Sustainable business
– the Government’s policy for sustainable business
Swedish companies have a strong tradition of adapting to new circumstances and seizing the business opportunities that emerge when a society is facing major changes. The transition to a sustainable society brings new challenges for Swedish companies, hand in hand with great opportunities. We therefore welcome the commitment shown by the Swedish business sector to taking on board the undertakings made by the international community in the 2030 Agenda and at the COP21 Paris Climate Conference.

Sustainable business is about running companies with an eye to the future. It is about minimising the company’s negative impact on society, complying with international guidelines and doing their bit for positive social change. What this means is companies showing, through their actions, that they are earning the trust of employees, consumers, investors and other stakeholders every day. Sustainable business is also a state of mind, one in which inventive companies use innovation, and sustainable consumption and production, to boost their competitiveness and contribute solutions to the challenges faced by the whole of society in broad cooperation.

On four occasions in autumn 2015 the Government invited representatives of the business sector, government agencies, organisations and the academic world to engage in stakeholder dialogue. We asked them what aspects of sustainable business are most important in their operations, how sustainable business can be developed further and what expectations they have of the Government’s policy. These dialogues served as important underlying data for the Government Communication (Communication 2015/16:69) on sustainable business, submitted to the Riksdag in December 2015. The Communication is the first of its kind and kick-starts a more ambitious and cohesive sustainable business policy.
On the basis of the Government’s Communication on sustainable business, we present here our expectations, views and actions for sustainable business. We have also brought together practical advice and tools for companies seeking to develop their sustainable business efforts. The primary target group is Swedish companies – large, medium-sized and small – as well as other groups interested in sustainable business.

We are convinced that Swedish companies are well-placed to serve as a role model on economic, social and environmental issues. Many Swedish companies are already working actively and ambitiously on sustainability. As ministers responsible for trade and business policy, we see sustainable business as a self-evident and relevant issue in our efforts to promote Swedish exports and a Swedish business sector with nationwide growth and job creation at its heart.

The Government wants Swedish companies to continue to be forerunners – innovative, modern and attractive to employees, consumers and investors. In a broader sense this is about working together for more successful and world-leading companies in Sweden – creating jobs, growth, prosperity and welfare. Sustainability is an obvious cornerstone of a modern and competitive business sector.
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>3</td>
</tr>
<tr>
<td>The Government's view of sustainable business</td>
<td>7</td>
</tr>
<tr>
<td> The role of the Government</td>
<td>7</td>
</tr>
<tr>
<td> The role of the companies</td>
<td>10</td>
</tr>
<tr>
<td>A changing world</td>
<td>12</td>
</tr>
<tr>
<td> A shared agenda, shared actions</td>
<td>12</td>
</tr>
<tr>
<td>Guidelines for responsible action</td>
<td>16</td>
</tr>
<tr>
<td> OECD Guidelines for Multinational Enterprises</td>
<td>18</td>
</tr>
<tr>
<td> The UN Global Compact</td>
<td>19</td>
</tr>
<tr>
<td> The UN Guiding Principles on Business and Human Rights</td>
<td>19</td>
</tr>
<tr>
<td> The ILO's fundamental conventions and tripartite declarations</td>
<td>20</td>
</tr>
<tr>
<td> The UN's 2030 Agenda for Sustainable Development</td>
<td>22</td>
</tr>
<tr>
<td>Sustainable business creates value</td>
<td>23</td>
</tr>
<tr>
<td>Sustainable business in practice</td>
<td>26</td>
</tr>
<tr>
<td>How the State supports the business sector</td>
<td>27</td>
</tr>
<tr>
<td>Tools and standards</td>
<td>30</td>
</tr>
<tr>
<td>Reporting</td>
<td>32</td>
</tr>
<tr>
<td>The Government's actions for sustainable business</td>
<td>33</td>
</tr>
</tbody>
</table>
The Government’s view of sustainable business

What does sustainable business mean?
The starting point for sustainable business is that companies must run operations that encourage sustainable development.¹ A UN report from the Brundtland Commission in 1987 defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

In the view of the Government, sustainable business means acting responsibly and minimising the risk of negative impact. It also means opportunities for value creation and new innovative business models, in which companies work strategically, are transparent and work in partnership with other actors in society. The Government sees sustainable business as being essential for companies’ survival and development. It contributes towards growth, which in turn helps to create more jobs.

