With reference to the request of 17 January 2020 “OHCHR: Invitation to multi stakeholder consultation convened by the Working Group on Business and Human Rights and call for inputs for its report to the 44th session of the Human Rights Council”, Sweden would like to present how we are addressing the challenges met in the fight against corruption, with the linkage to human rights. The following demonstrates Sweden’s best practices, covering public and private sector.

Sweden welcomes the initiative taken by the OHCHR to invite to a multi-stakeholder consultation on *connecting the business and human rights agendas*. Furthermore, we welcome the open call for inputs to the drafting of the report on the above mentioned issue.

Corruption and bribery are large obstacles for reaching a level playing field and fair competition amongst businesses. It is also one of our biggest hinders in reaching the goals of Agenda 2030 as well as a sustainable development cooperation.Therefore, introducing robust compliance system at company level to minimize the risk of corruption is key.

Sweden would define corruption as the abuse of power and trust for improper gain. Corruption includes, among other things, the offering and receiving of bribes – including the bribery of foreign officials – extortion, abusing conflicts of interest and nepotism. It affects all states, it does not recognize boundaries and can spread through all level of public agencies. Corruption cuts across entire populations, but hits persons in the most vulnerable situations the hardest. Women are often more at risk suffering the consequences of corruption. Corruption contributes to the destabilization of fragile states and is ultimately one of the drivers of conflict. Further it contributes to a lack of trust to the state and its institutions among citizens. This is strengthened by the often lack of interest for political-institutional development among ruling corrupt elites.

Sweden gives high priority on anti-corruption efforts, both at home, multilaterally and through the Swedish development cooperation. Sweden supports increased respect for human rights, democracy and the principles of rule of law, which requires stable and independent, democratic institutions, judicial systems and free media. This in turn reinforces transparency and accountability, making abuse of power more difficult.

Sweden is a firm believer of the multilateral efforts that have produced strong political commitments to support anti-corruptions initiatives. The 2030 Agenda for Sustainable Development, especially goal 16 on stronger institutions and goal 10 on reducing inequality among countries, the Addis Ababa Action Agenda, the UN Convention against Corruption, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the G20 Anti-corruption working group, the Council of Europe Criminal Law Convention on Corruption and the Council of Europe Civil Law Convention on Corruption against Corruption are important foundations for these commitments.

Sweden supports partner countries to combat corruption by strengthening institutions such as tax and audit authorities. Building on the growing international consensus on the importance of domestic resource mobilization and the central role of tax administrations. Sweden would like to stress that efficient, transparent and effective tax administrations support poverty reduction and equality. Therefore, resolving the development challenges is not only a matter of efficiency in raising revenues, but must be a part of “state building”, that promotes inclusiveness, encourages good governance, improves the accountability of governments to their citizens, and cultivates social justice.

A natural corollary of corruption is money laundering. Proceeds from corruption must be laundered in order to be useful for the corrupt. Money laundering schemes are often cross-border in nature, as the corrupt and the criminal rarely recognise borders. Therefore, a robust anti-money laundering system is an important tool in combatting corruption, as recognised in the Sustainable Development Goals (goal 16.4).

In an international perspective, Sweden is relatively spared corruption, but it is a major challenge for the export industry. Within the bounds of Team Sweden, the Government is thus seeking to bolster its anti-corruption initiatives in this sector through improved know-how, advice and more effective coordination.

Sweden endeavours to prevent and counteract corruption internationally through development cooperation. It is a case of continuing to contribute to functioning institutions and hence being part of putting conditions in place for economic growth and political development. Particularly important factors are judiciary system reform and working for the principles of rule of law, although it is equally a case of building trust in democratic institutions and promoting the efficiency of civic services. Further the development cooperation should support the development of democratic processes, strengthen capacity for relevant research and innovation as well as strengthening measures against corruption. It is essentially a matter of poverty reduction and sustainable development.

Policy coherence

It is the ambition of Sweden to be a leader in implementing the 2030 Agenda domestically, regionally and globally. Sweden will be transformed into the world’s first fossil-free welfare nation. Sweden will be an international role model in terms of economic, social and environmental sustainability, with policy coherence that takes account of the perspective and human rights of persons in vulnerable situations (Action plan 2030 Agenda, 2018–2020).

Sweden's Policy for Global Development entails a widened view of development, where all governmental policy areas shall contribute. Development cooperation is just one component.

