

BUSINESS SWEDEN



SUSTAINABILITY REPORT 2018

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A WORD FROM THE CEO

Sustainability issues play an increasingly important role in how companies act globally. Demands are also growing on organisations such as Business Sweden to be proactive and clearly demonstrate how we approach sustainability challenges. Our unique position and international reach gives us great opportunities to guide companies in how sustainable global business is best achieved, and how sustainable investments in Sweden can be secured.

Sweden is a constructive force in the transition to a globally sustainable society. We should be – and are – a pioneering country when it comes to implementing the 17 Sustainable Development Goals (SDGs) in Agenda 2030. This includes a broad spectrum of challenges; from human rights and anti-corruption to the housekeeping of scarce resources and reducing environmental impact. To reach these goals, Business Sweden cooperates with other Swedish organisations, governmental bodies, ministries and the private sector. Within Team Sweden, among others, we see great opportunities to continue to work in a goal-oriented way for Sweden's ambition to achieve these goals.

In dialogue with our stakeholders, Business Sweden has chosen to prioritise issues related to human rights and anti-corruption. The purpose is to create good business environments for Swedish companies globally and to facilitate investments in Sweden. Sustainability means long-term profitability for companies as well as the Swedish economy, and is a crucial step for building a better world to live in. Therefore, our main focus will continue to be to help companies safeguard respect for human rights and to combat corruption.

Environmental impact is an internal focus area at Business Sweden. Personally, I feel very strongly that we need to give even more attention to environmental issues in our daily agenda. After all, it boils down to what we choose to leave behind for future generations. Environmental issues will have increased importance in Business Sweden's sustainability work during the coming years.

During 2018 Business Sweden took several steps forward in its sustainability work. These included the development of an e-learning course that all our employees need to complete in order to raise their level of knowledge in sustainability matters. We have also implemented dilemma training and introduced a whistleblower function. The purpose of our internal sustainability work is to



Business Sweden took big leaps forward in sustainability in 2018.

Ylva Berg, CEO Business Sweden

continuously strengthen our employees' ability to add value to our customers and help them lay the groundwork for sustainable business.

Externally, I want to highlight our work with sustainable procurement within the framework of the UN. That the UN should maintain sustainable procurement in line with Agenda 2030 and the UN Global Compact goes without saying. I am convinced that Swedish companies would position themselves even better if we had international guidelines that would lead to higher demands being placed on sustainability whenever such procurement is carried out. In constructive dialogue with the government and industry during 2018, we continued the implementation of the UN's guiding principles for businesses and human rights.

With its unique role, Business Sweden will continue to reinforce the strategy of promoting responsible and sustainable practices, which benefits Swedish industry and contributes to global efforts. I look forward to continuing the dialogues and building collaborations that can set the right course towards a more sustainable world.

ACCOUNTING PRINCIPLES

Business Sweden's sustainability report for 2018 is applicable to the group including the corporate entities Business Sweden and BSO AB (Business Support Office). Please see the management review in Business Sweden's Annual Report 2018 where the companies not covered by the Sustainability Report are stipulated.

There is no binding regulatory framework for the establishment of a sustainability report according to The Swedish Annual Accounts Act (ÅRL). The most accepted framework is Global Reporting Initiative (GRI). Business Sweden has chosen not to manage and report its sustainability work according to GRI. Instead, we develop indicators that specifically measure and manage the organisation's sustainability work in a defined, strategic direction.

Where GRI indicators exist with goals that suit the organisation's business and sustainability work, these may be applied and reported. In accordance with ÅRL, Business Sweden shall report on:

- Respect for human rights
- Counteracting corruption
- Environmental impact
- Impact on staff
- Social impact

THIS IS BUSINESS SWEDEN



Business Sweden helps Swedish companies increase their global sales. In addition, we help international companies to invest and expand in Sweden. Through our multi-level network we offer strategic advice and hands-on support, both in Sweden and in 41 of the world's most important markets.

47 IN **42**
OFFICES MARKETS

484 EMPLOYEES IN 2018
most of whom work outside Sweden.

HISTORY

Business Sweden was established January 1, 2013 through a merger of The Swedish Trade Council and Invest Sweden.

SWEDISH COMPANIES

are assisted by identifying new revenue streams, shorten lead times to new markets and reduce risks during international expansion. This enables them to reach their full potential by growing beyond their domestic markets.

OWNERS

Business Sweden has two principals; the Swedish state and the Swedish private business sector. The state is represented by Ministry for Foreign Affairs and the business community by The Swedish Foreign Trade Association (SAU).

INTERNATIONAL COMPANIES

are assisted by identifying new business opportunities in Sweden, facilitate the investment process and by providing impartial support that accelerates their financial returns.

Business Sweden supports

GLOBAL COMPACT

VALUES

We are a modern service and knowledge organisation where all operations are based on three interplaying values:

- RESPONSIBILITY
- COLLABORATION
- IMPACT

BUSINESS SWEDEN – SWEDEN’S TRADE AND INVEST COUNCIL

Business Sweden helps Swedish companies increase their global sales, and international companies to invest and expand in Sweden. To succeed with this, we offer strategic advice and solid support – both in Sweden and in 41 of the world’s most expansive markets.

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The Swedish state and the private sector in Sweden are our principals. The state is represented by the Ministry of Foreign Affairs and the business community by The Swedish Foreign Trade Association (SAU). An agreement between the two parties states that Business Sweden is to be run as a central service agency for export and investment promotion activities.

Business Sweden’s annual assignment is to contribute to increased exports, employment and sustainable growth throughout Sweden.

We do this by:

- supporting and promoting Swedish exports and internationalisation
- attracting foreign business investments to Sweden or collaborations with Swedish companies



Business Sweden has 47 offices and is established in 42 countries around the world with both Swedish envoys and local employees. We collaborate with Swedish embassies, consulates, chambers of commerce, companies and other local networks.



At the head office in Stockholm, a team of export and investment experts provide market information and advisory services to companies and stakeholders. In addition, there are global business developers in the regions around Sweden who also offer advice, information and education for Swedish companies.

