



# RESPONSIBLE BUSINESS CONDUCT IN SOCIAL AND HEALTH CARE SECTOR

Corporate human rights responsibility  
in housing services

Human Rights Centre's publications 2/2025

# **Responsible business conduct in social and health care sector**

## **Corporate human rights responsibility in housing services**

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## Responsible business conduct in social and health care sector

### Corporate human rights responsibility in housing services

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**Publisher:** Human Rights Centre

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Companies play an important role as providers of health care and social services in Finland. While human rights are already reflected in the regulation of the sector and have been visible, for example, in companies' efforts to develop the quality of their services, more comprehensive discussions on corporate human rights responsibility in this sector are on a relatively early stage.

The purpose of this publication is to stimulate discussion on the corporate human rights responsibility in the social and health care sector and thereby also to take this matter forward. The publication studies the human rights performance among the largest companies providing housing services in Finland from the perspective of the UN Guiding Principles on Business and Human Rights. It also highlights specific characteristics of the sector requiring attention in the discussions on and practical implementation of corporate human rights responsibility.

The publication is based on assessments on the human rights performance of companies providing housing services, conducted since 2021 by using the Corporate Human Rights Benchmark (CHRB) methodology. In addition, data have been collected through interviews, mapping of guidelines and tools, and document review. The round table discussion organised by the Human Rights Centre in spring 2024 for companies included in the assessment also fed into the contents of the publication.

Although companies providing housing services are still in the early stages of the operationalisation of their human rights responsibility, clear progress can be observed between 2021 and 2024. However, the human rights due diligence process is still implemented only to a very limited extent. Concretisation and integration of this process into companies' existing processes would help companies to systematically and effectively manage their human rights risks, and thereby also complement and strengthen their current quality work.

The understanding of different actors on the content and practical importance of human rights responsibility of companies providing housing services still needs to be strengthened. In this, the specific characteristics of the sector need to be taken into consideration. Joint discussions on these issues should therefore continue. The focus of these discussions should be kept on people as actors in their own lives and their rights.

## Vastuullinen liiketoiminta sote-alalla

### Yritysten ihmisoikeusvastuu asumispalveluissa

**Ihmisoikeuskeskuksen julkaisuja 2/2025**

**Julkaisija:** Ihmisoikeuskeskus

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**Kieli:** englanti

Yrityksillä on merkittävä rooli sosiaali- ja terveydenhuollon palveluiden tarjoajina Suomessa. Vaikka ihmisoikeudet ovat jo pitkään ohjanneet alaa koskevaa sääntelyä ja näkyneet esimerkiksi palveluiden laadun kehittämisessä, on keskustelu yritysten kokonaisvaltaisesta ihmisoikeusvastuusta kuitenkin alalla verrattain uutta.

Julkaisun tarkoituksena on herättää keskustelua sote-alan yritysten ihmisoikeusvastuusta ja viedä siten asiaa myös eteenpäin. Tarkastelussa on suurimpien asumispalveluita Suomessa tarjoavien yritysten ihmisoikeusvastuun toteutumisen tila YK:n yrityksiä ja ihmisoikeuksia koskevien ohjaavien periaatteiden näkökulmasta. Lisäksi nostetaan esille alan erityispiirteitä, joilla on merkitystä yritysten ihmisoikeusvastuun tarkastelussa ja käytännön toteutuksessa.

Keskeisenä aineistona ovat vuodesta 2021 lähtien tehdyt asumispalveluita tarjoavien yritysten ihmisoikeusvastuun tilan arvioinnit, jotka on tehty Corporate Human Rights Benchmarkin (CHRB) metodologialla. Lisäksi aineistoa on kerätty haastatteluilla, ohjeistuksia ja työkaluja kartoittamalla sekä alaan liittyvää kirjallista materiaalia analysoimalla. Ihmisoikeuskeskuksen keväällä 2024 järjestämä pyöreän pöydän keskustelu arviointiin sisällytetyille yrityksille tuotti myös näkökulmia julkaisun sisältöihin.

