Swedish companies have a long history of active CSR work and Sweden is widely viewed as a pioneer within the field. For 2013, Sweden was rated as the world’s most sustainable country by RobecoSAM.

**CSR:**

**SWEDEN LEADS BY EXAMPLE IN CORPORATE SOCIAL RESPONSIBILITY**

Extensive environmental protection, active measures to respect human rights and improve work environments, and fighting corruption. Many of today’s Swedish companies are at the forefront in integrating a sustainable approach to business in their strategies and daily management.

The term corporate social responsibility (CSR), also known as sustainable business practice, is used to describe the work companies do that has a positive impact on society, the environment or the economy. In 2011, the EU Commission defined CSR as the ‘responsibility of enterprises for their impacts on society’. Efforts to reduce emissions of carbon dioxide, promotion of equal career opportunities, and involvement with local communities are examples of CSR initiatives.

Swedish companies have a long history of active CSR work and Sweden is viewed as a pioneer within the field. In 2013, Sweden topped the RobecoSAM Country Sustainability Ranking, which ranks 59 countries based on 17 environmental, social and governance indicators.

The scope of the term CSR has expanded dramatically over the years and now covers aspects of business operations as diverse as corruption in supply chains and local environmental efforts. Yet even though Sweden has made great progress, there are many challenges remaining.

**Environment**

The environmental aspects of CSR are extremely broad, including areas such as paper recycling, the sustainable use of resources, minimising environmental footprints and reducing water consumption.

Climate Counts is a collaborative effort to bring consumers and companies together to find ways to address global climate change. It assesses companies on 22 criteria including their climate footprint, impact on global warming and transparency of their environmental efforts. Swedish company Electrolux was listed as a world leader in Climate Counts’ rankings for 2012.

Cleantech – a term used to describe products or services that improve operational performance, productivity or efficiency while reducing costs, inputs, energy consumption, waste or pollution – is another important part of CSR.

Internationally, Sweden fares well in
Innovative solutions to global challenges take centre stage at the Tällberg Forum.

CSR SWEDEN
A leading Swedish business network that focuses on companies’ civic responsibilities and corporate citizenship.
www.csrsweden.se

SIDA
Sida is a government authority that works on behalf of the Swedish parliament and government to reduce poverty around the world. Its remit also includes CSR, and Sida works with companies on numerous projects.
www.sida.se

CSR AMBASSADOR
The Swedish Foreign Office has a special post working with corporate social responsibility, the CSR Ambassador. Bengt E Johansson has been Sweden’s CSR Ambassador since January 2013.
www.government.se

LEARN MORE

GLOBE FORUM
A Sweden-based marketplace for contacts, ideas and innovations, with a focus on sustainability and emerging markets.
www.globeforum.com

THE TÄLLBERG FOUNDATION
The Tällberg Foundation is a research organisation dedicated to improving understanding of wider global issues. The Tällberg Forum is an annual gathering where leaders from all over the world and different sectors of society discuss aspects of global interdependence and seek new solutions.
www.tallbergfoundation.org

CSR AMBASSADOR
Bengt E Johansson has been Sweden’s CSR Ambassador since January 2013.
www.government.se

GLOBAL SUSTAINABILITY LEADERS
Swedish corporations are often praised for their far-reaching work with corporate responsibility. Several recent studies list Swedish companies in this perspective:

• Corporate Knights analyses companies’ environmental, social and governance performance. The 2012 Global 100 study included five Swedish companies: Atlas Copco (18), Scania (27), Ericsson (30), Electrolux (58) and H&M (73). Parameters in the study included carbon dioxide emissions, leadership diversity and taxes paid.

• The Dow Jones Sustainability World Index ranks the world’s leading companies in terms of their efforts in sustainability. The annual survey is based on analysis of companies’ performance in business ethics, the environment and social issues. The analysis, compiled by SAM from Switzerland, has significant influence on funds and investors who base their investments on ethics and sustainability. The 2012-13 index includes six Swedish companies: SKF, SCA, Electrolux, H&M, MTG and Atlas Copco.

• London Stock Exchange subsidiary FTSE Group produces the FTSE4Good Index Series every year, to support investors from around the world who want to increase the focus on the environmental, social and governance aspects of the companies in which they invest. The FTSE4Good Index 2013 includes Swedish companies such as SEB, Electrolux and Atlas Copco.

energy and environmental technology, coming third in the Global Cleantech Innovation Index 2012, after Denmark and Israel.