The Government’s definition of sustainable business draws on the principles of the UN Global Compact, launched by UN Secretary-General Kofi Annan in 1999. The principles of the Global Compact concern human rights, working conditions, environmental considerations and anti-corruption. There are also a number of associated issues such as gender equality, children’s rights, diversity, business ethics and taxation.

The role of the Government
The goal of the Government’s business policy is to boost Sweden’s competitiveness and enable more jobs to be created and companies to grow. A modern business policy creates the circumstances that enable companies to continue to deve-

¹ Sustainable business is here used synonymously with what is sometimes referred to as CSR (Corporate Social Responsibility) in English.
Sustainable business
lop, expand in global growth markets and be attractive to employees and investors. Sustainable business is therefore a natural part of the Government’s policy. The work of the Government is based on ensuring that legislation and other regulations are effective. On top of that there is a responsibility for ensuring that proper supervision is carried out by various government agencies. It is the task of the Government to make clear requirements of the business sector but also to support the business sector in its work on sustainability so as to help to encourage sustainable business and sustainable development across Sweden.

Important instruments for sustainable business are found in many policy areas. An active environmental policy helps to reduce greenhouse gas emissions, minimise environmental emissions and the use of hazardous chemicals, increase resource efficiency and encourage sustainable consumption patterns. One of the new goals in the financial market area is that the financial system must contribute towards sustainable development. An active business policy and regional growth policy contribute towards environmentally driven industrial development, social innovations, social entrepreneurship and a shift towards a circular economy.

Similarly, a greater focus on sustainability in trade and aid policy respectively contributes towards more sustainable development on the global stage too, where greater cooperation within the EU can play an important role. The Government also recognises opportunities to increase environmental and social considerations in the major arena of public procurement. As the public sector sets more and more criteria in terms of function, performance and sustainability in its public procurement, companies that supply the public sector will need to meet these requirements.

Governance of the state-owned companies is an area in which the Government wants to continue to demonstrate leadership with a greater focus on integrating sustainability in corporate governance. In line with the Government’s ownership policy, state-owned companies must act as role models by acting transparently, working strategically, collaborating with stakeholders and basing their work on international guidelines.

The Government will work to ensure that Business Sweden increases its support for companies’ sustainable business efforts, with
The Täby-based company Inrego considers that computers, mobiles and other IT-products can be re-used in exactly the same way as cars, boats or bicycles. Inrego buys used IT-equipment from organisations, wipes hard drives, tests and improves the products and makes sure that they are used again in companies and organisations. Inrego’s philosophy is that reusing IT cuts carbon emissions, saves the earth’s raw materials and helps to create a circular economy and sustainable consumption.

a particular focus on small and medium-sized enterprises. Active input will also be provided to increase awareness of sustainable business at Swedish embassies, enabling them to better assist companies. As a result of a clear focus on sustainability in the Ordinance with instructions to the Swedish Agency for Economic and Regional Growth (Tillväxtverket), the agency has developed tools, methods and information on sustainable business for small and
medium-sized companies. In addition, the Government is working for greater transparency, including through new legislation on sustainability reporting, which benefits consumers, investors and other stakeholders alike.

Sweden’s implementation of the 2030 Agenda is an important element in the Government’s relaunch of Sweden’s Policy for Global Development. A more ambitious sustainable business policy is an important element in this relaunch. Sweden’s Policy for Global Development is about all policy areas and several actors in society, including companies, carrying out their operations in a way that takes into account effects on sustainability, human rights and combatting poverty.

Sustainable business can thus serve as a catalyst in virtually all policy areas. The policy will not only influence companies; it will also affect important stakeholders in companies such as consumers, customers, investors, suppliers and employees.

The role of the companies

Sustainable business encapsulates dealing with risks and challenges throughout the value chain as well as opportunities for new and innovative goods, services and business models. Companies vary in size, provide different kinds of goods and services, and are active in different sectors regions and countries. The companies’ circumstances, opportunities and challenges in the work on sustainable business are therefore largely individual to the respective company. The Government’s clear expectation is that companies operating in Sweden or abroad are to take international guidelines on sustainable business as the starting point of their work, at home and abroad.

Many companies currently operate in markets that may be characterised by political, social and environmental challenges, such as deficiencies in terms of respect for human rights, poor working conditions, corruption and weak institutions. The Government’s basic view is that the presence of Swedish companies in these markets is positive and may help to influence social development in a more sustainable direction.

