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Communication from Special Procedures

Reference: AL SWE 3/2022

Madame and Sir,

1. I have the honour of referring to your letter of 2 August 2022, in which you brought to the attention of the Swedish Government information received concerning PostNord's suspension of all postal services to and from the Russian Federation and Belarus.

2. In response to the invitation to submit observations on certain questions related to the abovementioned issues, I have the privilege, on behalf of the Swedish Government, to submit the following.

1. Statement of facts

3. On 24 March 2022, PostNord in Sweden (PostNord) communicated in a press release¹ that it would neither forward nor accept postal items (letter-post items, parcel-post items and EMS items²) to and from the Russian Federation and Belarus. PostNord stated that it had made the assessment that a suspension of services was necessary to comply with the sanctions that the EU has imposed on the Russian Federation and Belarus. This temporary suspension would remain in

¹ [PostNord in Sweden suspends all postal items to and from Russia and Belarus | PostNord](#).

² Express Mail Service items.

force until a screening system could be put in place, making it possible to resume postal flows to and from these countries while complying with the sanctions, or until the sanctions are lifted. Postal items addressed to the Russian Federation and Belarus are returned to the relevant sender. If a sender's details are missing, the item is handled in consultation with the Swedish Post and Telecom Agency.

4. On 11 July 2022, PostNord announced³ that forwarding of postal items to the Russian Federation and Belarus would resume. A screening system launched on that date makes it possible to sort out postal items that the company considers a sanctions risk. This has enabled PostNord to resume forwarding of postal items to the Russian Federation and Belarus. Acceptance of postal items from the Russian Federation and Belarus destined for Sweden is still suspended, pending the installation of a screening system that can also handle these items. However, according to PostNord, the postal flow of letters weighing up to 50 grams to and from the Russian Federation and Belarus resumed as of May 2022.

5. Sweden is not party to any armed conflict and thus international humanitarian law is not applicable.

2. State-owned enterprises and corporate governance

6. The decision to suspend postal services to and from the Russian Federation and Belarus was taken by PostNord, not the Swedish Government. PostNord is a state-owned enterprise that was formed as a result of the merger between Post Danmark A/S and Posten AB in 2009. The Swedish State owns 60 per cent of the company, and the Danish State owns 40 per cent. The voting rights are split 50/50. However, the Swedish Companies Act (*aktiebolagslagen, 2005:551*) requires a clear division of responsibilities between shareholders, board of directors and company management. The shareholders formally exercise their influence at the general meeting. The company is a private legal entity, separate from the Swedish state.

7. Regarding the governance of state-owned enterprises in Sweden, the Government wishes to underline the following.

³ [Postflöden till Ryssland och Belarus återupprättas | PostNord.](#)

8. The State Ownership Policy, adopted by the Government on 27 February 2020, sets out the Government's mandates and objectives, applicable frameworks and important issues of principle relating to the corporate governance of state-owned enterprises. The State Ownership Policy includes the Government's principles for corporate governance, remuneration and other terms of employment for senior officers of state-owned enterprises and external reporting in state-owned enterprises. In the owner dialogue, the State monitors those enterprises to ensure they pursue their adopted objectives. The Government reports to the Riksdag through an annual written communication, which includes the annual report of the state-owned enterprise as an annex.⁴

9. The State Ownership Policy applies for all enterprises in which the State holds a majority ownership. In enterprises in which the State holds a minority ownership, the State engages in a dialogue with the other owners with the aim of having this ownership policy adopted.

10. As set out in the State Ownership Policy, state-owned enterprises must act responsibly and work actively to follow international guidelines on environmental and climate consideration, human rights, working conditions, anti-corruption and business ethics. State-owned enterprises must act in an exemplary way with respect to sustainable business and otherwise act in such a way that they enjoy the confidence of the general public. Exemplary conduct includes working strategically and transparently with a focus on cooperation. International guidelines, the 2030 Agenda and the global Sustainable Development Goals must inform this work. It is particularly important that state-owned enterprises work for respect for human rights, including the rights of the child. The Government has identified the following international principles and guidelines for state-owned enterprises: the Ten Principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

11. State-owned enterprises are subject to the same laws as privately owned companies, including the abovementioned Swedish Companies Act. The Companies Act stipulates that companies must have three decision-making bodies in a hierarchical relationship to one another: the shareholders' meeting, the board of directors and the chief executive officer. There must also be a control body, the

⁴ [state-ownership-policy-2020.pdf \(government.se\)](#)

statutory auditor, which is appointed by the shareholders' meeting. The Swedish corporate governance model *inter alia* entails that the shareholders' influence in the company is exercised at the shareholders' meeting, which is the company's highest decision-making body. State-owned enterprises further have to apply the rules set out in the Companies Act for public limited companies regarding general meetings.

