



Ministry for Foreign Affairs

Office of the High Commissioner for Human Rights

Sweden’s submission to UNWG’s report ”Business and human rights: towards a decade of global implementation”

| UNGPs | Existing practice and challenges | Actionable goals and targets for next decade |
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| <i>Commitment to implementing the UNGPs</i> | | |
| State commitment to implement the UNGPs | In 2013, the Government presented an initial platform for sustainable business. It was followed in 2015 by a communication to the Riksdag (the Swedish Parliament): “Policy for sustainable business”. The same year, the Government adopted the National action plan on business and human rights. In 2018, follow-up on the action plan was performed. Commissioned by the Government, the Agency for Public Management evaluated compliance with the Action Plan, the UN Guiding Principles on Business and Human Rights - challenges in the work of the State. In 2019, the Government launched an updated platform for international sustainable business. In the platform, the Government provides an overall account of the work it is conducting in the area and what the ambitions are. | The enhanced platform for international sustainable business includes measures and initiatives to implement the same. |

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| <p>State structures mandated to implement the UNGPs</p> | <p>"The enhanced platform for international sustainable business" refers to arenas, collaborations, actors, instruments and guidelines that are important in the field of international sustainable business, and on which the Government conducts its policy.</p> <p>The Ministry for Foreign Affairs is the ministry that has the overall mandate to implement the UNGPs. However, there are other lines ministries crucial for the implementation.</p> <p>Sweden has also established a National Contact Point (NCP) as a non-judicial means of monitoring multinational enterprises' adherence to the OECD Guidelines. For more information on this, see the heading "Access to remedy".</p> | <p>The Government proposed in the budget bill for 2021 that an Institute for Human Rights should be established. The Government is of the opinion that the Institute should be tasked with promoting the safeguarding of human rights in Sweden. A legislative proposal is currently being drafted in the Government Offices.</p> |
| <p><i>Regulatory and policy efforts</i></p> | | |
| <p>Legal and regulatory developments that enable or require business enterprises to respect human rights</p> | <p>In January 2017, Sweden adopted the Act on special protection for workers against reprisals for whistleblowing concerning serious irregularities (lagen (2016:749) om ett särskilt skydd mot repressalier för arbetstagare som slår larm om allvarliga missförhållanden). This act covers both internal and external whistleblowing and applies to employees in both the public and the private sectors. It also extends to temporary agency workers. The act gives employees the right to damages if the employee is subjected to reprisals because the employee has reported or disclosed serious wrongdoings in the employer's organization. The act is being revised due to the new EU Whistleblower Protection Directive. For that reason, a governmental enquiry has proposed to further strengthen the protection for whistleblowers.</p> | |

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| <p>Legal or regulatory developments that enable or require reporting and transparency on how business enterprises address human rights risks (own activities and value chain)</p> | <p>The EU Non-Financial Reporting Directive (NFRD) was implemented in 2016 in Swedish law through amendments to the Annual Accounts Act. The aim of the reporting is to make information about how companies work with sustainability issues more transparent and comparable. Evaluations of companies' reporting is conducted by private actors, civil society organisations, researchers etc.</p> | <p>The EU Non-Financial Reporting Directive (NFRD) is being reviewed in 2020.</p> <p>In April 2020, the Government gave the Swedish financial supervisory authority the task to encourage Swedish financial market players to measure and provide information on its exposure to climate-related risks and climate-related impacts, and how they integrate climate aspects and the 1,5-degree objective of the Paris Agreement into their loan and investment strategies. A report will be presented in March 2021, where the analysis is expected to include potential obstacles to such reporting and the potential need for policy measures in this area.</p> |
| <p>Guidance on human rights expectations for business enterprises, including financial institutions</p> | <p>A new platform for international sustainable business will improve the possibilities of Swedish companies to manage risks associated with complex investments and business, not the least on complex markets. The platform was presented in parallel with a new and enhanced export and investment strategy, which takes its starting point in trade promotion with a focus on</p> | |

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| | sustainable development - economic, social and environmental. | |
| Integration of the UNGPs in other policy tools oriented to responsible business | <p>Business Principles to respect human rights should include to defend and strengthen women’s and girls’ enjoyment of human rights, including by combating discrimination in all its forms. This should also include the increased access to and participation of women in the formal labour market, promotion of gender equality at work, and the reconciliation of work and private life. To counteract gender-based violence, sexual harassment and human trafficking must be a priority. The work is in substance with the provisions of the basic International Labour Organisation (ILO) Conventions.</p> <p>Sweden has together with OECD and ILO initiated the Global Deal, a multi-stakeholder partnership with the objective of addressing challenges in the global labour market so as to enable all people to benefit from globalisation. The fundamental idea at the heart of the Global Deal is to highlight the potential of sound industrial relations and enhanced social dialogue as a means to foster decent work, quality jobs and increased productivity and, by extension, greater equality and inclusive growth. The rationale behind the Global Deal is that well-functioning social dialogue and sound industrial relations are key elements for coming to terms with the complex challenges that societies and economies are facing.</p> | |
| <i>Human rights at the “state-business nexus”- leading by example</i> | | |
| State efforts to protect human rights among | State-owned companies must act exemplary and be role models in terms of sustainable business. Therefore, | |