The companies bear the main responsibility for running their operations sustainably, but development involves interplay between companies, stakeholders and other actors in society. Business plays a key role in finding solutions to the
challenges faced regarding the environment and climate change, attaining greater gender equality at work in which the skills of women and men alike are valued, and safeguarding acceptable working conditions and respect for human rights.

There is potential for innovation and sustainable business development in all sectors, and this can help to boost employment in urban and rural areas. Small and medium-sized enterprises play an important role here.

The rapid population rise as a result of increased immigration opens up opportunities for Sweden and may contribute towards a growing and dynamic economy. Companies have much to gain from seizing on the expertise and drive of these people. The Government takes a positive view of the engagement shown by companies.

Companies that integrate sustainability in their core business — and take advantage of the growing demand for sustainable and resource-efficient goods and services — will be winners in the market of tomorrow. In concrete terms, work on sustainable business may involve adopting a policy statement at the highest level, having a process in place for identifying risks and opportunities, and reporting on work in a transparent manner. Read more about this on the section on Sustainable business in practice, page 26.

Green financing

Green bonds

Green bonds are a financial instrument that can be used to channel private capital to investments that are sustainable in the long term, such as renewable energy or infrastructure projects with low carbon dioxide emissions. The market for green bonds has grown rapidly in the past few years. Vasakronan, SCA, Sveaskog and AB Svensk Exportkredit (SEK) are examples of companies that have issued green bonds.
A changing world

All companies are affected by changes in the world around them. Global forces and challenges such as climate change, urbanisation, digitalisation, migration, a growing population, finite resources and green transition affect companies in all industries.

To meet these new circumstances, the world’s governments are establishing shared agendas and goals with other actors to lead the world in the right direction, building a basis for sustainable, gender equal and dynamic economies. The companies are important actors in these processes and through their innovative ability and collaborative capacity they are able to play a part in finding long-term solutions.

A shared agenda, shared actions

Global challenges demand global solutions. International agreements are therefore important in coming together on the road ahead. In 2015 the countries of the world agreed on a new global climate agreement and a shared agenda to reduce poverty and promote sustainable development by means of measures including 17 new Sustainable Development Goals valid until 2030 – the 2030 Agenda. The Agenda spans all aspects of sustainable development such as peace, justice, equality and gender equality, combatting poverty, economic development, and climate and the environment. The Agenda is universal and it is to be implemented by all countries, nationally and internationally. All the actors in society are important in this work, and business in particular has a key role to play if Sweden is to contribute to achieve the global Sustainable Development Goals.

At the COP21 climate meeting
The global Sustainable Development Goals and the 2030 Agenda seek to eradicate poverty and hunger, realise universal human rights, achieve gender equality and empowerment for all women and girls and safeguard lasting protection for the planet and its natural resources. The new global goals are integrated and indivisible and balance the three dimensions of sustainable development: economic, social and environmental.
in Paris at the end of 2015 the countries of the world agreed on a common plan to reduce climate emissions. The climate agreement, which will serve as a framework for the countries’ climate work for a long time to come, asserts that the global temperature rise must be kept well below two degrees and that the aim must be to limit it to one and a half degrees. The text of the agreement also states that countries must gradually continue to strengthen their undertakings, clearly signaling that work to limit climate emissions and build resistance to climate change has only just begun. Like other actors, the business sector will be influenced by the new climate agreement and has an important role to play in cutting climate emissions and contributing new innovative solutions.

Sweden is implementing its international undertakings in the form of different national initiatives and priorities. Sweden’s Policy for Global Development seeks to ensure that all policy areas take responsibility for fair and sustainable development. The basis of Sweden’s environmental policy is what is known as The Generational Goal and the 16 environmental quality objectives set out by the Riksdag.

The Generational Goal aims to hand over to the next generation a society in which the major environmental problems are resolved, without causing greater environmental and health problems outside Sweden’s borders. Impacts on the climate and the environment must be reduced through sustainable use of resources, a greater proportion of renewable energy and reduced emissions of harmful substances.

The 16 environmental quality objectives provide a clear picture of the state of the environment sought in Sweden and signals to all actors what Sweden’s Government and Riksdag are seeking to achieve by means of environmental policy. To strengthen cooperation with the business sector, in 2015 the Government appointed a national coordinator of the environmental objectives, one of whose tasks is to make it easier for companies and business organisations to make their environmental work and its links to the environmental objectives visible.