THREE OVERALL STRATEGIC OBJECTIVES

Business Sweden’s vision is to be a world class business promotion agency. To achieve this, we work according to our own business strategy, Strategy 2020, with the following overriding goals:



1 Clear impact on internationalisation
Business Sweden’s purpose is to help Swedish companies increase their global sales and international companies to invest and expand in Sweden. By so doing, Business Sweden contributes to increased growth in the Swedish economy and increased Swedish competitiveness. Goals are measured through a number of high qualitative investments (HQI) and impact of export promotion (TPI).

2 World class business promotion
Business Sweden aims to continuously develop its operational efficiency and deliver high qualitative efforts with satisfied customers and motivated employees. Goals are measured through the Customer Satisfaction Index (CSat), Employee Satisfaction Index (ESI) and brand attractiveness.

3 Financial stability
Business Sweden shall ensure financial viability in order to effectively carry out its two-fold mission. The goal is measured by capacity utilisation, revenue mix of state and private assignments, profitability and solidity.

A BUSINESS MODEL THAT MAKES A DIFFERENCE

Business Sweden helps companies in Sweden find new international revenue streams, shorten lead times to new markets and reduce risk in international expansion. For international customers, Business Sweden is an independent party that facilitates the process of establishing and acquiring companies in Sweden.

Government assignments

– **Basic export service.** Information and answers to enquiries, fundamental advice on export technicalities and general business promotion on international markets.

– **Small business programs.** Advice to small and medium size companies carried out in Sweden and at the offices abroad. This includes competence development for companies, regional export consultancy as well providing information about international markets and local contacts.

– **Targeted export promotion.** Special export preparation efforts in international markets, targeted promotional activities in selected markets, internationally procured business as well as identification and processing of strategic business.

– **Investment promotion.** Attract investments from priority markets around the world. In close collaboration with regional investment promotion organisations and other players, facilitate foreign investments that provide employment and contributes capital and expertise to all regions of Sweden. Direct targeting of companies within selected investment areas and increase the knowledge of and interest in Sweden as an attractive country for foreign investment. Qualified information and support for foreign investors in the investment process. Analyse and report on foreign investments in Sweden.

– **Additional assignments.** In addition to the government assignments above, we receive assignments from the government and ministerial departments, varying in nature and scope.

Company specific business development

– **Consulting services.** Business Sweden offers advice to Swedish companies that is market-priced and company-adapted in order to support their efforts in international business development.

CODE OF CONDUCT GUIDES SUSTAINABILITY WORK

Business Sweden's Code of Conduct is our compass in sustainability work. It is based on the principles of the UN Global Compact, laws and our own business ethics. The Code of Conduct includes guidelines on how the business should be conducted from a sustainability perspective.

The Code of Conduct has been adopted by our Board and clarifies how we should act as a business partner, employer and social contributor. Business Sweden has signed the UN Global Compact and integrated the ten principles in the Code of Conduct. In addition to that, we apply Agenda 2030 as an overriding steering and communications tool. The Agenda permeates our sustainability work and defines how we can contribute to ensuring that the global goals for sustainable development are achieved.

PART OF OUR OVERRIDING BUSINESS STRATEGY

As of 2018, Business Sweden's sustainability strategy is an integral part of our overriding business strategy – Strategy 2020. Sustainability is therefore one of our strategic activities now being measured and followed up in our ongoing customer satisfaction survey. In this way, we can follow the impact of our advice on our customers' sustainability work.

WE TAKE OUR RESPONSIBILITY

Internationally sustainable business is a strategic and prioritized area for Business Sweden. Our aim is to always act in an ethical, environmentally conscious and societally responsible way. Through our Code of Conduct, we reinforce the sustainability aspect with our employees so that it becomes a natural part of the dialogue with our customers. The sustainability aspect is gradually integrated into our services to raise the level of knowledge within companies when it comes to sustainable business.

OUR RESPONSIBILITY WITHIN SUSTAINABILITY

- The Board of Business Sweden has the overall responsibility and decides our sustainability strategy and policies
- The CEO is responsible for executing the Board's decisions and strategies within Sustainability
- The Sustainability Manager is responsible to the management team for the Sustainability Strategy Performance
- An internal Sustainability Committee is responsible for anticipating and managing risks within the sustainability area
- The business is conducted in accordance with local Swedish and international law
- Our Code of Conduct applies to all co-workers

CODE OF CONDUCT



Our compass that guides us in how we act as a business partner, employer and societal actor.

Legal compliance

We adhere to:

- Comply with Swedish, local and other extraterritorial applicable legislation
- Comply with the Swedish Government guidelines
- Comply with client confidentiality and non-disclosure agreements

Public commitment

- Adhere to and advise according to the UN Global Compact principles in all our operations

Business ethics

- Keep personal interests apart from company business
- Limit collection of personal data to a minimum
- Practice zero tolerance of discrimination
- Encourage diversity
- Be open-minded and effective in all communication
- Be transparent through sharing of information and honest performance reporting
- Follow the internal directive on Business Entertainment and Gifts

GLOBAL COMPACT



We have signed the UN Global Compact and integrated its ten principles in our Code of Conduct.

Human rights

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

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and

6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

AGENDA 2030



We apply Agenda 2030 as an overall management and communications tool. Business Sweden has chosen nine of the seventeen global goals as priority objectives.

THE GLOBAL GOALS



THE DIALOGUE WITH OUR STAKEHOLDERS

Business Sweden maintains a continuous and constructive dialogue with our stakeholders. This is an important part of our sustainability work and gives us an idea of what expectations the outside world has on us. An analysis of this dialogue then determines which areas of sustainability we will prioritise and focus on.

In 2018, Business Sweden implemented several stakeholder dialogues. We have mainly had constructive conversations with our customers, civil society as well as current and potential co-workers. The aim is to carry on these dialogues on a continuous basis to make sure that what we do in sustainability is what the outside world expects from us.

A comprehensive materiality analysis was carried out in 2017 in which clients, authorities, companies, civil society and our own employees participated. The starting point was to look at the existing expectations on Business Sweden's activities. Four expectations linked to sustainability were identified.



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1 The most important aspect of Business Sweden's sustainability work is how we act in our role as a strategic and normative adviser to Swedish companies.

2 Our employees are expected to possess good general knowledge of sustainability issues and of sustainable business in particular.

