



Action plan for business and human rights



Government Offices of Sweden

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Foreword

Business and respect for human rights go hand in hand and should be part of an active corporate social responsibility policy. Corporate social responsibility therefore plays an important role in both trade policy and export promotion.

We are now developing a more ambitious policy for corporate social responsibility while working on an export strategy to strengthen export and internationalisation opportunities for Swedish companies in important growth markets around the world. Our export strategy will help to ensure that Sweden has the lowest unemployment rate in the EU by 2020.

In June 2011, the UN Human Rights Council adopted the UN Guiding Principles on Business and Human Rights developed by Professor John Ruggie. The Government welcomes that a global standard has thereby been established to promote business respect for human rights. This represents an important first step that all actors have a responsibility to build on. This applies to states, businesses, investors, trade unions, civil society and other relevant stakeholders.

This document is Sweden's national action plan for implementing the UN Guiding Principles on Business and Human Rights. Its aim is to support Swedish businesses in transforming the UN Guiding Principles into concrete action. The plan sends a clear message about the Government's expectations of modern business: successful and competitive companies of the future are those that make human rights and corporate social responsi-

bility part of their core business. Consumers, investors and other stakeholders expect this.

Many Swedish companies are actively integrating sustainability, including respect for human rights, into their operations in keeping with the UN Guiding Principles. There are numerous examples of the positive contribution they make to enhancing sustainable social development. The Government would like to urge and encourage all Swedish companies to use the international guidelines as a basis for their operations and to set a good example both at home and abroad.

The Government will act to support them in this effort. In addition, we will urge other countries to likewise adopt national action plans so that respect for human rights and corporate social responsibility can be strengthened around the world. Sustainable growth will benefit all of us.

Stockholm, August 2015



A handwritten signature in black ink, which appears to read 'Mikael Damberg'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Mikael Damberg,
Minister for Enterprise and Innovation



Action plan for business
and human rights



The three pillars of the UN Guiding Principles on Business and Human Rights

- ① The State duty to protect human rights
- ② The corporate responsibility to respect human rights, which means that the activities of business enterprises should not infringe on human rights and that enterprises should act to prevent adverse human rights impacts
- ③ Access to remedy if these rights are not respected

The Government believes that business and respect for human rights go hand in hand and must be part of an active corporate social responsibility (CSR) policy. The Government has therefore drawn up a national action plan for business and human rights. In June 2011, the UN Human Rights Council adopted the UN Guiding Principles on Business and Human Rights.

The national action plan aims to translate the UN Guiding Principles into practical action at national level. The plan responds to the European Commission's request that Member States draw up national action plans. So far, the UK, the Netherlands, Denmark, Finland and Lithuania have developed national action plans.

Business enterprises appear to have a greater awareness of their responsibility to respect human rights and of the role this plays in creating value and building business competitiveness. The Government's ambition is to assist enterprises in their efforts in this area.

A clear Swedish profile in this area can contribute to strengthening Sweden as a brand. The Guiding Principles are also fundamental to the corporate governance of state-owned enterprises.

The action plan is also an important part of the Government's heightened ambitions for foreign trade, through the export strategy, CSR and other areas. It is an equally important part of the Government's relaunch of its Policy for Global Development and its efforts to contribute to the new global sustainable development goals (SDGs).

The action plan has been developed by the Government Offices in consultation with various stakeholders. A draft has been published for public comment on the Government Offices website. The draft has also been the subject of four public consultation meetings in which more than 100 different companies, government agencies, trade unions, NGOs and other stakeholders took part.¹

¹ The consultation meetings were held in Stockholm on 5 March and 23 March 2015, in Gothenburg on 12 March 2015 and in Malmö on 16 March 2015.



UN Guiding Principles on Business and Human Rights

In July 2005, the UN Secretary-General appointed Professor John Ruggie as his Special Representative for Business and Human Rights. In 2008, Professor Ruggie delivered his Protect, Respect and Remedy Framework and in June 2011 the UN Guiding Principles on Business and Human Rights were adopted. The pillars of the Guiding Principles are:

1. the State duty to protect human rights;
2. the corporate responsibility to respect human rights, which means that the activities of business enterprises should not infringe on human rights and that enterprises should act to prevent adverse human rights impacts; and,
3. access to remedy if these rights are not respected.

The national action plan follows the three-pillar structure of the UN Guiding Principles and concludes with measures taken and planned.

The Guiding Principles do not create any new international law obligations. They apply to all States and all enterprises and consist of non-legally binding guidelines. Although some of the principles are directed at business enterprises, this does not mean that any part of the State's responsibility to ensure respect for human rights is transferred to enterprises. However, the Guiding Principles clarify the importance of States' existing commitments and what they can mean for enterprises, and place them in a context. Trade and CSR can also help influence the human rights situation in other countries, for example where respect for democracy and human rights is inadequate.