Like other actors, the business sector will be influenced by the new climate agreement and has an important role to play in cutting climate emissions and contributing new innovative solutions.
Digitalisation and the 2030 Agenda

Information and Communication Technology (ICT) can be a good facilitator for each and every one of the 17 goals of the 2030 Agenda, and Ericsson provides products, services and solutions that can help to attain them. One example is Ericsson’s Connect to Learn programme which uses mobile broadband and cloud services to improve access to good quality training, especially in secondary schools and upper secondary schools for girls in developing countries. ICT can also help to assist farmers to increase efficiency and gain access to new markets. In Atlanta Ericsson has joined forces with AT&T to implement the Internet of Things with sensors in the Chattahoochee River where a number of water parameters are monitored continuously rather than being measured at set times.
Guidelines for responsible action

The Government expects companies that operate in Sweden or abroad to use international guidelines for sustainable business as a basis for their work. This can involve the company developing a code of conduct, an anti-corruption policy or other tools to manage particular challenges.

The Government has a clear expectation that Swedish companies will respect human rights in all their activities.

The Government has a clear expectation that Swedish companies will respect human rights in all their activities, an issue that demands special attention when business is conducted in countries in which these rights are not respected to the full. Companies also play an important role in the fight against corruption, since this is one of the problems that companies may encounter, particularly when entering new markets. Swedish companies are expected to apply a clear anti-corruption policy. Being aware of the risks of corruption and with focused work throughout their value chain, they can help to reduce the scope of these phenomena in the long term. In this context, Swedish companies that operate in an international arena need to take into account Swedish and foreign legislation.

The guidelines that guide companies in acting responsibly include the OECD’s Guidelines for Multinational Companies, the UN Global Compact, the UN’s Guiding Principles on Business and Human Rights, the ILO’s fundamental conventions and tripartite declarations as well as the 2030 Agenda.

Transparency and openness are self-evident cornerstones in earning the trust of customers, consumers, investors and other stakeholders. Sustainability reporting is an important way for
With a vision of saving the Baltic Sea, Saltå Kvarn mill primarily selects Swedish grain that has grown within the Baltic Sea catchment. A shared list of measures to improve the environment is inspiring growers to carry out initiatives that suit their farms, their own interests and the surroundings. For each measure that the grower puts in place, points are awarded that increase the grain price. By encouraging growers to introduce more and more measures, Saltå Kvarn is helping to improve the environment.

Sustainability throughout the value chain

Companies to show how sustainability creates value and how they are tackling the challenges they encounter. There are a number of standards for companies wanting to report their work on sustainability. The most well-known are the Global Reporting Initiative (GRI), the International Integrated Reporting Council’s (IIRC) integrated reporting framework and the Human Rights Reporting and Assurance Frameworks Initiative (RAFI), which helps companies to account for their work on human rights in a structured way.
The Government is currently drafting a bill for legislation on sustainability reporting for certain companies, which will start to apply in 2017.

OECD Guidelines for Multinational Enterprises

The OECD's Guidelines for Multinational Enterprises are joint recommendations from a large number of governments to multinational companies on how business operations are run responsibly. The guidelines are divided into ten chapters, concerning human rights, working and employment conditions, the environment, corruption, consumer interests, science and technology, competition and taxation. The countries that have signed up to the OECD Guidelines have also undertaken to establish a National Contact Point (NCP) to which companies that are considered to be in breach of the guidelines can be reported. Sweden's NCP is a tripartite collaboration between the State and the labour market partners.

The ten principles of the Global Compact are:

**Human rights**
1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

**Labour**
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation.

**Environment**
7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and

**Anticorruption**
10. Businesses should work against corruption in all its forms, including extortion and bribery.
There are three basic pillars of the UN’s Guiding Principles: the state’s duty to protect human rights, the corporate responsibility to respect human rights and access to remedy.

The UN Global Compact

The UN Global Compact is a network of companies and organisations. The initiative which is primarily geared towards companies seek to take active responsibility for ten principles in the areas of human rights, labour conditions, the environment and anti-corruption. The Global Compact has about 13 000 participants, approximately 8 000 of which are companies. Almost 200 organisations from Sweden have signed up (2015).

