

International Covenant on Economic, Social and Cultural Rights
Follow-up report to the concluding observations on
Finland's seventh periodic report

6 March 2023

1. In the concluding observations on the seventh periodic report of Finland (E/C.12/FIN/CO/7), which were adopted on 5 March 2021, the Committee on Economic, Social and Cultural Rights requested Finland, in accordance with the procedure on follow-up to concluding observations adopted by the Committee, to provide, within 24 months of the adoption of the concluding observations, information on the implementation of the recommendations contained in paragraphs 7 (business and human rights), 9 (access to Covid-19 vaccines and drugs) and 28 (right to social security) of the concluding observations.
2. The Government of Finland hereby submits its follow-up information.

Follow-up information relating to paragraph 7 of the concluding observations - business and human rights

3. The European Commission has introduced a proposal for a Directive on corporate sustainability due diligence which is in the process of being negotiated between the co-legislators. This new framework legislation will enter into force in the coming years and create EU-wide rules for human rights due diligence, having impact also in third countries through the value chain of European companies as well as companies registered in third countries operating in the EU-market under certain criteria.
4. This new framework legislation on human rights due diligence will oblige large companies to identify and, where necessary, prevent, end or mitigate adverse impacts of their activities on human rights; such as child labour and exploitation of workers, and on the environment, for example pollution and biodiversity loss. This is in respect to the companies' own operations, those of their subsidiaries, and those carried out by their business partners.
5. The Directive will also lay down rules on penalties and civil liability for violating those obligations. Moreover, it lays down obligations for companies to adopt a plan to ensure that their business model and strategy are compatible with the Paris Agreement. For businesses, these new rules will bring legal certainty and create equal operating conditions. The national implementation of the Directive will take place swiftly after EU-legislators have adopted the Directive.
6. This EU-wide framework legislation will be influential and a game changer in due diligence frameworks as it will enable the shift from largely voluntary human rights due diligence rules in Europe to mandatory rules. Finland has been actively calling for an EU-wide human rights due diligence, and has been actively partaking in the negotiations on this new framework regulation. Harmonised rules on due diligence in the European Single Market create legal certainty and transparency for consumers and citizens, as well as investors.
7. Finland is committed to promoting compliance with the OECD Guidelines for Multinational Enterprises that are government-backed recommendations on responsible business conduct. The Guidelines are supported by a mechanism of National Contact Points (NCPs), which are established by compliant

governments to promote and implement the Guidelines. The NCPs also serve as a liaison and offer a forum for the settlement of disputes with regard to the application of the Guidelines in specific instances. The Ministry of Economic Affairs and Employment together with the Committee on Corporate Social Responsibility acts as the Finnish OECD National Contact Point (Government Decree 591/2008). Upon request of the Ministry, the Committee on Corporate Social Responsibility gives its opinion on whether an enterprise has operated according to the Guidelines.

8. In paragraph 6 of the concluding observations, the Committee explicitly states that it is concerned at reports about the lack of a thorough human rights impact assessment of a project operated abroad by UPM, a company domiciled in Finland. In order to provide the Committee with further information on this topic, the Government requested UPM to give a statement.

Information provided by UPM

9. According to UPM, respecting and protecting human rights is a fundamental principle across all UPM's businesses, as codified in the UPM Code of Conduct¹ and its associated policies, statements, rules and guidelines. UPM expects a similar commitment from its suppliers and third parties, as defined in the UPM Supplier and Third-Party Code².
10. UPM's impact assessments on the Paso de los Toros investment project in Uruguay were made in accordance with this principle, applicable legislative requirements and within the remit of control and operative responsibilities agreed in the 2017 Investment Treaty with the Government of Uruguay. Thus, UPM commissioned Environmental and Social Impact Assessments (ESIAs) for the new Paso de los Toros pulp mill and the associated plantation expansion, as well as the new pulp terminal in the port of Montevideo. The impact assessment of the Central Railway project – owned and constructed by the Republic of Uruguay – was undertaken by the Government.
11. The above-mentioned impact assessments, undertaken by independent third-party experts and approved by the relevant authorities as part of environmental permitting process, included stakeholder interviews and public hearings in the affected communities. The assessments are publicly available on the website of the Ministry of Environment³ and also accessible via UPM's website⁴.
12. To complement the ESIAs, UPM took additional measures to further strengthen its human rights approach and processes. In 2018, UPM commissioned an independent human rights advisory organization to support the assessment of salient human rights issues for the existing UPM operations in Uruguay,

¹ Code of Conduct | UPM.COM

² UPM Supplier and Third-Party Code | UPM.COM

³ Manifiestos : Observatorio Ambiental I MA (ambiente.gub.uy). UPM Paso de los Toros ESIA (Estudio de Impacto Ambiental) parts 1 and 2 and the associated annexes, and the Summary (Informe Ambiental Resumen) available through <https://www.ambiente.gub.uy/oan/proyectos/planta-de-celulosa/>

⁴ Responsibility | UPM Paso de los Toros

including the FSC Forest Management certified⁵ forestry operations. While this exercise focused on the existing operations, it also provided valuable lessons learned intended to help UPM proactively manage potential human rights issues in the process of developing and operating the second pulp mill.

