data was needed to be collected and carefully analyzed. Three in-depth interviews were conducted with three different companies. Further, a questionnaire was answered by 29 companies. Everyone participating in the questionnaire, or the interviews were people with higher positions in their respective companies, and it was made sure that all the companies answering are going to be affected by The Norwegian Transparency Act when it enters into force on July 1st, 2022.

To answer the research questions, background information on the awareness of the act and perception of due diligence from a company perspective was needed to be acquired. From the questionnaire and the interviews there was a rather mutual agreement that there are both disadvantages and advantages of carrying out due diligence. The highlighted disadvantages were that it is resource-intensive in terms of time, money, and people, and that higher control and documentation-level, which we are seeing an increase of in the society, can cause distrust between companies and their suppliers. For advantages, it was recurring that due diligence is important for overview & control, compliance and satisfying customer needs. Additionally, the companies seem to actually want to contribute to a more sustainable and just world, and show will and positivity, even though due diligence may be perceived as a major bureaucratization. A crucial finding is that 24.1% of the participating companies in the questionnaire had not heard about The Norwegian Transparency Act before being presented with it in regard to this

research. This is also true for 1 out of the 3 interviewees. Further a large proportion of the companies are unsure if they will be able to meet the requirements of the act. For many, this is due to the act not being clear enough on what is actually required and how deep in the supply chain they will have to carry out due diligence for. The most important sources of information about The Norwegian Transparency Act are consulting companies, auditors, customers, and internal sources. In this research it is concluded that availability of information should have been better for those concerned by the act, and the information provided should be more apprehensible. It emphasizes the importance of including stakeholders in the public policy process for maximal efficiency of legislation implementation. Further, it concludes that there is little doubt that public policy and governmental regulations, and The Norwegian Transparency Act as such, is influencing supply chain strategies. However, the overall impact on companies' supply chain strategy of such regulation varies based on several reasons. Companies that have been affected or are affected by similar laws in other countries, as well as companies that are following guidelines from organizations with a high focus on responsible business behavior, are more confident that the new act will not mean implementing any new resources or activities, other than reporting publicly what is already being done. Further, size of the supply chain and if a company has multiple chains requires more effort in terms of resources. This further applies to companies operating also outside of Norway, and the further away the suppliers are located. For many, The Norwegian Transparency Act will imply an increase of already implemented resources and/or activities. The most used resources and activities being done are creation of specialized teams responsible for understanding and working towards meeting requirements of The Norwegian Transparency Act, information sharing in terms of meetings or other collaborations, use of legal services and other third-party contributions. Further, some companies are updating their supplier code of conducts, and new quality assurance systems are on its way. Even though it is evident that many companies make use of resources and activities to meet the requirements of the upcoming act, 33.3% say that these are not being implemented specifically because of this act. 13.8% answered that they are not using any resources or doing any activities to meet the requirements. The carefully conducted research concludes that the mentioned resources used, and activities done are already steps part of the SCOR model from standing research but that they are gaining increased relevance due to regulations. However, public policy and governmental regulations in terms of supply chain due diligence implies the extended step of documentation and reporting. This step is highly equivalent to the 6th process, enable, in the SCOR model, helpful and needed to be

included and enhanced both in theory and not least in practice when using this model as a supply chain management framework.

To sum up, it can be concluded that public policy and governmental regulations, exemplified by The Norwegian Transparency Act as such, are affecting supply chain strategies directly on medium-sized and larger companies. It will undeniably also affect smaller companies indirectly. To maintain agreements with larger companies it is crucial for them to comply with the requirements as well. Thinking that The Norwegian Transparency Act “is not concerning us” may be tempting for now. There is little doubt that several of the resources and activities mentioned in this research are time-consuming and costly to implement. Nevertheless, the consequences may be worse if there is little willingness to change, both when it comes to reputation and financially. The outcome of The Norwegian Transparency Act is after all, hopefully, a bit closer to a more just world.

5.1 Managerial and theoretical implications

As research by Tokar & Swink (2019) and Morash & Lynch (2002) implies, public policy and governmental regulations and its implications on supply chain management, is extremely important for supply chain strategies, but there is still a lack of research within this field. Thus, this thesis contributes to the theory by providing further knowledge about how public policy and governmental regulations and further, mandatory due diligence as such, is influencing supply chain strategies. Further, to the best of the researcher’s knowledge, this is the first research done specifically on The Norwegian Transparency Act in relation to supply chain strategies, hence it significantly contributes to this new area of research.