Vaikka asumispalveluita tarjoavat yritykset ovat ihmisoikeusvastuuseen liittyvissä toimissaan vielä alkuvaiheessa, selkeää etenemistä on havaittavissa vuosien 2021 ja 2024 välisenä aikana. Ihmisoikeushuolellisuusvelvoitetta koskevan prosessin toimeenpano on kuitenkin vielä hyvin vähäistä. Juuri tämän prosessin konkretisoiminen ja sisällyttäminen yritysten olemassa oleviin prosesseihin auttaa yrityksiä järjestelmällisesti ja tehokkaasti hallitsemaan ihmisoikeusriskejään ja samalla täydentämään ja vahvistamaan nykyistä laatutyötään.

Eri toimijoiden ymmärrystä asumispalveluita tuottavien yritysten ihmisoikeusvastuun sisällöstä ja käytännön merkityksestä on vielä vahvistettava. Tässä on otettava huomioon alan erityispiirteet. Yhteistä keskustelua näistä kysymyksistä onkin syytä jatkaa. Keskustelun keskiössä tulee pitää ihmiset oman elämänsä toimijoina sekä heidän oikeutensa.

## Ansvarsfull affärsverksamhet inom social- och hälsovårdsbranschen

### Företagens ansvar för de mänskliga rättigheterna inom boendeservicen

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**Människorättscentrets publikationer 2/2025**

**Utgivare:** Människorättscentret

**Författare:** Jaana Vormisto, Elina Tran-Nguyen,  
FIANT Consulting Oy

**Språk:** engelska

Företagen har en betydande roll som tillhandahållare av social- och hälsovårdstjänster i Finland. Även om de mänskliga rättigheterna redan länge har styrts regleringen av branschen och varit synliga till exempel i utvecklingen av tjänsternas kvalitet, är diskussionen om företagens övergripande människorättsansvar dock relativt ny inom branschen.

Syftet med publikationen är att väcka diskussion om ansvaret för mänskliga rättigheter hos företag inom social- och hälsovårdsbranschen och på så sätt föra ärendet vidare. Med FN:s vägledande principer om företag och mänskliga rättigheter som måttstock granskar publikationen hur de största företagen som erbjuder boendeservice i Finland uppfyller sitt människorättsansvar. Dessutom lyfter publikationen fram branschens särdrag, som påverkar hur företagens människorättsansvar granskas och i praktiken förverkligas.

Bedömningar av förverkligandet av människorättsansvaret hos företag som erbjuder boendeservice har gjorts sedan 2021. Dessa bedömningar, som har gjorts enligt Corporate Human Rights Benchmarks (CHRB) metoder, utgör centralt material i publikationen. Dessutom har material samlats in genom intervjuer, genom att kartlägga existerande anvisningar och verktyg, samt genom att analysera skriftligt material inom branschen. Den rundabordsdiskussion som Människorättscentret ordnade våren 2024 för de företag som inkluderats i utvärderingen gav också bakgrundsmaterial och perspektiv för publikationen.

Även om företag som erbjuder boendeservice fortfarande är i startgroparna då det kommer till åtgärder för förverkligandet av deras människorättsansvar, kan man observera tydliga framsteg mellan 2021 och 2024. Processen för tillbörlig aktsamhet (due diligence) i fråga om mänskliga rättigheter har dock fortfarande genomförts i mycket liten utsträckning. Att konkretisera denna process och inkludera den i företagets befintliga processer hjälper företagen att systematiskt och effektivt hantera människorättsrisker i sin verksamhet och samtidigt komplettera och stärka sitt nuvarande kvalitetsarbete.

Olika aktörers förståelse för vad som ingår i företagens människorättsansvar inom boendeservicen, samt ansvarets praktiska betydelse, måste stärkas ytterligare. I detta arbete måste man ta hänsyn till social- och hälsovårdssektorns särdrag. Det finns anledning att fortsätta den gemensamma diskussionen kring dessa frågor. Centralt i diskussionen är individens rättigheter samt att individen ses som en aktiv aktör i sitt eget liv.

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# 1 Introduction

Companies play an important role as providers of social welfare and health care services in Finland. While human rights are already reflected in the regulation of the sector and have been visible, for example, in companies' efforts to develop the quality of their services, adoption of comprehensive approaches for human rights risk management in all their business activities is only just starting. However, there is growing awareness that corporate human rights responsibility also applies to companies in the social welfare and health care sector and that the perspectives and tools it offers can help companies to strengthen and complement their current human rights work. The purpose of this publication is to stimulate discussion on corporate human rights responsibility in the sector and thereby also to take this matter forward.

