

Response from Denmark to Questionnaire on Economic Diplomacy and Trade and Investment Promotion:

1. Do the relevant ministries that address cross border trade and investment promotion have any policy commitment to address human rights as part of their activities? If yes, does such a commitment include any reference of the UN Guiding Principles on Business and Human Rights and other standards for responsible business conduct (e.g. OECD Guidelines; IFC Performance Standards)?

Denmark's Export Credit Agency (EKF) has a policy commitment. The commitment is implemented through the CSR Policy. EKF's CSR Policy explicitly refers to the UN Guiding Principles on Business and Human Rights alongside OECD Multinational Enterprise Guidelines, OECD Recommendation for Official Supported Export Credits and Environmental and Social Due Diligence (the "OECD Common Approaches") and IFC Performance Standards.

2. Have relevant trade/business oriented ministries and agencies required businesses to demonstrate respect for human rights / alignment with the UN Guiding Principles on Business and Human Rights as a condition of receiving government support through export credit, investment guarantees, and political risk insurance? If yes, please provide examples of how this requirement has been implemented.

IFU is the Danish development finance institution providing share capital participation, loans and guarantees on commercial terms to private sector in developing countries and emerging markets. IFU has a sustainability policy that sets out a commitment to respect and promote all basic human rights and further sets out requirements to investees including compliance with national legislation and regulation in the host country and to work towards implementing international standards, including the UN Guiding Principles on Business and Human Rights. Investees are also required to agree to an action plan in order to prevent and mitigate risks identified in the appraisal propos as a condition of disbursement from IFU.

Furthermore, when Denmark's Export Credit Agency (EKF) guarantees medium-long term loans (loans with at repayment period of 2 years or more and an amount larger than 10 million SDR), EKF benchmarks the projects against IFC Performance Standards as required by OECD Common Approaches. The IFC Performance Standards are considered to ensure the implementation of the UNGP at project level. In addition, EKF promotes UNGP and OECD Multinational Enterprise Guidelines towards Danish companies through meetings, workshops and the booklet "UN Guiding Principles Explained" published by Global CSR.

3. Have such ministries or agencies involved with export promotion, required businesses to demonstrate commitments to human rights / alignment with the UN Guiding Principles as a condition of participating in trade missions, receiving export promotion assistance, and being eligible for trade advocacy services? If yes, please provide examples of how this has been implemented.

The Ministry of Foreign Affairs has rules for interaction with Danish companies and require these to comply with a Code of Conduct, which specifies that all companies in the incubator shall comply with the legislation of both Denmark and the country of residence. This includes for example requirements not to practice discrimination, not to use child labour, to recognise rights of workers with regard to freedom of association and to provide safe and healthy work facilities for all employees. Furthermore, the Anti-Corruption Policy for the Trade Council sets out a zero-tolerance policy on corruption and provides guidelines.

EKF does not require businesses to demonstrate alignment with the UNGP as a condition for participating in trade missions, etc.

4. Do you provide any training or guidance on human rights to your trade officers who assist companies with export promotion and other forms of trade and investment support?

A human rights training course is available to all diplomatic staff before posting by the Danish Ministry of Foreign Affairs. The aim of the course is to provide participants the grounds for actively contributing to ensure the promotion and protection of human rights, which is a priority in all parts of the Danish Foreign Policy, including trade. Furthermore, over the past 3-4 years, EKF has held multiple introduction seminars/meetings with Danish trade officers from the various Danish Representations, including a workshop at the Danish Embassy in Beijing, PRC for the trade officers and Danish businesses operating in China.

5. If a company/business is the subject of a credible complaint by victims, relating to adverse human rights impacts, will your relevant agencies/ministries take any steps to address such issues with a company that is receiving trade and investment support? If yes, would such complaints impact any decisions about further support for the company in the future or cause your government to withdraw trade and investment support for that company?

As a result of the adoption of the UN Guiding Principles for Business and Human Rights and to accommodate the right to access to non-judicial remedy, the Danish Government has established a mediation and complaints-handling institution for responsible business conduct. To ensure that a non-judicial remedy has a maximum of legitimacy and authority, the institution was established by Danish law, which was passed through parliament and approved on June 12, 2012.

The purpose of the institution is to investigate cases involving potential adverse impacts by Danish companies on international CSR guidelines. The institution focuses on mediation to solve complaints - both on company level and if that is not possible, assisted by the mediation and complaints-handling institution. If mediation is not possible, the institution can initiate an investigation of the matter and based on the result, make a public statement.

The mediation and complaints-handling institution was established in accordance with the international effectiveness criteria for non-judicial mediation and grievance mechanisms as described in the UNGPs (GP 31). The institution can examine complaints involving not only Danish private companies but also public authorities and private organization, like NGO's. It can also take up cases on its own initiative, which will allow the institution to be proactive in cases of substantive importance.

It is not within the scope of the mediation and complaints-handling institution to have any influence or impact any decisions about further support for companies on trade and/or investment.

Furthermore, Denmark's Export Credit Agency (EKF) has procedures in place ensuring identification of actual and potential adverse impacts on human rights. In case such impacts are identified, EKF will include such aspects in the decision making process. If the business in question demonstrates repeated negligence or omission to address the issue of concern despite EKF's attempt to act upon the finding/increase leverage, it will be included in the decision-making related to future support to that company.

6. In what way does decisions by State-run grievance mechanisms (e.g. national contact points) relating to a business link to whether a business receives trade and investment support?

EKF's due diligence procedures ensure that searches on actual or potential adverse impacts of human rights by the project owners/sponsors (businesses), inclusive of decisions by National Contact Points. The status and the nature of such cases are included in the decision-making.