Several countries have local networks for the Global Compact comprising companies and other organisations. The networks may be of great help to companies looking to gain a better understanding of specific local challenges. The Nordic countries have their own network, Global Compact Network Nordic Countries.

Companies that are interested in participating in the Global Compact have to write a letter to the UN Secretary-General and undertake to work actively on the ten principles. Each year members of the Global Compact report on how they have worked on the principles through what is known as a Communication on Progress (COP).

The UN Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights apply to all states and companies. There are three basic pillars of the UN’s Guiding Principles: the state’s duty to protect human rights, the corporate responsibility to respect human rights and access to remedy.

The corporate responsibility to respect human rights means that companies should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved. The principles are a good support for companies looking to adapt their operations and work on human rights. Under these principles companies are expected to:

- have a public policy commitment to meet their responsibility to respect human rights and reflect and embed this commitment in internal policies and processes,
- carry out a human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights, and
Sustainability at the centre

The family bakery Polarbröd works to safeguard competence by adapting working hours as far as possible so that individuals are able to successfully juggle all the competing demands on their time. When they become parents, all employees – women and men – are asked when they will be taking their parental leave, not if.

The owners are pursuing strategic work to make the business completely sustainable. The group has invested more than SEK 150 million in building four wind turbines of its own, which since February 2015 have been generating as much electricity as the group’s bakeries need. Polarbröd also focuses on ingredients, transport and packaging and is engaged in community dialogue to secure sustainable supplies.

- where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation.

The ILO’s fundamental conventions and tripartite declarations

The International Labour Organization (ILO) has laid the groundwork for a global minimum stan-
The eight fundamental conventions are particularly important. Another important instrument in creating employment with decent working conditions in the global economy is the ILO’s tripartite Declaration on Fundamental Principles and Rights at Work. In recent years the ILO has increased its cooperation with multinational companies and member states in order to improve working conditions in global supply chains. Two ex-

Working together towards common goals

New, solution-oriented forms of collaboration helped Scania to gain access to the necessary competence in Oskarshamn. Lernia, Scania, the Swedish employment service and Oskarshamn municipality launched a pilot project in October 2015. Twelve newly arrived immigrants started intensive training with the aim of securing a job within seven months. Eight of them started work as recruitment consultants in the spring and the remaining four are expected to start work before the summer 2016.
examples of this are the ILO’s Better Work Programme and the Bangladesh Accord, in which the major clothing brands undertake to work for better working conditions and greater opportunities for employee influence.

The UN’s 2030 Agenda for Sustainable Development

In September 2015 the states of the world agreed on an agenda for sustainable development, with 17 new Sustainable Development Goals which will apply until 2030 (the 2030 Agenda). The Agenda comprise all aspects of sustainable development such as peace, justice, equality, gender equality, combatting poverty, economic development, climate and the environment. The Agenda is universal and it is to be implemented by all countries, nationally and internationally.

Civil society actors, academia, the business sector and trade unions have been involved in drawing up the 2030 Agenda. Business has a central role to play in its implementation, and companies are urged to analyse the agenda and its goals and to use their creativity and innovative capacity to help to attain the goals while developing their own operations at the same time. The SDG Compass has been produced as a tool to help companies to link their own operations with the goals of the 2030 Agenda and so identify business opportunities.

The Swedish Government has appointed a delegation to support and stimulate work on Sweden’s implementation of the 2030 Agenda. This mandate involves submitting proposals for an overarching action plan for Sweden’s implementation. All the actors in society are important in this work, and business in particular has a key role to play if the global Sustainable Development Goals are to be attained.

“Business plays a key role in achieving the global Sustainable Development Goals.”
Sustainable business creates value

The companies that, through their innovation and collaboration, are able to formulate solutions and adapt to the rapid and constant changes that global forces bring in their wake are also those that have the best opportunity of contributing towards sustainable value creation for society in general. These companies will define what a successful company is considered to be.

"There are no shortcuts to sustainable global development, no single actor alone can lead the world in the right direction"

Sustainability is a vital component in the business models of many Swedish companies. In general Swedish companies have positioned themselves well in the growing market for sustainable goods and services. Small and medium-sized Swedish enterprises have a great deal to offer the global market, for example through innovations that reduce emissions, adapting to climate change and innovative ideas in areas such as skills development, mobility for people and goods, and sustainable solutions that more people can afford.