The publication focuses on the human rights performance among the largest companies providing housing services in Finland and highlights specific characteristics of the sector that are relevant to the discussions on and practical operationalisation of corporate human rights responsibility. The aim is to provide a concise overview of the topic and to lay the foundation for a broader and deeper discussion.

## Background

The publication is based on assessments on the human rights performance of companies providing housing services in Finland, which have been conducted since 2021. These assessments commissioned by the Human Rights Centre were conducted by Jaana Vormisto and Elina Tran-Nguyen from FIANT Consulting Oy.

The Human Rights Centre (HRC) is an independent authority whose task is to promote the implementation of fundamental and human rights in Finland. The HRC is administratively part of the Office of the Parliamentary Ombudsman but is functionally independent. The HRC has a statutory task to monitor and promote the implementation of the UN Convention on the Rights of Persons with Disabilities. Promoting the rights of older persons was raised as a priority of the HRC's work in 2019, and there is an overall objective to strengthen the rights of persons at risk of vulnerability in particular. The HRC also has the mandate to promote fundamental and human rights in the private sector. In recent years, the HRC's efforts related to corporate responsibility have particularly focused on companies in the social welfare and health care sector.

The HRC took part in the SIHTI project assessing the human rights performance of Finnish companies, with results published in

January 2021.<sup>1</sup> The results of the project revealed that the systematic operationalisation of human rights responsibility in Finland's largest social and health care companies was still in the early stages at that time. At the same time, shortcomings related to housing services had already been a concern for several years, which had also been reflected in the annual reports of the Parliamentary Ombudsman. All of this showed a need for a more extensive assessment of the state of human rights responsibility in companies providing housing services in the social welfare and health care sector.

Housing services affect a fairly large group of people in Finland. According to statistics compiled by the Finnish Institute for Health and Welfare (THL), round-the-clock institutional and housing services had nearly 110,000 residents during 2023.<sup>2</sup> This figure includes institutional and round-the-clock housing services for older persons, persons with disabilities, and substance abuse and mental health rehabilitees, but the statistics on children's welfare institutional services are compiled separately. The role of companies in the provision of these services has grown, while the business has been concentrated more and more to large companies.

## Concepts

Corporate human rights responsibility refers to companies' responsibility to respect human rights in all their business activities. It is an essential element of the broader concept of corporate responsibility which includes companies' responsibility for the economic, social and environmental sustainability of their business. Chapter 2 of this publication describes the concepts and contents related to corporate human rights responsibility in more detail.

This publication uses housing services as an umbrella term covering institutional services, 24-hour housing and care, and communal housing. Companies are referred to as organisations producing or providing housing services.

## Methodology

This publication is based on material collected with mutually complementary methods. The work is founded on the methodology of the Core UNGP Indicators<sup>3</sup> developed by the Corporate Human Rights Benchmark (CHRB) for assessing the human rights performance of companies, discussed in more detail in Chapter 3. The methodology is based on analysing publicly available information. The acronym UNGP refers to the United Nations' Guiding Principles on Business and Human Rights, which are described in more detail in Chapter 2.

In addition to the assessments carried out with the CHRB methodology since 2021, the process has included interviews with different

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- 1 Tran-Nguyen, E., Halttula, S., Vormisto, J., Aho, L., Solitander, N., Rautio, S., and Villa, S., Human rights performance status of Finnish companies project SIHTI. Report on the status of human rights performance in Finnish companies, Government's analysis, assessment and research activities 2020:57. <https://julkaisut.valtioneuvosto.fi/handle/10024/162648>
  - 2 THL, Institutional and housing services in social welfare 2023, Statistics report 22/2024. <https://thl.fi/tilastot-ja-data/tilastot-aiheittain/ikaantyneet/sosiaalihuollon-laitos-ja-asumispalvelut>

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- 3 Corporate Human Rights Benchmark. CHRB Core UNGP Indicator Assessment. For companies in all sectors. April 2019. <https://assets.worldbenchmarkingalliance.org/app/uploads/2021/04/CHRB2019CoreUNGPIndicators.pdf>



actors, mapping of potential guidelines and tools related to the corporate human rights responsibility of the social welfare and health care sector, organising a round table discussion for the representatives of the companies included in the assessment, and to some extent analysing written material related to social services, such as legislation.

