

Ensuring corporate accountability in turbulent times

WITH A BUILD-UP of geopolitical tensions, energy shocks, a global debt crisis and the pandemic aftermath, 2022 was marked by a deteriorating situation for workers in global value chains and those vulnerable to macroeconomic disruptions. For many, the pandemic recovery process was further slowed down by Russia's invasion of Ukraine, and the knock-on effects of climate change. The geopolitical challenges are also followed by some worrying



signs of tension between companies' work to manage near-term risks and their progress on longer-term efforts to protect human rights and the environment.

AGAINST THIS BACKDROP, binding regulations outlining the obligations of business actors to respect human rights, including the rights of defenders holding corporates to account, are more urgent than ever, with the upcoming EU corporate sustainability due diligence directive being a potential milestone. Part of

Swedwatch's work in 2022 aimed to ensure that the directive adopts a risk-based approach to the full value chain, meaning companies should focus their due diligence efforts where the risk for adverse impacts is greatest. Going forward we will follow the progress closely.

DESPITE A CHALLENGING outlook, Swedwatch has been able to accomplish some significant results during the year. More on how we worked to increase the responsibility of business in respecting human rights and the environment is found in this annual highlight.

Alice Blondel Director, Swedwatch



WHO WE ARE

Swedwatch is an independent, non-profit, research-based organisation, working to support rights holders' efforts to claim their rights. For nearly 20 years, we have been promoting responsible business practices by highlighting and addressing their impacts on people and the planet. We are guided by a participatory approach, with the

perspectives of rights holders at the centre, and use a combination of three intervention strategies: Research and investigations that form the basis of our evidence-based advocacy work, dialogue and engagement with key stakeholders including business, state and civil society actors, and capacity building and exchange.







CROSSCUTTING ISSUES

Climate, gender and conflict sensitivity

are perspectives mainstreamed throughout Swedwatch's work and research.

Another crosscutting issue is the situation for rights defenders —

crucial to hold companies to account for human rights violations but facing a shrinking civic space in many countries.

NETWORKS PARTNER-

Local partners

During 2022 Swedwatch was able to resume some of the active collaborations that were partly on hold during the Covid-19 pandemic, as well as establish relations with a number of new partners.

Below is a selection. ---

Business and human rights coalitions

To establish a stronger footing in key political centres and leverage our impact, Swedwatch in 2022 deepened its relationships with international and regional civil society coalitions like the European Coalition for Corporate Justice, OECD Watch and the Environment, Climate, Conflict and Peace network.

International meetings and foras

Enabling access to international arenas is fundamental for our work to support rights defenders. In 2022 Swedwatch facilitated the attendance of local representatives at international level discussions like the Geneva Peace Week, Stockholm +50 and the UN Climate Change Conference (COP27) in Sharm El-Sheikh.



Highlights 2022



Documenting and reporting on adverse impacts on human rights and the environment caused by harmful business operations is at the core of Swedwatch's work. The responsibility of companies to uphold

human rights when sponsoring big sporting events, expectations on duty bearers to safeguard the right to a healthy environment and the role of business in sustaining peace, were among the topics hihglighted in 2022.

THE ROLE OF BUSINESS IN ENVIRONMENTAL PEACEBUILDING

or many years, Swedwatch has drawn attention to the vital role of companies in high-risk and conflict-affected contexts, where they may contribute to peace – but also fuel conflict.

In 2022, research continued in post-conflict countries Liberia and Sierra Leone, in collaboration with local partners Liberian Green Advocates International and the Sierra Leone Network on the Right to Food. Both countries have pursued land concessions as

a central strategy to spur economic development and foster peace, but contrary to their governments' intentions, Swedwatch findings showed that concessions have instead increased tensions between different communities,

and that women who often depend heavily on natural resources for their livelihoods have been particularly affected.

Conclusions were shared in

multi-stakeholder meetings in Monrovia with government officials, community representatives, civil society and the UN, providing participants with an opportunity to exchange ideas on challenges and opportunities to prevent conflict. Furthermore, Swedwatch and partners arranged trainings for over 400 women in affected areas, aiming to support their efforts to claim rights to land and natural resources.

Placing the role of business in environmental peacebuilding on the agenda

of international multi-stakeholder discussions, including at the Geneva Peace Week and Stockholm +50, was another cornerstone of Swedwatch's work in the area in 2022.