The Norwegian Transparency Act and other similar laws will affect more companies in the following years, thus this thesis is useful as an example on what should and could be done in order to meet requirements to actual goal achievement and more effective implementation. The fact that this research has been performed just before the Act is coming into force and companies in theory should be fully prepared to document and report on due diligence, makes this research highly relevant for governing bodies. It provides insight on perception of due diligence, awareness of a due diligence act and how it is affecting supply chain management and strategies. This information can further help to improve policy formulation.

5.2 Limitations and future research

There are some limitations in this dissertation that need to be addressed. As due diligence and responsibility for the whole supply chain is a relatively new concept, it can cause a lack of knowledge within this field and further have caused lower elaboration in parts of the responses in the questionnaire and the interviews. Further, the research was not limited to only companies with larger supply chains, but some may have answered from a perspective that the law is not affecting them in a high degree due to small number of suppliers or own production and therefore also they may have perceived it to be irrelevant for them to participate. Nevertheless, it is worth noting that The Norwegian Transparency Act is not limited to the size or depth of the supply chain for a company, but whether the company does have a supply chain. Every company participating in the research, and the ones that were asked to contribute but did not, procure services or goods either for the running of the organization, retailing, or further processing.

From 102 companies asked to contribute to the research, 30 companies ended up answering the survey. 29 responses were valid. Additionally, 3 in-depth interviews were conducted. As this only covers a very small share of companies that are going to be affected by The Norwegian Transparency Act, the research may create some biases. The answers may not necessarily reflect the thoughts, perception, and action of most companies affected by the act. Furthermore, it would be interesting to categorize the answers based on industry, but this has not been possible due to the widespread of industries contributing, and further lack of response. Importantly, one must have in mind that research may be reflected by the researcher's own interpretations when analysis and results are presented.

The aim of this research has been to get a better insight on companies' perception of due diligence, the impact it has on supply chain strategies, as well as resources and activities used to meet requirements of The Norwegian Transparency Act. Suggestions for future research is to get insight on how successful these implementations were, best practices and if any of the companies have been failing to meet the requirements of The Norwegian Transparency Act. Furthermore, it would be interesting to further elaborate and do research on how trust is affected by mandatory due diligence. Additionally, how law influences business awareness and willingness to do their part in increasing decent work conditions and avoid modern slavery or if the main perception is that it increases bureaucracy without any or just a few implications on

goal achievement. These are interesting topics that have occurred in this research, but it goes far beyond what has been possible to give space to in this thesis.

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Appendices

Appendix A – Survey questions & question explanation

Survey questions

<p>Introduction: <i>Dear participant,</i></p> <p><i>Thank you for contributing to my research by participating in this survey. The aim of the research is to find out how supply chain strategies get affected by mandatory supply chain due diligence in multiple firms, within different industries. This research will contribute to the conclusion of my master thesis.</i></p> <p><i>The following questionnaire takes less than 15 min to answer. It consists of both short and longer questions. There is no right or wrong, so please elaborate as much as possible. All your answers are private and confidential and will solely be used for academic purposes.</i></p> <p><i>If you have any questions or want to receive a copy of the final thesis, please feel free to contact me on +47 97066102 or send an email to s-nkgaskjenn@ucp.pt.</i></p> <p><i>Nora Kristiane Gåskjenn</i></p>	
General questions:	
1. Which industry does your firm operate in? (Open question)	
2. What is your position in the firm? (Open question)	
3. What is the size of your organization?	
< 50 employees	250 – 1000 employees
50-250 employees	> 1000 employees
4. Do you have a team working on supply chain management?	
Yes	No
Other: (Explain)	
5. How would you rate the importance of supply chain management for your firm?	
Not important at all	Very Important
Not very important	Important
Neutral	
6. Do you see any advantages of carrying out due diligence*?	
* «Supply chain due diligence is an ongoing, proactive and reactive process through which companies monitor and administer their purchases and sales with a view to ensuring that they do not contribute to conflict or related adverse impacts.» (EU, n.d.)	
Yes → Why? (Explain)	No → Why? (Explain)
7. Do you see any disadvantages of carrying out due diligence?	
Yes → Why? (Explain)	No → Why? (Explain)
8. How frequently is your firm reassessing the supply chain structure*?	
* "Includes the suppliers of raw materials, components and services that a company needs to manufacture and distribute its products to intermediate or final customers." (Chron Contributor, 2020)	
Monthly	Annually
Once a quarter	Less than once per year
Don't know	
9. Is your depth or frequency of supply chain risk assessments dependent on the suppliers?	
Yes (explain)	No (explain)