Before the first assessment carried out in 2021, the number and type of companies providing housing services in Finland were mapped out. The results were used to draw up a list of the largest companies providing housing services (companies employing more than 250 people). With this criterion, 13 companies were assessed in 2021 and 16 in 2024 (company names in Appendix 1). The human rights performance of these companies was assessed with the UNGP Indicator methodology in 2021, 2023 and 2024. A more cursory update was done in 2022 by recording changes compared to 2021, but no new scoring was carried out. In addition to the assessments, information was collected on ownership, size (turnover and personnel), the target groups of the housing services (older persons, persons with disabilities, children and young people, mental health and substance abuse rehabilitees), and the geographical coverage of the services in Finland.

In 2021, six interviews were conducted with key persons from companies providing housing services and employees responsible for corporate responsibility issues at the Finnish Association of Private Care Providers Hali ry, which represents companies and organisations in the social welfare and health care sector. The purpose of the interviews was to find out how human rights steer the sustainability work of companies providing housing services, what kind of challenges companies face in integrating the human rights perspective into their work and what kind of support needs companies have in their human rights responsibility related work.

In autumn 2024, interviews were conducted with 21 representatives of companies, authorities, organisations representing resident groups, and researchers and other experts (see Appendix 2 for information on the interviewees). The aim was to identify the specific characteristics of housing services provided in the social welfare and health care sector that affect the practical operationalisation of corporate human rights responsibility. These characteristics are related to factors such as the roles of different actors and the involvement of the residents and their representatives in the implementation and development of services. Document review was also conducted to support the identification of the specific characteristics.

A learning session on corporate human rights responsibility organised in spring 2024 and a round table discussion for the companies included in the assessment also provided suggestions and perspectives that have been utilised in this publication. Assessment results have also been discussed by the Disability Rights Committee (VIOK) and the Division for the Rights of Older Persons of the HRC's Human Rights Delegation.

# 2 What does corporate human rights responsibility mean?

## UN Guiding Principles on Business and Human Rights

In 2011, the UN Human Rights Council unanimously adopted the United Nations Guiding Principles on Business and Human Rights (UNGPs). Even though the Guiding Principles are not legally binding, they are considered a global standard for business and human rights, which all states and businesses are expected to comply with.

The UN Guiding Principles define how states can help companies respect human rights, offering them an operating model for managing their human rights risks. The principles

also include measures to ensure that those affected by human rights abuses have access to remedy.<sup>4</sup>

4 Guiding Principles on Business and Human Rights : Implementing the United Nations "Protect, Respect and Remedy" Framework, UN Office of the High Commissioner for Human Rights 2011. [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf)



**Figure 1.** The three pillars of the UN Guiding Principles

## The State's obligation to protect

The State has a duty to protect people from the negative impacts of business. It should ensure that legislation regulating the activities of companies safeguards the respect for human rights. It should also provide companies with guidance on respecting human rights in all their activities and related value chains. The State should also encourage and, if necessary, require companies to communicate about the operationalisation of their human rights responsibility.

From the perspective of business activities concerning housing services, it is notable that the UN Guiding Principles highlight situations where the state concludes agreements or regulates services provided by companies. Organising services by purchasing them from private sector actors doesn't release States of their human rights obligations under international law. In other words, the State should be able to ensure that companies producing services do not violate fundamental and human rights in their activities. Procurement contracts or regulations governing them should clarify that the State expects these companies to respect human rights. The State should also ensure that it is able to effectively monitor companies' activities.

Naturally, the State's human rights obligations also apply to services provided by the public sector. The UN Guiding Principles complement the perspective of human rights responsibility in these services by drawing particular attention to ensuring human rights in public procurement. In other words, respect for human rights in supply chains related to products and services should be ensured also in services provided by the public sector.