Corporate social responsibility applies in Sweden and abroad, and independently of States' abilities and/or willingness to fulfil their own human rights obligations. The activities undertaken by enterprises must be adapted to their operating contexts and human rights impacts.



① The State duty to protect human rights

Protecting human rights is the responsibility of States. States are obliged to uphold their commitments under international law, including human rights commitments. These regulate the relationship between the State and the individual. The State duty to protect is a standard of expected conduct. It is primarily the government of each country that is obliged to ensure that respect for human rights is upheld, in practice through a functioning legal system, effective legislation, regulations, education, social support and other measures. All public authorities, including the courts, have a duty to ensure that human rights are respected. The State also has a duty to ensure that people are protected against abuse by non-State actors, including terrorists, death patrols and people linked to organised crime. States should also set out the expectation that all business enterprises domiciled in their territory and/or jurisdiction respect human rights throughout their operations.

A description of how human rights are protected in Sweden is given below.

The State's role in protecting human rights

The Government's goal is to ensure full respect for human rights in Sweden. This means that human rights, as expressed through Sweden's international commitments, must not be violated. The Swedish legal system must be in conformity with the international conventions on human rights that Sweden has acceded to, and the convention commitments must be taken into account when applying Swedish law throughout the public administration, in central government, municipalities and county councils.

Sweden has a long tradition of local self-governance, meaning that municipalities and county councils are free to make their own decisions within the frameworks established by the Riksdag and the Government. Municipalities and county councils are responsible for areas including health and medical care, social welfare issues, compulsory and upper

secondary school, pre-school and elderly care. Consequently, alongside central government, municipalities and county councils play an important role in protecting and promoting human rights in Sweden.

In its role as owner, the State acts to ensure that state-owned companies set a good example in the area of CSR and that their conduct in general instils public confidence, for example by striving to comply with international guidelines such as the UN Guiding Principles.

Sweden has acceded to several of the international organisations' conventions on human rights, including UN, Council of Europe and International Labour Organisation conventions. Sweden is therefore obliged to report, at regular intervals, on its implementation of the provisions of the conventions. Sweden has been reviewed by the UN Human Rights Council's Universal Periodic Review mechanism on two occasions (2010 and 2015).

Swedish legislation to protect human rights

Human rights are protected in Swedish legislation primarily via the constitutional regulations in the Instrument of Government, the Freedom of the Press Act and the Fundamental Law on Freedom of Expression. An individual's fundamental rights and freedoms are also expressed in other laws. The European Convention for the Protection of Human Rights and Fundamental Freedoms has been incorporated into Swedish law in its entirety and thus applies as Swedish law. When applying EU law, Sweden is obliged to follow the EU Charter of Fundamental Rights. The provisions contained in Swedish law relating to the fundamental rights and freedoms of the individual are primarily aimed at public sector services within central government, municipalities and county councils.

Through other legislation, such as civil law legislation on rights at work and on discrimination, as well as criminal law legislation, the State seeks to ensure that an individual's human rights are also respected by third parties, including business enterprises.

A typical feature of the Swedish labour market and the Swedish model is that the relationship between employer and employee is largely governed by collective agreements. These agreements often contain regulations that supplement and replace the procedures established by law. The most important act in the area of individual labour law is the Employment Protection Act (1982:80), which regulates how employment contracts may be entered into and terminated. This Act includes provisions stating that indefinite-term contracts should be the general rule but that fixed-term contracts can be mutually agreed in some cases. The Act also states that notice of termination of an indefinite-term employment contract must be based on objective grounds.

In the area of collective labour law, the Employment (Co-determination in the Workplace) Act (1976:580) is the main act. This Act regulates, for example, the right of employee organisations to participate in negotiations ahead of certain decisions by an employer, for example regarding significant operational changes. The Trade Union Representatives (Status at the Workplace) Act (1974:358) is also part of collective labour law. This Act contains regulations on the status of trade union representatives and the right to participate in trade union activities at individual workplaces.

The purpose of the Discrimination Act (2008:567) is to combat discrimination and in other ways promote equal rights and opportunities regardless of sex, transgender identity or expression, ethnicity, religion or other belief, impairment, sexual orientation or age. The Act applies to employment in a broad sense, educational activities, labour market policy activities and employment services not under public contract, starting or running a business, supply of goods, services and housing, organisation of a public gathering or event, and health and medical care and social services.

Disputes concerning the relationship between employer and employee are often resolved in the Labour Court, which is a specialised court for examining labour law disputes. The Labour Disputes (Judicial Procedure) Act (1974:371) contains certain special regulations on labour law disputes.