Over the years Swedwatch has investigated issues ranging from water scarcity in food production to toxic chemicals in electronics manufacturing and communities adversely effected by land-intensive energy projects. PHOTO: SWEDWATCH

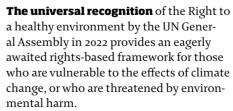
CALLING ON SPORTS SPONSORS TO LEARN FROM THE FIFA WORLD CUP IN QATAR



The inherent risks to human rights in big sporting events have been highly publicised in the past year. In relation to the 2022 FIFA World Cup in Qatar, Swedwatch published a report calling on corporate sponsors to learn from the failure to prevent severe

human rights impacts for tens of thousands of migrant workers making the tournament possible. Arguing that sponsorship agreements are no different from other business relationships, sports sponsors must conduct rigorous human rights due diligence throughout the entire value chain, before and during a sporting event, and act on their findings.

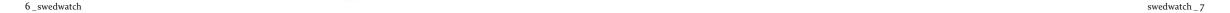
REALISING THE RIGHT TO A HEALTHY ENVIRONMENT

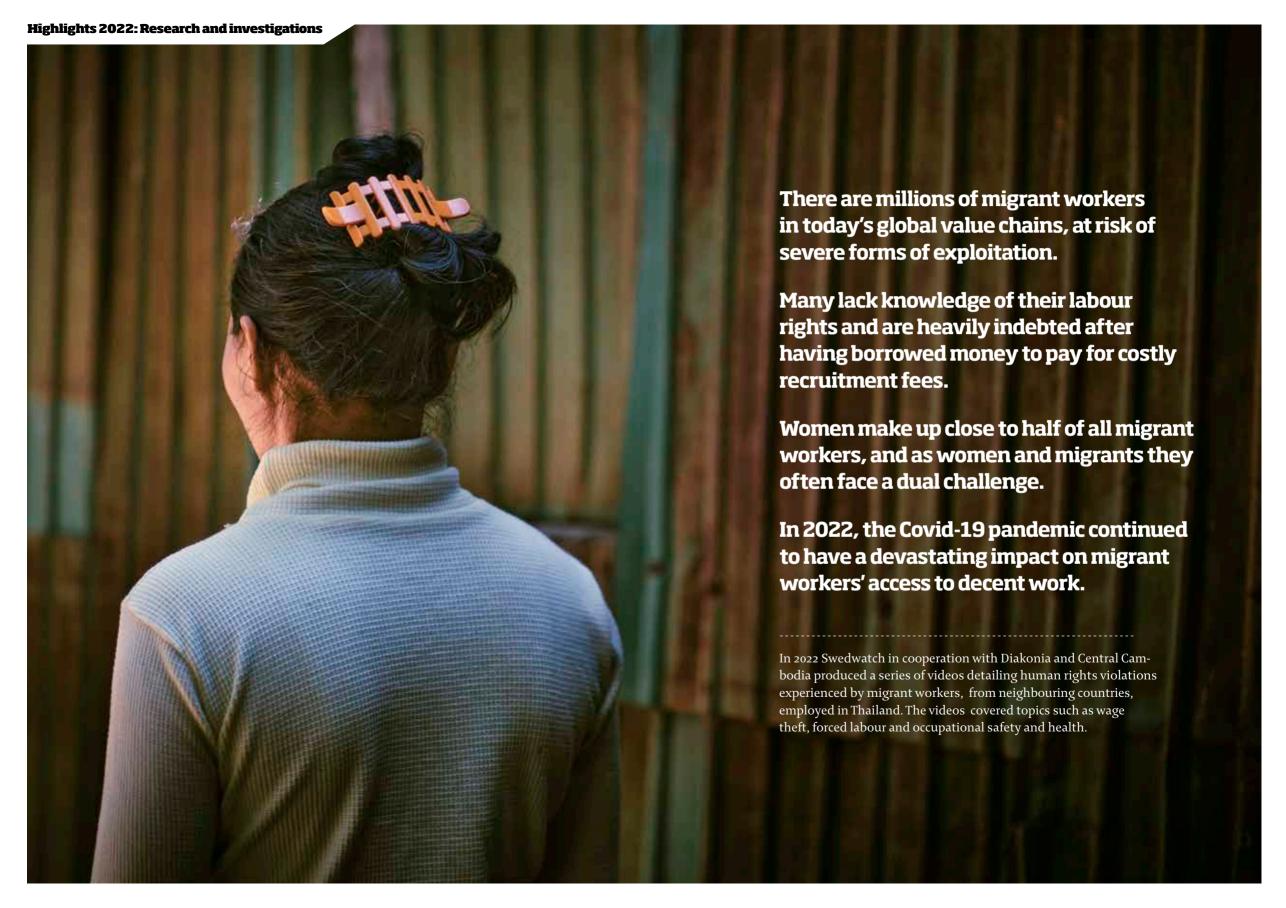


Ahead of the high-level environmental conference Stockholm+50 in June 2022, Swedwatch published a policy paper outlin-

ing the expectations on duty bearers to safeguard the right. The analysis formed the basis for discussions at a side event

hosted by Swedwatch, in which rights defenders from Liberia and the Philippines shared their insights with the UN Special Rapporteur on Human Rights and the Environment as well as business representatives.





