



Swedwatch Annual Report 2021 to Sida

Table of Contents

1. Introduction	3
2. Context analysis	4
3. Important organisational developments	6
4. Progress towards goals/objectives, January – December 2021	10
4.1 Responsible and equitable use of natural resources	10
Financing a just transition to a low-emission and climate-resilient development.....	10
Local and global impacts of pharmaceuticals in the environment.....	12
Impacts of natural rubber processing in Liberia	13
Environmental Peacebuilding	15
4.2 Sustainable and fair global supply chains	18
Hazardous chemicals in ICT-manufacturing.....	18
Public procurement: positively influencing suppliers with social criteria	20
Migrant workers.....	22
Access to remedy for rights holders: engagement on high profile cases	23
4.3 Empowered rights holders and expanded civic space	25
4.4 Business, Human Rights and Environmental regulatory frameworks	28
Mandatory Human Rights and Environmental Due Diligence	28
OECDs Guidelines for multinational enterprises	29
4.5 Activities targeting secondary stakeholders	30
Swedwatch BHRE-training for youth in Bangladesh	30
Other trainings/lectures.....	31
Educational material: Vad kostar din tröja?	31
4.6 Contributions to the 2030 Agenda.....	32
4.7 Contributions to strategies for Swedish development cooperation	35
Strategy for Sweden’s global development cooperation in the areas of environmental sustainability, sustainable climate and oceans, and sustainable use of natural resources 2018-2022	35
Strategy for Sweden’s global development cooperation within sustainable economic development 2018-2022.....	36
Strategy for Sweden’s development cooperation in the areas of human rights, democracy and the rule of law 2018 – 2022	37
5. Lessons learned and going forward	38

1. Introduction

This annual report covers the period from January to December 2021 of the grant agreement between Sida and Swedwatch regarding core support (Sida contribution No. 11692). In this report we intend to highlight important internal developments, our main activities and results during 2021, and how our activities and results contribute to the 2030 Agenda as well as relevant Sida strategies. With the financial support from Sida and other donors Swedwatch aims to contribute to the empowerment of rights holders and to promote responsible business conduct and inclusive growth.

The ongoing pandemic has continued to impose challenges to parts of Swedwatch's operational work during 2021. *Research and investigations* have been affected, since this work to a large extent requires travel by staff and project partners. The travel limitations have also to some extent affected other parts of our operations such as *dialogue and engagement*, since the research and investigation forms the basis of that work. When it comes to our work on *capacity building and exchange*, we have to a large extent been able to carry out this work online. Despite these challenges, Swedwatch has adapted well to the ongoing circumstances, for instance by increasing our efforts to translate experiences of local project partners and rights holders into outreach activities compared to previous years.

Progress towards the organisation's long-term objectives has also continued over the course of 2021. Below are highlights from 2021:

- Increased capacity of rights holders in Liberia has led to a UN complaint being developed by local actors on the negative human rights and environmental impacts of natural rubber processing operations. The provision of scientific data on the negative impacts on rights holders also increased awareness among investors and has led to the responsible investment advisor and service provider ISS ESG taking up company engagement with Bridgestone America.
- Through a series of capacity building workshops on BHRE for members of Fellowship of Christian Councils and Churches in the Great Lakes and the Horn of Africa (FECCLAHA) several organisations in Eastern and Southern Africa have increased their efforts on BHRE. One member of FECCLAHA is for example working on a petition to the national government in order to secure compensation for the community in relation to a mining project.
- In direct response to Swedwatch's research on hazardous risks in the Information and Communication Technology (ICT) sector in the Philippines, Samsung reached out stating that it had engaged with its local supplier which reportedly resulted in improved internal processes to monitor and address workers' exposure to hazardous chemicals. The Clean Electronics Production Network (CEPN) launched its program "Towards Zero Exposure" where Apple, Dell and HP commit to protect workers from exposure to hazardous process chemicals. Swedwatch has been acting as a NGO advisor in the development of the commitment program and the commitments are in line with Swedwatch's recommendations.
- In line with Swedwatch's recommendations, the Swedish government in the autumn of 2021 proposed to sharpen sustainability requirements in public procurement. The government suggested to make it mandatory for public procurers to consider climate, and when appropriate, other environmental and social aspects when procuring. According to Swedwatch's research, including sustainability criteria in public procurement has proven to have an effect on ensuring workers' rights
- In line with recommendations in the report "Shattered Dreams", stating that companies should train managers to identify human rights risks related to migrant workers, an online training on the risks of modern slavery in labour sourcing was published on the Sustainable Hospitality Alliance website.

2. Context analysis

Swedwatch has noted several trends in 2021 which have impacted our work and will in various degrees influence our work priorities going forward.

In many places the **Covid-19 pandemic** has worsened already poor working conditions in global supply chains. Reports of companies cancelling orders from the moment the pandemic hit, resulting in unforeseen closures of factories in the supply chain and workers losing much-needed living wages, have been widespread. Due to high levels of income uncertainty and job insecurity, workers – many of which migrants – have been at risk of severe forms of exploitation. Swedwatch has noted an alarming number of Covid-related occupational health and safety incidents – most notably in the garment sector – as well as forced labour incidents, for example in rubber glove factories in Malaysia. In December 2021, Swedwatch reported how Cambodian migrant workers previously employed in Thai factories exporting to Europe allegedly remained exposed to Covid-19 in the workplace despite many workers having tested positive. By highlighting the poor working conditions Swedwatch can contribute to raise awareness about the negative effects of the pandemic in global supply chains and further build on its work related to rapid exits.

Another current issue related to migrant workers is the upcoming **FIFA World Cup in Qatar** that has been in the spotlight regarding labour rights abuses and the reform measures taken to address them. Major sporting events are a multi-billion-dollar industry, but these events are also frequently connected to serious human rights concerns. For eight years, Swedwatch has addressed these issues by pushing the corporate sponsors of sporting events and teams to take responsibility for human rights impacts that they are linked to through their sponsorship agreements. This work has led to considerable results with regards to raising awareness among sponsors and pushing them to adopt policies with the purpose of identifying and mitigating human rights risk, but large challenges still exist.

Crackdowns aimed at silencing civil society voices continue to take place in many countries around the world. More than ever, **shrinking civic space** poses a growing threat to livelihoods, liberty, and peace. In June 2021, the UN Working Group on Business and Human Rights released a report on human rights defenders and civic space, again raising the alarm that **threats to human rights defenders** and civic freedoms are on the rise globally. The situation for defenders also worsened during the Covid-19 pandemic as restrictions on movement made it easier to target human rights defenders. In September 2021, Global Witness reported that 227 land and environmental defenders were murdered in 2020 – the highest number ever recorded.

The growing number of attacks on civic space have often been driven by state and business interest groups seeking to exploit natural resources at the expense of affected communities. Women in particular continue to be affected as they are frequently excluded from formal political processes and primarily engage through civic space. Swedwatch works actively to counteract limitations to civic space by raising awareness, engaging with decision-makers and business actors, and building capacity among defenders. Moving forward, the effective management of the risk of reprisal for Human Rights and Environmental Defenders (HREDs) will remain pivotal in both project design and overall collaboration with local project partners.

In September 2021, the UN High Commissioner for Human Rights described the triple planetary threats of climate change, pollution, and nature loss as the single greatest human rights challenge of our era. These crises already have severe impacts on a broad range of human rights, including the rights to adequate water, food, health, housing, and development. The first-time recognition by the UN Human Rights Council of **the right to a healthy environment** in autumn 2021 acknowledges this

damage inflicted by climate change and environmental destruction on millions of people across the world while underlining that the most vulnerable segments of the population are more acutely impacted. As such, the Resolution is hoped to be a catalyst for constitutional, legislative and policy changes by relevant stakeholders, including the business community, as well as more ambitious action to protect human rights and the environment. Universal recognition of the right to a healthy environment ensures the interdependence and indivisibility of human rights and their relevance to environmental realities. Having been part of the global civil society call for the recognition of the right for a healthy environment Swedwatch welcomes this development. With Sweden hosting the UN Conference Stockholm+50 in 2022, Swedwatch aims to further advance these discussions and how this applies to the business sector and to continuously monitor the implementation of this right.

During recent years we have also seen important developments on regulatory frameworks related to the business sector. As the UN Guiding Principles on Business and Human Rights (UNGPs) and OECD's Guidelines for Multinational Enterprises remain largely voluntary, several European countries have started adopting laws making it mandatory for businesses to conduct human rights and environmental due diligence, including France in 2017 and Germany in 2021. To level the playing field across the EU single market, the European Commission committed to propose **mandatory human rights and environmental rules for businesses** in April 2020. This initiative on "Sustainable Corporate Governance" was welcomed by civil society organisations (CSOs), including Swedwatch, as it could help millions of people to demand justice against human rights violations and safeguard our environment and the climate. During the last years Swedwatch has been arguing for mandatory human rights and environmental due diligence (mHREDD) in all publications and sees the developments at European level in 2020 and 2021 as positive. Civil society calls for an ambitious law that requires all companies to identify, prevent and address their human rights and environmental risks across their entire value chain. Swedwatch is also actively working to ensure that the rights holders perspective informs the European legislative process on mHREDD.

In addition, 2021 saw the European Parliament adopt a resolution on corporate due diligence and accountability, calling on the Commission to include parent company liability for the harm caused by their subsidiaries, better access to justice for victims around the world, and strong sanctioning mechanisms for firms failing to address negative impacts of their global operations. Unfortunately, the EU Commission has repeatedly delayed the proposal.

Another current development on regulatory frameworks relates to the **OECD Guidelines for Multinational Enterprises**. The last revision of the guidelines was done in 2011 and during 2022 the OECD is expected to announce whether there will be an update of the guidelines, which would mean increased possibilities for civil society to advocate for stronger guidelines and more efficient implementation. This is particularly important as more countries are in the process of becoming adhering members to the OECD. Through an active engagement in OECD Watch Swedwatch will continue to monitor developments during 2022.

In November 2021, after more than ten years of investigations, the chairman and former CEO of **Lundin Energy** were indicted for their involvement in international crimes, allegedly perpetrated between 1999 and 2003 during the civil war in Sudan. The potential impact of this indictment cannot be underestimated. First, it will hopefully serve as a first step in ensuring justice for the victims while also sending a strong message to other companies that they have a responsibility to respect human rights and provide access to remedy – or else risk facing litigation. Secondly, it reintroduces the question concerning the role past investors could play in remediation, an issue that Swedwatch has been addressing since 2017.

3. Important organisational developments

Strategic changes during the last funding cycle

During the programme period 2015 - 2020, Swedwatch underwent significant change, becoming a more strategic and rights-based organisation. Facilitated by multi-year financing from Sida and enabled by extensive external and internal evaluations and by applying lessons learned, Swedwatch is today a fundamentally different organisation than it was in 2014. Scoping and changes involved all Swedwatch stakeholders - including the AGM, the Board, Member Organisations, staff, and project partners. These changes reflect a sharpened strategic approach with increased intervention strategies – all of which have ultimately resulted in an increased contribution to change and results for rights holders.

Swedwatch has shifted its focus from exclusively Swedish-based companies in the Global South as the former was recognised as limiting in impact; Swedish business in, and trade with, countries in the Global South is relatively small in global terms. More change and greater positive impact could be created by adopting a systems perspective with an international focus and reach. Today, Swedish actors remain important stakeholders in projects, but they are not the sole focus of our projects, allowing for a wider span of change in behaviour across sectors and stakeholder groups. This change in focus aims to increase the likelihood and sustainability of results for rights holders and underpin communities of practice. In parallel, Swedwatch's publications are primarily written in English and sometimes translated into other languages, in order to increase local ownership of findings and results and to promote broader reach and impact. Swedwatch is today part of several international networks and consortiums which further allows the work of the organisation to be shared and spread internationally.

This shift in focus was described in a new strategy (Swedwatch Strategy 2019 - 2023) and Theory of Change that was developed at the end of the previous funding period (2015-2020). The strategy also defines the thematic focus of the organisation, including three long-term goals. With the new strategy, the organisation's mission has also been broadened from previously primarily involving research work, to today also focusing on, among other things, dialogue with various actors and capacity-building and exchange initiatives.

Notably, the final evaluation of Swedwatch's 2015-2019 programme found that *“By implementing a more long-term perspective and putting more focus on rights holders and the poverty perspective, as well as by looking at international companies, rather than limiting to Swedish companies, the organisation can contribute to an international dialogue on business, human rights and the environment and, as such, have a greater potential to influence.”* This is a significant shift from earlier work, where Swedwatch focused mainly on dialogue in relation to specific cases.