10. Has your firm ever been following the OECD guidelines*?	
* https://www.oecd.org/dac/results-development/docs/mfsdr-guiding-principles.pdf	
Yes, before	No, but we are planning to do it
Yes, right now	No
Don't know	
11. Has your firm been following other equivalent guidelines?	
No	Yes (Explain)
<i>In July 2022 The Norwegian Transparency Act will be taken into force. In the following part I want to know how your firm is responding to this specific act. This law will require companies to carry out due diligence of their supply chain. Please answer as honest as possible.</i>	
12. Have you heard about The Norwegian Transparency Act before reading about it in this questionnaire?	
Yes	No
Not sure	
13. Is your firm going to be affected by The Norwegian Transparency Act?	
Yes	No
I don't know	
14. How easy is it to get information about what is required for your firm?	
Extremely difficult	Extremely easy
Somewhat difficult	Somewhat easy
Neither easy nor difficult	
15. From whom have you had information about the Act?	
I have not heard about the act	Explain
16. Has there been a change in supply chain strategy due to the act?	
Yes (explain)	No
I don't know	
17. What are the resources being used and activities done, if any, by your firm to meet the requirements of the act?	
Explain	We don't use any resources or do any activities regarding this
18. Have any of these resources or activities been implemented specifically in relation to The Norwegian Transparency Act?	
Yes (explain)	No
I don't know	
19. How confident are you that your firm will be able to meet the requirements of The Norwegian Transparency Act?	
Not confident at all	Very confident
Not very confident	Confident
Neutral	
20. Clarify the reasons why you are confident or not that you will be able to meet the requirements of The Norwegian Transparency Act?	
(Open question)	

Question explanation

QUESTION	PURPOSE
Which industry does your firm operate in?	To see if there are any similarities in specific or similar industries
What is your position in the firm?	To ensure that the person answering the questionnaire on behalf of the firm is in a position with overview of the supply chain strategy
What is the size of your organization?	To find out if there are significant differences related to size
Do you have a team working on supply chain management?	To get a general understanding of how the company is working on supply chain issues
How would you rate the importance of supply chain management for your firm?	To get a general impression of the companies' perception on the importance of own supply chain
Do you see any advantages of carrying out due diligence*?	To get a general overview of the perception of due diligence
Do you see any disadvantages of carrying out due diligence?	To get a general overview of the perception of due diligence
How frequently is your firm reassessing the supply chain structure*?	To get a general understanding of how the companies are working in relation to suppliers and other partnerships
Is your depth or frequency of supply chain risk assessments dependent on the suppliers?	To get a general understanding of how the companies are working in relation to suppliers and other partnerships
Has your firm ever been following the OECD guidelines*?	To map the general awareness of OECD guidelines
Has your firm been following other equivalent guidelines?	To get an overview of different guidelines the participating companies may follow
Have you heard about The Norwegian Transparency Act before reading about it in this questionnaire?	To map the awareness of The Norwegian Transparency Act

Is your firm going to be affected by The Norwegian Transparency Act?	To check if the companies are aware that they are affected by the law
How easy is it to get information about what is required for your firm?	To understand the perception of availability of information
From whom have you had information about the Act?	To get an understanding of the main information sources
Has there been a change in supply chain strategy due to the act?	Important to understand the impact The Norwegian Transparency Act has on the supply chain strategies
What are the resources being used and activities done, if any, by your firm to meet the requirements of the act?	Further important to understand which impact The Norwegian Transparency Act has on activities and resources implementation
Have any of these resources or activities been implemented specifically in relation to The Norwegian Transparency Act?	Clarifying if the resources and activities was already a part of their strategy or not, before knowledge about The Norwegian Transparency Act
How confident are you that your firm will be able to meet the requirements of The Norwegian Transparency Act?	Helps to give an understanding of perception of the scope on The Norwegian Transparency Act
Clarify the reasons why you are confident or not that you will be able to meet the requirements of The Norwegian Transparency Act?	Summaries the perception of The Norwegian Transparency Act in relation to the participants own companies

Appendix B – Interview process

Email guide

Dear X,

My name is Nora Kristiane Gåskjenn, and I am studying MSc in Management with Specialization in Strategy & Entrepreneurship in Portugal at Católica Lisbon School of Business & Economics. I am currently writing my master's thesis on how companies adapt their supply chain strategies to new quality requirements (supply chain due diligence) and especially in relation to The Norwegian Transparency Act, which enters into force on July 1st this year. The law aims to promote companies' respect for basic human rights and decent working conditions in regard to production of goods and services.