13. The various due diligence work streams together with long-term in-country presence and experience of UPM formed a solid basis for understanding the key risks and impacts, as well as the necessary mitigation, management and monitoring measures for UPM's investments.
14. UPM's due diligence in Uruguay has been and will continue to be an ongoing, people-centric process with continuous engagement and dialogue particularly with those potentially affected but also with the broader society, including stakeholders that are critical towards UPM's operations. Therefore, UPM seeks and welcomes any feedback from different stakeholder groups, as this enables continuous improvement. UPM has a publicly available corporate Report Misconduct channel (SpeakUp) and other locally provided avenues for voicing concerns.
15. In parallel with the work in Uruguay, UPM has also strengthened and further systematized its human rights due diligence approach at the group level to ensure diligent assessment and management of potential and actual human rights risks and impacts in its own operations, investments and value chains. Given the constantly evolving landscape and best practices in corporate responsibility and human rights due diligence, UPM remains fully committed to developing and strengthening its policies, processes and practices on a continuous basis.

Follow-up information relating to paragraph 9 of the concluding observations - access to Covid-19 vaccines and drugs

16. The Government of Finland, together with other EU Member States and the European Commission, is committed to solidarity and equitable access to Covid-19 vaccines. Finland has supported COVAX as part of Team Europe, both through allocation of funding (more than 17 million euros) and through vaccine donations to low-and-middle income countries. By the end of 2022, the total number of doses delivered for donation from Finland was 3,6 million doses (through COVAX and a bilateral donation of 400 000 doses).
17. In addition, Finland has increased support to the Coalition for Epidemic Preparedness Innovation (CEPI) and the International Vaccine Institute (IVI) to strengthen global vaccine research and development. In 2022, Finland's support to CEPI was 2 million euros and to IVI 0,5 million euros.
18. Finland is committed also to strengthening health emergency preparedness and response globally, including through the negotiations of a WHO pandemic agreement and the strengthening of the International Health Regulations (IHR, 2005).

⁵ FSC™ license number FSC-C020173 (Uruguay).

19. Covid-19 has demonstrated that multi-sectoral cooperation, essential public health functions and strong and resilient health systems are cornerstones of effective preparedness and response. Finland is actively participating in multilateral cooperation to strengthen global health and health security.
20. With regard to intellectual property rights, the 12th WTO Ministerial Conference in June 2022 agreed on a number of clarifications and a waiver of certain existing obligations of the TRIPS Agreement to allow eligible WTO Members to authorise companies to manufacture and also, if need be, to export Covid-19 vaccines in a fast and simplified manner without the consent of the patent owner. The product scope covers Covid-19 vaccines. Finland emphasizes fact-based approach in the talks on the extension of TRIPS waiver.

Follow-up information relating to paragraph 28 of the concluding observations - right to social security

21. The Finnish social security system has been constructed so that it includes different components, in other words different benefits to which an individual is entitled to depending on his or her situation. There is no “one benefit with a fixed amount to all” –model but individuals can have different combinations of different benefits because the aim of the Finnish social security system is to provide necessary support in diverse situations in life such as sickness, unemployment and parenthood. In addition to benefits, different services and payment ceilings for health care and medicine expenses can also be considered as part of the Finnish social security system.
22. Regarding the basic social security coverage, Finnish social security system is largely residence-based. Everyone who is resident and/or employed in Finland is covered in the social security system. In addition to social security, everyone has the right to at least the necessary livelihood and care. This means that social assistance can be paid to all individuals or families whose income does not cover their essential daily needs.
23. One of the strengths of the Finnish social security system is wide basic social security coverage provided by the universal residence based social security system. This strength has enabled the social security system to react adaptively to new forms of work and to the challenges caused by the Covid-19 pandemic.
24. The Government has launched a comprehensive reform of the social security system that aims to simplify the system and make it operational and easier to use for individuals. One of the main objectives of this reform is to improve integration of employment and social security in changing life situations. Under the Government Programme, social assistance as a whole will be reformed to strengthen the role of social assistance within social welfare as a form of financial assistance of last resort. The fundamental rights and human rights aspects as well as the concluding observations and recommendations adopted by the Committee on Economic, Social and Cultural Rights and the European Committee of Social Rights will be thoroughly examined in these reforms.