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| <p>business enterprises that are owned or controlled by the State, and when providing funding or other support to business</p> | <p>sustainable business, including human rights, is an integral part of the State's ownership policy and corporate governance. The work with human rights was continued during the year on the basis of the State's ownership policy, among other things through ongoing follow-up of the companies' work and competence-enhancing initiatives.</p> <p>The State Ownership Policy requires state-owned enterprises to act responsibly and work actively to follow international guidelines regarding environmental consideration, human rights, working conditions, anti-corruption and business ethics. The Government has identified a number of international principles and guidelines of particular importance for state-owned enterprises: The Ten Principles of the UN Global Compact, the UN's Guiding Principles on Business and Human Rights and the OECD's Guidelines for Multinational Enterprises.</p> <p>In the past few years, the human rights work has been especially highlighted and measures have been implemented to strengthen the corporate governance and follow-up regarding the UN's guiding principles - mainly through clearer requirements in the State Ownership Policy, skill-enhancing measures and greater tracking of the companies' work and specific guidance for the boards of the state-owned enterprises on the UN Guiding Principles.</p> <p>The State Ownership Policy states that it is particularly important that state-owned enterprises foster respect for</p> | |
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| | <p>human rights. In various contexts the UN Working Group on Business and Human Rights has also highlighted Swedish corporate governance as a positive example concerning work for human rights.</p> <p>In 2018 the Government Offices commissioned an examiner to investigate the possibilities of requiring contractual conditions similar to collective bargaining agreements in connection with purchases for state-owned enterprises. The assessment made by the examiner inquiry was that regulation was needed regarding labour law requirements for suppliers so as to counter unreasonable working conditions and contribute to greater uniformity between state-owned enterprises that are contracting authorities or units and those that are not covered by public procurement legislation. Under the new ownership policy adopted in 2020, state-owned enterprises therefore must, when needed, specify certain requirements for their suppliers' working conditions regarding pay, working hours and holidays for purchases exceeding a threshold that is currently SEK 1.4m. This requirement provides clarification of the Government's long-standing ambition of having state-owned enterprises work for aims including a sound and safe work environment, respect for human rights, and good and decent working conditions.</p> <p>To increase knowledge about the UN Guiding Principles on Business and Human Rights and to facilitate knowledge transfer between companies, the investment organisation held a number of workshops in 2015–2017</p> | |
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| | <p>along with the state-owned enterprises on various themes including impact analyses and human rights and children's law principles for companies. Human rights have also been given more space in the owner's tracking of the work of the companies, including through the sustainability analyses carried out by the investment organisation and in connection with owner dialogues.</p> <p>In the spring of 2017, the investment organisation carried out a study of how well state-owned enterprises communicate their work on human rights. This analysis has been presented to the state-owned enterprises and is being used to enable both the investment organisation and the companies to continue to strengthen their work on human rights in line with the UN Guiding Principles. One result was that, working along with human rights specialists, the investment organisation has developed a guide for boards of state-owned enterprises about the expectations on the work of these companies in the area of human rights and the role and responsibility of the board. Work on increasing knowledge and follow-up on human rights and strengthening the work of the companies in this area is continuing as part of the governance of the state-owned-enterprises.</p> <p>The activities related to sustainable business including human rights is described annually in the Annual report for the state-owned enterprises that is published on the website of the Swedish Government. In addition, all state-owned enterprises are required to prepare a sustainability report in</p> | |
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| | <p>accordance with Global GRI Standards or another international framework for sustainability reporting, which is published on the enterprise's website in conjunction with the publication of the enterprise's annual report. The sustainability report has to be quality assured through independent review and assurance by the auditor appointed by the general meeting to be the enterprise's auditor.</p> | |
| <p>State efforts to protect human rights through development finance</p> | <p>Swedfund, being the Development Finance Institution of Sweden, has been instructed to ensure that investments are made in accordance with international standards and principles for sustainable business and in sound and clear corporate structures that do not contribute to tax evasion, money laundering or terrorist financing.</p> <p>The Swedish International Development Agency (Sida) has been instructed by the Government to ensure that the agency's activities are conducted in accordance with the OECD guidelines for multinational companies, the principles of the UN Global Compact and the UN Principles For Business and Human Rights.</p> <p>Furthermore, the Government has instructed both Swedfund and Sida not to participate in investments via intermediate jurisdictions that have been tried within the framework of the OECD's Global Forum Peer Review Process and which have not been approved in phase 1, or which have been assessed as Partially Compliant or Non-Compliant in phase 2.</p> | |
| <p><i>Policy coherence at the national, regional, and international levels</i></p> | | |