Particular focus is placed on the global challenge of Economic exclusion. This challenge is defined as the lack of opportunity for least developed countries and people to participate in, contribute to or benefit from the potential of the global economy. To counteract economic exclusion, inclusive growth is necessary. Inclusive growth refers to growth patterns where the whole society, including persons in vulnerable situations, participates, contributes and benefits.

Platform on sustainable business

Sustainable development is a cornerstone of Sweden’s trade promotion. In a globalised and increasingly polarised world, needs for dialogue and cooperation are more important than ever. Through trade, we create more platforms for dialogue. The prosperity of Sweden, and the business models of our companies, shall be based on economically, socially and environmentally sustainable development and contribute to resolving the challenges stipulated in the 2030 Agenda. The Government has set the ambition for Sweden to be the world’s first fossil-free welfare nation.

When free trade is challenged and authoritarian trends grow stronger, the question is prompted as to how companies stand in relation to fundamental values. The presence of Swedish companies in countries and regions with deficient respect for human rights and weaknesses in terms of sustainability can help achieve change for the better. Increased trade and deeper interaction enable dialogue. Through dialogue, combined with clear-cut messages, different actors can bring about positive change together. Without trade and hence dialogue, our possibilities of exerting influence are poorer. Millions of people work for Swedish companies, trade is conducted in complex value chains across the globe, and in that context investors have an opportunity to exert their influence to foster respect for human rights.

A new platform for international sustainable business will improve the possibilities of Swedish companies to manage risks associated with complex investments and business, not least on complex markets. The platform is presented in parallel with a new and enhanced export and investment strategy, which takes its starting point in trade promotion with a focus on sustainable development – economic, social and environmental – for more jobs throughout the country. The Government has expressed a clear expectation that Swedish companies shall act sustainably and responsibly by working for respect for human rights, improved gender equality, good working conditions, the environmental protection, against climate change and combating corruption.

For a feminist government, conducting feminist foreign and trade policy is self-evident. Companies have a key role in bolstering gender equality efforts. Economic growth must benefit both men and women, and intensified work on women’s and girls’ rights, representation and resources are needed. Increased gender equality and diversity give competitive advantages.

Sustainable business is also about creating competitive advantages for Swedish business through promoting competition on equal terms. The Government is working towards incorporating sustainability criteria into international procurements, boosting the possibilities of Swedish companies to win business and disseminate sustainable solutions.

The state is a considerable company owner in Sweden, and state-owned enterprises can be found throughout the entire country, with many of them operating on the international market. As an owner, the state has ensured that sustainable business is integrated into corporate governance to promote long-term sustainable value growth. Companies with state ownership shall act in an exemplary manner and exert influence through their operations, both as purchasers and actors.

The social dialogue between employers and trade unions is an important element of sustainable business. Global Deal, which is chaired by Sweden, is a cooperation between trade-union and employer parties. Through this partnership, solutions are sought to the transitions that follow in the wake of climate change and the fourth industrial revolution.

Democracy and transparency are important for exports. In the platform, the initiatives are described that the Government has taken to repress the corruption that impedes competition and predictability for our exporters. Corruption also dents the trust that makes up the building blocks for a democratic society.

Through clearer internal coordination, skills initiatives in the organisation abroad, improved cooperation with external actors, bolstered communication and contribution to policy development, the Government is keeping up its efforts to make Sweden the world leader in sustainable business.

National Action Plan on Business and Human Rights

The work of the Government and companies on sustainable business is based on international guidelines and principles, primarily: The OECD’s Guidelines for Multinational Enterprises, the UN Global Compact and the UN’s Guiding Principles on Business and Human Rights. The guidelines and principles are based on internationally recognised standards.

In terms of companies’ compliance with working conditions, ILO’s core conventions are a cornerstone. Global Deal is a Swedish initiative aimed at reinforcing dialogue on a global front between trade unions, business and states.

In 2013, the Government presented an initial platform for sustainable business. It was followed in 2015 by a communication to the Swedish Parliament, Policy for sustainable business (2015/16:69). That same year, the Government adopted the National action plan for business and human rights (UD2015/3494/IH). 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 (2018:8).

In the Swedish platform for international sustainable business, the Government provides an overall account of the work it is conducting in the area, and what the ambitions are. The word “platform” refers to arenas, collaborations, actors, instruments and guidelines that are important in the field of international sustainable business, based on which the Government conducts its policy. The platform is intended for civil society, trade unions, business, industry organisations and the broader general public.