New organisational structure

In order to mirror Swedwatch's significant strategic and operational changes, a decision was taken to implement a new organisational structure at the Secretariat. Swedwatch had undergone large strategic and operational changes but the organisational structure and many of the steering documents had remained largely unchanged since 2003, The structure no longer mirrored the organisation and was creating inefficiencies and impacting the work environment. The structural changes made to the organisation, including internal structures, processes, and guiding documents, were informed by Swedwatch's strategy, support from Sida's help desks, and findings from third-party

external evaluations, together with Swedwatch's planning, monitoring, evaluation and learning (PMEL) processes and internal reviews.

A new organisational structure was decided on 1 March 2021 and staffed by September 2021. The new structure at the Secretariat meant above all that researchers/project managers were divided into two thematic units that link to two of Swedwatch's long-term goals. A new role was created aimed at coordinating and strengthening both units' work on the third long-term goal connected to civic space and HREDs. Furthermore, in line with Swedwatch's ambition to work more strategically with communications advocacy and to increase our visibility towards key targeted stakeholders, a unit focussing on Outreach and Advocacy was created. Since March, focus has been placed on operationalising the new structure – including through recruitments and the establishment of an organisational development plan. Priority areas include planning, MEL, coordination and communication with Member Organisations, and sign-off routines. Fully integrating the changes, including in its coordination with the Board and Member Organisations, will continue into 2022.

Swedwatch Board priorities 2021

In May 2021, a new Board was elected for a period of one year and based on the recommendations of the Board elections-committee. Maria Larsson was elected as Board Chair and Sofia Hallonsten was elected as vice-Chair. The Board appointed Sofia Stenfeldt as its work environment focal point. The Board met a total of 10 times over the course of 2021. For the first time ever two of the newly elected Board members were independent from the member organisations and they could contribute with new perspectives on the organisation. Similarly, to Swedwatch as an organisation, the Board has undergone a significant change the last five years and with many new Board members it was time to address its changing role. The Board has undergone board training and has thus placed significant efforts on reviewing its role in Swedwatch's work. Following the Board training discussions have continued on the different roles of the Board and the Secretariat. Swedwatch's authorized public auditor has contributed to clarifying the distinction between the Board's responsibility to decide on what to do and the Secretariat's on how to do it. Discussions continue into 2022. Hopefully this work will result in a clear allocation of the responsibilities and effective coordination between the Board and the Secretariat leading to better processes and a base for the new strategy work starting late 2022.

Other discussions were held on risks management (setting a working group in 2022), reviewing its Equality policy and its statutes and bring forward a policy on accepting new member organisations.

Work currently being undertaken by the Board that may impact Swedwatch's work will be synchronised at Secretariat level. Priority development processes, all or in part, that may be impacted by Board-decision and that have been identified as priorities for organisational development regarding for example, communication and coordination with member organisations, strategy review, planning process – have been paused at such a time when the Board has reached a decision regarding roles of the board and role of the secretariat.

Strengthening systems and routines for PMEL

The strategic changes and changes in operations has also impacted the project scope and implementation. The new intervention strategies mean a shift to a more long-term engagement and follow up of cases of human rights and environmental violations. This has created a need for new systems and routines for PMEL connected to project implementation. During 2021 new routines and templates have been introduced for project planning. A current revision of partner agreements is also taking

place. Work also remains when it comes to monitoring routines and aggregation of results. The purpose of strengthening the systems and routines for PMEL is to increase the quality, efficiency, and knowledge sharing within the organisation and to ensure continuity within projects.

Adaptations to the Covid-19 pandemic

The ongoing pandemic has continued to impose challenges to parts of the operational work. The possibilities to conduct new *research and investigations* have been limited due to the travel restrictions and health risks related to travelling, both for Swedwatch staff as well as local partner organisations. Different mitigation measures, such as lockdowns, have also impacted the possibilities for local partners in some countries to conduct activities. The travel limitations have also to some extent affected other parts of our operations such as the *dialogue and engagement*, as the research and investigation forms the basis of that work. The pandemic has most likely contributed to a faster shift when broadening the intervention strategies of the organisation. During 2021, we have, for example, increased the number of outputs in the form of policy papers, policy briefs, video clips, press releases etc, translating the experiences of local project partners and rights holders into awareness-raising activities on a more regular basis than before. We have also increased our engagement in international and regional networks, trying to connect our local work with the global level. The limitations when it comes to new research and investigations has also allowed time for follow up on previous research and for more long-term and strategic planning.

We have also seen other positive outcomes such as increased outreach of online capacity building. The widespread use of online meetings and seminars has also made it easier to involve rights holders in dialogue meetings taking place in Sweden and globally. These positive effects are a part of our learning, and online capacity building and outreach activities will continue to form an even more important part of our work once we hopefully take up our normal working routines again in 2022.

Outreach

As part of the organisational review, Swedwatch's communications department was transformed into the Outreach & Advocacy Unit, a title that better reflects the communications work that Swedwatch generally conducts. The unit provides expertise and perspectives to Swedwatch's projects, and is responsible for social media channels, website, media relations, messaging, op-eds and articles. In late 2021, the unit initiated the work to update Swedwatch's communications strategy, which will continue into 2022 and include a digital strategy and brand values. Simultaneously Swedwatch recruited a new media manager/communications specialist as part of the aim to increase Swedwatch's visibility towards key targeted stakeholders.

With the aim of extending its reach and to being able to present Swedwatch's work and results in a more comprehensive and up-to-date manner, Swedwatch initiated the work to update the website, making the site more attractive and user friendly, which may broaden Swedwatch's reach. An increased ability to build and run digital campaigns was also an important feature of the new web platform. In January 2021, parts of the upgraded website was launched, whereby new content could be published in a more accessible way, the report [Murky Waters](#) being one example. The website upgrade continued over the year and into 2022

Going forward, Swedwatch will continue its work to increase the organisation's visibility towards key targeted stakeholders, both through the dissemination of statements or report findings and recommendations and through an intensified presence in social media and traditional media. Swedwatch will also review its written and digital outputs to secure more timely, agile, and proactive

communication with the general public and targeted audiences. An important part of this work is the development of thematic communications strategies which will allow Swedwatch to respond faster to developments in the business human rights and the environment (BHRE) field. Swedwatch will also continue to invest in capacity-building trainings to support local partners in the Global South.

Fundraising

Another main priority for the organisation is the diversification of funding. It is of utmost importance that Swedwatch increase and diversify its funds in order to ensure the sustainability of the organisation and its results. This work has been strengthened by the recruitment of a Development Coordinator that will help to strengthen the strategic work and processes connected to our fundraising. The focus of this work is to develop relationships with existing donors as well as attracting new institutional donors. Strategic aspects that are being developed include identifying and developing strategic relationships with other NGOs, INGOs, research institutes and academia as well as looking at how to increase the visibility of the organisation. During 2021, the organisation submitted four applications and was granted funds from the Folke Bernadotte Academy (FBA), United Nations Environment Programme (UNEP) and Both ENDS (Bulb Foundation). We also supported local partners to develop a project proposal for Canada Fund for Local Initiatives in Thailand in February 2021.

Member organisations

In spring 2021 Swedwatch welcomed We Effect as it's new, and seventh, member organisation. With a focus on the right to food and empowering rights holders in rural areas, We Effect connects with 3,7 million people across the globe through its local partner organisations.

Swedwatch has an active collaboration with its member organisations. Collaboration with member organisations has increased significantly since 2014, and Swedwatch is aiming to strengthen this cooperation even further. As part of Swedwatch organisational development, and as a result of work done by the Board to separate Board representation from member organisation representation with an aim to ensure Swedwatch independence, Swedwatch began a review of how to best coordinate work and synergies. Ongoing specific work includes, for example, joint outreach on relevant topics, both in Sweden but also at European level. Going forward, we are aiming to establish improved channels for continuous exchange between Swedwatch and member organisations, to make sure synergies and joint awareness-raising opportunities are continuously identified and addressed. Other forms of collaboration include capacity building on BHRE, where Swedwatch sees great potential and possibilities to positive impact through the several hundred CSOs in the Global South connected to the member organisations. Engagement with member organisations and in other strategic partnerships is also related to Swedwatch's efforts to increase our outreach and visibility towards key targeted stakeholders.

4. Progress towards goals/objectives, January – December 2021

This section highlights key activities and outputs as well as results captured between 1 January 2021 and 31 December 2021 in relation to Swedwatch's long term goals; Responsible and equitable management and use of natural resources; Sustainable and fair global supply chains; Empowered rights holders and expanded civic space. The fourth chapter addresses work on BHRE regulatory frameworks relevant to Swedwatch's three long term goals, and the fifth chapter covers activities and results targeting Swedwatch's secondary stakeholders.

4.1 Responsible and equitable use of natural resources

As an accredited organisation both with the UNEP and the UN Economic and Social Council (ECOSOC), Swedwatch continued to participate in international and regional consultations and fora throughout 2021. This has provided Swedwatch with access to information, opportunities to build networks and provide input into ongoing policy discussions based on expertise. Swedwatch continues to engage in the Major Groups and Stakeholders discussions surrounding upcoming international conferences on environment during 2022 (UNEA 5.2, UNEP@50, Stockholm+50).

Swedwatch has also engaged in discussions with Swedish civil society actors through Concord Sweden's Stockholm+50 working group. Swedwatch is in dialogue with local project partners and member organisations including Afrikagrupperna, We Effect, and Swedish Society for Nature Conservation (SSNC) (*Naturskyddsföreningen*) to organise side events and joint communications activities affiliated with Stockholm+50 to address critical issues on human rights and environmental due diligence.

In addition, Swedwatch participated in food systems dialogue organised by Swedish International Agricultural Network Initiative (SIANI) and Sida in April 2021, and further submitted information to a call for [input](#) on the Global Food System on Human Rights.

Financing a just transition to a low-emission and climate-resilient development

Issue description

Changes in the Earth system including climate change and biodiversity loss have pushed the Earth's climate system and environment towards dangerous tipping points, risking compromising ecological systems, the livelihoods of entire communities as well as economic development. Climate impacts are and will be felt disproportionately by those already living in poverty, particularly women and girls. Climate extremes (e.g., droughts) can significantly increase the risk of conflict, especially in low-income countries, and increase poverty. Social and economic factors are likely to render women and girls more vulnerable to climate change.

At the same time, while there are synergies when addressing climate change and other social and environmental issues, the transition to a climate resilient and sustainable future poses challenges in other environmental areas as well as to social inclusion, decent work and poverty eradication. Potential conflicts between the climate transition and other social and environmental issues include job loss in certain sectors, increased environmental impacts due to the extraction of metals and minerals necessary for the decarbonisation of energy systems, and impacts on communities of large-scale renewable energy projects. Hence, it is important that actions to mitigate climate change take place with respect for human rights, do not cause significant harm and are just. Swedwatch works to mainstream just transition in climate and environmental issues as they relate to business, which

includes research highlighting the climate in relation to BHRE, for example green investments and stakeholders' adherence to the Paris Agreement.

Business actors, financial actors, and international public finance institutions, have a responsibility to ensure that their activities do not cause or contribute to harm the environment, and to encourage the development of environmentally friendly technologies, as outlined in the UN Global Compact. The Paris Agreement also defines a clear role for private actors, mentioning explicitly the importance of the participation of the private sector in achieving states' climate goals. In addition, Article 2.1(c) of the Paris Agreement adopts the goal of "making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development" thus delineating a clear role for financial actors including international public finance institutions in climate change mitigation and adaptation.

Activities and results 2021

During 2021 several activities were conducted to advocate for the shift of financial flows towards clean energy and investigate the role and responsibility of financial actors in addressing climate change. Activities were also organised to make financial flows consistent with climate-resilient development in a just transition perspective, in particular with focus on export credit agencies in Sweden and abroad.

In Sweden, Swedwatch has built on the work initiated with the report [Up in Smoke](#) published in September 2020 and has been highlighting the need for a complete phase out of fossil fuels from export credits. The work has been conducted in collaboration with the South African environmental justice organisation Groundworks and member organisations SSNC and Afrikagrupperna. Efforts have included several meetings and written input to Exportkreditnämnden (EKN) and Svensk Exportkredit AB (SEK), as well as meetings with political parties and officials at the Ministry of Foreign Affairs (*Utrikesdepartementet*) and at the Ministry of Climate and Environment (*Miljödepartementet*). This led to a [motion](#) being presented in the Swedish parliament asking for a complete phase-out of fossil fuel related projects from export support. Swedwatch's work was covered by media outlets including Swedish Public Service Television news [SVT Rapport on February 2021](#).