## Development in corporate human rights responsibility related regulation

Legislation regulating corporate human rights responsibility and the related due diligence obligation is developing rapidly. The Corporate Sustainability Due Diligence Directive (CSDDD), which entered into force in July 2024, will apply in Finland and elsewhere in the EU within a few years.<sup>5</sup>

The directive concerns large companies directly, and its implementation will progress in stages. In 2029, it will apply to companies with a global turnover of at least EUR 450 million and more than 1000 employees on average. Five of the companies providing housing services assessed for this report currently meet these criteria. However, the directive also affects smaller companies, for example when they operate as subcontractors of large companies or are included in their supply chains. In addition, the EU's Corporate Sustainability Reporting Directive (CSRD) requires companies to report on due diligence.

This regulatory development also broadly reflects the increased public discourse and expectations related to corporate due diligence and a growing understanding of the significance of human rights responsibility, also in companies.

5 It is noted that when making the English translation of this publication in March 2025, the European Commission introduced its package on simplification of legislation related to corporate sustainability.

## Corporate responsibility to respect human rights

Companies have a responsibility to respect human rights. They must avoid violating human rights in all their business activities, including in situations where the State does not fulfil its own responsibilities. If business activities are conducted in a country where the State does not protect human rights, the company must still respect these rights.

The focus of corporate human rights responsibility is on preventing negative human rights impacts and taking corrective measures. All companies are expected to prevent and mitigate the impacts of their operations regardless of their size, sector or operating environment. If negative impacts occur, companies must address them and take action to prevent them in the future.

Corporate human rights responsibility applies to the entire value chain. In other words, in companies providing housing services, responsibility covers both the company's own activities related to the realisation of housing services as well as their business partnerships in supply chains, such as subcontracting services, material procurement and international recruitment.

The UN Guiding Principles provide companies with concrete procedures for the practical implementation of human rights responsibility, consisting of three elements:<sup>6</sup>

1. **A human rights commitment** where the company commits to fulfilling its responsibility to respect human rights in all its business activities.

2. **A human rights due diligence process** that helps companies to systematically identify, prevent and mitigate negative human rights impacts caused by their business activities.

3. **Remedial measures and complaint mechanisms**, available when a company causes or contributes to a negative impact on people.

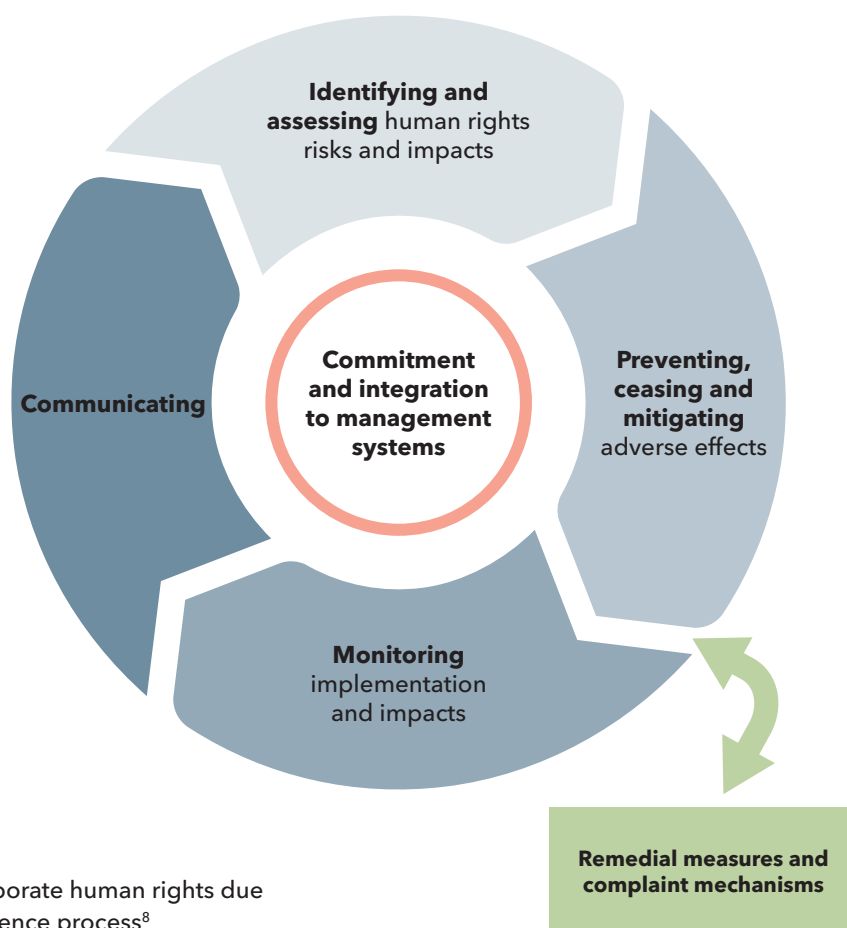
These elements are closely interconnected and altogether form a continuous process (see Figure 2). The process is constantly developed as the company gains understanding of the human rights impacts of its activities and the factors contributing to them, develops its business and undergoes changes in its operating environment. The process is presented in more detail below.<sup>7</sup>