Criminal law provisions to protect human rights

Sweden has a number of criminal law provisions for the protection of human rights regardless of the context in which an offence is committed, including in the business context. Through these criminal provisions Sweden also fulfils its international commitments in relevant respects. Examples include:

- Protection of life and health, through criminal liability for crimes such as murder, assault, manslaughter and work environment crimes (Chapter 3, Swedish Penal Code).
- Protection of liberty and peace, through criminal liability for human trafficking, including for the purpose of exploiting a person's labour, and other provisions protecting against coercion or deprivation of liberty. Provisions also exist to protect against harassment, intrusive photography, breach of postal or telecommunication secrecy, unlawful interception and breach of data security (Chapter 4, Penal Code).
- Protection of property, against corruption, etc., through criminal liability for offences such as theft, robbery, fraud, extortion, receiving stolen goods, bribery, dishonesty to creditors and infliction of damage (Chapter 8–12, Penal Code).
- Provisions on crimes involving public danger also protect the above-mentioned interests through criminal liability for acts such as arson (Chapter 13, Penal Code).
- Criminalisation of international crime also provides for protection of life, health and property. The Act on criminal responsibility for genocide, crimes against humanity and war crimes (2014:406) entered into force on 1 July 2014.
- Criminal liability under the Act on Criminal Responsibility for the Financing of Particularly Serious Crimes in Some Cases (2002:444), the Act on Criminal Responsibility for Terrorist Offences (2003:148) and the Act on Criminal Responsibility for Public Provocation, Recruitment and Training concerning Terrorist Offences and other Particularly Serious Crimes (2010:299) also provides protection in this context.
- Under Swedish law, jurisdiction is extensive and Swedish courts are therefore often able to adjudicate in cases concerning offences committed abroad. Normally, for this to occur, the perpetrator would need to have some ties to Sweden and the offence would need to be subject to criminal liability under the law of the place where it was committed. However, such restrictions do not apply to the most serious crimes, i.e. certain specified crimes such as crimes under the Act on criminal responsibility for genocide, crimes against humanity and war crimes and, in general, all crimes with a minimum sentence of imprisonment for four years, for example, exceptionally gross assault (Chapter 2, Penal Code).
- Corporate fines entail liability for companies, among others. Although only natural persons can be convicted of a crime, corporate fines may be imposed on a business operator (e.g. a legal entity) for crimes committed in the exercise of business activities. (Chapter 36, Penal Code).

As outlined in this action plan, the Government will support businesses in their efforts to respect human rights in their operations.



② The corporate responsibility to respect human rights

The Government's clear expectation is that companies operating in Sweden or abroad respect human rights in all their activities. This means that their business activity should not cause, contribute or be linked to human rights abuses, not least in conflict-affected areas, and that they should act to prevent such abuses. Similarly, they should address adverse human rights impacts with which they are involved. Many companies are already aware of the risk that their business operations may contribute to human rights abuses, and are taking steps to manage these risks.

Internationally recognised instruments provide guidance for companies in their human rights efforts.² The UN Guiding Principles focus on businesses and human rights. The United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the Children's Rights and Business Principles take a broader approach and address not only human rights but also other issues such as the environment, working conditions and anti-corruption.

For a company's employees, human rights in the workplace are particularly important. The right to participate in collective bargaining and the right to form or join free trade unions are examples of such rights. Special measures should be taken to identify and prevent anti-union policies or actions. This applies both in Sweden and abroad. In some countries it may be difficult for employees to assert their human rights in the workplace.

The Government encourages companies to conduct a dialogue on these issues with stakeholders, trade unions and civil society organisations to identify problems and work constructively to find common solutions. It is particularly important to ensure that a dialogue is conducted with free trade unions. Investors and consumers are important stakeholders who can question, bolster and reward companies for their work. The media has an independent role as reviewer and can raise awareness about the influence that companies have on society.

The conditions for companies' efforts to respect human rights vary depending on their size, the countries and regions they operate in and their line of business, but the common goal is to prevent the companies' activities from leading to human rights abuses, including the exploitation of children. UNICEF, Save the Children and the UN Global Compact have developed the Children's Rights and Business Principles, which provide guidance for companies in their work. Companies should also help to defend and strengthen women's rights, including through access to the labour market and by combating discrimination in all its forms. Companies face different opportunities and challenges. For this reason, their human rights efforts need to be tailored to the occasion and situation. In some cases, it may be a matter of tailoring existing processes and systems, and in other cases of building completely new systems for monitoring and control.

² The most important internationally recognised human rights relevant in this context are contained in the United Nations Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the eight fundamental ILO conventions known as the 'core conventions'. Depending on the circumstances, companies may need to consider additional standards.