A number of emerging markets are found in states that have considerable deficiencies in fulfilling human rights. One of the most difficult areas for companies to manage is risks related to activities that can cause, contribute to or be associated with human rights violations or abuses. We see how Swedish companies – despite their good intentions – sometimes participate, directly or indirectly, to human rights abuses. Importance is therefore attached to implementing the UN Guiding Principles on Business and Human Rights and to engage in active dialogue with civil society and companies, as well as active policy discussions in international fora. The national action plan for business and human rights is a cornerstone in these efforts. Therein, the Government expresses a clear expectation on Swedish business to follow the international guidelines in its activities, irrespective of whether a company operates in Sweden or abroad.

Team Sweden as a platform in international promotion

The Government’s various policy and steering documents also stipulate that Team Sweden’s various actors are to contribute to sustainable business. The cooperation in Team Sweden is about combating corruption, strengthening the respect for human rights, working conditions in the value chain, environment and climate, and other sustainability issues.

Team Sweden shall also be part of conducting an active trade policy, marketing Sweden as sustainable, helping Swedish companies and actors to bring about positive change in the countries where they operate. This requires active business policy through which Sweden can showcase solutions for exporting sustainable goods and services, and for Swedish state-owned enterprises to act in an exemplary manner, sustainably and innovatively.

There is a need to obtain more knowledge and measures to ensure that trade and promotion are conducted on competition-neutral terms. Corruption, but also export support and public procurement terms, etc. are factors that affect possibilities of securing export business.

Civil society plays an important part in both policy development and know-how in terms of sustainability in the field. The development cooperation today involves business in a completely different way than before. In the platform, the importance of continued cooperation with civil society organisations is underscored. Their field activities enable both companies and actors in Team Sweden to bring risks to light more systematically, and quite often to help find solutions to the dilemmas that arise on complex markets.

In terms of business, there is considerable demand for dialogue and participation in a number of different projects, initiatives and organisations. In addition, there is a mutual need to also hold individual dialogues with companies that are established on many markets.

Company-supporting actors, and the companies themselves, need to improve know-how. Over 400 employees, both in the Foreign Service and Business Sweden, have undergone e-learning in sustainable business. The e-learning in sustainable business is included in outbound training and, as of 2020, it is compulsory for people working with promotion and human rights. Sweden has contributed to bolstering the know-how of the European Commission and the EEAS in the area by offering the e-learning module of the Ministry for Foreign Affairs to EU diplomats.

Business Sweden

Business Sweden’s remit is to help Swedish companies to boost their global sales and for international companies to invest and expand in Sweden. Business Sweden also has the remit of supporting companies and missions abroad alike in terms of sustainable business. An obstacle for Swedish companies to conducting sustainable business on many growth markets is the risk of abusing or contribute to violating human rights or ending up in situations of corruption, for instance due to weak local institutions. Also, the companies consider that public procurements on export markets pose a challenge because the procurement criteria do not sufficiently incorporate sustainability aspects. Business Sweden therefore works actively to boost knowledge, particularly in these areas. Sustainable business, including respect for human rights and equality, is brought up in promotion initiatives and when travelling for business delegations. Business Sweden’s support for missions abroad includes making it easier for them to assist Swedish companies with matters concerning sustainable business. Skills-enhancing initiatives have thus been launched to equip Business Sweden’s staff for this task.

Business Sweden was founded on the first of January 2013, by a merger of the Swedish Trade Council and Invest Sweden. Business Sweden is owned by the Swedish Government and the industry, a partnership that provides access to contacts and networks at all levels.

Business Sweden is committed to work against corruption in all its forms, including extortion and bribery. All employees at Business Sweden have an obligation to follow the Code of Conduct and to report any possible or suspected breach or non-fulfillment of the obligations against corruption.

Business Sweden emphasises on the importance of the companies’ responsibility to follow the guide and to meet international guidelines on anti-corruption, standards for sustainable business and to avoid the pitfalls and shortcomings of prevailing local practices. The guide on sustainable business is available at Business Sweden’s website.

Any Business Sweden employee who suspects violations of the Code of Conduct or the Anti-Corruption Policy must speak up and raise the issue to their immediate manager or through the Whistleblower Service,[*WhistleB*](https://whistleb.com/). The Whistleblower Service is also available for concerns raised from external parties. The Whistleblower Service is available on Business Sweden’s internal and external webpages.