The knowledge acquired will be useful for policy formulation, more effective implementation, and actual goal achievement.

With regard to my dissertation, I have made a survey that I would have greatly appreciated if your company can answer. The survey takes less than 15 minutes to complete and is anonymous. I will greatly appreciate your important contribution!

N.B.! If you think that someone else should respond to this survey, I would have greatly appreciated if you passed this on to me by responding to this email. The link to the survey is an individual link and will not work if you forward the email.

N.B.!! If you experience problems accessing the survey, I will be happy to send you a new link.

Follow this link to the Survey:

(Link here)

Thank you!

Best regards,

Nora Kristiane Gåskjenn

Interview guide

Name:

Firm:

Position:

Industry:

Size of organization:

Thank you for contributing to my research by taking part of this interview. It is highly appreciated and will contribute to the conclusion of my master thesis. The aim of the research is to find out how supply chain strategies get affected by supply chain due diligence in multiple firms, within different industries. The interview should take around 30 min. There is no right or wrong, so please elaborate as much as possible. All your answers will solely be used for academic purposes. The names will be changed to guaranty confidentiality. If you have any questions after this interview or want to receive a copy of the final thesis, please feel free to contact me by mail or phone.

I will in this interview touch upon 2 main points which is about your firm and your firm's general supply chain strategy and thereby your firm's response to the Norwegian Transparency Act. If you have any questions, suggestions or along the way feel free to interact at any time.

What is the mission of your firm?

What are the offers?

How is the firm organized?

How/When did it start?

I want to further ask a bit about your firm's strategy:

Do you have a team working on supply chain management?

How big is the team?

What are the reasons for your firm to have a team specifically working on supply chain management?

Can you comment on the importance of supply chain management for your firm?

What are the advantages of carrying out due diligence?

What are the disadvantages of carrying out due diligence?

How frequently is your firm reassessing the supply chain structure?

Comment on the depth or frequency of supply chain risk assessments dependent on different suppliers?

Have you ever heard about the OECD guidelines? *If yes, what do you know about the OECD guidelines? If not, explain about the guidelines and ask if they have been following other equivalent guidelines.*

Have your firm ever been following the OECD guidelines? Yes, can you specify these

Have your firm been following other equivalent guidelines? If yes, can you specify which guidelines?

Further, I want to ask about the Norwegian Transparency Act

In July 2022 the Norwegian Transparency Act will be taken into force. In the following part I want to know how your firm is responding to this specific act. This law will require companies to carry out due diligence of their supply chain.

Are you aware of the Norwegian Transparency Act? *If yes, in your vision, what is it about? If no, explain what it is.*

Is your firm going to be affected by the Norwegian Transparency Act? *If yes, how?*

How easy is it to get information about what is required for your firm? Can you give examples

Has there been a change in supply chain strategy due to the act?

If no – why not? If yes – how?

What are the resources being used and activities done, if any, by your firm to meet the requirements of the act?

Have any of these resources or activities been implemented specifically in relation to the Norwegian Transparency Act? If yes, which ones?

How confident are you that your firm will be able to meet the requirements of the Norwegian Transparency Act?

Can you clarify the reasons why you are confident or not that you will be able to meet the requirements of The Norwegian Transparency Act?

Thank you so much for taking time to participate in this interview and contributing to my research. Do you have anything more you would like to add or any questions you would like to ask?

Thank you!

Appendix C - Organizing nominal and ordinal data for non-parametric data analysis

What is the size of your organization?

< 50 employees	1
50-250 employees	2
250 – 1000 employees	3
> 1000 employees	4

Do you have a team working on supply chain management?

No	0
Yes	1
Other	2

How would you rate the importance of supply chain management for your firm?

Not important at all	1
Not very important	2
Neutral	3
Important	4
Very important	5

Do you see any advantages of carrying out due diligence?

No	0
Yes	1

Do you see any disadvantages of carrying out due diligence?

No	0
Yes	1

How frequently is your firm reassessing the supply chain structure*?

Monthly	1
Once a quarter	2
Annually	3
Less than once per year	4
Don't know	5

Is your depth or frequency of supply chain risk assessments dependent on the suppliers?

No	0
Yes	1

Has your firm ever been following the OECD guidelines*?