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| <p>Horizontal and vertical policy coherence</p> | <p>Sweden will implement the 2030 Agenda for economic, social and environmental sustainable development through policy coherence, both nationally and internationally. The implementation must be guided by the principle of leaving no one behind. In order to achieve this goal, Sweden should conduct work that contributes to sustainable development throughout society, both nationally and internationally. The balanced and integrated approach of economic, social and environmental dimensions of sustainability are central. The work should be based on national conditions and implementation should be mainstreamed into ordinary processes. Two basic starting points in the work are a rights-based perspective and poor peoples' perspective on development. The work should be carried out in broad partnership with society's various stakeholders and international partners. The Government has appointed a National Coordinator for Agenda 2030 to facilitate the broad partnership and engagement of various stakeholders. In order to increase transparency and promote implementation, an appendix to the State budget will be produced at least once per term of office, which contains an analysis of the current situation, analysis of coherence and a comprehensive account of the Government's work with Agenda 2030. Moreover, the Government will also take part in the UN Voluntary National Review once per term of office.</p> | |
| <p>Business-related policy with other State and businesses</p> | <p>It is the Government's opinion that the EU both is, and must continue to be, the global leader in sustainable business. For many years Sweden has driven the matter of sustainable business at EU level. The Government wishes to see a</p> | <p>When it comes to the EU trade policy review, Sweden would like to see a sustainable trade policy that supports</p> |

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| | <p>broad and ambitious approach at EU level, because the EU has considerable influence by including sustainable business in its external trade agreements.</p> | <p>global growth. International trade is a tool to implement Agenda 2030 and to support a green transition and recovery from Covid-19 that is sustainable in all dimensions.</p> |
| <p>Across multi-lateral institutions</p> | <p>In multilateral fora, Sweden primarily follows the issue of business and human rights as part of the EU and supports joint EU action in this area. Within the EU, the Commission has recently launched a consultation regarding the introduction of legislation with regard to business, human rights and the environment. Sweden consults stakeholders nationally in this matter which feeds into the Government's future action on the initiative.</p> <p>EU free trade agreements with third countries contain a specific chapter on sustainable economic, social and environmental development. The chapter contains references to the OECD Guidelines for Multinational Enterprises, the UN Global Compact and the UN Guiding principles on Business and Human Rights. Trade is an important tool for sustainable development and the Government will work to ensure that trade contributes to the efficient use of global resources.</p> | |
| <p><i>Access to remedy</i></p> | | |
| <p>Effectiveness of judicial mechanisms to address business-related human rights abuse allegations</p> | <p>The remedies available in the Swedish legal system are in line with the international conventions on human rights to which Sweden has acceded. Provided Swedish jurisdiction exists and there is a protected interest which may be invoked, access to Swedish courts is</p> | |

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| | <p>good, for example the administrative fee for bringing a civil action is relatively low. Action that can be taken before court in case of company-related violation of human rights is for example to claim liability through a civil claim for damages against the company that is responsible for the event in question. In criminal law corporate fines may, under prescribed condition, be imposed on legal entities e.g. for crimes committed in the exercise of their business activities. The fine is to amount to a maximum of 500 million SEK.</p> | |
| <p>Effectiveness of and access to non-judicial state-based processes</p> | <p>Sweden has undertaken to promote the guidelines by establishing a National Contact Point (NCP) to which various stakeholders can report multinational enterprises that they consider have not respected the OECD Guidelines. Sweden's NCP is a tripartite collaboration between the State, employer organisations and trade unions. The Ministry for Foreign Affairs is the convening body, and the Ambassador for Sustainable Business has, since 2018, been the chair. Decision making is collective. Sweden's NCP is considered to be soundly credible internationally.</p> | <p>Peer reviews of the NCPs occur in the OECD. These are voluntary, but NCPs are encouraged to undergo review. Sweden's NCP might come up for review in the next coming years.</p> |
| <p><i>Multi-stakeholder platforms</i></p> | | |
| <p>Multi-stakeholder initiatives to support responsible business and accountability</p> | <p>The Ambassador for Sustainable Business will continue to engage in a multi-stakeholder dialogue with companies, business organisations, trade unions and with the civil society.</p> <p>During 2020, when the multi-stakeholder initiative was initiated the main theme has been business and human rights.</p> | |