A [policy brief](#) was published in September 2021 detailing arguments for a complete phase out of fossil fuels from officially supported Swedish export credits. In October 2021 EKN and SEK reviewed and updated their sustainability policy establishing further limitations regarding export support to fossil fuel related projects. The policy change follows years of constructive dialogue with EKN, SEK, Swedwatch and the SSNC on how the Swedish export credit system should govern export support to fossil fuels. In November 2021, a roundtable was organised with stakeholders including EKN, SEK, the Ministry of Foreign Affairs, researchers, and representatives from the trade unions, to discuss themes related to just transition as presented in the policy brief. Swedwatch also authored together with the SSNC [a letter to the Minister of Foreign Trade](#) advocating for Sweden to back an [international policy initiative](#) at COP26 committing governments to accelerate the green transition through international public finance and export credits. The Swedish government subsequently joined the initiative.

Outside of Sweden, Swedwatch collaborated with other NGOs to influence international public finance and export credit policies at the OECD level (through OECD stakeholder meetings, and through engagement with the European Commission as a negotiating party at the OECD), as well as in Denmark and the United Kingdom, by responding to stakeholder consultations on new climate policies. In addi-

tion, Swedwatch contributed to research and outreach activities authored by other NGOs in the context of the International Ministerial Conference on Export Credits “Export Finance for Future”, e.g. the policy brief [Export finance for the past or the future?](#), a [website](#) on fossil free export credit agencies.

Lessons learned and going forward

Bringing about change in international public finance can be challenging due to an unwillingness to change trade policies which can create jobs and economic growth as well as for the poor public awareness of issues concerning export credits and other international public finance areas. Building relations while engaging in dialogue with government authorities, politicians, and export credit agencies, and balancing constructive dialogue with exposure of policies shortcomings is key to advancing goals and contributing to behavioural change.

Looking ahead Swedwatch’s work on export credits will focus on advocating for more progressive international and European frameworks regarding export credit policies and climate change. Specifically, engagement activities will be held at the European Commission (DG Trade) in order for the EU to adopt a level playing field regulation in the area of climate and export credits.

Swedwatch is also in the process of starting a new project with a local project partner in Kenya to highlight the importance of a rights-based approach to climate change mitigation. Amongst the focus areas of the project are capacity-building of local communities, and the identification of renewable energy and extractive projects with adverse environmental and social impacts.

Local and global impacts of pharmaceuticals in the environment

Issue description

Since the 1990’s, the pharmaceutical sector has rapidly globalised, and India emerged as the world’s largest provider of patent expired essential pharmaceuticals or generic drugs. The pharmaceutical industry’s pollution in India has been described as a form of “slow violence” that particularly victimises socially and economically marginalised populations including the Scheduled Castes, and especially women and children. While local authorities in manufacturing hubs like Hyderabad have failed to ensure sustainability in pharmaceutical production, importing countries and regions such as Sweden and the EU have not sufficiently sought to address the situation or used leverage to push for human rights and environmental due diligence. Release of pharmaceutical residue and other substances used during the production of medicines into the environment continues to have negative health and environmental impacts in nearby communities. Manufacturers and distributors of medicines do not publicly release information on total volume of effluence released into the environment on an annual basis. Public authorities including authorising agencies such as the European Medicines Agency and other national competent agencies such as Swedish Medical Product Agency also do not assess and provide public access to environmental information surrounding the release of pharmaceutical discharge that occur during the production of medicines. As a result, environmental pollution from manufacturing of medicines continues without abatement.

We can however see a rising interest in supply chain transparency among consumers and private sector actors demonstrated in Sweden through the introduction of consumer branding “Välvald.” This was adopted in February 2021 by the Swedish Pharmacies Association to distinguish manufacturers that have commitment towards environmental sustainability. At the moment, the criteria for the branding are limited and merely include presence of sustainability reporting by manufacturers and their membership in the Pharmaceutical Supply Chain Initiative. This is due to the lack of an industry-wide standard on pharmaceutical discharge from manufacturing. The head of the Swedish Pharmacies

Association has highlighted the role of consumer interest in environmental sustainability in Sweden as a driving factor behind the initiative.

Activities and results 2021

Building on a series of work in Europe during 2020-2021, Swedwatch continued to increase public awareness on the issue of environmental pollution associated with pharmaceutical manufacturing at the European level. Activities during 2021 sought to focus on raising awareness of key stakeholders including policy makers, public procurers, and consumers. We also focused on advocating for changes in policies surrounding transparency of environmental information in the pharmaceutical sector, including the revision of pharmaceutical legislation in the EU.

Both media and academics took note of Swedwatch's work on the issue. Boston-based news outlet STAT news, which specialises in news content relevant to the health sector, interviewed Swedwatch for an article on human rights and environmental due diligence in January 2021. In February 2021, Uppsala University in Sweden announced a new free-standing course on, pharmaceuticals in the environment and asked Swedwatch to provide a lecture in October 2021 drawing on the [Health Paradox](#) report. Given the success of the course, Swedwatch was re-invited to provide another lecture in March 2022.

Swedwatch further contributed to public consultation processes for the EU Commission's general pharmaceutical legislation in April and November 2021. Swedwatch also published a [policy paper](#) in November 2021 that called for a strengthened oversight to mitigate and control industrial emissions that occur during the production of medicines. The paper called for an increased transparency of supply chain and environmental information in the pharmaceutical sector. The paper was further used in engagement for increased transparency in the sector during a [joint online seminar](#) organised with the Swedish National Agency for Public Procurement on 25 November 2021. Swedwatch invited an academic expert and a community activist from India to the seminar, which was attended by a wide range of participants from public actors, civil society organisations to businesses.

Lessons learned and going forward

Activities and results from 2021 highlight the importance of building on a study to continuously raise awareness of various actors in the supply chain. It also highlights that advocacy for changes in policy take time and requires a long-term intervention perspective. Development of a policy paper, and a joint seminar focusing on transparency issues also highlighted the importance of collaborating with a range of experts as well as rights holders to capture the attention of policy makers, as well as industry actors.

Technological improvement and people's familiarity to online seminars during the last two years of the pandemic have enabled Swedwatch to organise digital events involving various actors including rights holders in the Global South, as well as experts and policy makers in the Global North. While some technological barriers and inequity of access to technological infrastructure remain, online events when well designed and targeted have also allowed for rights holders to reach a wider audience.

Impacts of natural rubber processing in Liberia

Issue description

Industrial pollution takes many forms. It contaminates sources of drinking water, releases unwanted toxins into the air, and reduces the quality of soil. Swedwatch has since its foundation examined cases of business conduct that incur industrial pollutions, threatening the right to a healthy environment.

The pollution of air, water, and soil not only threatens the lives of community members, but also violates their basic human rights including access to clean water, food, good health, and livelihood. Protection of the environment from harmful toxins is thus essential in safeguarding basic human rights and ensuring equitable management and use of natural resources. During 2019 and 2020, Swedwatch conducted research on the business operations of the natural rubber company Firestone Liberia, investigating the impacts on local communities from rubber extraction and processing. The research was conducted in close cooperation with scientists from the international NGO [Source International](#) specialising in quantitative data collection as well as local project partner [Green Advocates](#), Liberia's first and only public interest environmental law and human rights organisation. Communities living in Firestone adjacent areas claimed that pollution of the Farmington River had affected the quantity of water available for daily use, such as drinking, cooking, and washing and was causing severe air pollution in form of strong odour. The research included surface water sampling and analysis, as well as air monitoring, providing data on the quantity of suspended outdoor dust and other air pollution, as well as the concentration of outdoor odour. The research results outlined scientific evidence of the pollution that local project partners had been reporting for years.

Activities and results

In the context of the 5th UN Environment Assembly in February 2021, Swedwatch organised a webinar on occasion of the launch of the report [Murky Waters - Environmental and human rights impacts of natural rubber processing in Liberia](#). The event was attended by around 100 representatives of states and intergovernmental organisations, businesses, and civil society, with speakers including the UN Special Rapporteur on Human Rights and the Environment and representatives from local project partners, thus contributing to awareness raising across sectors. Representatives of companies reached out after the event to express their appreciation for the information shared and knowledge gained.

Further to the report publication, Swedwatch engaged in dialogue with Swedish investors in the parent company of Firestone Liberia, Bridgestone America during the spring of 2021. In meetings with Skandia, SEB, and the Council on Ethics of AP funds, Swedwatch shared research findings and recommendations. The research, report and investor outreach led to responsible investment advisor and service provider ISS ESG taking up company engagement with Bridgestone America.

Furthermore, following engagement with the UN Special Rapporteur on Human Rights and the Environment in the context of the report launch webinar, affected communities and the local project partner Green Advocates International decided to submit an official complaint to the UN regarding the business operations of Firestone Liberia. Over the course of 2021, Swedwatch has supported the local project partner in UN engagement and will support the compilation of the official complaint.

Lessons learned and going forward

The project was the first time Swedwatch engaged in efforts to set up community-based monitoring. While full scale community-based monitoring as an instrument has the potential to enable local ownership of information and devise effective tools for communities to seek rightful grievances, it is also resource intensive and by its very nature needs to be context specific to achieve results. Going forward, Swedwatch may selectively seek to collaborate with external organisations to carry out baseline environmental studies and promote setting up community-based environmental monitoring in partnership with other, ideally country-based, organisations. Swedwatch could for instance potentially facilitate to set up community-based environmental monitoring in close coordination with external organisations where there is a need in the community, and we can identify a strong local partner.

Environmental Peacebuilding

Issue description

More than a billion people are affected by violent conflict around the world but the vital role of business in fuelling conflict – or sustaining peace – is often overlooked in peacebuilding efforts. Tensions created by economic activities are often linked to the exploitation of natural resources. If unaddressed or not sufficiently sensitive to conflict dynamics, impacts from business operations can increase the risk of conflict. In recent years, Swedwatch has worked to increase the recognition of business in peacebuilding in high-risk- and conflict-affected settings. If conducted responsibly, businesses can contribute to peacebuilding efforts by boosting the economy, creating new jobs, and increasing social cohesion. However, local communities often experience adverse environmental- and social impacts, as well as increased social tensions, in areas where companies operate or where large-scale land concessions have taken place.

During 2021 a part of Swedwatch's work around environmental peacebuilding has been focused on Sierra Leone and Liberia. In these fragile post-conflict contexts business interests have a history of fuelling violent conflict – especially in connection to natural resources. Both countries have a high number of people living in poverty, with some impacts from the civil wars and the Ebola crisis still noticeable. Additionally, both countries face high exposure to ecological threats, according to the Ecological Threat Registry 2020. With an abundance of natural resources like gold, rubber, forestry, palm oil and minerals, foreign direct investment (FDI) and private investments play a large role in development strategies from the government and private actors.

In high-risk areas, women often lack access to natural resources like land, water sources, forest, food and minerals, as well as access to redress mechanisms and decision-making. Human rights- and environmental defenders that speak up or seek redress for adverse impacts from business operations often face resistance, reprisals, threats, or violence when holding business actors, investors, and authorities accountable. Women face the same obstacles as men, but additionally also face sexual and gender-based violence, harassment and discrimination when speaking up.

Activities and results 2021

Swedwatch has continued to explore the business-and peacebuilding nexus and works with addressing issues around business, human rights and peacebuilding in a number of ways, including awareness-raising and education, network building, dialogue, research and mapping, as well as capacity-building for local communities impacted by business operations and large-scale land concessions.

In early 2021, Swedwatch presented findings on the link between human rights impacts of business operations and social conflict to an audience of business and civil society actors. The webinar “A checklist process is not an option - What efforts to influence company behaviour”, organised by FriEnt, CDA, and International Alert, provided an opportunity to further improve the capacity of business actors, including financial service providers, to work towards policy coherence and thus decrease negative impacts on social conflict, sustainable development and human rights.

In May 2020, Swedwatch joined the CSO network Environment, Climate, Conflict and Peace (ECCP) which aims to improve and expand the reach of both peacebuilding projects towards environmental and climate sensitivity, and environmental and climate projects towards peacebuilding sensitivity by fostering inter-institutional collaboration and dialogue. Throughout 2021, Swedwatch has been an active member of this network, continuing to further dialogue between CSO communities on the role of human rights and responsible business conduct in environmental protection, conflict, and peace.