No	1
No, but we are planning to do it	2
Yes, before	3
Yes, right now	4
Don't know	5

Has your firm been following other equivalent guidelines?

No	0
Yes	1

Have you heard about The Norwegian Transparency Act before reading about it in this questionnaire?

No	0
Yes	1
Not sure	2

Is your firm going to be affected by The Norwegian Transparency Act?

No	0
Yes	1
I don't know	2

How easy is it to get information about what is required for your firm?

Extremely difficult	1
Somewhat difficult	2
Neither easy nor difficult	3
Somewhat easy	4
Extremely easy	5

Has there been a change in supply chain strategy due to the act?

No	0
Yes	1
I don't know	2

What are the resources being used and activities done, if any, by your firm to meet the requirements of the act? = Do you use any resources or do any activities to meet the requirement of the act?

We don't use any resources or do any activities regarding this	0
Yes	1

Have any of these resources or activities been implemented specifically in relation to The Norwegian Transparency Act?

No	0
Yes	1
I don't know	2

How confident are you that your firm will be able to meet the requirements of The Norwegian Transparency Act?

Not confident at all	1
Not very confident	2
Neutral	3
Confident	4
Very confident	5

Appendix D – Data tables

Frequency

What is the size of your organization?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 50 employees	4	13.8	13.8	13.8
	50-250 employees	8	27.6	27.6	41.4
	250 – 1000 employees	7	24.1	24.1	65.5
	> 1000 employees	10	34.5	34.5	100.0
	Total	29	100.0	100.0	

Do you have a team working on supply chain management?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	6	20.7	20.7	20.7
	Yes	16	55.2	55.2	75.9
	Other	7	24.1	24.1	100.0
	Total	29	100.0	100.0	

How would you rate the importance of supply chain management for your firm?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not very important	1	3.4	3.4	3.4
	Neutral	4	13.8	13.8	17.2
	Important	11	37.9	37.9	55.2
	Very Important	13	44.8	44.8	100.0
	Total	29	100.0	100.0	

Do you see any advantages of carrying out due diligence*?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No (explain)	3	10.3	10.3	10.3
	Yes (explain)	26	89.7	89.7	100.0
	Total	29	100.0	100.0	

Do you see any disadvantages of carrying out due diligence?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No (explain)	17	58.6	58.6	58.6
	Yes (explain)	12	41.4	41.4	100.0
	Total	29	100.0	100.0	

How frequently is your firm reassessing the supply chain structure*?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Monthly	2	6.9	7.1	7.1
	Once a quarter	2	6.9	7.1	14.3
	Annually	15	51.7	53.6	67.9
	Less than once per year	8	27.6	28.6	96.4
	Don't know	1	3.4	3.6	100.0
	Total	28	96.6	100.0	
Missing	System	1	3.4		
Total		29	100.0		

Is your depth or frequency of supply chain risk assessments dependent on the suppliers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No (explain)	5	17.2	17.2	17.2
	Yes (explain)	24	82.8	82.8	100.0
	Total	29	100.0	100.0	

Has your firm ever been following the OECD guidelines*?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	6	20.7	20.7	20.7
	No, but we are planning to do it	7	24.1	24.1	44.8
	Yes, before	4	13.8	13.8	58.6
	Yes, right now	5	17.2	17.2	75.9
	Don't know	7	24.1	24.1	100.0
	Total	29	100.0	100.0	

Has your firm been following other equivalent guidelines?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	10	34.5	34.5	34.5
	Yes (explain)	19	65.5	65.5	100.0
	Total	29	100.0	100.0	

Have you heard about the Norwegian Transparency Act before reading about it in this questionnaire?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	7	24.1	24.1	24.1
	Yes	22	75.9	75.9	100.0
	Total	29	100.0	100.0	

Is your firm going to be affected by the Norwegian Transparency Act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	2	6.9	6.9	6.9
	Yes	25	86.2	86.2	93.1
	I don't know	2	6.9	6.9	100.0
	Total	29	100.0	100.0	

How easy is it to get information about what is required for your firm?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely difficult	2	6.9	6.9	6.9
	Somewhat difficult	8	27.6	27.6	34.5
	Neither easy nor difficult	13	44.8	44.8	79.3
	Somewhat easy	5	17.2	17.2	96.6
	Extremely easy	1	3.4	3.4	100.0
	Total	29	100.0	100.0	