The Code of Conduct and the Anti-Corruption Policy includes instructions on how to report possible or suspected misconducts. All employees at Business Sweden have an obligation to report any possible or suspected breach or non-fulfillment of the obligations against the Code of Conduct or Anti-Corruption Policy. The primary source to reporting is the employee’s manager. If that is not possible, reports should be made to the legal office at Business Sweden’s head office in Stockholm. Additionally, Business Sweden has a whistleblower function where allegations can be reported by internal and external parties. Each year,

Business Sweden conducts trainings on sustainability and anti-corruption at the head office in Stockholm for employees working at Business Sweden’s global offices. The trainings are equally crucial for Business Sweden’s internal work and procedures as it is for the external work when guiding and consulting companies in Sweden and abroad.

The Swedish Export Credit Agency (EKN) and the Swedish Export Credit Corporation (SEK)

The Swedish export credit system consists of the Swedish Export Credits Guarantee Board (EKN) and Svensk Exportkredit (SEK). EKN is a government agency and its activities are financed by premiums with a state guarantee framework. SEK is a state-owned credit market institution with profit requirements and is covered by banking secrecy. No part of the Swedish export credit system is financed by taxes.

EKN and SEK are governed by the same regulations in terms of managing sustainability risks, including the OECD guidelines on common approaches for social and environmental issues in officially supported export credits, the OECD’s Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The focus of the risk assessment is on understanding and managing the impact from the activity in which the exported product or service will be used.

EKN and SEK work closely together in the field of sustainability, such as by cooperating in the OECD with a view to boosting the minimum level for how issues relating to anti-corruption, environmental protection and respect for human rights are tackled internationally, hence fostering competition neutrality. EKN and SEK also hold joint and regular dialogues with customers and stakeholders on various sustainability topics. In its capacity of credit market institute, SEK is also a member of the Equator Principles Association.

All employees at EKN/SEK have an obligation to follow the Codes of Conduct and to report any possible or suspected breach or non-fulfillment of the obligations against corruption. No form of extortion or bribery, including improper offers of payments to or from employees, organizations or public officials, is tolerated. Any such act may lead to legal action as well as termination of employment, assignment or business relationship.

Anti-corruption policies are integrated parts in EKN/SEK sustainability policies. The policies declare that EKN/SEK oppose all forms of corrupt behavior and do not accept any form of corrupt behavior in transactions that we finance. In the event of credible evidence of corrupt behavior, bribery or any other form of improper advantage in relation to a transaction, EKN/SEK will not take part in the transaction.

EKN/SEK have regular contact with the National Anti-corruption Unit of the Swedish Prosecution Authority. If there is reason to suspect bribery or other misconduct in a transaction where EKN/SEK is involved, the National Anti-corruption Unit of the Swedish Prosecution Authority must be informed of the suspicions.

Swedfund is the Development Finance Institution of the Swedish state.

The remit of the state-owned enterprise Swedfund is to work towards the development cooperation policy objective by investing in sustainable business in developing countries. Swedfund has incorporated the UN Guiding Principles on Business and Human Rights into its steering documents. In its capacity of development finance institution, Swedfund is a leading actor in areas such as tax, climate and the economic empowerment of women.

Swedfund strives for zero tolerance of all forms of corruption, even though corruption is commonplace in the markets in which Swedfund operates. Swedfund has adopted an anti-corruption policy that applies to employees and board members within Swedfund and to portfolio companies and their board members appointed by Swedfund. Anti-corruption management is also one of Swedfund’s strategic sustainability targets.

Evaluation of corruption risk and management system is part of the due diligence process of every new potential investment. Gap identified are included in Environmental and Social Action Plan that is included in the contract with the client. Requirements are monitored at least annually. For a number of years, Swedfund has

been incorporating specific anti-corruption provisions into its agreements, and in the event of serious breaches Swedfund has the right to withdraw from an investment.

Swedfund has set up a special whistleblowing service, covering also Swedfund’s portfolio companies, in order to make it easier to report serious irregularities including serious violations of Swedfund’s Anti-Corruption Policy

All Swedfund employees undergo regular training concerning anti-corruption. New employees complete an e-learning course on anti-corruption as part of the introductory process.

The Swedish Anti-corruption Institute

The Swedish Anti-corruption Institute (IMM) is a non-profit organization founded in 1923. The Institute’s mission is to promote ethical decision processes within business as well as within the rest of the community and to prevent the use of bribes and other types of corruption as a means for affecting decision processes.