3 We are expected to have a clearer role in sustainability issues.

4 We are expected to have a clearer structure and policy framework for our sustainability work based on accepted international guidelines.



Photo by: Shutterstock

TWO PRIORITIZED EXTERNAL FOCUS AREAS

The dialogue with our stakeholders revealed that there are two risk areas where the demand for our support within sustainability is greatest:

- The work on anti-corruption
- Strengthen respect for human rights

Thanks to our local market presence, well developed network and governmental role, Business Sweden is a reliable partner in the international arena. We can therefore offer Swedish companies and authorities long-term and credible assistance in the effort to fight corruption and violation of human rights.

COLLABORATION WITHIN TEAM SWEDEN

There is a belief that Business Sweden can add value in international sustainable business. We see an increased demand from companies asking for strategic advice as well as operational help to develop sustainable solutions. Our sustainability work is carried out within the framework of Team Sweden where 19 Swedish authorities and organisations collaborate to promote Swedish exports. Business Sweden participates in this collaboration to increase knowledge within Swedish companies and to show, in practice, how Agenda 2030 can be implemented at the local level. In this case, sustainable procurement and capacity development, among other points, are key issues.

RISK MANAGEMENT WITHIN OUR REPORTING AREAS

Uncertainty about future events is a natural part of all business operations. Business Sweden's risk management within sustainability consists of identifying, prioritising and managing the most important risks. This helps us to get a good overview of risks as well as opportunities in the field of sustainability.

The following page contains a general description of the risks we see in the sustainability field and how these are tackled. The risk description

follows the five areas we will be reporting on in accordance with the Annual Accounts Act.



Photo by: Headway, Unsplash

REPORTING AREAS	RISK ASSESSMENT	MEASURES FOR MINIMISING RISK	GOALS
HUMAN RIGHTS	According to the UN Guiding Principles for Business and Human Rights, Business Sweden and our customers can be guilty of human rights offences in the form of having caused, contributed to, or alternatively been linked to a violation. This applies both to your own operations as well as those of suppliers and customers.	Training with the goal that all our employees should be aware of human rights and of the UN guidelines. Moreover, that employees have knowledge of the government's and companies' responsibility to ensure that rights are respected, compensation claims and what measures our customers can take. We are also developing processes, policies and tools applied to, for example, how we work with Human Rights Due Diligence. Business Sweden's Guide on Sustainable Business, which is available on our website, shows in six different steps how the risk of violations against human rights can be avoided.	Respect for human rights in Swedish companies' international business operations and investments in Sweden.
COUNTERACTING CORRUPTION	Corruption is defined as exploiting one's position in order to achieve an undue advantage for oneself or another party through, for example, bribes, extortion, fraud, money laundering, tax evasion, nepotism, conflicts of interest or illegal money flow. Risk of corruption applies both to Business Sweden as well as our customers. Corruption has serious consequences for society and can pose a threat to the rule of law, democracy and human rights, lead to rebellion and conflict, harm confidence in public institutions, distort competition, dampen confidence in the market economy and prevent investment. In addition to the socio-economic consequences, corruption can also lead to prosecution and penalties for the legal entity or individuals who commit crimes.	We carry out corruption prevention training programmes. Our employees are also trained in Swedish legislation and relevant extraterritorial law such as the UK Bribery Act and US Foreign Corrupt Practices Act. In addition, the training programmes include identification of warning signals of corruption and give concrete recommendations for actions to take as well as reporting procedures. Business Sweden's Guide on Sustainable Business, which is available on our website, illustrates in six different steps how the risk of crimes within counteracting corruption can be avoided.	No corruption in Swedish companies' international business operations or investments in Sweden.
ENVIRONMENTAL IMPACT	There is a risk of environmental pollution in the form of transport such as air travel, trips with rental cars or taxis, and in energy consumption at our offices. A discrepancy may occur between Business Sweden's own environmental work and the increasing awareness of environmental impact among the public, our employees and customers.	Externally: Business Sweden's support in promoting and spreading Swedish clean tech and sustainability knowledge can play a role in achieving global climate goals. Internally: We have started a survey of our greenhouse gas emissions during 2018 which will continue during 2019.	Take control of and reduce our environmental impact as well as spread Swedish clean tech and know-how.
IMPACT ON STAFF	There is a risk of discrimination against our employees or crimes against national and international law. Furthermore, the absence of a structured and well communicated sustainability activity can also lead to Business Sweden being perceived as a less attractive employer. This makes the recruitment of top talent and relevant competence more difficult and also has a negative influence on employee commitment.	Promote diversity throughout the organisation and achieve gender equality in managerial positions. We shall also take responsibility for sustainable conduct and work actively with sustainability to drive issues forward.	Create an gender equality-based, attractive and sustainable workplace.
SOCIAL IMPACT	There is a risk that we will fail our mission or that we do not contribute to growth, employment and increased prosperity. Further, there is a risk that we, through our consulting business, have a negative influence on social conditions in foreign markets.	We will follow our clients' directives, be helpful towards all Swedish companies and be protective of tax-financed resources. Ensure that all our employees are aware of our Code of Conduct. In addition, work actively for capacity-enhancing efforts where promotion and development cooperation jointly contribute to economic growth.	Contribute to growth, employment and increased prosperity in Sweden by supporting and promoting Swedish exports and internationalisation as well as foreign investments in Sweden.

BUSINESS SWEDEN'S SUSTAINABILITY STRATEGY

Our sustainability strategy points out the direction and shows which areas we should focus on – externally as well as internally. The purpose of the sustainability work is primarily to help Swedish companies eliminate and manage the obstacles that exist to increase their global sales in a sustainable way. In addition, we will help foreign companies to invest and expand in Sweden in a sustainable manner.

Our main focus in the area of sustainability is human rights and anti-corruption. At the same time, environmental issues is an internal focus area that is becoming increasingly important in Business Sweden's sustainability work.