## Focus on people and safeguarding a dignified life for all

Human rights are rights and freedoms for every human being, meant to guarantee a dignified life for all. All human rights are equally important and interdependent, and they cannot be taken away from anyone, not even with the consent of the individual. Human rights are part of binding international law, but they also have

6 The human rights due diligence obligation defined in the guiding principles has also been included in the OECD Guidelines on Responsible Business Conduct. See <https://julkaisut.valtioneuvosto.fi/handle/10024/165150>

7 Global Compact Network Finland, (2024), Guide to Corporate Human Rights Responsibility. <https://www.globalcompact.fi/huolellisuusvelvoite-opas> Guiding Principles on Business and Human Rights: Implementation of the United Nations "protect - respect - remedy" framework, TEM reports 36/2013 <https://tem.fi/documents/1410877/2872337/Yrityksi%C3%A4++ja+ihmisoikeuksia+koskevat+ohjaavat+periaatteet+30012014.pdf> Tran-Nguyen, E., Halttula, S., Vormisto, J., Aho, L., Solitander, N., Rautio, S., and Villa, S., Human rights performance status of Finnish companies project SIHTI. Report on the status of human rights performance in Finnish companies, Government's analysis, assessment and research activities 2020:57. <https://julkaisut.valtioneuvosto.fi/handle/10024/162648>



**Figure 2.** Corporate human rights due diligence process<sup>8</sup>

a strong value base that is morally binding on societal actors.<sup>9</sup>

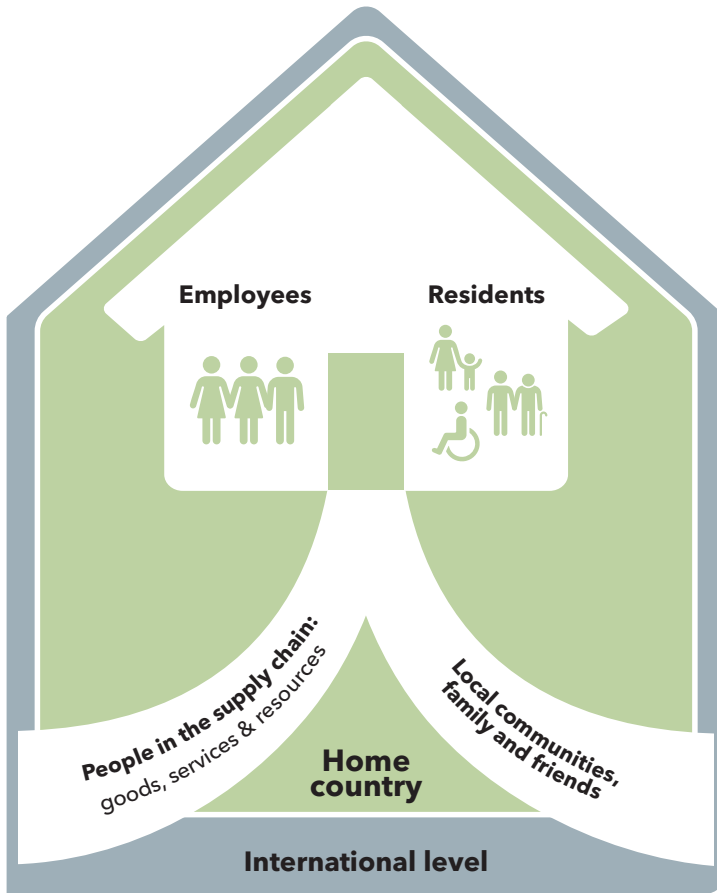
Corporate human rights responsibility revolves around the people whose human rights may be adversely affected by a company. The premise for ensuring human rights responsibility is identifying these people – the rightsholders – and assessing the impacts of the company’s business activities on them and the related human rights risks.