Throughout 2021, Swedwatch planned and designed a roundtable on occasion of the 2022 International Conference on Environmental Peacebuilding on the role of responsible business conduct in natural resource management (1-4 February 2022). As a contribution to this roundtable, Swedwatch in 2021 developed an animated short film on the role of business in environmental peacebuilding. The purpose of the animated short film is to raise awareness to a wider audience on the nexus between human rights, business activities, sustainable natural resources management and peacebuilding. Leading up to the 2nd International Conference on Environmental Peacebuilding, Swedwatch in cooperation with the Quaker United Nations Office and FriEnt also published a contribution, entitled “Environmental Peacebuilding: The case for human rights and conflict-sensitive approaches to business activities”, as part of a policy-oriented White Paper on the Future of Environmental Peacebuilding.

In spring 2021, Swedwatch initiated a one-year project on the impacts of business operations on women and women human rights defenders in the post-conflict settings of Liberia and Sierra Leone. This project is primarily funded by the FBA and the UNEP. Throughout 2021, the project has been executed in close cooperation with local project partners Green Advocates International in Liberia and the Sierra Leone Network on the Right to Food (SiLNoRF). Green Advocates International is Liberia’s first and only public interest environmental law and human rights organisation. SiLNoRF is a Sierra Leonean network of civil society organisations working on the right to food in Sierra Leone. The project aims to increase the capacity of women, women HREs and CSOs in communities affected by business operations and large-scale land concessions to understand their rights to land, natural resources, and human rights; and to improve awareness on how business operations impact conflict dynamics and social tension. Two training toolkits have been developed, aimed at increasing the knowledge of business impacts and human rights, as well as the capacity to report on business-related human rights violations and adverse environmental impacts. One cartoon-based toolkit was developed in the local languages Krio and Liberian Pidgin English to be accessible for women in local communities impacted by business activities. The second toolkit was more extensive and technical, aimed at CSOs operating in Liberia and Sierra Leone. This project continues throughout 2022, with research and mapping activities as well as outreach and information-sharing of findings.

Swedwatch has in the second half of 2021 started to strategise with other relevant stakeholders, including the Swedish CONCORD network, the ECCP and UN agencies, regarding an integration of the environmental peacebuilding approach in the upcoming UN Conference Stockholm+50. Efforts continue to raise awareness of the BHRE and peace nexus, including the submission of a side-event proposal in cooperation with other civil society organisations.

Lessons learned and going forward

Lessons learned include the need to be adaptive and have a close cooperation with local NGOs to reach local communities impacted by business activities with the right type of messaging. We adjusted our project plan throughout the project, as the need to adapt to different target audiences became clearer. For example, originally training materials were aimed at a more general audience, but in continuous discussions with local project partners, the messaging had to be divided into two parts – one for a CSO-audience and one for a non-English speaking audience in the local communities. This highlights the need for adaptability, in order to produce material that is well-adjusted to specific target audiences.

Another lesson is to continue speaking of rights-based approaches at all levels in connection to peacebuilding and sustainable and responsible business conduct. Last years’ work with international networks (ECCP and CONCORD) as well as NGOs in Liberia and Sierra Leone has made it clear that there is a need for an inclusive and rights-based approach to business activities and peacebuilding. This has

been especially clear in conversations with NGOs working directly with impacted communities. However, there is still a lack of connectedness between topics of human rights, the environment, business and peacebuilding in international fora. For further work, this underscores the need to strengthen Swedwatch's approach to connect rights-based and conflict-sensitive approaches to business operations and peacebuilding. It highlights the need to develop this messaging at the local level as well as the international level and in high-level fora.

4.2 Sustainable and fair global supply chains

Hazardous chemicals in ICT-manufacturing

Issue description

In the past years Swedwatch has done extensive work in the field of human rights in the supply chain of Information and Communication Technology (ICT). One of the main focus areas has been factory workers' exposure to hazardous chemicals. The manufacturing of ICT products like laptops, tablets and mobile phones is extremely chemical intensive and the substances used have been known for many years to cause a wide range of serious health effects, including cancer, nerve damage and miscarriages.

The project focuses on the Philippines, a country with a significant production of ICT components and finished products. The human rights situation in the Philippines is extremely complicated and the country is generally considered one of the worst countries in the world to be a worker. Only a few percent of the work force are unionised, and labour rights activists are subjected to threats, harassment and violence, including murder.

In January 2021, Swedwatch launched a briefing paper entitled Hazardous chemicals in ICT manufacturing and the impacts on female workers in the Philippines. The paper builds upon previous research into the situation of female factory workers in the Philippines. This research, published in the report Toxic Tech shows that workers are suffering from serious health issues, including cancer, nerve damage and miscarriages, after being exposed to hazardous chemicals. During the project, Swedwatch asked five global ICT companies with production in the Philippines (Apple, Dell, HP, Intel and Samsung) what steps they are taking to ensure respect for the human rights of the workers who manufacture their products. Since a majority of the workers in the sector are women and many of the chemicals used are particularly hazardous to women, the dialogue centred on gender sensitive human rights and environmental due diligence but also covered steps taken to address the extreme human rights situation in the Philippines.

After analysing the information provided by the companies, Swedwatch could conclude that the companies' approaches to human rights and environmental due diligence had considerable gaps. The gender perspective – which should be used to identify how female and male workers are differently affected by the exposure to hazardous chemicals – was largely lacking. The companies furthermore failed to provide information on how they are addressing the issues specific to the Philippines. Swedwatch called for the companies to strengthen their efforts to protect workers from hazardous chemicals. Furthermore, Swedwatch recommended that these efforts have a clear gender perspective that takes into account the context-specific factors of the Philippines that may prevent workers from enjoying their right to a healthy work environment and ultimately the most basic of human rights – the right to life and health for oneself and one's children. This work was previously funded by the European Union through the project Make ICT Fair, implemented together with a number of other European actors. Make ITC Fair ended formally in January 2021, but Swedwatch continues to address these issues and coordinate activities with the other actors involved in the previous project.

Activities and results 2021

In order to safeguard workers' rights and limit their exposure to hazardous chemicals, Swedwatch has had several approaches: enhancing the knowledge and responsibility among corporate actors, as well as among the public, and by developing health and safety trainings for workers, in cooperation with a local organisation in the Philippines. Swedwatch has also worked to raise awareness among public

procurers, a group identified by Swedwatch as particularly important to address the many human rights issues in the sector.

Findings from the research were presented to members of the European Parliament in January 2021 and at the international conference Mobile Social Congress. Findings were also presented at a special session of the Clean Electronics Production Network (CEPN) in March 2021 where several global companies were present (including Apple, Intel and Dell). Swedwatch is also acting as an NGO advisor in the work currently conducted by the CEPN focusing on improving worker safety regarding hazardous chemicals in the sector.

The human rights risks in ICT production and findings from the project were also presented for public procurers as part of a webinar series that Swedwatch conducted in collaboration with the Swedish Agency for Public Procurement, as well as the topic of a presentation at an event arranged by Kammarkollegiet and attended by more than 180 public procurers.

Swedwatch's research into the issue was featured in Swedish media, including in a UR documentary on the production of mobile phones and its impact on society and the environment. This fed into Swedwatch's objective to raise awareness among consumers.

During 2021 we have seen several important results regarding hazardous chemicals in the ICT supply chain that involves the companies addressed in the Toxic Tech report. In direct response to Swedwatch's research on hazardous risks in the ICT sector in the Philippines, Samsung reached out stating that it had engaged with its local supplier, work that reportedly resulted in improved internal processes to monitor and address workers' exposure to hazardous chemicals. This feeds into Swedwatch's objective to see increased transparency and improved commitments from business actors.

Another important result is that the Clean Electronics Production Network (CEPN) launched its program "Towards Zero Exposure" where Apple, Dell and HP commit to protect workers from exposure to hazardous process chemicals. Swedwatch has been acting as an NGO advisor in the development of the commitment program and the signatories were part of the research for the Philippines briefing paper. Furthermore, the commitments are in line with Swedwatch's recommendations put forward in the briefing paper as well as the Toxic Tech report. Two of the named chemicals to be banned are also chemicals that are explicitly named in the Toxic Tech report, notably toluene and DCM.

Together with the local partner, Ecumenical Institute for Labor Education and Research (EILER), in the Philippines, Swedwatch is currently developing an educational module, based on Swedwatch's research into hazardous chemicals and electronics, to raise awareness among exposed workers in the Philippines. The educational material, that has been drafted in local languages and is currently being tested on workers, builds upon the recommendations in the Swedwatch report Toxic Tech. The main purpose is to inform the workers of their rights according to the new law on occupational health and safety. Once the material is finalised, the plan is that the local partner will initiate trainings for workers who will then train their colleagues. The development of the educational module has been somewhat delayed, mainly due to Covid-19 and to factors related to the human rights situation in the Philippines but is expected to be completed in the first half of 2022.

Lessons learned and going forward

The global markets for devices such as smartphones, tablets and laptops are huge. The EU imports computers and electronic products worth billions of euros every year. The companies in this sector are some of the biggest and most powerful in the world, while many of the products are sourced from

countries with little respect for human rights and the environment. This striking imbalance in power complicates the work. The human rights situation in the Philippines means that any cooperation with local partners must be considered carefully to ensure the safety of both workers and CSO partners. Working in this extremely sensitive context has pushed Swedwatch to conduct deeper context analyses both when planning and designing projects, but also in implementation and communication. These experiences will be useful in the future capacity building work in the Philippines, but also when working in other sensitive contexts.

Public procurement: positively influencing suppliers with social criteria

As a substantial share of goods purchased are produced in developing countries where working conditions and respect for human rights may not be enforced, public procurers have a significant role to play in positively contributing to more sustainable societies.

Issue description

Items that are publicly procured include a wide range of products – from furniture and food used in public environments to construction materials and stone used for major infrastructure projects. At the same time, low wages, forced or child labour and excessive overtime are recurring issues present in the manufacturing of a number of product groups. Including social criteria in contracts with suppliers allows procuring authorities to contribute towards improved working conditions, poverty alleviation and greater respect for human rights throughout the supply chain. Despite this, many procuring authorities do not set social criteria, often due to a lack of knowledge about the risks of human rights abuses in supply chains, but also because there is a lack of legal requirements. Swedwatch has continued its work to increase awareness among public procurers on the risks inherent in global supply chains and to push public sector actors to take positive steps to identify and address risks in this regard.

Since 2007, Swedwatch has scrutinised public authorities' supply chains, disclosing severe impacts of child labour, hazardous working conditions, forced labour and pollution. Swedwatch's research has been a key driver for change in public policy and purchasing practices in Sweden, Norway and elsewhere. Today, Swedish Regions, which Swedwatch has repeatedly scrutinised, are frontrunners internationally in implementing and monitoring social criteria with refined systems in place to monitor supplier's compliance. Swedish and Norwegian contracting authorities have frequently referred to Swedwatch's research and scrutiny as the starting point of their work with social criteria. Today, purchasing authorities in Sweden, Norway, the UK, Belgium, Spain, Italy and elsewhere are strategically working to implement and develop social criteria and gain the attention of suppliers to improve their human rights and environmental due diligence processes.

Activities and results 2021

In 2021, Swedwatch has focused on developing a long-term strategy for public procurement. Swedwatch has met with several policy makers both nationally and on EU-level to discuss relevant policy and regulatory changes, to increase inclusion of social and environmental criteria in public procurement. The conclusions were that the EU procurement directive might be revised in the coming years, and if so, there is a great chance for advocating for sharpened sustainability measures on EU level. Sweden is, despite several development areas, together with a group of other European countries, seen as a frontrunner in sustainable public procurement, and there is an international interest in the Swedish model.

Simultaneously, we have also increased our efforts in distributing Swedwatch's research findings to public procurers, and to provide a platform for rights holders, and human rights and environmental

defenders, to communicate with public buyers. During autumn 2021, Swedwatch and the Swedish National Agency for Public Procurement organised a webinar series on risks in public procurement supply chains, building on Swedwatch's research and input from local stakeholders. The first webinar addressed risks in the electronics supply chain and Swedwatch's recent findings on the use of hazardous chemicals and its impact on female workers. The webinar featured, Daisy Arago, a trade union leader from the Philippines, who stressed the severe situation for defenders in the country. The second webinar addressed the impacts of Covid-19 on global supply chains, with the example of the garment sector, and featured the Bangladeshi trade union leader Babul Akter. The third and last webinar focused on risks within the supply chains of pharmaceuticals and featured the Indian CSO Gamana. The webinars were well-received and attracted around 200 participants in total.