Highlights 2022



Swedwatch promotes exchange and collaboration within and between civil society, business and public actors. In 2022, a long-awaited proposal for a binding regulation on corporate sustainability due diligence was put forward by the EU Commis-

sion. Swedwatch joined forces with allies to advocate for a strong directive. Sustainable public procurement is another area where Swedwatch intensified its dialogue with policy makers and pushed for a strengthened legislation.

JOINING FORCES FOR A STRONG EU REGULATION

ears of engagement with business impacted communities has shown that voluntary frameworks on business and human rights are simply not enough. Since its inception, Swedwatch has called for laws making it mandatory for companies to perform human rights and environmental due diligence. In February 2022, the EU Commission presented a

legislative proposal for a Directive on Corporate Sustainability Due Diligence (CSDDD) that aims to ensure that businesses address human rights and environmental impacts in their value chains. The proposal however included a number of flaws and shortcomings that Swedwatch, together with Swedish and EU based civil society organisations, has worked to address.



Along with over 100 civil society and trade union organisations from Europe and beyond, Swedwatch stands by the campaign Justice is Everybody's Business, mobilising communities and workers to act for a strong EU-law.

SWEDWATCH CALLS FOR A CSDD DIRECTIVE THAT:

- Covers the full value chain downstreams and upstreams and all types of business relationships.
- Takes a risk-based approach to ensure that companies focus their due diligence efforts on the parts
 of their value chains where the risk for severe adverse impacts is greatest.
- Takes the vulnerable positions of women, migrant workers and human rights defenders into account.
- Addresses business operations in high risk- and conflict areas.



CONTRIBUTING TO REVISED OECD GUIDELINES

As part of the OECD Watch network and its Coordination Committee. Swedwatch contributed to that the OECD Investment Committee agreed to explore updates to the OECD Guidelines for Multinational Enterprises – last revised in 2011. Many of the gaps highlighted have been addressed in the (since) proposed updates. Swedwatch's feedback has particularly concerned improvements in consultation with stakeholders and the situation for human rights and environmental defenders.

DRIVING SUSTAIN-ABILITY THROUGH

PUBLIC PROCURE-MENT

Swedwatch's research and recommendations on sustainable supply chains have, during the years, been instrumental for change in public policy and purchasing practices. In 2022, we welcomed the inclusion of

According to OECD, about 70 percent of international trade today involves global value chains, as services, raw materials, parts, and components cross borders. Given the complexty of interactions, it is crucial for companies to have a proper process in place to identify and adress risks of negative impacts. PHOTO: ALAMY

wording that requires Swedish authorities to consider climate, social and labour rights when purchasing goods and services, and the adoption of a zero-tolerance principle on attacks against rights defenders.

At the EU-level, we are experiencing a momentum to push for a legislation that reflects the shifting legal

landscape within the union, including the upcoming CSDD legislation and the import ban on forced labour. To



put the need for a revision of the EU Public Procurement Directive higher on the agenda, Swedwatch produced a position paper on sustainable public procurement that formed the basis for dialogue with member of the European Parliament and deepened engagement with key actors from civil society.

HIGHLIGHTING THE NEED FOR AN EUPUBLIC PROCUREMENT LAW THAT:

- Makes sustainability considerations mandatory.
- Ensures alignment with human rights standards.
- Assures increased transparency around supplier compliance.
- Requires contracting authorities to ensure that suppliers comply with CSDDD obligations.

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Highlights 2022



In areas affected by unsustainable business operations, strengthening the capacity of civil society actors to hold duty-bearers to account is an important, and growing, part of Swedwatch's work. In 2022 journalists in Kenya, electronic workers in the Philippines and civil

society organisations in Latin America were among those who took part in our trainings and exchange meetings.