12. Each enterprise's board of directors (including a state-owned enterprise) is responsible for the enterprise's organisation and for managing its affairs. This includes regularly assessing the enterprise's financial situation and ensuring that the enterprise has satisfactory internal control. The enterprise's executive management is responsible for day-to-day operations. The shareholders' meeting can thus decide on any company matter which does not expressly fall within the exclusive competence of another corporate body. As noted above, the decision to suspend postal services to and from the Russian Federation and Belarus was taken by PostNord. The Government has no part in this decision.

3. Business and human rights

13. The UNGPs are fundamental to Swedish policy on trade and export promotion. The Government's view is that business and human rights should be mutually reinforcing.

14. In 2015, Sweden became the sixth country in the world to adopt a national action plan for business and human rights in line with the UNGPs. Business and human rights is also part of the Swedish Trade and Investment Strategy and the Platform for International Sustainable Business, both launched in 2019, wherein the Government expresses the clear expectation on Swedish enterprises to respect human rights in their operations both in Sweden and abroad. Moreover, the Government expects companies to produce guidelines for how employees can highlight unacceptable conditions, and to introduce a process for compensating parties for negative impacts.

15. The Swedish Export Credit Agency (EKN) promotes Swedish exports by issuing state export credit and investment insurance. The Government's terms of reference state that EKN must ensure that its operations are conducted in accordance with international guidelines, including the UNGPs.

16. The Swedish Export Credit Corporation (SEK) is a state-owned company that finances Swedish export companies, their subsidiaries and foreign customers. The State Ownership Policy stipulates that state-owned companies, which includes SEK, must promote compliance with international guidelines, including the UNGPs. SEK also works with export companies to implement the UNGPs in various sectors.

17. In Sweden, there is no distinction between corporate human rights violations and other types of human rights violations. There is no specific regulation concerning business and human rights. The remedies available in the Swedish legal system are in line with the international human rights conventions to which Sweden has acceded.

18. The Government has thus taken several measures to implement the UNGPs, but has not adopted national legislation on human rights due diligence.

19. However, the Government is working for ambitious EU legislation on mandatory human rights and environmental due diligence. For example, in February 2021 Sweden submitted its response to a consultation by the European Commission and expressed support for the development of broad, horizontal legislation aligned with the UNGPs and the OECD Guidelines for Multinational Enterprises. The Government also expressed support for implementing a system for follow-up and enforcement, including access to an effective remedy. Furthermore, upon learning that the upcoming legislative proposal had yet again been delayed, Denmark, Finland and Sweden wrote a joint letter to the European Commission in February 2022, urging the Commission to prioritise putting forward a proposal on mandatory due diligence.

20. The Government is currently participating actively in the EU negotiations on a directive on corporate sustainability due diligence. The Government's view is, as mentioned above, that the legislation should be aligned with the UNGPs and the OECD Guidelines for Multinational Enterprises.

4. Summary

21. The Government finds it pertinent to underline that the decision to suspend postal services to and from the Russian Federation and Belarus was taken by PostNord – not the Swedish Government.

22. Furthermore, the Government wishes to emphasise that business and human rights is a priority issue for the Government and an area in which Sweden has taken a number of measures in recent years.

23. To conclude, as outlined in the abovementioned press releases, PostNord made the assessment that the temporary suspension of postal services was necessary to comply with the EU sanctions imposed on the Russian Federation and Belarus. A screening system launched on 11 July 2022 makes it possible to sort out postal items that the company considers a sanctions risk. This has enabled PostNord to resume forwarding of postal items to the Russian Federation and Belarus. According to PostNord, the postal flow of letters weighing up to 50 grams resumed in May 2022.

24. The Government remains at the disposal of the Special Rapporteurs, should any further information be requested.

Please accept, Madame and Sir, the assurances of my highest consideration



Charlotte Kugelberg
Director-General for Legal Affairs