



Permanent Mission of Finland
Mission permanente de la Finlande
Geneva

23-1899

VERBAL NOTE

The Permanent Mission of Finland to the United Nations and Other International Organisations in Geneva presents its compliments to the Office of the United Nations High Commissioner for Human Rights and has the honour to submit the attached Government's response to the joint communication by the Special Rapporteur on the human rights to safe drinking water and sanitation and the Working Group on the issue of human rights and transnational corporations and other business enterprises (JAL FIN 1/2023).

The Permanent Mission of Finland to the United Nations and Other International Organisations in Geneva avails itself of this opportunity to renew to the Office of the United Nations High Commissioner for Human Rights the assurance of its highest consideration.

Geneva, 29.8.2023



Attachment: Response by the Government of Finland, JAL FIN 1/2023

Special Procedures
Office of the United Nations High Commissioner for Human Rights

Joint communication by the Special Rapporteur on the human right to safe drinking water and sanitation and the Working Group on the issue of human rights and transnational corporations and other business enterprises

Response by the Government of Finland

29 August 2023

With reference to the joint communication of 23 June 2023 (AL FIN 1/2023) by the Special Rapporteur on the human right to safe drinking water and sanitation and the Working Group on the issue of human rights and transnational corporations and other business enterprises, the Government of Finland submits the following response.

Finland appreciates the work of both the UN Special Rapporteur on human rights to safe drinking water and sanitation and of the Working Group on the issue of human rights and transnational corporations and other business enterprises.

Finland's foreign and security policy is based on the rule of law, human rights, equality and democracy. Finland is an active member of the UN Human Rights Council in 2022–2024 and a long-standing advocate of economic, social and cultural rights. Finland recognises the rights to water and sanitation as human rights and promotes these rights internationally, with an emphasis on women's rights. Water diplomacy and water projects implemented in development cooperation are an important part of Finland's foreign and development policy.

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.

As regards the allegations brought up in the joint communication, the Government of Finland (later “the Government”) is not in a position to comment on all events that have taken place in Uruguay. The Government refers to UPM-Kymmene Corporation's (later “UPM”) separate response to the joint communication according to which UPM complies with all the relevant laws and regulations in its activities in Uruguay.

UPM is a publicly listed forest industry company domiciled in Finland. As stated in the aforementioned separate response, UPM's decision making, management and operations are guided by the company values and the UPM [Code of Conduct](#). UPM follows the applicable laws and regulations as well as their Code of Conduct to ensure legal and ethical compliance. UPM is voluntarily committed to respecting human rights as set by the UN Guiding Principles on Business and Human Rights in all countries where it operates, including Uruguay. This has been the guiding principle throughout the planning and execution of their growth project in Uruguay, including the construction and operation of the UPM Paso de los Toros pulp mill. UPM has in place a continuous human rights due diligence programme which covers their operations globally.

According to the information available to the Government, in the southern part of South America, the years 2020–2023 have been exceptionally dry, and in summer 2022–2023, the drought reached historic proportions. In Uruguay, the drought was the worst in over 70 years.

UPM has emphasised that the current water deficiency in Montevideo and its metropolitan area cannot be attributed to UPM's operations in the country. According to external experts current water shortage affecting Montevideo and its metropolitan region is driven by extreme climatic conditions. The exceptional drought and lower rainfalls received in Uruguay during the last three years because of the La Niña weather pattern have affected the entire country.

The Government notes that the three pulp mills in Uruguay (two mills of UPM and one of Stora Enso/Arauco) are located far from the capital and take the water needed for their production from river areas that are not connected to the water reserves used by the Montevideo water works. UPM's newest pulp mill in Paso de Los Toros is located 250 km away and the Fray Bentos mill 300 km away from the capital. According to UPM, the water used by the pulp mills is not potable water but surface water taken from rivers, and most of it (80%) is returned to the water bodies after purification. Of UPM's eucalyptus groves, 99% are located outside the catchment area of Montevideo.

In May 2023, UPM Uruguay informed that it had donated to the State Water Utility of Uruguay, OSE, the water desalination plant used earlier during the construction of UPM's new pulp mill. OSE remained responsible for moving the plant to the Montevideo region for its own use.