During the year, important policy developments concerning sustainable public procurement have been initiated in Sweden. The National Agency for Public Procurement has been working on updating their standard contract clauses used for sustainable procurement to, in line with Swedwatch's recommendations¹, increasingly align them with the UNGPs and the expected EU legislation on mandatory human rights and environmental due diligence. Swedwatch has provided input to the process by participating in a reference group. Furthermore, the Swedish government in autumn 2021 published a memorandum in which it suggests making it mandatory to consider climate, environmental, and when relevant also social, aspects in public procurement. While Swedwatch has long advocated for stricter demands on public procurers in line with the suggested changes² and welcomes the suggested legal reform, there is a need to strengthen the human rights considerations and to clarify follow-up mechanisms and sanctions in the regulation. Swedwatch has collaborated with several Swedish civil society actors in order to increase leverage in arguing for the suggested changes and will submit a consultation response to the Government in January 2022.

Beyond that, Swedwatch has continued its work for sustainable production of pharmaceuticals, building on the report *The Health Paradox*, which addressed the impacts from unsustainable production and waste management in the pharmaceutical supply chain, an issue that is highly relevant to public procurers. For more information see section on Local and global impacts of pharmaceuticals in the environment.

Lessons learned and going forward

The public procurement webinar series was an effective way of disseminating knowledge from Swedwatch's existing research to public procurers, and of providing a platform for human rights defenders to speak directly to Swedish public procurers. Swedwatch will continuously evaluate opportunities to reuse the approach for other research outputs. The widespread use of online meetings and seminars has paved a way for rights holders in the Global South to speak directly to actors in Sweden, the EU etc, without travelling, and should be used frequently, also for other types of stakeholder engagement. In 2022, Swedwatch will continue to work for legal reforms to increase social and environmental criteria in public procurement, primarily in Sweden and in Europe. Swedwatch is also planning to follow up on previous research done on public procurement in the food supply chain, with the aim of reviewing the impacts of social criteria for rights holders in Southeast Asia.

¹ See for example, Concord: Barometer 2020, <https://concord.se/rapporter/barometer-2020-granskning-sveriges-politik-for-global-utveckling>, p 43

² Ibid.

Migrant workers

Issue description

There are approximately 270 million migrant workers in the world. These workers are vulnerable to a wide range of human rights impacts and Swedwatch has identified migrant work as an important strategic and multidimensional thematic area. The research and outreach on this issue builds upon more than 15 years of experience.

In the past the work has been focused mainly on the Gulf region and this work has achieved significant results. But Swedwatch's work will also branch into Southeast Asia, widening the geographical scope of activities related to migrant workers' rights considerably. In Southeast Asia, Cambodian migrant workers play a pivotal role, not least in Thailand's labour intense sectors of employment, such as food processing, electronics, agriculture, and fishing. These sectors of employment have strong ties to the EU market, with many EU businesses sourcing from Thailand. Many migrant workers employed in Thailand however risk falling victim to human rights violations such as debt bondage, discrimination, and violence. The Covid-19 pandemic has further exacerbated migrant workers already challenging situation.

Activities and results 2021

Considering that Swedwatch's work on migrant workers' rights has been focused on the Gulf region, considerable parts of this work has centred around the connections between major sports events and human rights. As part of this work Swedwatch has been calling on companies sponsoring sports associations to act on human rights risks associated with big sporting events such as the FIFA World Cup in Qatar. Swedwatch is currently working on a discussion paper on this issue. The paper will be published in the months leading up to the FIFA World Cup in Qatar and will outline the human rights responsibilities of corporate actors sponsoring major sporting events. The paper will be based on more than eight years of research into this area and contain updated recommendations for companies.

One important result in 2021 was that in line with previous recommendations related to sport sponsorships, major sports sponsor Svenska Spel committed to map and address human rights risks across its sports sponsorship activities, concretely by including such activities in the scope of its human rights and environmental due diligence (HREDD) processes. Svenska Spel provided Swedwatch with partial insight into its HREDD process and findings. After consulting The Centre for Sport and Human Rights at the Institute for Human Rights and Business (IHRB), Swedwatch concluded that the company has made considerable progress in the area. Although there is work left to do, Swedwatch recognises that the HREDD meets current expectations, and the company has made efforts to increase transparency. Considering that Svenska Spel is one of the biggest sponsors of sports associations and sporting events in Sweden, its efforts could push other actors to improve their human rights work.

During 2021, there was also considerable development with regards to migrant workers' rights in the tourism sector, because of previous Swedwatch work. One such step was taken by Hilton, that in 2018 was inspired by Swedwatch's report "Shattered dreams" to create a training module on how to identify and mitigate the risks of modern slavery in the hotel sector. Parts of the research had also been used in the training module itself. In 2021, Hilton shared this material with the entire hospitality industry. A version of this material was published on the Sustainable Hospitality Alliance website as an online training on the risks of modern slavery in labour sourcing. This is in line with Swedwatch's recommendations that companies should train managers to identify human rights risks related to migrant workers. This development shows significant maturity on behalf of both Hilton specifically and the hospitality sector in general, with regards to labour rights.

Recognising the widespread inequalities and abuses experienced by migrant workers in Southeast Asia Swedwatch contracted a researcher to conduct interviews with returnee Cambodian migrant workers. The researcher conducted five interviews, including the collection of video material. The interviews were conducted with support from a local NGO - Central Cambodia. The interviewees testimonies were used to create a five-part short video series documenting the labour rights abuses experienced by Cambodian migrant workers employed in Thailand. In addition to highlighting the migrant workers experiences the videos include a call to action for the EU to urgently adopt legislation on mandatory human rights and environmental due diligence to hold EU businesses accountable for human rights abuses in their global supply chains.

The first video was shared on the 17 of December 2021 ahead of International Migrants Day, with the series continuing during the first months of 2022. The video was promoted on Swedwatch's social media channels. To increase the reach of the video series two additional organisations – Central Cambodia and Diakonia – have been included as co-authors of the video series and have shared the videos in their own social media channels.

Initially Swedwatch had also planned to do follow up research on the previous report *Shattered Dreams – Migrant workers and rights violations in the Dubai tourism sector* where Swedwatch investigated the working conditions in hotels used by Swedish tour operators. Unfortunately, these activities could not take place during 2021 due the travel restrictions as well as difficulties in finding a local partner to collaborate with (civil society is basically non-existent in the region and unions are either formally banned or exceptionally weak).

Lessons learned and going forward

Swedwatch has identified a need for increased focus on migrant workers' rights and is in the process of developing a wider strategy on this issue. Swedwatch has hired a specialist researcher to provide support for the development of this strategy as well as build upon previous work by the organisation. This new strategy is currently under development but will widen the scope of the organisation's work into new sectors and geographic areas.

Access to remedy for rights holders: engagement on high profile cases

The historic indictment of two Swedish oil executives for involvement in war crimes committed by Sudanese armed forces between 1999 and 2003 during the civil war in Sudan, has put the spotlight on one of Swedwatch's key issues: The right to remedy for affected rights holders and the responsibility of investors with regards to remediation in connection with past investments. Swedwatch's previous research showed how many Swedish banks and pension funds were invested in the company at the time of the civil war in Sudan, or became shareholders afterwards, when the role played by the oil companies in the conflict was publicly known. Today, we call on both current and former investors to use their leverage to remediate the adverse impacts connected to Lundin Energy's operations, including by ensuring adequate compensation for the victims. Good practices exist in this regard: in 2020 Australian commercial bank ANZ agreed to compensate communities in Cambodia that were forcibly displaced by a sugar company which the bank loaned money to ten years ago.

Throughout the year Swedwatch has published several articles on this subject, both on the Swedwatch website and [externally](#). When the indictment came, in November 2021, a Swedwatch researcher was [interviewed by Dagens Nyheter](#) and it was highlighted in our own channels. The report *Fuel for Conflict*, published by Swedwatch in 2017 was also part of the indictment filed at the court.

Following Swedwatch's engagement with the UN Special Rapporteur on Toxics and Human Rights and other stakeholders concerning Sweden's responsibility regarding Boliden and the situation in

Arica, Chile, Swedwatch subsequently pitched the publication of criticism from multiple special rapporteurs to Ekot, Swedish Radio. As a result, Ekot did a series reporting on the subject³, including interviews with rights holders. Press agency TT picked it up as well as several other newspapers. Though not a direct result of Swedwatch's outreach, the media attention helped set the stage for an interpellation in the Swedish Parliament on the matter, addressed to Sweden's Minister of Environment. In October 2021, Swedwatch co-arranged and participated in a side-event to the Meeting of Parties of the Aarhus Convention, "Access to justice against corporate environmental harm in international context", together with the UN Special Rapporteur on Toxics and Human Rights, Franciskans International and Earthjustice, discussing the case of Arica and Boliden.

³ See for example: ; <https://sverigesradio.se/artikel/boliden-tillbakavisar-kritiken-fn-har-missuppfattat>; <https://www.svd.se/hard-fn-kritik-mot-bolidens-avfall-i-chile>

4.3 Empowered rights holders and expanded civic space

Issue description

Across the world, human rights and environmental defenders (HREDs) are subject to attacks and retaliation for raising awareness on adverse impacts of business operations as well as systemic issues relating to irresponsible business conduct and investment. HREDs face multiple forms of reprisals, including physical assault resulting in death or injury; harassment, both offline and online; as well as criminalisation of engagement in public protest and other activities. Women defenders are also targeted with gender-specific threats and violence, including sexual assault and rape, sexualised smear campaigns, questioning of their morals and roles as wives and mothers. Historically, the most dangerous business sectors for HREDs have been agribusiness, extractives, and renewable energy, with business operations typically occupying large areas of land and impacting natural resources and biological diversity.

Despite civil society organisations and international observers, including the UN Working Group on Business and Human Rights, repeatedly raising the alarm, threats to HREDs and civic freedoms continue to be on the rise globally. In September 2021 Global Witness reported that 227 land and environmental defenders were murdered in 2020 – the highest number ever recorded for a second consecutive year. The Covid-19 pandemic further exacerbated the situation. As the UN noted in April 2020, as governments took measures to limit the spread of Covid-19 – including restrictions on civic freedoms such as freedom of movement and of assembly – [risks to defenders have increased](#). Both state and business actors, including public investors and development banks currently investing heavily in efforts to overcome and mitigate the socio-economic crisis exacerbated by the global pandemic, need to put both people and the planet at the centre when trying to “build back better”.

Indeed, while states have a central responsibility and duty to protect human rights, businesses have a responsibility to respect such rights and therefore have an independent responsibility to ensure that HREDs can effectively and safely address adverse impacts linked to business operations, regardless of the states’ ability to protect HREDs. Further, states and businesses alike should take proactive steps to prevent, mitigate, and remedy business-related human rights abuses that target or impact HREDs. HREDs can in fact play a key role in enabling business actors to understand the concerns of affected stakeholders. Their participation in stakeholder consultations should therefore be actively promoted by companies. Meanwhile, potential risks to HREDs should be seen as a key component of companies’ due diligence duty to identify and assess human rights and environmental risks connected to their operations, and as such should be specifically included in mandatory human rights and environmental due diligence legislation currently under development.

Activities and results 2021

Throughout the year, Swedwatch’s work around defenders has focused on raising awareness surrounding the situation for HREDs, both publicly and in dialogue with business actors and policy makers, addressing systemic issues and underlying challenges faced by HREDs as well as facilitating increased capacities of HREDs and local project partners. Swedwatch considers facilitating capacity building and exchange for HREDs critical in expanding civic space and ensuring a rights-based and participatory approach. Overall, the situation of HREDs is addressed both through targeted activities for specific HRED groups and through consistent incorporation of the perspective and input of HREDs across all of Swedwatch’s projects, activities and processes.

Throughout 2021, Swedwatch continued to raise awareness amongst the business community of the risks to HREDs in the agricultural sector by means of stakeholder meetings and workshops. In spring

2021, Swedwatch held a workshop for Rainforest Alliance employees on threats and attacks against HREds in agricultural supply chains. Furthermore, Swedwatch engaged in follow-up dialogue with local partners in Peru relating to new grievances from rights holders affected by asparagus production in the Ica valley, resulting in calls to include local civil society in stakeholder dialogues. Experiences and lessons learnt were conveyed to agricultural business actors in several stakeholder meetings, including with European supermarkets purchasing fruits and vegetables from Latin-America.