Gender equality
Gender equality is an important aspect of the way companies work with corporate responsibility. Companies can promote equality by making it possible for parents to combine work and family, encouraging shared participation in childcare, and giving women and men equal opportunities to rise to leadership positions.

The World Economic Forum’s Global Gender Gap Report assesses and compares national gender gaps based on economic, political, education and health criteria. The 2012 report, which can be read at www.weforum.org, ranks Sweden as fourth in the world.

Anti-corruption
Corruption, identified by the World Bank as one of the greatest threats to growth, has become one of the biggest challenges within CSR.

Sweden remains one of the world’s least corrupt countries, ranked fourth on Transparency International’s Corruption Perceptions Index 2012.

Transparency International Sweden has assessed the 20 largest Swedish companies, and its resulting report shows that Swedish companies perform better than their international counterparts. The best performers in the Swedish study were SEB, H&M and Tele2. Despite the good results, Transparency International continues to encourage Swedish companies, especially those operating internationally, to work more actively against corruption.

New legislation against bribery came into force in Sweden on 1 July 2012. Among other measures, it categorises the giving or acceptance of bribes as serious crimes. The legislation is largely a result of Sweden adopting anti-corruption conventions in collaboration with the EU, European Council, UN and OECD. Since 1997, the OECD has had a convention prohibiting the bribery of overseas public servants in international business relationships; 39 countries have ratified the convention.
GUIDELINES FOR SUSTAINABILITY

The Global Reporting Initiative (GRI) guidelines set standards for companies’ sustainability reporting. Indicators include:

**Economic**
- Results
- Market presence

**Environmental**
- Materials
- Energy
- Emissions – air and water
- Waste

**Social**
- Work methods and processes
- Human rights
- Society
- Product liability

www.globalreporting.org

THOUSANDS OF CERTIFIED COMPANIES

The ISO 14001:2004 certification for environmental management systems is widely used among Swedish businesses, with some 4,300 companies certified at present. In some sectors, such as printing, certification provides a strong competitive advantage.

Statistics from the Swedish Standards Institute show that Sweden has one of the highest per-capita levels of environmentally certified companies in the world.

www.sis.se

SUSTAINABLE BRAND INDEX

Sustainable Brand Index is Scandinavia’s largest brand study on sustainability. Its annual ranking of companies’ sustainability levels is based on 18,000 consumers’ evaluation of over 500 Scandinavian brands. The brands are selected on the basis of market share, turnover, number of employees and general brand awareness. Supermarket chain ICA topped the index of 228 brands for Sweden in 2013.

www.sb-insight.com

In a bid to make renewable energy part of the mainstream market, furniture retailer IKEA began selling solar panels for homes in the UK in 2013.

PROMOTING SUSTAINABLE INITIATIVES

By placing demands on its own enterprises and promoting sustainable initiatives in general, the Swedish Government aims to inspire all companies to increase their sustainability efforts.

The Swedish Government owns more than 50 companies of various sizes. In 2007, Sweden became the first country to demand sustainability reports from state-owned enterprises. The reports have to comply with guidelines from the Global Reporting Initiative (GRI).

In 2012, Sweden took another important step by asking state-owned companies to set several sustainability goals, and to report on them in 2014. The targets are to be set by the company boards, with focus on diversity, environment issues, human rights, working conditions, anti-corruption measures, business ethics and gender equality. The targets must also be measurable, specific and relevant to the companies’ operations.

Human rights – a priority

The Swedish Government expects all Swedish companies, private or state-owned, to respect human rights in all their operations. It encourages the private sector to follow the OECD’s guidelines for multinational companies, to apply the ten principles of the UN Global Compact and follow the UN Guiding Principles on Business and Human Rights.

In the end, however, sustainable business practice should be driven and owned by the private sector, with each company deciding if and how it will work with CSR.

Striving to lead by example, the Government has a unit within the Ministry for Foreign Affairs focusing on issues related to sustainable trade and business, and has also appointed a CSR Ambassador (see box, page 2).

Environmental initiatives

Strict environmental legislation combined with high levels of environmental awareness and knowledge have led Swedish companies to be environmentally innovative and efficient in their operations. Low-impact production techniques, in particular within industrial production, are now often exported to other countries.