In housing services, important rightsholders naturally include the residents as the companies’ customers, including children and young people and their families, persons with disabilities, older persons, persons in mental health rehabilitation and persons in substance abuse rehabilitation. Another important group is the company’s employees, including the people who directly provide services in housing units and other employees of the company. The companies also have an impact on residents’ families and people living in communities surrounding the housing units (see Figure 3).

In addition to their own operations, companies must ensure that human rights responsibility is also realised in their supply chains. In supply chains, the rightsholders include e.g. the employees of subcontractors providing ser-

8 Edited from Figure 1 in OECD Due Diligence Guidance for Responsible Business Conduct, 2018

9 Human Rights Centre, Introduction to fundamental and human rights, <https://www.humanrightscentre.fi/human-rights/> Global Compact Network Finland, (2024), Guide for corporate human rights responsibility. <https://www.globalcompact.fi/huolellisuusvelvoite-opas>



**Figure 3.** Important rightsholders in business related to housing services

vices, the employees in supply chains related to material acquisitions, and local communities. One aspect of the human rights responsibility in housing services which requires more attention are internationally recruited employees and their families.

### Human rights commitment

In the human rights commitment, the company commits to fulfilling its responsibility to respect human rights in all its business activities. It can be a separate document, but the human rights perspective can also be included in a broader policy document (such as ethical code

of conduct). The commitment includes clear expectations and guidance for the people who are expected to comply with or implement the commitment (including employees, subcontractors, suppliers and other partners). It must be approved by the company's senior management. It also has to be publicly available, and the company must communicate it internally and externally.

Putting the commitment into practice is crucial. This requires training, specified leadership and management processes, clear internal and external communication and other processes that support the internalisation and ownership of the human rights perspective in the organisation. In housing services, it is important that

not only employees but also residents know their rights and are able to influence these processes. Although measures focusing specifically on human rights, such as training, are needed, it is essential to include the human rights perspective in all existing structures, processes and practices.

### Human rights due diligence process

The human rights due diligence process is seen as the basis of corporate human rights responsibility. It is a continuous process that helps companies to systematically identify, prevent and mitigate negative human rights impacts of their business activities. The process includes the following steps:

#### a) Identifying and assessing human rights risks

The first step is assessing the company's actual and potential human rights impacts in the housing services per se and in the related supply chains. This step focuses on the following questions:

- What kind of interaction does the company have with people? What groups of people does the company have impacts on and where?
- How can the company's business activities negatively impact the realisation of these groups' human rights?
- What factors in the company's business activities or operating environment might increase or reduce the risk of negative human rights impacts?

### Key human rights treaties

Companies can impact a broad range of human rights, which is why their obligation to respect human rights applies to all internationally recognised human rights. According to the UN Guiding Principles on Business and Human Rights, the assessment of human rights impacts should at minimum cover the rights that are included in the International Bill of Human Rights. This includes the UN Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. In addition, companies must respect the workers' rights included in the ILO Declaration on Fundamental Principles and Rights at Work.

Depending on the nature of their business activities and the operating environment, companies will also have to observe other human rights treaties. This is particularly important in housing services, where customers can be vulnerable, and their ability to stand up for their rights may be limited. Therefore, the human rights responsibility practices of this sector must include the European Social Charter, a Council of Europe treaty containing standards essential to the right to self-determination. It is also important to include key instruments relating to specific groups of people, such as the Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities or the ILO Convention No. 169 on Indigenous and Tribal Peoples.



**Figure 4.** In the identification and assessment of human rights risks in business activities related to housing services, the different aspects of residents' lives are analysed comprehensively from a human rights perspective. The figure presents examples of these aspects.

In housing services, business operations have a fairly all-encompassing impact on the different aspects of residents' lives and the well-being of employees. In the identification of human rights risks, these areas are analysed from the perspective of human rights standards (see Figures 4 and 5).

Identified risks are assessed in more detail from the perspectives of the severity and likelihood of possible human rights impacts. The severity of impacts is assessed based on how serious the impacts would be for the victims, how many people could be affected, and to what extent the damage could be rectified. Based on the assessment, the company pri-

oritis the human rights risks which primarily should be addressed through concrete measures. In the prioritisation, the severity of impacts holds greater weight than their likelihood.