As part of the project on the impacts of business operations on women and women human rights defenders in the conflict-affected settings of Liberia and Sierra Leone, Swedwatch produced two toolkits aimed at HREds. For more information see section on Environmental Peacebuilding.

Swedwatch further continued to facilitate access to international and regional fora for local project partners and HREds to further increase their capacities to raise awareness and harness relationships with international allies. Swedwatch facilitated the participation of two community leaders from Liberia in the 3-day West African Human Rights Defenders conference. The leaders of a community affected by natural rubber business operations were thus able to conduct dialogue with other HREds in the region and access information on HRED protection mechanisms.

Together with the Business and Human Rights Resource Centre (BHRRC) and the business association amfori, Swedwatch co-hosted an online [webinar](#) on the topic of addressing risks to human rights and environmental defenders in May 2021. Discussants included the vice-president of the European Parliament, a representative from Axfood AB, and a labour rights activist from India. The online seminar was attended by more than 180 participants, the majority of whom were members of the business community. Questions and discussion during the seminar indicated high interest among the private sector actors on the issues surrounding the rights of HREds. At the UN Forum on Business and Human Rights in November 2021, Swedwatch, BHRRC and the UN Working Group on Business and Human Rights, together with several other organisations, organised a webinar on the need of protection for defenders subject to SLAPP lawsuits. These are civil or criminal lawsuits brought, or initiated, by business actors that divert time, energy, and resources away from human rights defenders' vital work and infringe upon a range of human rights, including the freedom of expression and of assembly and association.

Throughout 2021, Swedwatch continued to address systemic issues underpinning challenges for HREds working to bring attention to negative impacts from business operations. In March 2021, the EU parliament officially adopted a report on the effects of climate change on human rights and the role of environmental defenders which included due diligence recommendations to business actors. Swedwatch provided input to the report, thereby contributing to improving relevant international frameworks for corporate responsibility. Furthermore, during 2021 Swedwatch coordinated the dialogue on Sweden's support to multinational development banks held between Swedish civil society and the Swedish Ministries of Foreign Affairs and Trade and highlighted the need to address increased risks to defenders during the Covid-19 pandemic. Through Concord's Civic Space group Swedwatch has also contributed to the updated version of the report "Tag plats" about the shrinking civic space for civil society. The report includes recommendations to different actors on how to promote civic space.

Capacity building of local partner organisations

Throughout 2021, Swedwatch continued to facilitate capacity building and exchange for HREds considered critical in expanding civic space and ensuring a rights-based and participatory approach. Despite the continued pandemic impacting Swedwatch's ability to hold BHRE trainings in person with local partners in the Global South, online trainings continued.

At the initiative of Act Church of Sweden (SVK), Swedwatch has conducted a series of capacity building workshops on BHRE for members of their regional partner Fellowship of Christian Councils and Churches in the Great Lakes and the Horn of Africa (FECCLAHA) since 2019. The workshop series has aimed to strengthen FECCLAHA members' capacity to research and report BHRE impacts affecting the communities where they work. Since then, several organisations have expressed an increased interest in developing their work within BHRE and some of them have even started planning or initiating a concrete project related to BHRE.

In responding to organisations' specific needs for more tailored support, Swedwatch, FECCLAHA and SVK developed and executed four workshop modules between September to December 2021, covering topics such as gender, conflict, natural resources, working conditions, and defenders. The workshop series was attended by FECCLAHA members in DRC, Kenya, South Sudan, Tanzania, and Uganda.

Participants improved their capacity to plan and identify relevant stakeholders and demonstrated an increased understanding of the importance of mainstreaming gender issues and conducting risk assessments throughout their projects. Further, some participants reported that they had incorporated these approaches in their work already during autumn 2021. One representative from Uganda Joint Christian Council (UJCC) reported that after the first module on stakeholder mapping and advocacy strategy planning, UJCC mapped the potential stakeholders to find new ways forward for a case where a community had been displaced due to a mining project. The organisation identified the district government as a potential ally and used the tools acquired during the Swedwatch training to reach out. The UJCC has already started working together with the district government to make a petition to the national government in order to secure compensation for the community.

[Lessons learned and going forward](#)

Digital formats such as online BHRE seminars and capacity building courses will continue to be part of Swedwatch's intervention strategies aimed at targeted stakeholders, even though participants have also stressed the need for physical meetings. Workshops for HREs and civil society organisations based in the Global South and conducted online in 2021 have been assessed as effective in reaching and working towards behavioural change of targeted stakeholders as well as increasing the reach of awareness raising and capacity building activities. Swedwatch is planning to continue support community-based organisations by expanding BHRE trainings to other countries and partner organisations.

Coordinating complementary work, identifying respective roles, and liaising strategically with national and international civil society and other relevant actors will continue to constitute a core element of Swedwatch's intervention strategies. In 2021, Swedwatch was elected both as a member of the International Land Coalition and the Steering Committee of OECD Watch which organises official dialogues between civil society and the OECD Working Party on Responsible Business Conduct. These platforms will further strengthen Swedwatch's ability to support HREs in raising international awareness of adverse impacts of business operations on human rights and the environment, both on a case by case and a systemic level.

The long-term engagement plan for continued work with human rights and environmental defenders, currently under development, will incorporate both elements outlined above. Facilitating capacity building and access to relevant fora will remain a central pillar of Swedwatch's engagement with HREs, contributing to strengthened capacities to conduct BHRE research and engage in dialogue with relevant stakeholders, such as policy makers and representatives of the business community.

4.4 Business, Human Rights and Environmental regulatory frameworks

Mandatory Human Rights and Environmental Due Diligence

For several years Swedwatch has been recommending a regulatory framework making human rights and environmental due diligence mandatory for the business sector. Mandatory legislation could potentially have an enormous impact for the rights holders Swedwatch aims to support. Several European countries have already adopted national laws making it mandatory for businesses to conduct HREDD. The Swedish government has decided to not present a national law but to wait for the EU-legislation to be adopted.

During 2021, Swedwatch continued to highlighter the need for the adoption of an efficient EU legislation on mandatory human rights and environmental due diligence for companies (by the EU called “Sustainable Corporate Governance”). During the year, Swedwatch has engaged in meetings with several stakeholders on the subject, such as the Ministry on Foreign Affairs and the Confederation of Swedish Enterprise. In January 2021, Swedwatch submitted a response to the European Commission’s consultation on Sustainable Corporate Governance. Among Swedwatch’s key asks is that a law should cover all companies and the entire value chain and ensure rights holders access to remedy. In November 2021, Swedwatch met with several actors based in Brussels, such as CSOs, union representatives and engaged MEPs, to discuss how Swedwatch and Swedish actors best can support the adoption of an efficient legislation. There was a desire amongst those present that the Nordic countries increase involvement and leadership in this area. The recommendation was that Swedish civil society should continue to highlight recommendations to the Swedish government.

Since autumn 2021, Swedwatch once again serves as the Swedish representative in the European Coalition for Corporate Justice (ECCJ), a coalition of over 480 civil society organisations in Europe advocating for accountability, transparency and justice for people affected by corporate abuse. Being the Swedish representative in ECCJ means that Swedwatch takes on a coordinating role towards other CSOs in Sweden working on these issues. ECCJ offers unique insights into and expertise on developments on corporate accountability within Europe, as well as access to decision-makers at the EU level. The information and support are highly valuable in work with Swedish and European decision makers. Being part of these types of networks also increases our possibility to engage in dialogue and positively influence regulations and policies.

Swedwatch is also actively engaging in Concord Sweden’s working group on business and human rights, as well as a smaller task force of Swedish CSOs especially focusing on the legislation, Swedwatch participated in different outreach activities targeting Swedish actors, such as an [open letter](#) to the Swedish minister of Trade, Anna Hallberg, published in Altinget. In March we signed a joint [letter](#) to Swedish MEPs ahead of the EU parliament vote on mHREDD and together with other members of CONCORD we wrote a [position paper](#) in June 2021.

The need for greater access to remedy is a driver for Swedwatch’s work, and our research outputs argue for increased accountability, and human rights and environmental due diligence. Leading up to 2022, when the European Commission is supposed to publish its proposal on the legislation, and to the Swedish Presidency of the Council in the first half of 2023, Swedwatch together with the networks and working groups mentioned above, will conduct several outreach activities, such as op-eds, strategic stakeholder meetings and seminars. Swedwatch is also actively working to ensure that the rights holders perspective informs the European legislative process on mHREDD.

OECDs Guidelines for multinational enterprises

The OECD Guidelines for Multinational Enterprises set standards for responsible business conduct across a range of issues such as human rights, labour rights, and the environment. During 2021, Swedwatch has continued to be actively engaged in the global network of civil society organisations, OECD Watch. They have around 130 members, in over 50 countries, that work to inform and advise the global NGO community on how to use the OECD Guidelines and its associated grievance mechanism to achieve corporate accountability and access to remedy for individuals harmed by corporate misconduct.

During 2021, Swedwatch through OECD Watch contributed to an assessment conducted by the OECD Working Party on Responsible Business Conduct (RBC), on possible gaps in the OECD Guidelines and whether they remain “fit for purpose”. The submission represents insights from over 250 civil society organisations gathered by OECD Watch through a large number of consultations.

The OECD Guidelines were originally drafted in 1976, but since then, OECD states have revised them several times to ensure they remain fit for purpose. In 2000, an important revision of the OECD Guidelines gave National Contact Points (NCPs) the mandate to serve as non-judicial complaint mechanisms handling claims of corporate non-adherence with the OECD Guidelines’ standards. In 2011, the most recent revision of the OECD Guidelines made other critical additions to the text, notably adding a chapter on human rights in line with the UNGPs, and language calling on companies to undertake supply chain due diligence to address risks and impacts to rights holders.

In the submission, OECD Watch concludes that the OECD Guidelines are falling seriously behind emerging challenges and improved RBC norms that have arisen over the past decade. The gaps in the text of the 2011 OECD Guidelines cause two practical problems. First, they create a lack of clarity and coherence in international standards on RBC, contributing to multinationals’ failures to undertake business responsibly. Second, the gaps in the standards as well as in the guidance for states’ establishment of NCPs diminish victims’ chances for remedy and accountability via the OECD complaint system.

During 2021, the Swedish NCP was subject to a peer review initiated by the OECD Working Party on RBC. Swedwatch contributed to the revision by sending written input as well as attending several meetings with the international delegation where gaps in the procedures of the Swedish NCP were highlighted, in particular the need to make the NCP more accessible to rights holders. The need to protect HREDS involved in NCP complaints was also raised.

4.5 Activities targeting secondary stakeholders

In this section we highlight activities and results in relation to Swedwatch's secondary stakeholders such as the general public.

Swedwatch BHRE-training for youth in Bangladesh

Activities and results 2021

In September 2021, Swedwatch organised a capacity building training on BHRE for students in Bangladesh. The training provided participants with an introduction to business and human rights, with an emphasis on human rights and environmental due diligence. Swedwatch initiated this intervention to address the knowledge gap among youth in Bangladesh identified during the 2nd UN-South Asia Forum on Business and Human Rights held in March 2021. During the UN Forum, all participating countries (Bangladesh, India, Nepal, Pakistan, and Sri Lanka) acknowledged the need for capacity building and awareness-raising activities on the UNGPs, particularly for youth.

Against this backdrop, Swedwatch developed a capacity building training for university students, providing them with knowledge on the UNGPs. The students were given the tools and capacity to monitor, push, and eventually, manage businesses to adhere to national and international rules and regulations on human rights and environmental risks within global supply chains. The training was facilitated in collaboration with a local partner, an expert in environmental development and law in Bangladesh. In total, 22 bachelor and master-level students from different fields attended the training.

An evaluation conducted after the training found that most of the students felt they had developed new knowledge and skills within BHRE that they considered beneficial for their future endeavours. The participants gained an increased understanding of businesses' responsibility to respect people and the planet through the UNGPs lens. The participants also mentioned that they would take the knowledge forward by sharing it with their friends and peers and explore the concept and implementation process of UNGPs further through their education and professional work. Below are some quotes from the students who participated.

"Since I have a law background, I had some idea about human rights and grievance. But, their interpretation, particularly along with business, was fantastic to know and understand."