Has there been a change in supply chain strategy due to the act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	16	55.2	55.2	55.2
	Yes (explain)	12	41.4	41.4	96.6
	I don't know	1	3.4	3.4	100.0
	Total	29	100.0	100.0	

What are the resources being used and activities done, if any, by your firm to meet the requirements of the act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	We don't use any resources or do any activities regarding this	4	13.8	14.3	14.3
	Explain:	24	82.8	85.7	100.0
	Total	28	96.6	100.0	
Missing	System	1	3.4		
Total		29	100.0		

Have any of these resources or activities been implemented specifically in relation to the Norwegian Transparency Act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	10	34.5	35.7	35.7
	Yes (explain)	15	51.7	53.6	89.3
	I don't know	3	10.3	10.7	100.0
	Total	28	96.6	100.0	
Missing	System	1	3.4		
Total		29	100.0		

How confident are you that your firm will be able to meet the requirements of the Norwegian Transparency Act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not very confident	1	3.4	3.4	3.4
	Neutral	10	34.5	34.5	37.9
	Confident	14	48.3	48.3	86.2
	Very confident	4	13.8	13.8	100.0
	Total	29	100.0	100.0	

Mean

	N	Minimum	Maximum	Mean	Std. Deviation
What is the size of your organization?	29	1	4	2.79	1.082
Do you have a team working on supply chain management?	29	0	2	1.03	.680
How would you rate the importance of supply chain management for your firm?	29	2	5	4.24	.830
Do you see any advantages of carrying out due diligence*?	29	0	1	.90	.310
Do you see any disadvantages of carrying out due diligence?	29	0	1	.41	.501
How frequently is your firm reassessing the supply chain structure*?	28	1	5	3.14	.891
Is your depth or frequency of supply chain risk assessments dependent on the suppliers?	29	0	1	.83	.384
Has your firm ever been following the OECD guidelines*?	29	1	5	3.00	1.512
Has your firm been following other equivalent guidelines?	29	0	1	.66	.484
Have you heard about the Norwegian Transparency Act before reading about it in this questionnaire?	29	0	1	.76	.435
Is your firm going to be affected by the Norwegian Transparency Act?	29	0	2	1.00	.378
How easy is it to get information about what is required for your firm?	29	1	5	2.83	.928
Has there been a change in supply chain strategy due to the act?	29	0	2	.48	.574
What are the resources being used and activities done, if any, by your firm to meet the requirements of the act?	28	0	1	.86	.356
Have any of these resources or activities been implemented specifically in relation to the Norwegian Transparency Act?	28	0	2	.75	.645
How confident are you that your firm will be able to meet the requirements of the Norwegian Transparency Act?	29	2	5	3.72	.751

Frequency tables – Selected cases

Have not heard about The Norwegian Transparency Act before:

How confident are you that your firm will be able to meet the requirements of the Norwegian Transparency Act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	4	57.1	57.1	57.1
	Confident	2	28.6	28.6	85.7
	Very confident	1	14.3	14.3	100.0
	Total	7	100.0	100.0	

Have not heard about The Norwegian Transparency Act before + confident or very confident that they will meet the requirements:

Has your firm ever been following the OECD guidelines*?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	2	66.7	66.7	66.7
	No, but we are planning to do it	1	33.3	33.3	100.0
	Total	3	100.0	100.0	

Has your firm been following other equivalent guidelines?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	3	100.0	100.0	100.0

Supply chain strategies are not changed due to The Norwegian Transparency Act:

Have any of these resources or activities been implemented specifically in relation to the Norwegian Transparency Act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	6	37.5	40.0	40.0
	Yes (explain)	6	37.5	40.0	80.0
	I don't know	3	18.8	20.0	100.0
	Total	15	93.8	100.0	
Missing	System	1	6.3		
Total		16	100.0		

Are using resources or doing activities to meet the requirements of The Norwegian Transparency Act:

Have any of these resources or activities been implemented specifically in relation to the Norwegian Transparency Act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	8	33.3	33.3	33.3
	Yes (explain)	15	62.5	62.5	95.8
	I don't know	1	4.2	4.2	100.0
	Total	24	100.0	100.0	

Have implemented resources and activities specifically in relation to The Norwegian Transparency Act:

Has there been a change in supply chain strategy due to the act?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	6	40.0	40.0	40.0
	Yes (explain)	9	60.0	60.0	100.0
	Total	15	100.0	100.0	

Are following the OECD guidelines or have been following it before:

Have you heard about the Norwegian Transparency Act before reading about it in this questionnaire?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	9	100.0	100.0	100.0