EXTERNAL FOCUS AREAS

Anti-Corruption:
Zero tolerance towards corruption in Swedish companies' international business and foreign companies' investments in Sweden

Human Rights:
Respect for human rights in Swedish companies' international business affairs and foreign companies' investments in Sweden

INTERNAL FOCUS AREAS

Anti-corruption & human rights:
Minimise risk internally and strengthen our employees' competence related to these two issues

Environment: Take charge of and reduce our environmental impact

Equality: Achieve a gender equal and attractive workplace



RESPECT FOR EVERYONE

Human rights are universal and apply to all people. This is one of the areas where Business Sweden's external stakeholders believe that we can create the greatest value. The rights state that all people – regardless of country, culture and context – are born free and equal in value and rights.

Business Sweden has signed the UN Global Compact and integrated its principles in our Code of Conduct. This includes Principles 1 and 2 which concern respect for human rights. In Sweden's national action plan for business and human rights (2015) the government clarifies that the Swedish administration carries a responsibility to ensure that human rights are respected. As a semi-government organisation with the state as owner, this responsibility also applies to Business Sweden.

“ Swedish companies are in many respects at the forefront of the implementation of the UN Guiding Principles for Business and Human Rights. It is important to have continued leadership in this area and that concrete collaboration projects are implemented and scaled up. ”

Dante Pesce, CEO, Center Vincular and member of the UN Working Group on Business and Human Rights

WHAT WE DO

In the Government's export strategy (2015), Business Sweden's competence is identified as adviser in sustainable business as a central part of the state's responsibility. Here are some examples of activities that help to respond to these requirements:

- During 2018, our employees have undergone an e-learning course on sustainable business which, among other things, includes human rights. The goal is that all our employees will be familiar with human rights and the UN guidelines. The program also addresses the responsibility of government and companies, what the requirements are for remunerations and what advice concerning measures we should offer to the companies. The training programme is compulsory for all our employees
- We maintain a dialogue with EKN, SEK, Swedfund and Ministry for Foreign Affairs on the implementation of the UN Guiding Principles for Business and Human Rights. Communication is maintained continuously with these stakeholders and the business community, not least when it comes to respecting and upholding human rights in the customer value chain.
- We prepare and participate in Swedish delegations to increase knowledge related to current issues surrounding human rights
- We have introduced a whistleblower function to facilitate the reporting of violations of Business Sweden's Code of Conduct

OUR ACTION PLAN INCLUDES

- Reinforced practical dilemma training focusing on human rights will take place in the more complex markets in which we operate

OUR ROLE IN THE FIGHT AGAINST CORRUPTION

Corruption is illegal yet occurs on a large scale throughout the world. Business Sweden's government mandate states that we have a special responsibility to counteract corruption. This is based on our unique position and relationship with Swedish business and industry.

Our Code of Conduct specifies that all our employees must follow and give advice according to the UN Global Compact. This includes Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. Since representation is part of our day-to-day duties at Business Sweden there are also guidelines for how we handle this internally in the policy Directive on Business Entertainment and Gifts. Both of these documents are available on our intranet.

“ A considerable number of the world's countries have severe problems with corruption, which creates challenges for Swedish companies conducting international bribes' efforts to support the business community in the fight against corruption, Business Sweden is an important cooperation partner in highlighting the problem and guiding companies. With proactive measures, increased risk awareness and strong support for business, the challenge of corruption in many markets can be tackled. ”

Natali Phalén, Secretary General, The Swedish Anti-Corruption Institute

WHAT WE DO

Business Sweden's ambition is to counteract corruption in all its forms and to create the conditions for business with the highest possible transparency and integrity. Here are some examples of activities that contribute to accomplishing this goal:

- We have completed internal training with dilemma exercises based on real challenges. This includes practical corruption prevention work where our employees are trained in Swedish and relevant extraterritorial legislation; for example, the UK Bribery Act and Foreign Corrupt Practices Act (USA). Also included is the identification of warning signals on corruption and concrete recommendations on counter measures and reporting
- We have introduced a whistleblower function to facilitate the reporting of violations of Business Sweden's Code of conduct
- We prepare and participate in Swedish delegations to increase knowledge related to current issues surrounding corruption

OUR ACTION PLAN INCLUDES

- Reinforced practical dilemma training with focusing on corruption will take place in the more complex markets in which we operate

THE ENVIRONMENT AFFECTS US ALL

Business Sweden will actively contribute to reducing negative environmental impact. Environmental issues are becoming increasingly important for our sustainability work. They are key to shaping perceptions and our attractiveness as an employer, both among current and future employees.

The principles of the UN Global Compact are incorporated in our Code of Conduct. Under “environment” the Code commits us to:

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

WHAT WE DO

The environment is a central issue and we work progressively to manage and reduce our environmental impact as well as spread Swedish clean tech and know-how.

Here are a few examples of activities in the environmental field:

- Investments in a high qualitative, digital workplace to enable better collaboration between local offices and customers with the aim of minimising the need for travel
- Project within circular bio-economy to improve the local environment in India (see page 22)
- Projects within sustainable transportation to market Swedish experiences and solutions within sustainable public transport (see page 23)
- Efforts to attract sustainable investments to Sweden, primarily driven by Sweden's strong environmental image

OUR ACTION PLAN INCLUDES

- Begin policy work within the environmental field

Environmental impact of our operations is an internal focus area at Business Sweden. There is still more we can achieve in this area beyond our current measures and practices. This applies both externally, towards our customers and partners as well as internally. As part of our mandate we aim to specifically target growing sectors such as energy optimisation and environmental technology that have clear links to sustainability. The direct environmental impact of our own activities is not that significant, but should be maintained at a minimum level within the framework of our mission. This mainly concerns greenhouse gas emissions resulting from our employees' flights, travel with hire cars and taxis, and energy utilisation in our offices.

“Sweden's unique combination of low energy costs together with a strong renewable energy production, a carbon footprint close to zero and robust fiber connection makes it one of Europe's most ideal locations for large scale data centers.”

Tomas Sokolnicki, Senior Investment Advisor, Data Centers, Business Sweden

OUR MOST IMPORTANT ASSET

Competent employees are one of Business Sweden's most important success factors. Being an attractive employer with a significant sustainability focus is of vital importance in recruiting and retaining top talent. We strive for diversity and gender equality in order to include all our co-workers.