In keeping with the UN Guiding Principles, businesses' human rights efforts are expected to include the following main points:

Policy:

- Compliance with all applicable legislation and respect for human rights wherever they operate
- Policy statement, approved at the highest level, on respect for internationally recognised human rights, including the ILO core conventions, in the company's operations
- Establish a clear set of values as the basis for the company's human rights work, which should permeate the company's business culture and external relationships and be made publicly available
- Clearly demonstrate the participation, engagement and responsibility of the senior level in respect for human rights throughout the organisation in Sweden and abroad
- Conduct a structured, meaningful and regular dialogue with the company's employees and trade unions, and with the company's key stakeholders in the community
- Cooperate and consult with other relevant companies and organisations on common human rights challenges
- Operate strategically, set objectives and follow up the company's own activities to ensure their effectiveness

Reporting:³

- Be transparent, i.e. report on and communicate the risks and opportunities facing the company, as well as its impact on society, both favourable and adverse
- Introduce guidelines on internal whistleblowing
- Put in place processes to remediate adverse impacts

Procedure:

- Identify and monitor the risks throughout the value chain (employees, business partners, suppliers, distribution and customer channels) and assess where responsibility for risks lies and how the company can have a positive impact
- Establish an integrated and ongoing process in the company to identify, prevent and manage human rights risks and opportunities, as appropriate to the size, nature and context of the operations, i.e. due diligence

³ February 2015 saw the launch of the first comprehensive guidance for companies on human rights reporting in line with the UNGP: UN Guiding Principles Reporting Framework. Five international companies are 'early adopters' of the reporting framework: Ericsson, H&M, Nestlé, Newmont and Unilever.

③ Access to remedy

Legal remedies provided by the State

According to the UN Guiding Principles, States have an obligation to provide effective remedies when a company has committed human rights abuses. These include both judicial and non-judicial mechanisms. The legal remedies available in the Swedish legal system are in line with the international human rights conventions that Sweden has acceded to. There are three types of courts in Sweden:

- the general courts, consisting of district courts, courts of appeal and the Supreme Court,
- the administrative courts, i.e. administrative courts, administrative courts of appeal and the Supreme Administrative Court, and
- the specialised courts, such as the Labour Court and the Market Court, which settle disputes in specialised areas.

The Government and the Swedish National Courts Administration take continuous action to ensure that the courts' activities are conducted effectively and to a high standard, and that backlogs and turnaround times are kept to a reasonable level. Efforts in recent years have aimed, for example, to develop appropriate rules of procedure, a sustainable judicial system and more efficient working methods.

The different ombudsmen monitor compliance with human rights. Any person who feels that they or anyone else has been treated incorrectly or unfairly by a public authority or official at a central or local government authority can lodge a complaint with the Parliamentary Ombudsmen, also known as the Ombudsmen for Justice.

The Parliamentary Ombudsmen supervise the application of laws and other statutes in public activities. According to their instructions, supervision also covers "other individuals whose employment or assignment involves the exercise of public authority, insofar as this aspect of their activities is concerned" and "officials and those employed by public enterprises, while carrying out, on behalf of such an enterprise, activities in which through the agency of the enterprise the Government exercises decisive influence".

Certain supervisory functions are also exercised by the Chancellor of Justice, who is appointed by the Government. The duties of the Chancellor of Justice include examining complaints and settling claims for damages directed at the State.

The Office of the Equality Ombudsman is a government agency responsible for monitoring compliance with the Discrimination Act. The Ombudsman is to try in the first instance to induce those to whom the Act applies to comply with it voluntarily. However, the Ombudsman may also bring a court action on behalf of an individual who consents to this. Those who violate the Discrimination Act may be found liable to pay compensation for discrimination to the person discriminated against.

The Ombudsman for Children in Sweden is a government agency whose main task is to represent the rights and interests of children and young people, based on the UN Convention on the Rights of the Child. It monitors society's compliance with the Convention and drives implementation in municipalities, county councils, regions and government agencies. It is responsible for drawing attention



To provide redress means to correct a mistake, in this context, regarding adverse impacts on someone's human rights. It is often easier to redress adverse impacts if there are effective grievance mechanisms in the company that the victim can use so that a dialogue can be established.

to deficiencies in the application of the Convention and proposing amendments to laws and ordinances. The Children's Ombudsman submits an annual report to the Government, containing analyses and recommendations to improve the situation of children and young people. The Ombudsman does not monitor other government agencies and, by law, is not able to intervene in individual cases.

Furthermore, the OECD Guidelines for Multinational Enterprises provide access to remedy through the National Contact Points (NCP). All countries adhering to the OECD Guidelines are obliged to set up their own NCP to support and promote the Guidelines. Sweden's NCP is a tripartite collaboration between the State, the business sector and employee organisations. The State is represented by several ministries at the Government Offices and the Ministry for Foreign Affairs is the convener. The business sector is represented by the Confederation of Swedish Enterprise and the Swedish Trade Federation, and employee organisations by the Swedish Trade Union Confederation, the Swedish Confederation of Professional Associations, the Confederation of Professional Employees, Unionen and IF Metall. As the Guidelines are voluntary, the NCP has no competence to issue any sanctions. The NCP's main task is to promote corporate compliance with the Guidelines and to help resolve problems in individual cases through dialogue and discussion.