There are no shortcuts to sustainable global development, no single actor alone can lead the world in the right direction. What it takes are shared initiatives at all levels of society, and our desire and capacity to work together constructively will be the deciding factor.

The 2030 Agenda is a clear example of how cooperation, challenges and opportunities are interlinked. The business sector has a key role to play in implementing the 2030 Agenda and companies are urged to use their creativity and innovative capacity to do their bit. The agenda is well placed to be a catalyst for a transformation of the Swedish economy while simultaneously helping companies to find new business opportunities.

Innovative partnerships between different actors speed up develop-
Companies can make it easier for people to make more sustainable choices. With its lighting range, IKEA is attempting to give people an opportunity to make sustainable decisions. IKEA sees LED lighting as a good and easy way to help people to live more sustainable lives at home, as LEDs use less electricity and save money. IKEA has decided to replace all its in-store lighting with LEDs and to use LEDs across its entire lighting range. LEDs use up to 85 per cent less energy than traditional bulbs and last for up to 20 years.
ment and contribute towards better solutions. Over twenty companies have joined forces in the Swedish Leadership for Sustainable Development network, which is coordinated by Sweden’s international development cooperation agency Sida. The participating companies want to show leadership in practical action and contribute to achieve the goals of the 2030 Agenda. Some of the projects within the network include a vocational training initiative in a number of African countries and a collaborative project to reduce consumption of water and chemicals in the production chain in the textile industry. Another example of cooperation is the Government’s Fossil Free Sweden initiative in which over 150 companies, municipalities, regions and organisations are working together to see Sweden become one of the world’s first fossil-free welfare nations. The initiative is a platform for dialogue and information between actors whose ambitions are high when it comes to reducing greenhouse gas emissions.

The prerequisites for the companies’ work on sustainable business vary depending on size and the sectors and the countries in which they are active. However, the starting point must be well-considered work that is embedded in the factors affecting the company’s operations.

“Sweden is to become one of the world’s first fossil-free welfare nations. To this end, the Government has launched the Fossil Free Sweden initiative, where actors from the business sector, municipalities, regions and organisations are given the opportunity to call attention to how they are helping to tackle climate change – the vital issue of our age and one of the Government’s highest priorities.”
Sustainable business in practice

Below is a collection of practical advice and tools for companies looking to take greater responsibility, create new values and develop their work on sustainable business. This section also provides examples of government agencies able to provide support to companies in their efforts.

Working model for sustainable business
The following overarching sustainable business model and associated recommended guidelines can serve as a starting point for those companies looking to start or evolve their work.

Companies’ work on sustainable business can involve the following steps:

**Policy**: Setting out values as a starting point for work on sustainability, with a code of conduct that includes respect for international guidelines for sustainable business.

**Process**: Identifying and having control of the risks but also the opportunities for improving sustainable business in the organisation, including carrying out due diligence.

**Reporting**: Being transparent and reporting on risks and impacts on society, both positive and negative, and drawing up guidelines for how people can report grievances internally (whistleblowing).

- **Policy**
  - Code of conduct
  - Commitment from the management
  - International guidelines
- **Guidelines**
  - OECD guidelines
  - The UN Global Compact
  - UN Guiding Principles
  - The ILO’s fundamental conventions and tripartite declarations

- **Process**
  - Due diligence
  - Supply and distribution chain
  - Set and follow up targets
  - Cooperation with other actors
  - Use the 2030 Agenda in product and business development
- **Guidelines**
  - Agenda 2030
  - ISO standards
  - Children’s rights and business Principles

- **Reporting**
  - Financial reporting
  - Sustainability reporting
  - Stakeholder dialogue
  - Whistleblowing
- **Guidelines**
  - Global Reporting Initiative
  - Integrated reporting
  - EU Directive on non-financial reporting
  - CDP
How the State supports the business sector

Vinnova

Vinnova is Sweden’s innovation agency. It is tasked with promoting sustainable growth by financing needs-motivated research and developing efficient innovation systems. Vinnova runs programmes to boost innovative capacity in Sweden. The focus of these programmes varies and they span different areas of society and sectors of industry. Some of the programmes involve funding research that is important to Swedish business innovation. Others enable companies to apply for funding for their own development projects. Some of the programmes require that actors work together to run large, long-term projects.