Sweden also plays a prominent role in clean-tech sectors such as non-fossil fuels and water quality, with several companies as leaders in their fields. SEKAB, for example, is a major European supplier of ethanol and ethanol derivatives, used for fuels and low-environmental-impact chemicals, while water-technology company Xylem has operations in more than 150 countries.
GLOSSARY

SUSTAINABLE DEVELOPMENT
Development that meets the needs of the present without compromising the ability of future generations to meet their own needs, as defined by the World Commission on Environment and Development, informally known as the Brundtland Commission.

CODE OF CONDUCT
Covers company values and business practices. Can also cover relationships with company stakeholders.

SOCIALLY RESPONSIBLE INVESTING (SRI)
Sustainable or ethical investing following an investment strategy that seeks to maximise both financial return and social good.

ISO 26000:2010
An international standard giving guidance for companies and organisations that want to operate in a socially responsible way.

USEFUL LINKS

www.business-anti-corruption.com Business Anti-Corruption Portal
www.business-humanrights.org Business & Human Rights Resource Centre
www.csreurope.org Network for CSR issues in Europe
www.manskligarattigheter.se/en The Swedish Government’s human rights website

SWEDISH COMPANIES SETTING GOOD EXAMPLES

Electrolux
Electrolux is a world leader in household and professional electrical equipment. In 2013, it was listed as an industry leader in sustainability in the FTSE4Good Index.

Atlas Copco
Atlas Copco follows a human rights strategy. In line with this strategy the company not only conducts regular corporate assessments, but also helps business partners and customers improve human rights.

LKAB
LKAB is a government-owned mining company in the very north of Sweden. It aims to be a world leader in the mining industry when it comes to efficient use of resources and minimising climate impact. The company is investing in research and innovation, but also works to be a part of the communities in which it operates. For example, it is involved in preserving buildings of cultural significance and the construction of new homes.

IKEA
Cotton is one of the most important raw materials for IKEA, and the company wants all cotton used in its products to come from more sustainable cotton production.

Systembolaget
In 2012, state-owned alcohol monopoly Systembolaget introduced a code of conduct for its wholesale purchases of alcoholic drinks, in collaboration with the alcohol monopolies of Norway, Finland, Iceland and the Faroe Islands.

H&M
Clothing company H&M, with about 2,000 stores around the world, has an eco-clothing line called Conscious Collection. H&M works actively with its suppliers to promote labour rights and reduce environmental impacts.

Electrolux is also on the Global 100 list of the world’s most sustainable companies. During 2013, the company is implementing a certification programme for quality, environmental, and health and safety issues.

www.ikea.com
www.sysbolaget.se
www.lkab.com

The Better Cotton Initiative helps IKEA create lasting and large-scale improvements in conventional cotton cultivation. Besides reducing environmental and social impacts, Better Cotton decreases production costs for farmers. This helps IKEA offer competitively priced products that satisfy consumers’ needs as well as IKEA’s ambitions to provide responsibly sourced products.

www.atlascopco.com

The code requires responsible treatment in terms of human rights, working conditions, anti-corruption measures, and environmental issues in both the companies’ own operations and their supply chains.

www.fortune.com/fortunes/green-champions/2013/
www.lkab.com

Better Cotton decreases production costs for farmers. This helps IKEA offer competitively priced products that satisfy consumers’ needs as well as IKEA’s ambitions to provide responsibly sourced products.

www.atlascopco.com

Atlas Copco follows a human rights strategy. In line with this strategy the company not only conducts regular corporate assessments, but also helps business partners and customers improve human rights.

www.atlascopco.com

The code requires responsible treatment in terms of human rights, working conditions, anti-corruption measures, and environmental issues in both the companies’ own operations and their supply chains.

www.fortune.com/fortunes/green-champions/2013/
www.lkab.com

Copyright: Published by the Swedish Institute at sweden.se. Updated November 2013 FS 2.

All content is protected by Swedish copyright law. The text may be reproduced, transmitted, displayed, published or broadcast in any media with reference to sweden.se. However, no photographs or illustrations may be used.

The Swedish Institute (SI) is a public agency that promotes interest and confidence in Sweden around the world. SI seeks to establish co-operation and lasting relations with other countries through strategic communication and exchange in the fields of culture, education, science and business.

Further information about Sweden: sweden.se, the Swedish embassy or consulate in your country, or the Swedish Institute, Box 7434, SE-103 91 Stockholm, Sweden. Phone: +46 8 453 78 00; e-mail: si@si.se
www.si.se www.swedenbookshop.com www.swedenabroad.com