We follow the UN Global Compact in terms of:

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

Diversity is a prerequisite for Business Sweden's ability to carry out its mission. We need people with different backgrounds and competence to be able to provide local, relevant market competence to Swedish companies and international investors. We know that diversified groups produce better results and create a better workplace environment. To achieve a gender equality-driven, attractive workplace is therefore one of the sustainability strategy's three (see page 15) internal focus areas.

“Our vision is to work in an environment where we see and maximize the potential of the individual. Our ambition is that everyone, regardless of gender, background, sexual orientation and age, should have equal opportunities for employment, training and development in their work.”

Carl Esselin, Vice President, Human Resources, Business Sweden

WHAT WE DO

Business Sweden considers sustainability issues to be an integral part of the whole business. Our employees work both strategically and operationally to achieve innovative, sustainable solutions for customers. Here are some examples of ongoing activities that aim to achieve this:

- All our employees undergo e-learning on the subject of sustainable business
- Dilemma training has been conducted as part of our internal training in order to help manage human rights and anti-corruption
- The Code of Conduct had been signed by the majority of our employees
- We have introduced a whistleblower function that can be used if serious violations of our Code of Conduct are suspected
- We carry out continuous employee surveys to evaluate and deal with cases of discrimination and harassment
- We act according to the Gender Equality Policy “Equality, discrimination and harassment”
- New employees are given a review of Business Sweden's sustainability operations as part of their introduction

AN INNOVATIVE PARTNER THAT COLLABORATES

One of Business Sweden's tasks is to increase knowledge within corporations of sustainable business. Our aim is to be an innovative partner that adds value and contributes to highlighting sustainability issues. We collaborate within Team Sweden to enhance Sweden's position and put the country on the world map for advanced sustainability practices.

The programmes High Potential Opportunities (HPO) and Strategic Project Opportunities (SPO) are two examples of our support for companies where active sustainability work has had a major impact. In these promotional initiatives, Business Sweden supports Swedish companies in their efforts to win large international business contracts. Business Sweden also acts as project manager and coordinator of government assistance, for example in the form of transfer of technical knowledge. Our active

work with sustainability in the promotional programme leads to positive developments within internationally sustainable business and solutions. This also benefits Swedish companies that deliver high qualitative and sustainable solutions, often at an initially higher price but with a lower life cycle cost.

Business Sweden and other Swedish authorities play an important role in providing training and building up this capacity, and in developing markets in a more sustainable and, from a Swedish perspective, more competitive direction to achieve Agenda 2030. All HPO and SPO projects are carried out in collaboration with companies under conditions that include sustainability requirements in line with the UN Global Compact, OECD Guidelines for Multinational Enterprises, ILO's core conventions, as well as the UN Guiding Principles for Business and Human Rights.

WHAT WE DO

Much of our sustainability work takes place within the framework of Team Sweden, where 19 Swedish authorities and organisations collaborate to promote Swedish exports. Here, Business Sweden has an important task to ensure that Swedish companies maintain their frontline position within sustainability. Here are some examples of activities in progress designed to accomplish this aim:

- On our website we offer Swedish companies a Guide on Sustainable business that is based on the Global Compact's tools for sustainable business
- We have created a platform that makes it easy for Swedish Embassies to present exactly how Swedish companies work with sustainability, clearly linked to global sustainable development goals
- We work strategically as well as operatively with concrete and scalable pilot projects around the world, such as The Chile Sustainability Program (see p 22)

“ Within the HPO and SPO programs we work globally to strengthen Swedish system sales within energy, transport and urban development. Through their work with Agenda 2030, Swedish companies can present competitive advantages to principal clients and financiers, where sustainability is often a key issue in differentiating Swedish solutions from those of other countries. ”

Olov Hemström, Head of Strategic Projects International Financing and Procurement, Business Sweden



DIALOGUE ON SUSTAINABILITY WITH SWEDISH COMPANIES IN CHILE

During 2018 Business Sweden ran a sustainability programme in Chile focusing on how Swedish companies work among other things with human rights. The initiative was designed around building a constructive dialogue with Swedish companies on the Chilean market, dealing primarily with three issues:

1. Due diligence of human rights
2. Best practices for gender equality at the workplace
3. Integration of employees with disabilities

The Chile Sustainability Program is scalable since the working model can be adapted to suit different market conditions. It includes workshops on human

rights and gender equality, roundtable discussions on integration as well as a conference on internationally sustainable business. 15 Swedish companies in Chile have so far participated in order to minimise risks within human rights.

“A company’s sustainability work is a lot about risk assessment and limiting negative effects,” says Alejandra González at Business Sweden in Santiago. Thanks to The Chile Sustainability Program, the participants have gained insights, knowledge and tools and created networks through which the standard of human rights and gender equality in the workplace can be raised. A continuous dialogue with the participating Swedish companies has been the key to the success of this initiative.”



Photo by: mpuro media, Unsplash

CIRCULAR BIOECONOMY

Sweden and India signed an innovation partnership for a sustainable future during the Indian Prime Minister Modis’ visit to Stockholm, April 2018. In order to fulfill the Paris Agreement and improve the local environment in and around New Delhi, Team Sweden has during the year initiated an SPO (Strategic Project Opportunity) within circular bioeconomy. The purpose of the project is to recycle materials as well as reduce waste incineration and resource consumption. This is especially important in northern India where 30 million tons of agricultural waste per year is burned, causing both carbon dioxide emissions and particle contaminants.

Because several Swedish companies have both sustainability and innovation in focus, this need was turned into an opportunity to create new fuels and materials. Major companies, among them IKEA, launched programs to

take advantage of waste products and convert these into organic materials that can replace oil-based products.

Even smaller Swedish technology companies contributed to the success of the SPO project. The company Bioendev, a spin-off from Umeå University, has a unique process to manufacture biocoal that can fully replace lignite. Through Team Sweden’s work, Bioendev was in 2018 able to secure its first pilot project in India which was also financed to 50 per cent by the Indian state due to the marked benefits of biocoal as a system-wide solution.

SPO is a collaboration between several Swedish actors, including Business Sweden, Swedish Ministry for Foreign Affairs, Swedish Energy Agency and Vinnova and is a successful example of how results can be achieved by combining resources and skills.