ENABLING CHANGE-MAKERS TO ACHIEVE ENERGY JUSTICE IN RURAL KENYA

hile renewable energy investments can benefit employment and are necessary to reduce carbon emissions, they are also known to cause far-reaching social and environmental impacts. Marginalized communities are frequently overlooked in the decision-making and even when consultation occurs, it is often not conducted extensively and meaningfully. In Northern Kenya, land-intensive energy projects have led to the violation of land rights for local communities, including indigenous groups, and exacerbated existing conflicts.

As part of a broader work on climate justice*, Swedwatch and Kenyan partner Impact in 2022



Even though next to the Lake Turkana Wind Power project, Salima village, Northern Kenya, has not benefited from the electricity produced.

trained local journalists on how to document and report human rights impacts from business activities. A "train the trainer"-course with representatives from local civil society organisations on the duty of investors and businesses to respect human rights, was also on the agenda.

climate justice recognises that those who are most impacted by climate change, often marginalized communities living in poverty, should be prioritized in efforts to address climate change, rather than bearing a disproportionate burden of the impacts.



QUOTES FROM CIVIL SOCIETY
ORGANISATIONS WHO JOINED BUSINESS
AND HUMAN RIGHTS TRAININGS:

After the meeting we have been able to engage our communities on how to engage investors especially on matters of the extractive sector which is our area of interest in Kerio Valley.

Personally the training helped me in documenting case collections on human rights issues. Since last year we have managed to collect more than 10 cases which we are submitting to Kenya National Commission for Human Rights for follow up.

The training was very useful. Scarcity of knowledge on human rights and the relevant grievance mechanisms amongst the community members has made them vulnerable to eploitation by some organizations and companies.

Swedwatch and partners Impact and Business and Human Rights Resource Center provided trainings on business and human rights to 15 Kenyan journalists and 30 representatives from local civil society organisations. PHOTO: SWEDWATCH

WORKERS' RIGHTS IN THE PHILIPPINES

Building on previous work relating to fair electronics, Swedwatch in 2022 co-hosted an awareness raising conference for electronic workers in the Philippines. Issues raised were the lack of decent work standards and the unsafe situation for unions and human rights defenders.

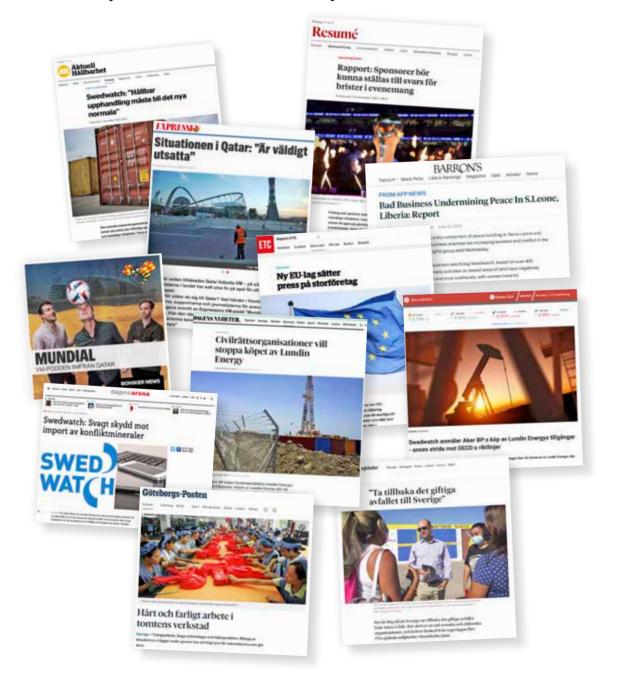
GENDER DUE DILIGENCE IN PRACTICE

Together with the civil society network OECD Watch, Swedwatch in 2022 organised online trainings to increase capacity around business responsibility and gender issues with organisations in Latin America. Participants were presented with case studies of irresponsible business conducts and measured them against recommendations in the newly released OECD Gender Due Diligence Guidance.

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SWEDWATCH IN THE MEDIA 2022

Over the year, Swedwatch continued to use written and digital outputs to secure timely, proactive and reactive communication towards targeted audiences. Media presence more than doubled compared to 2021.



FINANCING

Swedwatch's work is financed through grants, membership fees and external commissions. We receive funding from the Swedish International Development Cooperation Agency and other institutional donors, as well as foundations. New funders 2022 included the Norwegian trust fund Minor Foundation for Major Challenges, supporting our work to advocate for the alignment of public export finance by EU member states to climate goals.

MEMBER ORGANISATIONS

Fees are also received from our members organisations. We have active collaborations with our seven current members and their many partner organisations in Africa, Asia and Latin America.



PUBLISHING & CONTACTS

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