Companies' own redress mechanisms

According to the UN Guiding Principles, companies are responsible for ensuring that their operations do not infringe on human rights and, if a company has caused or

contributed to adverse impacts, that it seeks to provide redress to the victim. Such redress may include apologies, financial or non-financial compensation or other redress agreed by the victim and the company. The situation is more complex if the company has not contributed to adverse impacts but the impacts are directly linked to its operations. In such cases, and if the company has leverage to prevent or mitigate the adverse impacts, it should exercise it.

No ready-made model exists for how a company should best organise its own grievance redress mechanism. It is for each company to assess what is appropriate on the basis of its specific circumstances. Some criteria include:

- Transparency – enables a dialogue with those affected by the company's actions
- Negotiations and discussions with employee representatives – often provide a good foundation for effective measures in cases concerning employees
- Processes for internal whistleblowers, for follow-up on whistleblowing concerns and protection of whistleblowers
- Secure and anonymous systems for handling complaints involving people outside the company who feel that they, or others, have been or will be adversely affected by the company



Follow-up

This action plan marks the start of Sweden's efforts to implement the UN Guiding Principles on Business and Human Rights. We hope that it will inspire other countries and encourage more companies to fulfil the principles. We also hope that it will help to generate new ideas and practices in the area. Implementation of this action plan, including the proposed measures, should be followed up in 2017.



Annex: Measures taken

In 2013, the Swedish Government adopted a platform for Swedish action on corporate social responsibility (CSR). The issue of business and human rights has received considerable attention in recent years. The following examples describe some measures already taken in accordance with this policy.

Regulations and legislation

- The Inquiry on protection of workers who blow the whistle on various unsatisfactory conditions, irregularities or offences submitted its report on 20 May 2014 (Swedish Government Official Reports 2014:31). The Inquiry proposes a new labour law act strengthening the protection provided to whistleblowers. Under the act, workers who have suffered reprisals for whistleblowing will be entitled to damages. The Inquiry's proposals have been circulated for comment.
- With a view to improving the protection provided to workers, amendments have been proposed to the Work Environment Act and the Working Hours Act. Under these amendments, financial penalties would largely replace penal sanctions to create a more effective sanctions system.
- In 2014, the Government Bill 'Measures to manage major criminal cases and the cancellation of main hearings' (Govt Bill 2013/14:170) was passed by the Riksdag. The bill proposed to give the parties greater influence and participation in proceedings so that accusations of criminal offences can be heard within a reasonable time, maintaining high standards.
- The UN Guiding Principles on Business and Human Rights point out that the costs of bringing claims are sometimes a barrier to having a case heard. Even after statutory amendment (1987:452), the fees charged by Swedish courts are low by European standards.

The State as actor

- Sweden has published Swedish translations of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on the government website.
- Sweden spreads information and knowledge about CSR via the National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises and via public diplomacy. The NCP has handled four notifications since 2012. The NCP's main roles are to handle notifications and promote and provide information about the OECD Guidelines for Multinational Enterprises.
- Sweden has entered into memoranda of understanding (MoUs) with certain countries on structured cooperation on corporate social responsibility. For example, there are two MoUs between Sweden and China, including an action plan for 2010–2015, under which a special Centre for Corporate Social Responsibility (CSR) has been set up at the Embassy of Sweden in Beijing. Among other activities, the CSR Centre provides training for Chinese participants. Chile and Sweden signed an MoU on corporate social responsibility in 2012. The possibilities of similar MoUs with other countries are being explored.
- Sweden has pushed for the inclusion of references to CSR in the chapters on sustainability in the EU's bilateral and regional trade agreements, investment agreements and partnership and cooperation agreements.

- Following support from Sweden and other countries, the Board of Governors of the World Bank decided in 2011 that the regulations on social and environmental standards that the Bank applies to business loans provided via its private sector body the International Finance Corporation (IFC) should include a requirement that consideration must be had to the UN Guiding Principles on Business and Human Rights.
- The conduct of companies in relation to armed conflicts is highly relevant to respect for human rights. Sweden has proposed sharper formulations in the draft regulation on responsible trade in minerals from conflict areas that is currently being discussed in the EU. In other words, we consider it should be mandatory for importers from particularly problematic countries to obtain certification. Sweden is carrying out awareness-raising activities on this issue and supports the OECD's work on how companies are to identify risks in the supply chain and avoid trade in conflict minerals (OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas).
- Corruption is a global problem and often plays a significant role in human rights abuses. International cooperation against corruption has become more intense and several important agreements have been entered into, including the United Nations Convention against Corruption, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and two Council of Europe conventions. Sweden attaches great importance to international cooperation against corruption and works actively to implement the conventions and spread knowledge about their contents to relevant parties. In 2010, Sweden took over the chair of the management group of the Business Anti-Corruption Portal. It has developed the Portal, in part through cooperation with the European Commission, to cover approximately 100 countries since the beginning of 2014. The information, which mainly targets the business community, is available in English, German, Russian, Chinese and Arabic. Sweden provides support to the Extractive Industries Transparency Initiative (EITI), which works to combat corruption in the mining industry.
- Internet freedom and privacy are among the great global issues of the future. It is fundamental for Sweden that the human rights that apply offline also apply online. Sweden has taken initiatives to strengthen the dialogue with business on internet freedom. As a result of a Swedish initiative, the OECD Guidelines for Multinational Enterprises now call on companies to support human rights on the internet. In addition, Sweden was part of the group of countries that tabled resolutions on internet freedom in the UN Human Rights Council in 2012 and 2014. These resolutions were adopted unanimously. The Stockholm Internet Forum organised by Sweden in 2012, 2013 and 2014 has focused entirely on issues of internet freedom.
- Sweden supports global knowledge-sharing and the implementation of the UN Guiding Principles on Business and Human Rights through financial contributions to several prominent civil society organisations. Such support has been given, for example, to Shift, the Institute for Human Rights and Business, the Business and Human Rights Resource Centre, and the UN Working Group on business and human rights. In addition, Sweden provides financial support to the UN Global Compact and has actively contributed to the