Photo by: Aparna Gupta, Unsplash

FRENCH-SWEDISH COLLABORATION IN SUSTAINABLE PUBLIC TRANSPORT

Within the framework of the Strategic Innovation Partnership between Sweden and France, as well as the Embassy and Business Sweden’s long-term investment in sustainable transport, the “Public Transport - Innovative and Green Solutions” was carried out in Paris, June 11-14, 2018.

Swedish experiences and solutions within sustainable public transport was marketed and Swedish-French collaboration was strengthened through several activities; a seminar with roundtable discussions at the Embassy in Paris as well participation at the “European Mobility Exhibition” (11,000 participants from 66 countries for three days).

“During the seminar, Swedish and French sustainability goals, legislation and incentives were presented,” recalls Marie Eck, Business Sweden. “The discussion during the round table discussions highlighted both opportunities and challenges surrounding electrification and sustainable, renewable fuels, modal shifts and intermodality as well as safety in public transport.”

Collaboration partners and participants from the Swedish side included State Secretary Mattias Landgren, Fores, SL, Västtrafik, Axis, Ericsson, Scania and Volvo. From the French side, participants included the French Ministry of Environment, the traffic committee, Alstom, Keolis, Transdev and Société du Grand Paris.



Photo by: Gerny Zanghi, Unsplash

A SUSTAINABLE COMMITMENT GIVING POSITIVE RESULTS

The pharmaceutical company Abigo Medical has a long-term collaboration with Business Sweden. Abigo develops, manufactures and markets both non-prescription and prescription drugs and medical devices. Throughout this time, sustainability issues – labour rights, anti-corruption, environment and human rights – have been priority areas in their activities. With continuously increasing turnover and several awards, Abigo Medical is proof that sustainability and international commitment really does pay off.

Business Sweden’s broad contact network and focus on sustainability has helped Abigo Medical to find suitable international partners and distributors.

“One of Business Sweden’s strengths is that they have influence at the diplomatic level,” says Jan-Erik Smith CEO of Abigo Medical. “We can rely on the partners they introduce to us to have good ethical values, which is a basic requirement for us. So we have very good experiences from our collaboration with Business Sweden.”

For Abigo Medical, sustainability is an important driving force for creating long term improvements in health care. For example, they have produced several products that contribute to a reduction in the use of antibiotics. They have global influence in health care and contribute actively in the fight against antibiotic resistance, as well as participate in several projects within the UN, Red Cross and WHO.



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OUTCOME 2018 AND OBJECTIVES

We measure sustainability results to understand the development of Business Sweden's work. We have therefore established a number of performance indicators that are used to evaluate how the work is progressing. The development of these indicators shows us, in black and white, what progress we are making and what should be prioritised in our continued sustainability work.

Our long-term ambition is to be able to quantify performance indicators, both in terms of goals as well as results. This work is still ongoing, and we strive to be able to report relevant and correct figures within the

not-too-distant future. The table shows Business Sweden's sustainability work in 2018 and the goals for 2020 for the performance indicators we have chosen to prioritise and which can be measured today.

INDICATORS	OUTCOME 2018	GOALS 2020
Human rights Share of personnel trained in sustainable business incl. respect for human rights %	81	100
Counteracting corruption Share of trained personnel in sustainable business incl. anti-corruption %	81	100
Impact on staff Share of trained in Code of Conduct %	81	100
Share of female trade commissioners %	33	35-45
Share of women management group %	44	35-45
Share of female managers Sweden %	48	45-55

EXPLANATION OF OUR PERFORMANCE INDICATORS



Share of trained personnel in sustainable business

All staff at Business Sweden should be trained in sustainable business and sign our Code of Conduct.



Impact on staff

All employees at Business Sweden shall adhere to our Code of Conduct and during 2018 all staff have therefore been asked to sign the code in connection with our training programme in sustainable business.

- During 2018, we began to measure the indirect customer impact in sustainable international business. The measurement started in Q4 and, therefore, we have no outcome for 2018 to be reported in this edition. Our efforts to measure indirect customer impact will continue in 2019.
- In 2018, we also began the mapping of our CO2 emissions. This work continues in 2019 and without a completed survey it is difficult to set goals. This explains why outcome for 2018 and goals for 2020 have not been reported in this edition. Business Sweden, however, always strives to minimize the climate and environmental impact of its internal operations.



Photo by: Nick Müller, Unplash

EVERY SMALL STEP IS IMPORTANT

During 2018, Business Sweden carried out a number of activities in the area of sustainability. A lot of work still lies ahead of us, but the aim is to continuously improve our operations to actively contribute to creating a more sustainable world.

Below is a summary of the most important internal and external activities carried out during the year within the field of sustainability.



EXTERNAL ACTIVITIES 2018

- The Guide on Sustainable business has been translated into English during the year and is available on the web.
- We started the implementation of a digital module on how to succeed step by step with sustainable exports.
- We have continued to send out information about our toolkit on sustainable business to the Swedish Embassies.
- We have improved the processes to increase the knowledge of risks regarding human rights and corruption in connection with delegations.
- We have worked strategically as well as operatively with specific and scaleable pilot projects around the world; for example The Chile Sustainability Program (see 22-23).
- We are gradually integrating sustainability into our services to create added value to the customers.
- We have worked with strategic business development to promote sustainable procurement within the UN system.
- In November we participated in the UN forum Business and Human Rights in Geneva to give tangible examples of how Business Sweden works with companies and human rights.
- During the Almedal Week, we arranged a seminar on business in complex markets with participation from, among others, civil society and industry.



INTERNAL ACTIVITIES 2018

- Reinforced the internal sustainability team with a Coordinator for International Sustainable Business
- Implemented e-learning in the subject sustainable business for about 400 of Business Sweden's co-workers.
- Signing of Business Sweden's Code of Conduct has been carried out by approximately 400 co-workers.
- We have started a review of Business Sweden's Compliance programme, including the Code of Conduct and Policies.
- Dilemma exercises have been carried out with employees regarding risk of complicity in corruption or violations of human rights.
- Introduced a whistleblower function that can be used both internally and externally when violations of our Code of Conduct are suspected.
- Introduced sustainability issues through a new web tool as part of the internal audit of our overseas offices.
- Evaluation of the environmental impact through an overall mapping of our air travel.
- Invested in a high qualitative digital workplace to enable better collaboration between the local offices and the customers with the aim to minimise the need for travel.