Almi Företagspartner AB

Almi offers advice, loans and risk capital at every phase of enterprise to small and medium-sized businesses with profitability and growth potential. Almi’s credit or investments are conditional upon the company having a business concept that is sustainable in the long term, making sustainability crucial to Almi’s investment and credit analyses. Almi has increased its expertise in this area and the advice it provides supports companies in tackling the risks and business opportunities that sustainability involves. Almi is a state-owned company and is the parent company of 16 regional subsidiaries owned jointly by the regions, the subordinate group Almi Invest and the migrant entrepreneurship advice body IFS Rådgivning. Almi has 40 offices Sweden-wide.

verksamt.se

verksamt.se is a website on which the Swedish Companies Registration Office, the Swedish Tax Agency and the Swedish Agency for Economic and Regional Growth gather information and e-services for people looking to start or run businesses. The website also contains information on sustainable business.
The main tasks of the Swedish Agency for Economic and Regional Growth (Tillväxtverket) are to promote sustainable business development and sustainable regional growth in all parts of Sweden and to administer Structural Fund programmes. The agency is to work for sustainable solutions which from an environmental and climate viewpoint support the development of competitive business in all parts of Sweden. The Swedish Agency for Economic and Regional Growth’s mandate also includes developing and carrying out initiatives that promote entrepreneurship, sustainable growth and development in companies.

Business Sweden is to strengthen work on sustainable business and support small and medium-sized enterprises in particular. Within this remit, Business Sweden works to improve and advance the services offered to Swedish companies, particularly small and medium-sized ones, with the aim of reinforcing the sustainability perspective in promoting exports.

One key task of the Ministry for Foreign Affairs and Sweden’s embassies is to work with relevant actors to support Swedish companies abroad. The embassy website (www.swedenabroad.se) contains information on trade with individual countries and services to Swedish companies and how to report trade barriers. Each year the Ministry for Foreign Affairs also compiles reports on the human rights situation in individual countries. The reports are available on the Government’s human rights website.
EKN (Exportkreditnämnden) promotes Swedish exports by issuing guarantees. In issuing guarantees EKN takes into account the environment, human rights and working conditions, anticorruption and promoting sustainable lending to poor countries. EKN’s environmental and social responsibility guidelines build on the OECD Recommendation on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (the “Common Approaches”).

AB Svensk Exportkredit (SEK) is a state-owned company that is to promote Swedish export industries by offering financing solutions. One example is green loans, which involve selected projects that are financed by SEK and encourage the transition to a climate-smart economy. Green projects are classified by SEK through an internal evaluation process. SEK evaluates business ethics, and social and environmental aspects in conjunction with all its lending.
Alongside the international guidelines for sustainable business there are a number of tools and standards that can be used by companies to develop work on sustainable business. Here are some examples of the most commonly used tools:

**Global Compact**

Information on the UN Global Compact is available on the UN website.

**Children’s Rights and Business Principles**

The Children’s Rights and Business Principles were launched by UNICEF, Save the Children and the United Nations Global Compact in 2012. The ten Children’s Rights and Business Principles provide good support for companies looking to integrate the perspective of children into their work on sustainability and social responsibility.

**Global Compact Self Assessment Tool**

The Global Compact Self Assessment Tool helps companies to analyse their strengths and weaknesses in relation to the Global Compact’s ten principles on human rights, labour law, the environment and anticorruption.

**SDG Compass**

The UN Global Compact has joined forces with other actors to create the SDG Compass tool, which helps companies with their strategic work in helping to implement the 2030 Agenda.

**Introductory guide to human rights for SMEs**

The European Commission has drawn up guidance in Swedish for small and medium-sized enterprises on human rights based on the UN’s Guiding Principles on Business and Human Rights. The Commission has also produced industry-specific guidelines for the extraction industry (oil and gas), recruitment companies and the information and communications sector.
ILO’s helpdesk

The ILO helpdesk brings together resources and tools for companies that need advice on various aspects of working conditions. The helpdesk can also be contacted by phone or e-mail.

ISO 26000 and ISO 14001

ISO 26000 is a voluntary international standard on social responsibility. The Swedish Standards Institute was one of the bodies that helped to develop it. The standard clarifies the way in which companies can contribute towards a sustainable future, covering the environment, human rights, consumer issues, anti-corruption and business ethics. ISO 14001 is a voluntary international standard for environmental management systems that helps companies to systematically reduce their environmental impact.