The principals of the Institute are the Stockholm Chamber of Commerce (with a member base of approx. 2 000 companies in the Stockholm and Uppsala region), The Confederation of Swedish Enterprise (Sweden’s largest and most influential business federation representing 49 member organizations and 60 000 member companies with over 1.6 million employees) and The Swedish Association of Local Authorities and Regions (an employers' organisation and an organisation that represents and advocates for local government in Sweden. All of Sweden's municipalities and regions are members). In addition, the Institute has four partner organisations representing the construction industry (The Swedish Construction Industry), the trade industry (the Swedish Trade Federation), the bank sector (Swedish Banker’s Association) and the research based pharmaceutical industry (LIF). Finally, a broad group of industry organisations as well as individual companies are supporting members to the Institute.

The Institute has facilitated the entering into industry-specific agreements against corruption in the construction industry and in the health care sector. These agreements include standards and procedures to counter corruption (bribery as well as for example conflict of interest) in the respective sector.

The Institute provides extensive guidance to the private sector regarding anti-corruption work *inter alia* by conducting several training and education sessions on an annual basis, providing guidance documents and links to best practice manuals through the Institute’s web page and by developing own manuals and guidance documents.

Since its inception, the Institute has worked for self-regulation as a mean to combat corruption in society. Since 2012, the Institute administers the Code on Gifts, Rewards and other Benefits in Business (the Business Code). The Business Code complements and clarifies relevant criminal provisions on bribery, but also sets a higher ethical standard. According to the Code, companies should take preventive measures against corruption, including internal auditing controls in private enterprises which includes recordkeeping and compliance with applicable laws and regulations.

The National Anti-Corruption Police Unit. (NACPU)

The National Anti-Corruption Police Unit. (NACPU) have done different type of outreach activities. NACPU has visited the Swedish Export Credit Corporation (SEK), the Swedish Export Credit Agency (EKN), the Institute for the accountancy profession in Sweden (FAR), the Association of Swedish Accounting and Payroll consultants (Srf konsulterna) and the Swedish Tax Agency among other entities to enhance their capabilities to detect corruption. This is done through information about NACPU:s activities and experience gained through investigations of corruption cases.

The Swedish Competition Authority

The Swedish Competition Authority's task is to ensure compliance with the competition and procurement rules. In addition to its supervisory function, the Swedish Competition Authority's task is to highlight obstacles to effective competition in public and private operations and to effective public procurement. In many contexts, the Swedish Competition Authority has found evidence of corruption or other misconduct in its supervisory work. As part of a general responsibility for combating corruption, the Authority already draws attention to suspected corruption and prioritizes cases where it suspects that corruption may be an element in the conduct

Sustainable business in state-owned enterprises channels values and generates business opportunities.

The state is a significant company owner in Sweden and its companies are found across the country. As an owner, the state has a high level of ambition for sustainable business, based on the premise that the companies, through their business models, shall generate value in a way that benefits long-term sustainable development. This means that the companies, based on the industry and the markets in which they operate, shall identify and minimise risks of negative impact from their operations, but also harness new business opportunities and an innovative mindset for sustainable value creation. Because the state-owned enterprise portfolio is a large and important part of Sweden’s business, the actions of the companies can set an example for other companies.

State-owned enterprises have to act responsibly and work actively to follow international guidelines regarding environmental consideration, human rights, working conditions anti-corruption and business ethics. Furthermore, in the past few years the Government has intensified focus on respect for human rights in the governance of state-owned enterprises, primarily by means of clearer requirements in the ownership policy of the state, skills-boosting initiatives and extended follow-up of the companies’ work on the UN Guiding Principles on Business and Human Rights. An example of how the Government has worked with these issues is that the Department for State-Owned Enterprises has conducted an investigation on how well the companies in the portfolio communicate their work on human rights.

National Action plan on anti-corruption

The ability of public administration to guarantee principles of objectivity and impartiality are crucial qualities in a robust democracy. Impartial public institutions free from corruption are building blocks for social trust. These qualities must be maintained through a continues work.

Trust in society is of great importance to the Swedish government. That is why the Swedish Government announced, in December 2019, that it will be developing a national action plan against corruption. Based on the problems and challenges that are specific to Sweden, the action plan will contribute to a more effective and coordinated work against corruption to ensure trust, in public institutions and in society as a whole.

The action plan will primarily focus on public institutions and are planned to be launched by the end of 2020.