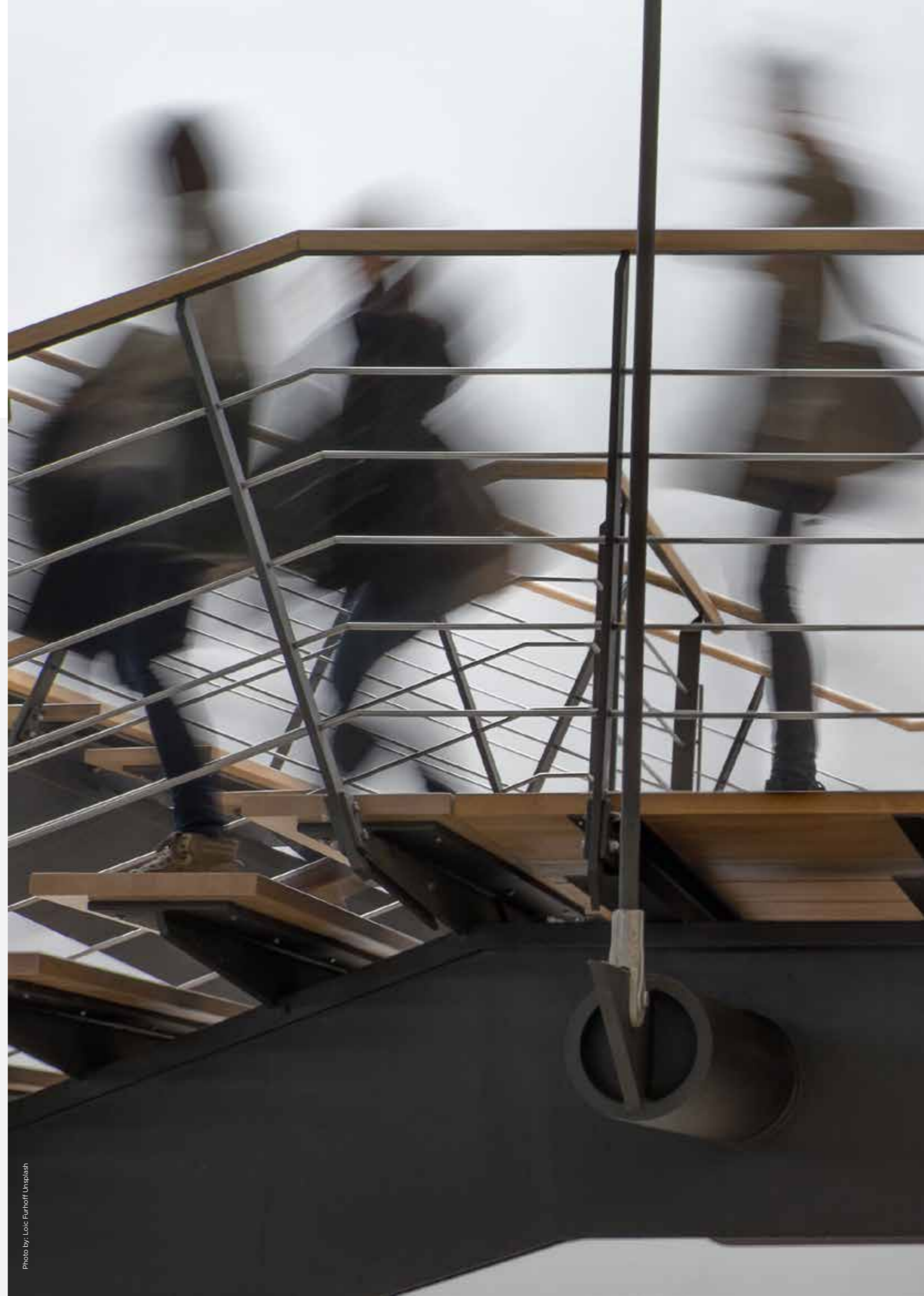


Photo by: Loic Furoot/Unsplash

CONTINUE ADDING VALUE FOR OUR CUSTOMERS

Since the Paris Conference on Climate Change and the adoption of Agenda 2030, with the 17 Sustainable Development Goals, in the autumn of 2015, the transition towards a more sustainable society has intensified. The business community has an important role to play in driving this change. Swedish companies are often at the forefront, not only when it comes to innovative environmental solutions, but also in the effort to increase respect for human rights and in counteracting corruption.

It is now imperative to translate the global sustainability agenda into practical implementation, not least in countries that still have a great many improvements to be made in different sectors. Sustainable, innovative solutions can accelerate the development and our Swedish companies are keen to participate in this process within e.g. energy, communication, transport and mining.

In 2019, the UN will have a so-called thematic review of a selection of the global goals. Among other things, the focus will be on Goal 13 on climate change, but also on Goal 16 where the principles of strengthening human rights, not least children's rights, and counteracting corruption are included. These focus areas are in line with our values of a sustainable world from a holistic point of view both environmentally and socially.

In our dialogue with various stakeholders it has emerged that obstacles to the practical implementation of Agenda 2030 many times coincide with the hindrances Swedish companies experience in implementing sustainable – and therefore profitable – business. For this reason, the risk of complicity in corruption or a breach of human rights remains a priority area for Business Sweden. We see it as a pivotal part of our state role and local market presence that we add value to the business community.

This includes increasing the understanding of the complex challenges that companies face to ensure that they are not involved in human

rights violations, and not just in their own business and supply chains, but also at the customer level, such as is described in the UN Guiding Principles on Business and Human Rights.

Another obstacle – and conversely an opportunity to accelerate the implementation of Agenda 2030, provided it is handled correctly – is that today, sustainability often does not exist when it comes to procurement. Business Sweden collaborates with a number of different actors to present a platform on which sustainable procurement can add value in accordance with goal 12. Central to this will be capacity-enhancing efforts regarding, for example, competence development, something that is good both for the local population and for Swedish companies that recruit trained workers.

We also emphasise the importance of having a clear gender equality perspective with regard to procurement and we have several good examples of existing projects that involve Swedish companies.