2. Please provide information on the measures the Government of your Excellency has taken or is considering taking to ensure that business enterprises domiciled in its territory and/or jurisdiction respect human rights in all their activities, including investment activities.

Finland promotes responsible business activities, the obligation of States to protect human rights in business, and the obligation of enterprises to respect human rights both nationally and internationally.

Finland is committed to actively adhering to and promoting the implementation of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The UN Guiding Principles describe how States and business enterprises should fulfil their obligations and responsibilities. Each State is responsible for implementing the principles in its own territory. Finland was the fourth country in the world to publish a [national action plan for the implementation of the UN Guiding Principles on Business and Human Rights](#). The Government adopted the action plan on 17 September 2014. Finland has taken the measures envisaged in the action plan and is continuing the implementation of the UN Guiding Principles in various ways through cooperation within the Government. For example, Finland [has invested in the capacity of public financial instruments and public officials to implement the UN Guiding Principles](#), and in cooperation with civil society. [The guidelines of the Finnish Foreign Service on supporting human rights defenders](#) highlight the role of Finnish missions abroad in providing advice to enterprises on human rights issues.

The Government is committed to developing the regulation of corporate social responsibility at the European Union (EU) and OECD levels. At the moment, EU legislators are negotiating the content of the so-called Corporate Social Responsibility Directive (Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937). Upon its entry into force, the Directive will be the first binding regional legislative framework that imposes on business enterprises a compulsory due diligence obligation to identify and prevent adverse human rights and environmental impacts in their activities, including activities outside the European Union.

The detailed content of the future Directive will be specified during the negotiations. The Directive will obligate business enterprises to exercise due diligence, which means that they must have in place clear procedures for identifying, preventing, mitigating and addressing adverse human rights and environmental impacts in their activities and for monitoring the measures taken by them.

Such adverse impacts may include, for example, toxic discharges into the environment or restrictions on employee freedom of association. The proposed Directive will also contain provisions on the sanctions to be imposed on enterprises for breaching legislation on corporate social responsibility.

Finland will implement the Directive nationally, and as part of the national implementation, enact a national Act of Parliament on corporate social responsibility, supervision by public authorities and related sanctions.

3. Please provide information on concrete progress made by the Government of your Excellency in requiring encouraging business enterprises domiciled in your territory and/or jurisdiction to implement human rights due diligence processes.

To encourage business enterprises domiciled in the territory of Finland to comply with the human rights due diligence obligation in their activities, the Ministry of Economic Affairs and Employment has published, on its website, related information and documents as well as numerous guides, tools, studies and reports providing concrete guidance and instructions and research-based information for enterprises and actors of different sizes. The Ministry has also organised stakeholder events to promote compliance with both the OECD Guidelines and the due diligence obligation under the current EU legislative proposals in the field of human rights.

4. Please provide information on the steps the Government of your Excellency is taking or considering taking to ensure that individuals affected by the activities of business enterprises domiciled in your jurisdiction have access to remedy in your country through judicial or extrajudicial State-based mechanisms.

Finland is committed to promoting compliance with the OECD Guidelines, which are supported by the National Contact Points (NCPs) established by the Governments of the OECD Member States. The NCPs apply and publicise the Guidelines. They also provide a forum for mediation and conciliation regarding the application of the Guidelines in individual cases. In Finland, the Ministry of Economic Affairs and Employment serves as the National Contact Point together with the Committee on Corporate Social Responsibility (Government Decree 591/2008). At the Ministry's request, the Committee issues a statement on whether a business enterprise has complied with the Guidelines or not.

5. Considering the information sent by the Government of your Excellency on the follow-up to the concluding observations on the seventh periodic report of CESCR, including its commitment to promote compliance with and OECD Guidelines for Multinational Enterprises, what specific actions has your Excellency's Government taken to address the environmental impact of Finnish business operating overseas?

As regards Finland's replies on follow-up to the concluding observations on the seventh periodic report on the implementation of the International Covenant on Economic, Social and Cultural Rights (E/C.12/FIN/FCO/7, para 7), a reference is made to a reply provided under question 4.

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