"The session on grievance mechanisms was most useful to me for my work going forward. Since I am a graduate in international business, this session made me understand its importance in different factories. In the future, I will focus on this part a lot more."

"I loved the multidisciplinary approach from Swedwatch. The training modules introduced me to many international guidelines on human rights and environment related to business which would be greatly beneficial for my career as a textile engineer."

With the positive response received from the participants in Bangladesh, Swedwatch sees a possibility for the training to be a recurring activity organised for new youth groups. Trainings could be given to other universities, young professionals employed in the private sector, or government authorities. During 2022, Swedwatch plans to further streamline and package its BHRE trainings and to explore opportunities to partner with local educational institutions and replicate the same or similar capacity building activities.

Other trainings/lectures

In March 2021, Swedwatch delivered a lecture on land and tenure issues in Southeast Asia for Contemporary Southeast Asia course at Lund University. The aim was to highlight the context of agricultural transitions and issues of land rights, and how they affect people's livelihood. Swedwatch also contributed as a discussant to an online seminar hosted by King's College in London titled, Power Interplay (Re)shaping the Politics of Value in Mekong Hydropower. Here the aim was to highlight the importance of human rights and environmental due diligence in the development of hydropower.

In April 2021, Swedwatch organised two lectures for students enrolled at the KTH Royal Institute of Technology on human rights and sustainability in the global supply chain. The lectures were attended by a total of 67 students. Swedwatch lectures to KTH students on human rights and sustainability in the global supply chain helped raise awareness among the general public – including students and young consumers – and contributed to our objective to create an enabling environment to hold business actors accountable.

In November 2021, Swedwatch delivered a lecture on human rights and sustainability in global supply chains for Globala Gymnasiet in Stockholm. The lecture specifically focused on the supply chain of ICT products helping to raise awareness on the human rights and sustainability issues for these products. The lecture was attended by 85 high school students. This activity further contributed to raise awareness among the general public and to Swedwatch's objective mentioned above.

These outreach activities exemplify new platforms and opportunities for Swedwatch to showcase rights holders' perspectives and experiences and facilitate discussions with a broad range of stakeholders. It demonstrates the importance of coordination with new actors to reach a wide range of audiences, as well as improving Swedwatch's profile.

Educational material: Vad kostar din tröja?

In 2018, Swedwatch produced a magazine and educational material for young consumers in order to raise and increase their awareness on human rights risks and impacts associated with the consumption of different goods and services. The project was funded by the Swedish Consumer Agency as part of the implementation of the Swedish Government's strategy for sustainable consumption. The material, which consists of a magazine entitled *Vad kostar din tröja?* and a teacher's guide, targets young consumers and includes cases on how the textiles, electronics, food and travel industries may impact negatively on human rights and the environment. In March 2021, Swedwatch launched an updated *digital* version of the educational material "Vad kostar din tröja?" at Swedwatch webpage. The material has been disseminated through our social media as well as teacher forums, including Gratisiskolan.se and reached more than to 20 000 students.

4.6 Contributions to the 2030 Agenda

Private and financial sectors represent both significant opportunities but also challenges, in the achievement of the Sustainable Development Goals (SDGs). The 2030 Agenda clearly outlines that private sector actors must ensure that, for example, labour rights and environmental standards are adhered to in accordance with relevant international frameworks and agreements. By working to empower rights holders, and to promote responsible business practices, Swedwatch during 2021 has contributed to the SDGs for example in the following ways:

SDG 3 Good Health and Well-being: In 2021, Swedwatch has addressed negative health effects related to business activities in a number of countries and sectors, such as women workers in the ICT supply chain, migrant workers in Thailand, local communities affected by natural rubber processing in Liberia and local communities impacted by pharmaceutical production in India. We have seen several important results during 2021. In direct response to Swedwatch's research on the ICT supply chain, Samsung stated that engagement with its local supplier had resulted in improved internal processes to monitor and address workers' exposure to hazardous chemicals. The Clean Electronics Production Network (CEPN) launched its program "Towards Zero Exposure" where Apple, Dell and HP commit to protect workers from exposure to hazardous process chemicals. Swedwatch actively contributed to the development of the program in its role as advisor. Increased capacity of rights holders in Liberia has led to a UN complaint being developed by local actors on pollutions from natural rubber processing operations and the negative human rights and environmental impacts. Providing scientific data on the impacts on rights holders furthermore increased awareness among investors and has led to the responsible investment advisor and service provider ISS ESG taking up company engagement with Bridgestone America. Through these examples Swedwatch contributed to SDG 3 and more specifically to target 3.9 "By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination."

SGD 5 Gender Equality: Swedwatch applies a gender perspective in all its project work with the aim to contribute to gender equality through all our operations. Activities conducted in 2021 include highlighting the BHRE impacts on women and girls, and facilitation of participation of women in dialogue and engagement forums. One example is our work on business and environmental peacebuilding, where we have been addressing the situation of women and women HREs in Liberia and Sierra Leone, aiming to increase their capacity to understand their rights. Another example is the work around hazardous chemicals in ICT-manufacturing, mentioned above, where Swedwatch has highlighted the negative impacts on female workers in the Philippines with the aim to improve their health-related work environment.

SDG 6 Clean Water and Sanitation: Swedwatch's work on pharmaceuticals has contributed to an increased awareness among stakeholders, including policy makers, public procurers and consumers in Sweden, about the negative health effects related to the production of pharmaceuticals and the release of pharmaceutical residue in the water. Another example where Swedwatch's work aims to mitigate emissions from manufacturing into the water is in connection to rubber processing in Liberia. These two areas are both examples of business activities affecting both human health and the environment.

SDG 8 Decent Work and Economic Growth: Decent work is one of Swedwatch's core areas of work and we have for many years aimed to contribute to Target 8.7 "Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms" as well as Target 8.8, "Protect labour rights and

promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment”. During 2021, contributions to these two targets have mainly taken place through our work with the ICT sector, as well as work related to migrant workers. Working to ensure respect for the human rights of migrant workers is a multifaceted, and per definition a global, endeavour. Even so, Swedwatch’s approach has generated considerable results over the years. In line with recommendations in the report “Shattered Dreams”, calling for companies to train managers on identifying human rights risks related to migrant workers, an online training on the risks of modern slavery in labour sourcing was published on the Sustainable Hospitality Alliance website in 2021.

SDG 12 Responsible Consumption and Production: Responsible consumption and production is one of the organisations main goals, and Swedwatch has contributed to several of the targets related to SDG 12. Swedwatch has for example contributed to Target 12.2 “By 2030, achieve the sustainable management and efficient use of natural resources”, by addressing the relationship between business practices, conflict and natural resource exploitation Liberia and Sierra Leone, both at a local and global level. Swedwatch’s outreach work on supply chain transparency in the pharmaceutical sector as well as the capacity building, research and advocacy around natural rubber processing in Liberia contribute to Target 12.4 “By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment”. Swedwatch’s work on public procurement contributes to SDG 12 and Target 12.7; “Promote public procurement practices that are sustainable, in accordance with national policies and priorities”, both by working to increase knowledge and capacity among public procurers, but also by advocating for strengthened policies and regulations. Swedwatch recognises the significant potential for economically, socially, and environmentally sustainable public procurement practices to contribute to sustainable business and poverty reduction. Public procurement is also highlighted in the Swedish Action Plan for the 2030 Agenda as a strategic tool in reaching the SDGs. Through BHRE trainings directed at rights holders, and awareness raising activities targeting Swedwatch’s secondary stakeholders such as the Swedish public, Swedwatch also contributes to Target 12.8; “By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.” The important work taking place around mandatory human rights and environmental due diligence is another main priority for Swedwatch that could potentially have a large impact on several of the SDGs, among them responsible consumption.

SDG 13 Climate Action: Through Swedwatch’s work with the project Financing a just transition to a low-emission and climate-resilient development Swedwatch has contributed to Target 13.2 “Integrate climate change measures into national policies, strategies and planning” by advocating for governments and export credit agencies to phase out export support to fossil fuel related projects and take steps to support transactions forwarding the adoption of clean energy. One important result related to this is that after years of constructive dialogue between EKN, SEK, Swedwatch and Swedish Society for Nature Conservation, EKN and SEK in October 2021 reviewed and updated their sustainability policy establishing further limitations regarding export support to fossil fuel related projects. The work related to the finance sector also contributes to SDG 7, “Ensure access to affordable, reliable, sustainable and modern energy for all” by advocating for governments’ to adopt export credits and international public finance policies promoting the adoption of clean energy.

SDG 16 Peace, Justice and Strong Institutions: Swedwatch’s strong focus on HREDs is connected to all the SDGs, since HREDs play a critical role both in highlighting remaining obstacles to reaching the SDGs, and creating solutions for global challenges, including climate change, conflict, and rising

inequalities. When HREDs are silenced and attacked, so is democracy itself. By not consulting with or assessing the risks to defenders, companies risk contributing to negative impacts on defenders, a shrinking civic space and to eventually undermining the 2030 Agenda. Mean-while, systematically respecting the rights of HREDs protects the cornerstones of any democratic society, including the protection of the fundamental rights to the freedoms of expression, association, and peaceful assembly. These freedoms are all prerequisites for the fulfilment of the SDGs, in particular SDG 16, which aims to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels. SDG 16 is addressed in Swedwatch's advocacy and outreach efforts, where we highlight the need for better access to redress mechanisms for local communities impacted by business activities, and better business accountability mechanisms. Swedwatch's activities such as research, dialogue and capacity building that explore the nexus between business, peacebuilding, human rights and the environment also contribute to SDG 16.

4.7 Contributions to strategies for Swedish development cooperation

Strategy for Sweden's global development cooperation in the areas of environmental sustainability, sustainable climate and oceans, and sustainable use of natural resources 2018-2022

Swedwatch's work with a green transition through international public finance and export credits has contributed to the objectives of mitigating climate change and reducing emissions of greenhouse gases and air pollutants, as well as to accelerate the transition towards sustainable energy systems based on renewable energies. The project activities have focused on advocacy towards public finance actors, such as export credit agencies, as well as policy makers to adopt policies to accelerate the transition to a climate-resilient economy with a just transition perspective. In October 2021, Exportkreditnämnden (EKN) and Svensk Exportkredit AB (SEK) reviewed and updated their sustainability policy establishing further limitations regarding export support to fossil fuel related projects.

The work on environmental peacebuilding contributes to environmentally sustainable development and sustainable use of natural resources, by exploring the nexus between business activities, peacebuilding, human rights and the environment. This is done through capacity-building of local communities, with a specific focus on women HREs, impacted by business operations and large-scale land concessions and through awareness raising and dialogue at an international level. Another example aiming to contribute to environmentally sustainable development and sustainable use of natural resources is the work on natural rubber processing where increased capacity of rights holders in Liberia has led to a UN complaint being developed by local actors on pollutions from natural rubber processing operations and its negative human rights and environmental impacts. Providing scientific data on these impacts on rights holders furthermore increased awareness among investors and has led to the responsible investment advisor and service provider ISS ESG taking up company engagement with Bridgestone America.

Swedwatch has also highlighted the need for sustainable development in use as well as management of natural resources by providing input into international BHRE frameworks, policies and processes for example through engagement with the United Nations Environmental Assembly (UNEA) and the Office of High Commissioner. The latest [submission](#) highlighted the importance of environmental sustainability in the global food system. Swedwatch has also advocated for the inclusion of climate and environmental aspects to be included in public procurement policies as well as due diligence processes. Another important contribution is the support that Swedwatch provides to HREs working for the protection of ecosystems, biodiversity and the sustainable use and management of natural resources.

Swedwatch's work with the ICT sector as well as the pharmaceutical sector aims to contribute to sustainable production and consumption patterns, including preventive chemical controls and waste management. Furthermore, Swedwatch sought to contribute to the Swedish global development cooperation's strategy to promote sustainable production and consumption through its policy paper on pharmaceuticals calling for increased transparency. The paper was used to raise awareness on the issues of environmental pollutions from drug manufacturing and the need for accountability of actors in the supply chain.