Business Sweden's assignment to enhance knowledge continues and we will work towards bringing an integrated sustainability perspective to all our services in order to add real value to our customers. In 2019 we are continuing to develop the projects we have already initiated such as a human rights and gender equality program in Chile; an assessment matrix for smaller companies which now includes sustainability and how we, through our customer surveys, can

measure Business Sweden's value creation in the area of sustainability.

In addition, our comprehensive e-learning programme in sustainable business, which the majority of Business Sweden's employees have now undergone, will be reinforced with practical dilemma training in the more complex markets. In this regard, we will also continue our work on improving our own compliance programme with a review of policies and guidelines.

Environmental issues are successively gaining importance within Business Sweden's sustainability work. There are several reasons for this, but when it comes to investment promotion, the environment is already an important sustainability factor when investing in Sweden. In addition, this issue is a key element of Business Sweden's attractiveness as an employer – and this is something we really want to achieve as our employees are our most important resource.

Collaboration within Team Sweden will continue to be important in order for Sweden to maintain its frontline position in innovative sustainable solutions. Here, it is urgent to develop pilot projects and make them scalable, so that the lessons learned can be used in other contexts. The goals in Agenda 2030 permeate this work and our role is to help Swedish companies overcome the obstacles that currently exist. If we succeed, our companies can carry out more international business while at the same time contributing to Agenda 2030, and in particular to making sure that achieving goal 17 becomes a reality.

I look forward to new constructive partnerships and an even more sustainable 2019, now with the reinforcement of Business Sweden's sustainability coordinator and our capable network of offices around the world.

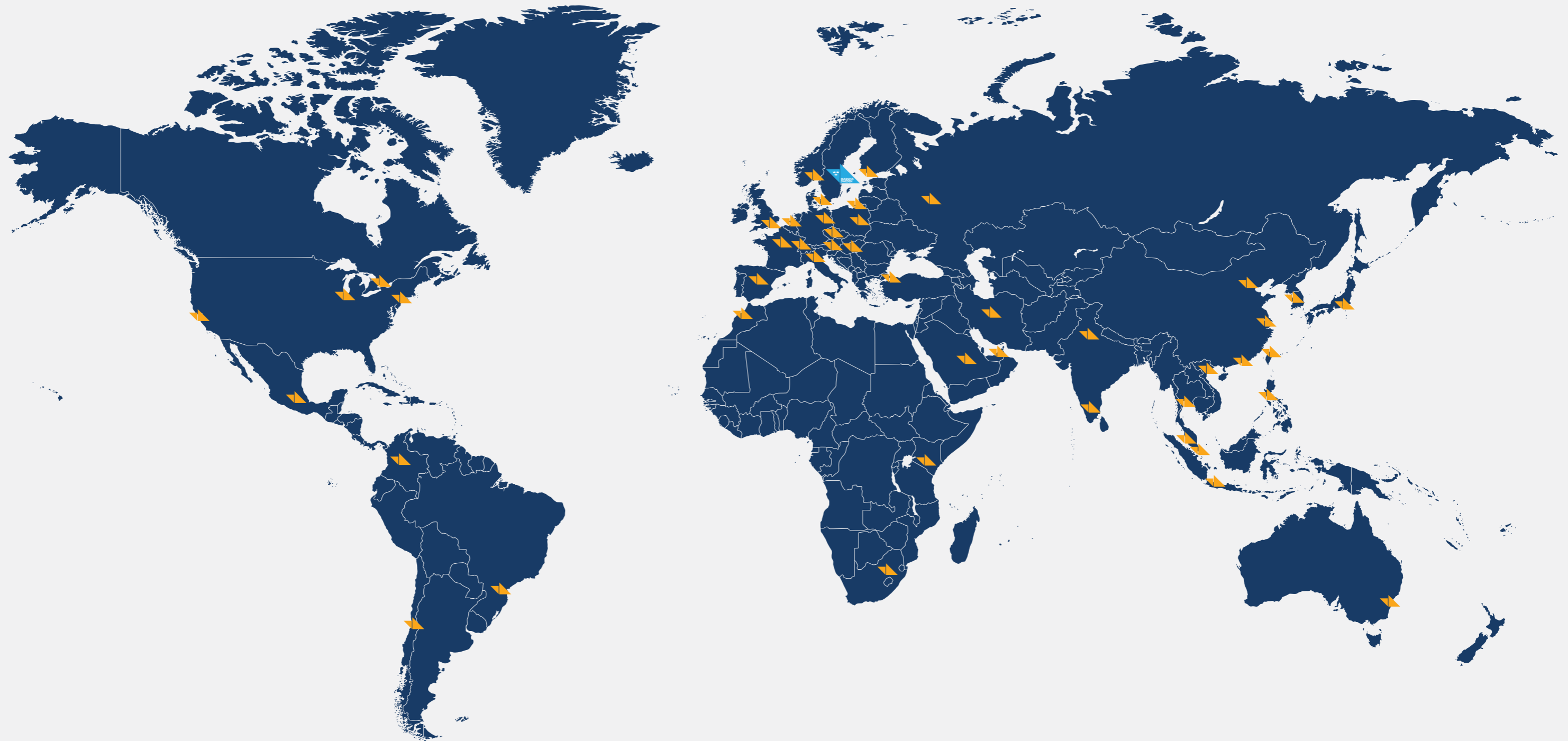


“ I look forward to new constructive partnerships and an even more sustainable 2019. ”

Marie Trogstam, Manager for International Sustainable Business, Business Sweden

47 OFFICES
42 COUNTRIES
1 SUSTAINABLE WORLD

- | | | | | | |
|----------------|-----------|-------------|--------------|----------------------------|----------------|
| Australia | Denmark | Italy | Norway | Spain | United Kingdom |
| Austria | Finland | Japan | Philippines | Sweden | USA |
| Brazil | France | Kenya | Poland | Switzerland | Vietnam |
| Canada | Germany | Latvia | Russia | Taiwan | |
| Czech Republic | Hungary | Malaysia | Saudi Arabia | Thailand | |
| Chile | India | Mexico | Singapore | Turkey | |
| China | Indonesia | Morocco | South Africa | United Arab Emirates (UAE) | |
| Colombia | Iran | Netherlands | South Korea | | |





We help Swedish companies grow global sales and international companies to invest and expand in Sweden.

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