latest revision of the OECD Guidelines for Multinational Enterprises.

- Several seminars have been organised on the issue of business and human rights. For example, in 2013 a national conference was held in the context of work on Sweden's Policy for Global Development. Business and human rights was one of three main themes. In the same year, a conference on CSR was held in Stockholm. One of the focus areas was business and human rights. Dialogue meetings were also held in 2013 with businesses and civil society organisations on the subject of working and safety conditions in the Bangladeshi textile sector. In January 2015, a seminar on labour law and trade union relations was held at the Swedish Embassy in Bangkok, in cooperation with trade unions and companies. In the first half of 2015, the Swedish embassies in Argentina and Chile organised seminars on sustainable wine production.
- In 2013 and 2014, business and human rights issues were major components of CSR activities carried out in Colombia, China, Egypt, Zambia, the United Arab Emirates, Saudi Arabia, Serbia, South Korea and the Czech Republic. These activities are directed by Sweden's CSR Ambassador.

The State as owner

- According to the government state ownership policy, state-owned companies are expected to set a good example, which means that they must seek to comply with international guidelines such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. They must also be transparent and report in accordance with the Global Reporting Initiative (GRI). State-owned companies must also identify areas of CSR that are relevant to their business strategy and the board of directors must set strategic sustainability targets. The ownership policy applies in companies where the State is the majority owner; in other companies, where the State is part-owner, the State seeks to ensure that the ownership policy is followed, in dialogue with other owners.
- The Government has held seminars for the chairs of boards and managing directors of all state-owned companies on the Government's expectations regarding the companies' application of the UN Guiding Principles on Business and Human Rights. A study was carried out in 2013 on the international guidelines from the UN and the OECD, aimed at facilitating companies' application of the state ownership policy.
- A CSR network has been established for the discussion of relevant CSR-related issues and to allow companies to exchange knowledge and experience. The international guidelines with which the companies are expected to comply were discussed at one of the network meetings. The Government Offices corporate management organisation has also held a workshop for the companies on the UN Guiding Principles on Business and Human Rights.
- A business analysis tool that sheds light on relevant areas of CSR, including human rights, has been developed for state-owned companies by the Government Offices corporate management organisation. The analysis increases the owner's awareness of the companies' risks and opportunities and how these can be managed. The result of the analysis is integrated in corporate governance and taken into account in the Government's regular dialogue with the company, in

monitoring the company's development, and in the recruitment and nomination of board members.

- Like other state-owned companies, Swedfund International AB (Swedfund) and the Swedish Export Credit Corporation (SEK) are required to comply with the government state ownership policy for CSR, as described above. Moreover, Swedfund and SEK have social mandates specially adopted by the Riksdag. Swedfund is required to ensure that its investments comply with international standards and CSR principles, within clear and sound corporate structures that do not contribute to tax evasion, money laundering or terrorist financing. SEK is required to take account of conditions such as the environment, corruption, human rights and working conditions in its credit assessments.

Action by government agencies

- The Swedish Export Credits Guarantee Board (EKN) has been instructed in its appropriation directions to pursue continuous development of its work on human rights, working conditions, the environment, corruption and internet freedom, based on OECD recommendations in these areas ('Common Approaches' and 'Bribery and Officially Supported Export Credits'). EKN also has instructions to ensure that its activities comply with, and information has been provided about, the OECD Guidelines for Multinational Enterprises, the principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights.

In its 'Common Approaches' recommendations, the OECD prescribes a method that the EKN (and its equivalents in other OECD countries) should follow when assessing the environmental and human

rights impacts of projects in particularly sensitive sectors to which it guarantees deliveries by Swedish companies.

Over and above the projects and sectors covered by the OECD's 'Common Approaches' recommendations, the EKN has requirements and processes in place for conducting due diligence with respect to the environment and human rights in all other business transactions. The EKN also produces country risk analyses for many countries (www.ekn.se). The due diligence and any more in-depth review proceed from the potential seriousness of the impact of a business transaction and depends on the size of the transaction.