Code on Gifts, Rewards and other Benefits

The non-profit business organisation the Swedish Anti-Corruption Institute has drawn up a business code on gifts, rewards and other benefits. In principle the code is stricter than the rules of the Swedish Criminal Code and covers all companies obliged to submit accounts and all types of benefits.

Företagarna’s sustainability guide

The industry organisation Företagarna has produced a guide for small business owners looking to gradually develop and structure their work on sustainability. The material includes tools, templates and links to further support.

Ecolabelling

Product labelling enables consumers to make conscious choices on the basis of environmental considerations and other aspects. The labels should be trustworthy and transparent, with rigorous environmental criteria and pose no barriers to trade.

WBCSD tools and guides

The World Business Council for Sustainable Development’s website contains a number of tools and methods for helping companies with their work on sustainability.
The organisation Shift has drawn up a reporting framework that helps companies to report their work on human rights in a structured way.

Reporting

Integrated reporting is a global initiative that seeks to ensure that companies report their work on sustainability in their annual reports, not in a separate sustainability report. This makes the links between the components that contribute towards the companies’ successes clearer, making it easier for companies to work strategically and to make decisions.

The Global Reporting Initiative is one of the most commonly used frameworks for sustainability reporting, which can also be used as a basis for surveying how the company works on sustainability issues.

CDP is an independent organisation that works for dialogue on companies’ climate impact and strategies to pass this knowledge on to investors.

The organisation Shift has drawn up a reporting framework that helps companies to report their work on human rights in a structured way.

Sweden has helped to evolve and run a web-based anti-corruption portal containing information and corruption risks plus current legislation in more than 100 countries.
The Government’s measures for sustainable business

To encourage and spur on companies’ sustainability efforts, the Government has carried out and will continue to carry out a number of concrete measures in a range of policy areas.

The Communication on policy for sustainable business submitted to the Riksdag in December 2015 contains about 80 measures linked to the Government’s goals and ambitions. In addition to the measures set out here, the Government is working, for example, to ensure that each gender has a representation on boards of directors of at least 40 per cent, and it has also launched a National action plan for business and human rights. The action plan is also an important element in the Government’s more ambitious approach to the field of foreign trade through the Government’s export strategy. Sustainable business must be seen as a cornerstone in Swedish companies’ ability to create, grow and export. The national goal and the environmental quality objectives guide work on the environment at all levels and the Government has appointed an environmental objectives coordinator to strengthen cooperation with the business sector. The new legislation on reporting sustainability seeks to support and develop companies’ work on sustainability and increase transparency and comparability in reporting. Strengthening and developing the Swedish labour market model is also important for an organised and functioning labour market. Sweden is also engaged in highlighting the importance of modern and sustainable procurement internationally. Both the UN system and the international financial institutions are increasingly

Sustainable business must be seen as a cornerstone in Swedish companies’ ability to create, grow and export.
using procurement proactively to promote sustainability.

The Government will also take various measures to promote new and more sustainable business models. This may involve social innovation and social entrepreneurship, but also incorporates contributing towards the strategic use of ground-breaking technologies and advanced system solutions for sustainable urban development and new and more sustainable services, goods and working methods. Furthermore, the Government will carry out measures that encourage eco-driven business development in all sectors at regional level and develop work to promote sustainable business, particularly with regard to small and medium-sized enterprises.

Concrete initiatives taken by the Government include the new industrialisation strategy – Smart industry – which will boost the capacity of Swedish industry for transition. Here sustainable production is particularly highlighted as one of the strategy’s focal areas. With its Global Deal the Government has also highlighted the importance of social dialogue and trust between the labour market partners and governments, which in the long run will lead to greater productivity, more jobs and decent working conditions in developing countries too.

The Government will continue to develop its policy on sustainable business with the addition of new measures and initiatives.

The new legislation on reporting sustainability seeks to support and develop companies’ work on sustainability and increase transparency and comparability in reporting.

Updated information on the Government’s work can be found on the Government’s sustainable business website www.regeringen.se/hallbartforetagande
Government Offices, Sweden
Switchboard: +46 8-405 10 00
Street address: Ministry of Enterprise and Innovation,
Mäster Samuelsgatan 70, Stockholm
www.regeringen.se/hallbartforetagande