

## The Swedish Government policy for corporate social responsibility

The objective of Sweden's industrial policy is to strengthen competitiveness and create more jobs and growing companies. Corporate social responsibility (CSR) is a self-evident part of a modern industrial policy. In line with this, the Swedish Government has drawn up a more ambitious CSR policy.

A communication to the Riksdag (the Swedish Parliament) presents the Government's view of a number of issues linked to CSR (Communication 2015/16:69). These include human rights, decent working conditions, environmental considerations and anti-corruption efforts, as well as gender equality, diversity, business ethics and taxation. CSR is part of different policy areas of the Government such as financial markets, the environment, labour markets, trade and development cooperation.

The communication also describes the Government's expectations of companies' sustainability efforts, including recommendations of how these efforts should be pursued. The Government will take a number of measures to support Swedish companies in these efforts.

In brief, the communication contains

- A description of international guidelines that serve as a guide for CSR efforts: the OECD's Guidelines for Multinational Enterprises, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's conventions, and the UN's 2030 Agenda for Sustainable Development. Companies are expected to use these guidelines as a starting point for their efforts.
- The generational goal and environmental quality objectives guide environmental action at every level. Sweden is to be a leader on climate issues and become one of the world's first fossil

free welfare nations, which will have an impact on business.

- Companies are also expected to contribute to social development with regard to gender equality and decent working conditions. The Government is, for example, working to counteract structural pay differentials between women and men, and to ensure that full-time employment is the norm at the Swedish labour market and that the governing boards of listed companies comprise at least 40 per cent women.
- Companies are expected to respect human rights in all their operations, in keeping with the UN Guiding Principles and Sweden's natio-



nal action plan for business and human rights from August 2015. Companies' implementation of children's rights and business principles must be promoted.

- Companies are also expected to implement a clear anti-corruption policy and contribute to increased transparency. New legislation on corporate disclosure of sustainability and diversity policy in line with the EU Directive 2014/95/EU will be a key measure to help ensure this.
- CSR is promoted in industrial policy, in part through new and more sustainable business models. This may involve social innovations and social entrepreneurship, advanced systems solutions for sustainable urban development, and new and more

sustainable goods, services and working methods. CSR is also of great importance in the State's corporate governance practices.

- Measures are also being taken in the area of financial markets to work towards sustainable business practices, including a new objective that the financial system must contribute to sustainable development. The Government wants to increase transparency surrounding the sustainability information provided by financial actors.
- The Government has integrated CSR in its free trade policy and export promotion. The EU's free trade agreements are an important part of sustainable development work. The Governme-

nt is also working to ensure that development cooperation strengthens the conditions for CSR in developing countries.

- Furthermore, the Government is working to promote increased environmental consideration and social sustainability in public procurements, and is encouraging companies to implement sustainable tax policies.
- The communication contains some eighty measures linked to these ambitions and objectives. One important measure is to raise the level of knowledge about CSR at Swedish embassies around the world to enable them to better assist Swedish companies in their sustainability efforts.

## Companies' CSR efforts may involve the following steps:

**Policy:** Establishing core values as a starting point for sustainability efforts, with a code of conduct that includes respect for the international CSR guidelines.

**Procedure:** Identifying and monitoring the risks and also the opportunities for CSR improvements in the organisation, including conducting an impact assessment (due diligence).

**Reporting:** Being transparent and reporting on risks and the impact on society, both favourable and adverse, as well as creating guidelines on internal whistleblowing.