- Business Sweden (the Swedish Trade & Invest Council) is required to follow the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. It is also required to actively inform and encourage companies in their CSR work, in accordance with established global guidelines.
- The Swedish International Development Cooperation Agency (Sida) has developed forms of cooperation with the private sector with a view to mobilising additional resources for development. CSR is a precondition for cooperation. Based on the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the principles of the UN Global Compact, a due diligence tool has been developed for assessing and facilitating dialogue with potential partners on business and human rights. Sida works actively with the business community on human rights, including by cooperating with companies on poverty reduction projects. This is also the

starting point for discussions and activities in Swedish Leadership for Sustainable Development (SLSD), a network that encompasses around twenty large corporations with links to Sweden.

- Starting in 2015, the formal governance of Sida has made it clear that activities are to be conducted in accordance with the OECD Guidelines for Multinational Enterprises, the principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights.
- The Swedish Institute (SI) has a management programme that provides leadership training for young leaders from Europe, China and India. By offering individuals in leading positions – established business people and opinion-makers in the private and public sectors – an advanced management programme in CSR, SI brings together people who are interested in advancing these issues in their particular areas of business. At the same time, this creates a business network for CSR in which Sweden is an active and natural party.

Annex:

Measures planned

The Government aims to raise its ambitions in foreign trade, including in CSR and implementation of the UN Guiding Principles on Business and Human Rights. To achieve these aims, a number of concrete measures will be implemented by 2017.

Regulations and legislation

- An inquiry has been tasked with producing data on the practical, organisational and economic implications that is needed to form a position on how proposals for major changes in the handling of criminal cases should be implemented. The inquiry has reported in The criminal justice process – an impact assessment (Ministry Publications Series 2015:4), which has been circulated for comment.
- An inquiry has presented further proposals for modern, effective and legally certain administrative proceedings. The continued development of administrative proceedings and specialisation for tax cases (Swedish Government Official Reports 2014:76) was presented in December 2014 and has been circulated for comment.
- An inquiry has reviewed remuneration for public counsels, injured party counsels and legal aid counsels, along with expenses for evidence, parties, interpreters and guardians ad litem. It has also reviewed income ceilings and legal aid fees. The final report, The price of justice (Swedish Government Official Reports 2014:86), has been circulated for comment.
- The Government has launched an inquiry to examine whether the United Nations Convention on the Rights of the Child should be incorporated into Swedish law.
- The interim report Implementation of the EU's new accounting directive (Swedish Government Official Reports 2014:22) proposes enhanced transparency regarding payments made by some companies active in the extractive industry and in the logging of natural forests. The provisions will require companies to publish annual reports on payments made to authorities in the countries in which they operate. The aim is to combat corruption.
- The EU has adopted a Directive amending the Accounting Directive on disclosure of non-financial and diversity information. Corporate disclosure of sustainability and diversity policy (Ministry Publications Series 2014:45) proposes that certain companies prepare a sustainability report providing information on, for example, respect for human rights and anti-corruption activities. It is also proposed that the corporate governance reports of certain listed companies disclose the diversity policy that applies to their board.
- The EU has adopted new procurement directives: a Directive on public procurement, a Directive on procurement by entities operating in the water, energy, transport and postal services sectors, and a Directive on the award of concession contracts. The recitals of the Directives expressly state that the contracting authorities or entities in their contracts can require suppliers, in the performance of the contract, to comply in substance with the provisions of the basic International Labour Organisation (ILO) Conventions. Such conditions might also be intended to favour the implementation of measures for the promotion of equality of women and men at work, the increased participation of women in the labour market and the reconciliation of work and private life, the protection of the environment or the recruitment of more disadvantaged persons than are required under national legislation. Furthermore, the new directives prescribe that the contracting

authorities or entities exclude tenderers who have been found guilty in a definitive judgment of crimes including child labour and other forms of human trafficking in accordance with Directive 2011/36/EU. The Directives are to be transposed into national law by April 2016.

- The Government will conduct a baseline study of how Swedish legislation compares with the Guiding Principles to determine whether there are any immediate or obvious gaps that need to be addressed.

How can the State support the business sector?

- Based on the human rights clauses in the policy instruments governing the Swedish Export Credits Guarantee Board, the Swedish Export Credit Corporation, Swedfund and other relevant state actors regarding their human rights work, continuous reviews are conducted to assess whether further improvements are needed.
- At Swedish embassies, knowledge about CSR and the UN Guiding Principles on Business and Human Rights will be enhanced through training initiatives. Embassies should use their local networks for Swedish and other companies, government agencies, trade unions and NGOs for support, cooperation and dialogue on how best to respect human rights. Embassies should be prepared to capture information about potential problems related to human rights and Swedish companies, especially in conflict-affected countries.
- The Ministry for Foreign Affairs' reports on the human rights situation in countries around the world will be developed to more easily provide companies with guidance on human rights issues and risks in the countries in which they operate. These human

rights reports are available on the Swedish Government website.

