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Sweden Corporate Social Responsibility (CSR) Report

- The Ethical Council of Sweden is a major actor in divestments from Israeli companies. The Council, which claims to ensure ethical investments for Swedish government pension funds, partners with Corporate Social Responsibility (CSR) organizations, such as Ethix and GES Investment Services, in order to target companies for divestment.
- Swedish non-governmental organizations (NGOs) promote boycott, divestments, and sanctions (BDS) in Sweden. These organizations include the Palestine Solidarity Association in Sweden (PGS), Kvinna till Kvinna, SwedWatch, and Christian organizations Diakonia and the Swedish Church. These groups are connected to a wide network of NGOs and institutions throughout Europe that promote BDS.
- In order to advance a BDS agenda, these groups distort legal narratives to falsely accuse Israel of human rights violations and erroneously argue that conducting business with Israel amounts to furthering these alleged violations.
- These actors also promote the claim that it is illegal to conduct business with Jews over the 1949 armistice lines. This has no foundation in international law and has been consistently denied by courts in several countries.

Ethix CSR

- The Swedish CSR company Ethix advises numerous clients involved in divestment from Israeli companies. Its clients include the Swedish Ethical Council, the Norwegian Ethical Council, Danske Bank, and Nordea (a Norwegian company).
- Ethix was also involved in the divestment campaigns against the French company Veolia. In a 2008 [interview given to Adri Nieuwhof](#), an anti-Israeli activist, Ethix advisors Reinhilde Weidacher and Damine Fruchart [declared](#) that Veolia's activities in East Jerusalem amounted to a violation of international law, a position that was later disproven by a French court. It is not clear who commissioned Ethix to do a study on Veolia, or if it was commissioned at all.

Ethical Council of Sweden

- The [Ethical Council of Sweden](#) (the Council) was founded in 2006 as a joint initiative of four funds in the National Swedish pension system. Its stated mission is to "coordinate the procurement of ethic consultancy" in order to ensure ethical investment standards. The Council reviews companies' practices with respect to human rights, labor law, environmental protection, corruption, and involvement in special weapons commerce.
- Each year the Council scrutinizes approximately 10 companies that allegedly breach ethical standards. During its review process, the Council consults with CSR companies, including GES Investment Services, although it does not disclose its information sources.
- The Council "engages in dialogue" with the companies under inquiry, meaning it urges them to change the practices it deems unethical. If the "dialogue" is unsuccessful, the Council may suggest divestment from that company.
- The Council may also engage in investor stakeholders' dialogue (shareholder activism) by filing a resolution at the targeted company's annual general meeting. The Council also meets with civil society organizations (CSOs), NGOs, trade unions, and environmental and human rights groups. These groups then submit reports that recommend cases for the Council to evaluate. The Council does not make these reports publicly available.

- The Council fails to fully disclose the sources it consults in deciding upon divestment. Consequently, it fails to publicly demonstrate the existence of violations of international norms or connections between corporate activity and alleged violations, or identify any actual detriment to supposed victims.
- For example, the Council alleges that companies violate international humanitarian law by conducting business with Israeli partners in the West Bank, but fails to prove this legal claim. In contrast, the position that corporations are subject to international humanitarian law has been repeatedly rejected by domestic courts in several jurisdictions.
- The Council [classifies “dialogues” with companies in four “codes”](#): blue-code refers to companies that address the Councils’ concerns within one year; orange-code involves the need for further changes once the first review is completed; red-code refers to companies whose alleged violations have been verified and are given four years to comply with changes; and finally, black-coded companies are subject to divestment.

Ethical Council involvement in BDS cases (Elbit Systems Ltd, Alstom, Veolia, Motorola)

- In 2009, the Council urged [Elbit Systems Ltd.](#) to discontinue providing security and surveillance devices for Israel’s security barrier. The company did not adapt to the Council’s requests and was excluded from the funds’ investments in 2010.
 - The Council maintains that activities involving Israel’s security barrier are in violation of international and humanitarian law, based on the International Court of Justice Advisory Opinion that such activities contribute “to contraventions of international law.”
 - The Council first [stated](#) that Elbit’s activities “can be associated with violation of international humanitarian law,” and then argued that “both the European Union and the Swedish Government are clear on their stance that those sections of the separation barrier, and the settlements erected by Israel on the occupied territories are contrary to international public law.”
 - In its political (not legal) argument against corporate activity in settlements, the Council relies heavily upon the discredited 2004 International Court of Justice advisory opinion on Israel’s security barrier. The opinion was orchestrated by the Arab League and the Organization of the Islamic Conference in a politicized process at the UN General Assembly. The decision, which is only of “an advisory character” and “has no binding force,” was criticized by many legal scholars for being based on a one-sided conclusory mandate, procedural irregularities, completely ignoring the Palestinian suicide bombing campaign (and the role of the security barrier in preventing attacks), and faulty interpretations of international law. Moreover, the opinion did not address liability of corporate activity, such as materials provided by Elbit, in any way.
 - In addition, as noted above, the Council rejects the established principle in international law that corporations are not bound by human rights treaties or the Geneva Conventions. All courts that have examined this issue have ruled that these apply only to States.
- In 2010, the Council investigated [Alstom and Veolia](#) for their connection to the Jerusalem Light Rail train. The Council alleged that the companies were “associated with violation of the Fourth Geneva Convention by delivering custom-made trains to a tram connection that

links western Jerusalem and the settlements located in the Israeli-occupied Palestinian territory.”