25. Level of social security benefits has improved continuously, especially since 2020, as described below:

- In Finland, regular index adjustments are done in order to ensure the purchasing power of social security benefits. Index increases made to benefits linked to the National Pensions Index in 2020, 2021, 2022 and 2023 have increased the amount of most benefits.
- An increase of 20 euros per month was made to minimum level sickness allowance, parental allowance, special care allowance, basic unemployment allowance and labour market subsidy in 2020.
- The level of child benefit for families with four or more children was increased by 10 euros (a month from the fourth child and up) in 2020.
- The level of single-parent supplement to the child benefit was increased by 10 euros a month in 2020.
- The level of child maintenance allowance was increased by 7 euros a month in 2020.
- Due to the increasing prices, an extra index increase to benefits linked to the National Pensions Index (including for example minimum daily allowances and basic social assistance) was made in August 2022.

26. Furthermore, Prime Minister *Sanna Marin's* Government proposed number of advancements in relation to social security benefits on its budget proposal for 2023. These proposals include, *inter alia*, the following measures:

- Early childhood education fees be reduced permanently by 70 million euros.
- For 2023, the child increase in unemployment security is raised by 20 per cent and the basic social assistance for children under 18 years of age is raised by 10 per cent. In addition, an increase of 10 euros per month was made for the family provider supplement to the study grant and 5 euros per month for the single-parent supplement to the child benefit.
- An additional month of child benefit was paid to families with children in December 2022 without it affecting the level of income support.

27. Moreover, the Government has also made rapid decisions with regard to effects of the current situation in which prices are increasing extremely rapidly. For instance, the Government decided to enact legislation regarding the electricity support to help citizens with high electricity bills. In 2023, low-income households can get temporary assistance with electricity costs. A temporary tax credit for electricity was also introduced in January 2023.

28. Finland is also taking actions to reduce the amount of people at risk of poverty or social exclusion. The reduction of poverty is a key priority for Finland and it is reflected in national policies. Finland has set itself the target of reducing the number of people living at risk of poverty or social exclusion by 100,000 by the year 2030. One third of these people should be children. The national target is based on the general EU-level target of reducing poverty and social exclusion

significantly by 2030. The Ministry of Social Affairs and Health has prepared an Action Plan to reduce the amount of people at risk of poverty or social exclusion by 2030. The Action Plan pays particular attention to the poverty of families with children and puts forward recommendations for future measures to reach the target by 2030.

29. The reform of the Act on Social Assistance entered into force on 1 January 2023. The reform improves, in particular, the status of social welfare clients and vulnerable clients as applicants for social assistance. In the reform the status of basic social assistance was clarified, information exchange between the authorities was improved, and provisions on the application procedures and implementation of social assistance was developed to ensure adequate last-resort income security and timely services for people in need of social support.
30. The right to social security is guaranteed by the Constitution of Finland. Domestic legislation and practice must be consistent with the provisions of the Constitution. According to section 19 of the Constitution of Finland, those who cannot obtain the means necessary for a life of dignity have the right to receive indispensable subsistence and care. Everyone shall be guaranteed by an Act the right to basic subsistence in the event of unemployment, illness, and disability and during old age as well as at the birth of a child or the loss of a provider. The public authorities shall guarantee for everyone, as provided in more detail by an Act, adequate social, health and medical services and promote the health of the population. Moreover, the public authorities shall support families and others responsible for providing for children so that they have the ability to ensure the wellbeing and personal development of the children.
31. Insofar as it may become necessary in the future to impose cuts or freezes to the social security benefits in order to balance state economy, the measures will be evaluated and implemented with a due consideration given to the Committee's concluding observations.

The right to education for Roma children (paragraph 46 of the concluding observations)

32. Furthermore, Finland wishes to make the following remark regarding paragraph 46 of the concluding observations, as it was not discussed with the Committee during the dialogue in 2021.
33. In paragraph 46 of the concluding observations the Committee expresses its concerns "that Roma pupils - - are often de facto schooled in segregated classes, in spite of the State party's philosophy of inclusion in the education system."
34. The Government wishes to express that the aforementioned observation is incorrect, as Finland does not have separate classes for Roma children.

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