- The Ministry for Foreign Affairs is to examine the possibility of strengthening the Swedish National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises. The NCP's main role is to handle notifications but it is also meant to promote and improve awareness of the OECD Guidelines for Multinational Enterprises. The NCP is also intended to increase contacts and collaboration with NCPs in non-OECD countries.
- Sweden will work to improve the implementation of the UN Guiding Principles for Business and Human Rights, for example by urging foreign governments to develop national action plans.
- Central government will enhance its collaboration with the regional CSR networks in Sweden and take particular steps to strengthen the dialogue with small and medium-sized enterprises (SMEs).
- The Government Offices is considering conducting special due diligence in sectors facing distinct challenges.
- Sweden will continue its activities related to business and human rights abroad under the leadership of the Ambassador for Corporate Social Responsibility.
- The Government will draw up a new platform for the full spectrum of CSR issues, including respect for human rights, to be submitted to the Riksdag in the form of a written communication.
- The Government Offices is prepared to consider continued support to the Shift Project

for its development of the Reporting and Assurance Frameworks Initiative (RAFI). Companies are encouraged to use the UNGP's Reporting Framework developed by Shift and Mazars.

Trade promotion

- Business Sweden (the Swedish Trade & Invest Council) will be instructed to strengthen its implementation of the UN Guiding Principles on Business and Human Rights and, in particular, to support small and medium-sized enterprises in this area.
- Sweden will act to ensure that the EU includes references to CSR, including the UN Guiding Principles for Business and Human Rights, in the sustainability chapters of its bilateral and regional trade agreements, investment agreements and partnership and cooperation agreements.
- Sweden will work with like-minded countries in the EU to strengthen EU policy in this area, for example, by persuading more EU countries to adopt national action plans based on the Guidelines.
- In the OECD, Sweden will work to strengthen efforts to promote the OECD Guidelines for Multinational Enterprises among non-OECD countries.
- Knowledge about the UN Guiding Principles on Business and Human Rights, due diligence and redress mechanisms will be promoted in state-owned companies through a series of workshops. Each occasion will provide an opportunity for experience exchange between the companies and highlight tools and good practices for implementation by the companies in their own operations.
- The Government will work to increase knowledge about the UN Guiding Principles on Business and Human Rights in state-owned companies and will ensure that these companies, where appropriate, conduct human rights due diligence in order to assess and address any significant risk to human rights.

The State as development partner

- The Government will integrate sustainability issues into trade policy and export promotion and in the context of the relaunch of the Policy for Global Development and its efforts to contribute to the new global sustainable development goals (SDGs).
- Sweden will encourage organisations such as the UN, the EU, the OECD and the World Bank to promote corporate respect for human rights within their respective mandates.

The State as owner

- CSR will continue to be an integral part of the Government's active corporate governance of state-owned companies. The human rights work undertaken by state-owned companies will be examined in relevant cases in the sustainability analysis and followed up in stakeholder dialogues between representatives of the owner and the companies.

Corporate action

The Government's clear expectation is that companies operating in Sweden or abroad comply with the UN Guiding Principles for Business and Human Rights and other relevant guidelines in this area, and review their due diligence and redress mechanisms. Companies operating in markets where human rights challenges are particularly serious should place special emphasis on work in the area.

Annex: Links

The UN Guiding Principles on Business and Human Rights are published in Swedish on the government website: **www.regeringen.se**

More information on human rights, including links to the Ministry for Foreign Affairs' reports on the human rights situation in other countries, can be found on the Government's human rights website (**www.manskligarattigheter.se**).

The OECD Guidelines for Multinational Enterprises are published in Swedish on the government website: **www.regeringen.se**

Information on business and human rights is also available on the UN Global Compact website: **www.unglobalcompact.org**

The International Labour Organisation (ILO) has a helpdesk that provides information and a list of resources and tools for companies that need advice on labour standards. It is also possible to call or email the helpdesk: **www.ilo.org**

The European Commission has produced a guide to human rights for small and medium-sized enterprises in Swedish, based on the UN Guiding Principles for Business and Human Rights. The Commission has also developed industry-specific guides for extractive industries (oil and gas), temporary-work agencies and the ICT sector. These are available on the Commission website: **www.ec.europa.eu**

Information about the Government's CSR work in state-owned companies can be found in the State's Ownership Policy and guidelines for state-owned companies: **www.regeringen.se**

Children's rights and business principles: **www.unicef.org**

ISO 26000: **www.iso.org**

GRI 4: **www.globalreporting.org**

Guidance for companies to report on how they respect human rights in line with the UN Guiding Principles: UN Guiding Principles Reporting Framework: **www.ungpreporting.org**

Information on the Swedish NCP is available on the government website: **www.regeringen.se**

Anti-corruption steering group portal: **www.business-anti-corruption.com**



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