- The Council urged the companies to “discontinue its involvement in the project or for the company to transparently and reliably demonstrate that the project is being carried out in accordance with the wishes and interests of the Palestinian population.”
- This argument is based on the assumption, by way of a distorted legal narrative, that building infrastructure for the benefit of both Arab and Jewish residents of Jerusalem is illegal under international law.
- In 2009, a [public campaign against Veolia](#) was [reportedly led by Diakonia, calling upon the Stockholm City Council](#) to divest from Veolia, which runs the Stockholm subway system. According to [Diakonia’s 2008-2010 activity report](#), it engaged in a media campaign against Veolia that “contributed to a totally new and positive momentum in the debate on commercial actors involvement in the occupation, by bringing legal arguments rather than demands for boycott to the agenda of discussion.”
- In [2011](#), the Council found an improvement with Veolia, when the company agreed to sell its shares in the Jerusalem Light Rail project, although it retained a consultancy agreement. Alstom remained under review because it retained its maintenance contract. In [2012](#), the Council recognized Veolia and Alstom for their commitment to sell the Light Rail project shares.
- In 2010 the Council investigated [Motorola](#), for having “delivered a custom-designed monitoring system to the settlements on the West Bank. Those settlements that are located on occupied Palestinian land violate international humanitarian law (including the Fourth Geneva Convention), which has been confirmed by the international court in the Hague.”
 - Motorola was not responsive to the Council’s requests. The Council claims to have filed a resolution at Motorola’s 2014 annual general meeting, urging the company to change its policy “as well as its approach to compliance with the [Fourth] Geneva Convention.”
- In 2010, the Council reviewed six companies for alleged violations of human rights law. Three of these are connected to Israel, indicating a disproportionate focus.

NGOs advocacy for BDS

- Swedish NGOs are directly involved in anti-Israel advocacy, or in providing funding to Israeli and Palestinian NGOs that advance BDS. These include the Palestine Solidarity Association of Sweden (PGS, *Palestina Grupperna i Sverige*), Kvinna till Kvinna, SwedWatch, and Christian groups Diakonia and the Swedish Church.
- PGS is a [government-funded](#) Swedish organization, founded in 1976 to promote the Palestinian narrative, and right of return resulting in the elimination of Israel as the nation-state of the Jewish people. PGS demonizes Israel through accusations of [apartheid](#), [endorsement of BDS](#), and lobbying Swedish institutions to boycott and [isolate Israel](#).
 - PGS actively [promotes divestment campaigns](#) through shareholders’ and consumers’ activism and by supporting individual complaints to the Swedish Ethical Council, banks, and corporations.
 - PGS has [promoted BDS campaigns](#) against Veolia (discussed above); Assa Abloy, accused of operating a factory in a non-specified settlement; H&M, accused of

- having a store on the ruins of a non-specified Arab village; IKEA, accused of delivering products to settlements; and Co-op, accused of selling Israeli products.
 - The organization has actively campaigned to suspend the EU-Israel Association Agreement and to exclude Israeli cultural, academic, and sports representatives from Swedish and international conferences and events.
- Kvinna till Kvinna is a [Swedish government-funded](#) foundation that claims to work for women's rights and empowerment. The group adopts a [one-sided narrative](#) to delegitimize Israel, and actively supports Israeli and Palestinian organizations that promote BDS.
 - Kvinna till Kvinna holds Israel responsible for the suffering of Palestinian women, [stating](#) that "women are increasingly exposed to direct military aggression."
 - Kvinna till Kvinna supports the Jerusalem Center for Women, a Palestinian organization that demonizes Israel by [accusing it of racism](#) and [promotes the boycott](#) of Israeli products.
 - Most notably, Kvinna till Kvinna funds [Coalition of Women for Peace](#) (CWP), an Israeli organization that leads anti-Israel BDS campaigns in partnership with [Who Profits](#) (formerly a project of CWP).
- Swedwatch claims to be "an independent, non-profit organization reporting on Swedish business relations in developing countries." It [lobbies](#) companies and institutions to adopt what it deems to be "current international" CSR standards.
 - In 2008, Swedwatch, in partnership with Diakonia and The Church of Sweden, published "[Illegal Ground: Assa Abloy's business in occupied Palestinian territory.](#)"
 - The publication accuses the Swedish company Assa Abloy of violating international law by conducting business in the Barkan industrial zone, deemed to be located in "Palestinian Occupied Territories."
 - The publication repeats erroneous legal arguments that corporations are subject to international humanitarian law, and supports international divestment from Israeli companies.
- Diakonia is a Swedish Christian aid organization directly involved in BDS campaigns.
 - Diakonia promotes anti-Israel "lawfare" and funds numerous highly politicized NGOs that promote BDS and anti-Israel activism, including the [Alternative Information Center](#)(AIC), [Al Haq](#), [Sabeel](#), and [Al Mezan](#).
 - Diakonia regularly exploits legal rhetoric to demonize Israel, [accusing Israel](#) of "war crimes," "collective punishment," and "violations of international law."
 - Along with 21 other NGOs, Diakonia contributed to "[Trading Away Peace](#)," a heavily biased publication that promotes BDS and calls on the EU and national governments to wage political warfare on Israel through economic sanctions.
- The Church of Sweden, which [endorsed the Palestinian-Christian call to boycott Israel in 2012](#), also contributed to "Trading Away Peace."
 - In 2013, the local branch of the [Church of Sweden in Umeå divested from G4S](#) for its alleged activities in the West Bank.¹

¹ Falk has been [criticized by the US envoy to the UN](#) for having published "bizarre and insulting material," his "relentless anti-Israel bias," and for his "noxious and outrageous perpetuation of 9/11 conspiracy theories." UN Secretary General, Ban Ki Moon, also [remarked](#) that "The Secretary General rejects Mr. Falk's comments [which] undermine the credibility and the work of the United Nations."



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