Strategy for Sweden's global development cooperation within sustainable economic development 2018-2022

Swedwatch has since its foundation examined cases of business conduct that incur industrial pollution, threatening the right to a healthy environment and affecting people's livelihoods. During 2019 and 2020, Swedwatch conducted research on the business operations of the natural rubber company Firestone Liberia, investigating the impacts on local communities. The research was published in a report in January 2021 and throughout the year Swedwatch has continued to engage in company dialogue and to increase awareness, for example among Swedish investors. Another important contribution to the transition to a non-toxic economy, mentioned in the strategy on sustainable economic development, is awareness raising, company dialogue and advocacy connected to risks in the supply chain of ICT that is extremely chemical intensive and where the substances used have been known to cause a wide range of serious health effects. Another area related to this is Swedwatch's efforts to increase awareness about on the issue of environmental pollution associated with pharmaceutical manufacturing.

By advocating for export support to focus on clean energy and phase out support to fossil fuels Swedwatch has contributed to increase access to renewable energy and the phasing out of fossil fuels, specifically mentioned as a priority in the strategy on sustainable economic development. During 2021, our work has focused on export credit agencies in Sweden and abroad and in October 2021, EKN and SEK reviewed and updated their sustainability policy establishing further limitations regarding export support to fossil fuel related projects.

Another important aspect when working towards a sustainable economic development is how a just transition to a climate resilient and sustainable future can be assured. Areas of potential conflict between the climate transition and other social and environmental issues include job loss in certain sectors, increased environmental impacts due to the extraction of metals and minerals necessary for the decarbonisation of energy systems, and impacts on communities of large-scale renewable energy projects. Working towards a rights-based just transition will be a strong focus for Swedwatch in the coming years.

Since 2007, Swedwatch has scrutinised public authorities' supply chains, disclosing severe impacts of child labour, hazardous working conditions, forced labour and pollution. A sustainable public procurement that includes aspects of human rights and environment is an important tool for fair trade that can contribute to sustainable production and improved working conditions. During 2021, Swedwatch has continued to distribute research findings to public procurers and provided a platform for rights holders to communicate with public buyers through a webinar series as well as contributed to important policy development.

The work done by Swedwatch regarding migrant workers' rights contributes to economic empowerment, productive employment, and decent work for migrant workers. In 2021, Swedwatch's outreach efforts has led to both Swedish and global corporate actors developing policies and taking concrete steps towards increased respect for the human rights of migrant workers. By strengthening the rights of migrant workers, these workers can play a more active role in society, both in the countries where they are working and in their countries of origin. Through dialogue, Swedwatch is pushing corporate actors to respect human rights and play a positive role in this process.

Strategy for Sweden's development cooperation in the areas of human rights, democracy and the rule of law 2018 – 2022

All Swedwatch's work is firmly rooted in national and international commitments on human rights, for example the UN Guiding Principle on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and EU Directives. These regulatory frameworks are the basis of all our work, both in our recommendations to, and in dialogue with business actors, as well as when strengthening the capacity of rights holders and local partner organisations. Improving existing national and international regulations regarding business and human rights has also been a strong focus of the organisation in recent years. In 2021, Swedwatch has been engaging in major group and stakeholder discussions and coordinating with other organisations to highlight the importance of and trying to push for mandatory human rights and environmental due diligence, both in Sweden but also at EU level. We have particularly worked on raising public awareness on the importance of mandatory human rights and environmental due diligence in the supply chain, as well as the importance of respecting/protecting human rights defenders. The pharmaceutical sector is one area where Swedwatch has been working to improve supply chain transparency, and thereby contribute to increased security, justice and accountability. Another important tool to increase transparency and accountability is our work on public procurement.

By continuing to provide support to HREDs through capacity building, including trainings and workshops, Swedwatch has contributed to increased empowerment of rights holders to hold business actors accountable and to be represented in decision-making processes, thereby facilitating increased democratic participation and influence. Swedwatch has also supported HREDs by facilitating access to platforms for shared learning and collaboration across different stakeholder groups. Swedwatch's activities have thus contributed to counteract shrinking civic space by facilitating opportunities for civil society actors, including HREDs, to work freely to promote the respect of business-affected workers and communities without fear of reprisals and/or intimidation. One example of our work with HREDs is the work on ICT manufacturing in the Philippines. The human rights situation in the Philippines is highly problematic. Parts of the country is experiencing a long-term violent insurgency and the situation for human rights defenders is severe. Forty human rights defenders were murdered in the country in 2020 and the labour rights defenders are under considerable pressure. Unionists and other labour rights defenders regularly experience threats, harassment, and violence, including murder. Swedwatch's work, most notably the efforts to support the development of training modules for workers, aims to increase awareness among these workers of their rights. Informed workers are better able to influence their situation and participate in worker committees and other processes. This will in turn strengthen democracy and can lead to increased rule of law.

Another example of how we contribute to the strategy is our work with environmental peacebuilding in Liberia and Sierra Leone which includes both local capacity-building and awareness-raising efforts, as well as international outreach and engagement efforts that clearly bring out the importance of transparency and accountability, access to justice and redress mechanisms, and increased democratic participation and influence. In all these activities Swedwatch has highlighted the need for accountability of business actors and authorities, paired with increased influence by local communities in cases where businesses adversely impact human rights and the environment.

5. Lessons learned and going forward

The prolonged effects of the pandemic have hindered international travel and coordination with local partners in country. Although it has been challenging for Swedwatch to follow-up and develop new activities during 2020-2021, it has also opened opportunities to meet and exchange views with a wide range of actors through the use of new platforms, e.g., online seminars, digital meetings. Based on an analysis of strategies of engagement used during the pandemic, digital formats such as online seminars and roundtables will continue to be part of Swedwatch's intervention strategies aimed at targeted stakeholders. Online seminars conducted during the pandemic have been assessed as effective in reaching and working towards behavioural change of targeted stakeholders as well as increasing the reach of awareness raising and capacity building activities.

Along similar lines, the crucial role of national and international networks in jointly working towards behavioural change of business and public actors as well as further increasing the capacity of stakeholders in the Global South has been highlighted, and successfully implemented, over the course of the last year. Coordinating complementary work, identifying respective roles, and liaising strategically with national and international civil society and other relevant actors will continue to constitute a core element of Swedwatch's intervention strategies.

The pandemic has also allowed Swedwatch to pay closer attention to engagement and networking at regional and global levels. This includes the EU as well as through the network of Major Groups and Stakeholders accredited by the UN Environmental Assembly, and the UN Economic and Social Council. In light of the recent accreditation of Swedwatch to the UN Framework Convention on Climate Change (UNFCCC), Swedwatch will start engaging with the UNFCCC in its observer capacity, working towards a rights-based approach to global climate change policies and action.

The triple planetary threats of climate change, pollution, and nature loss has been described as the single greatest human rights challenge of our era. As outlined in previous sections of this report, these crises are expected to continue to have severe impacts on a broad range of human rights, including the rights to adequate water, food, health, housing, and development. 2022 will be a critical year in meeting these challenges, including critical policy development for the necessary shift towards a sustainable and fair economy.

A consistent, swift, and comprehensive implementation of the newly recognised universal right to a healthy environment is essential. Having been part of the global civil society call for the universal recognition of this right, Swedwatch aims to further advance the discussion and monitor implementation. Swedwatch will contribute to recommendations both during the UN Conference Stockholm+50 in June 2022 and ongoing UN efforts to design implementation guidance, focusing on the role of business actors as well as the access to rights for HREDS.

Additionally, Swedwatch will continue to monitor national and regional legislative developments regarding mandatory human rights and environmental due diligence, including the upcoming EU proposal on Sustainable Corporate Governance. Given the current delay of the EU proposal, Swedwatch is preparing for a scenario where no regional agreement on this topic has been reached by the time Sweden takes over the presidency of the Council of the EU (Council of Ministers) in the first half of 2023.

During 2022, the OECD is expected to announce whether there will be an update of the OECD Guidelines and the Swedish NCP will receive recommendations for how to improve its work. Swedwatch will continue to monitor and give input to these processes through its strategic engagement in OECD

Watch and help ensure that access to remedy for business-related harms becomes a reality for rights holders and that risks to HREs involved in complaints are properly addressed. Through OECD Watch, Swedwatch can also offer local project partners access to capacity building and engagement opportunities on a range of critical BHRE issues.

Overall, Swedwatch will continue to focus on the role of the business community, including investors, in a just and sustainable transition to a low-carbon economy. As the world builds back from Covid-19, a green economy must shift from being a side-effect to an objective in and of itself. The transition to a green economy, focusing on topics such as renewable energy and sustainable agriculture and land use, can only succeed if the required policy actions are designed to uphold human rights and promote social justice. Moving forward, Swedwatch will explore integrating assessments of economic and social consequences of such a transition, including conflict dynamics, throughout programmes and projects.

During 2021, Swedwatch started developing a roadmap for long-term research and engagement activities on Public Procurement, and in 2022, Swedwatch will continue to work for legal reforms to increase social and environmental criteria in public procurement, primarily in Sweden and in Europe. Swedwatch is also planning to follow up on previous research done on public procurement in the food supply chain, with the aim of reviewing the impacts of social criteria for rights holders in Southeast Asia.

Migrant work has also been identified as a strategic and multidimensional thematic area. Swedwatch has therefore recruited a specialist researcher who will support our ongoing research efforts on the topic and help us position the organisation as a credible source among civil society stakeholders. A new strategy is currently under development that will widen the scope of the organisation's work into new sectors and geographic areas.

Furthermore, the work to update Swedwatch's communications strategy including a digital strategy will help Swedwatch become an even more agile, proactive, and well-known actor in the field of BHRE in Sweden and abroad. The creation of project plans that include more strategic outreach and communications activities will further help ensure Swedwatch's presence and influence on the issues in which we are aiming to affect change. The implementation of an updated communications strategy will also support all Swedwatch staff in their work as program officers, and position Swedwatch as a go-to organisation and expert on business, human rights, and environment-related issues. Swedwatch will continue to explore how this work can both reinforce implementation of projects, and bridge challenges connected to not being able to conduct local research in all projects and other implications of Covid-19 to the organisation.

Important organisational developments include finalising the operationalisation of the new organisational structure at the Secretariat during 2022 as well as priority areas included in the organisational development plan; overall planning, MEL-processes, coordination, and communication with Member Organisations, and sign-off routines.

Annex 1 Risk Analysis

These risks have materialised during 2021:

1. Risks associated to underspending:

Swedwatch has underspent due to the impact of the Covid-19 pandemic, primarily related to short-term and continuous shifts in restrictions in Sweden and abroad. The continued shifts have led to difficulties when it comes to planning and realisation of project activities, both for Swedwatch and for local project partner organisations. Although back-up plans have been developed and work in the Global South has been possible to a degree, planning and predict has been very difficult. Underspend could affect future funding from Sida and other donors, which could negatively impact Swedwatch's sustainability in regard to operations and results.

Mitigation measures include improved financial management and control and improved follow up procedures. With the new organisational structure, more responsibility for budget implementation and follow up will be delegated to the heads of units. Swedwatch has also developed a fundraising and development plan for 2022 that will help increase sustainability and decrease vulnerability in the medium-long term.

2. Risks associated with limited in-country access:

Limitations on travel has curbed possibilities to follow developments in-country, including changes in the situation of rights holders, in national legislation and/or behaviour of business actors. It has also led to increased dependency on local project partners, and widened the gap to rights holders. Swedwatch has also been careful not to place partners at risk, for example through commissioning research that violates local rules or increases exposure to Covid-19. These things decrease our level of control and possibilities to verify results and follow up on results. Limitations on travel has also limited the possibilities to build mutual trust between Swedwatch and potential new partner organisations, which is a prerequisite when investigating human rights impacts related to businesses.

Mitigation measures include increased connection through digital channels and a continuous follow-up of the development related to Covid-19 and assessment and updating of our routines for travelling. In 2022, Swedwatch expects to be able to travel more, even if not at pre-pandemic levels. Lessons learned from adaptation to non-travel have also provided valuable insight into alternative ways of working.

4. Risks associated to shifts in ways of working:

When the Covid-19 pandemic started in 2020, the organisation responded to a crisis situation that became protracted and unpredictable. New ways of working were developed and digital meetings the norm. Simultaneously, a new structure was being developed which marked the most significant structural change since Swedwatch started in 2003. While the pandemic may have entered into a new phase in Sweden, transmissions rates remain a concern, increased leave due to illness and quarantine, worry tied to increased exposure may take time to abate. At the same time, many wish to return to more regular work at the office. Finding the right balance during this time will be important as a certain level of unpredictability remains.

Mitigation measures include identifying a hybrid work method that combines flexibility with the needs and capacity of the organisation and team cohesion in the new structure. This will also help mitigated the risks associated with the operationalisation of the new structure.