Various methods and sources of information are used in the identification and assessment of human rights risks. It is essential to involve the people who are potentially or actually affected by the human rights impacts - alongside other key stakeholders.

It is often challenging to carry out a comprehensive mapping and assessment of all the business operations of a company at once. In this case, the process should be started from the business areas with greater risks of negative





**Figure 5.** Human rights risks related to employees concern matters that are central to their well-being.

human rights impacts. These could be for example services produced for a certain customer group, in certain geographical areas or certain supply chains that are more risk prone.

#### **b) Preventing, ceasing and mitigating adverse effects**

Based on the human rights risk assessment, the company plans and takes measures to prevent, cease or mitigate its prioritised human rights risks. The measures can be concrete, specifically related to a certain human rights risk, such as developing practices, facility solutions or changing schedules. However, there is often also a need for system level development related to matters such as human resource

management and training, ensuring meaningful stakeholder engagement (e.g. for employees and customers), communication, development of risk management systems, and so on. A separate working group can be appointed to support the human rights work. However, it is essential that human rights work does not end up being a detached project; the aim is to integrate the human rights perspective into the company's organisational structure and its different areas of operation.

#### **c) Continuous monitoring of measures**

It is important that the effectiveness of measures related to managing human rights risks is monitored both in a company's own opera-

tions and in supply chains. In addition to easily collected information on implementation of planned measures, it is important to monitor whether the measures have the desired impacts. Companies providing housing services are already using indicators suitable for this purpose, such as ones related to occupational health and safety or hazardous situations. However, based on the human rights risk assessment, it is important to ensure that the indicators and data collection focus on issues that are central to residents and employees and their rights. For this reason, it is important to pay attention to stakeholder engagement in monitoring.

#### **d) Communicating**

The UN Guiding Principles emphasise the principle of transparency. Companies are expected to communicate about their human rights responsibility measures and their effectiveness. With transparent internal and external communication, the company can demonstrate that it respects human rights and is making progress in strengthening its related risk management. In communication, it is important to reach the key target groups and transparently describe the severity of risks and measures taken. The selected communication channels can vary from websites and annual reports to social media and public presentations. Ensuring transparency in internal communication supports commitment to human rights responsibility and related learning in the organisation.

### **Remedial measures and complaint mechanisms**

When causing or contributing to negative impacts to people, for example in supply chains, the company must take measures to remedy them. The measures must be sufficient, effective and timely. They may take different forms and be mutually complementary, such as a

public apology, reimbursement of medical care or rehabilitation, returning control or value, providing financial or other compensation, taking measures to prevent the recurrence of the impact, or sanctions such as fines. It is important to consult the affected people and take their perspectives into account when deciding on the measures and their implementation methods.

Effective grievance mechanisms are channels that can be used by people and communities potentially affected by the business activities to report their concerns and claim their rights. In addition to enabling remedial measures, they are also an important source of information for companies' internal learning and organisational development. When developing these channels, their accessibility and confidentiality must be carefully considered, for example from the perspectives of different customer groups or employees with various backgrounds. Companies should also openly communicate about the procedures and time frames for handling grievances.

# 3 State of human rights performance in companies providing housing services

## Housing services in social care

Housing services are statutory social services that are organised under the Social Welfare Act,<sup>10</sup> the Disability Services Act,<sup>11</sup> and the Intellectual Disabilities Act<sup>12</sup>. The Child Welfare Act<sup>13</sup> and the Act on Care Services for Older Persons<sup>14</sup> also contain provisions on housing. Since 2023, wellbeing services counties have been responsible for organising social welfare housing services.<sup>15</sup> Wellbeing services counties can produce the services that are under their

responsibility internally, or they can cooperate with other wellbeing services counties or procure the services from other contracted providers.<sup>16</sup> In other words, a wellbeing services county can produce these services, like other social welfare and health care services, by procuring them from a private service provider.<sup>17</sup>

Statistics of the Finnish Institute for Health and Welfare (THL) from 2023<sup>18</sup> indicate that private service providers (including companies and organisations) cover a significant part of the provision of housing services for different target groups (Table 1). The percentage of private service providers is particularly high for mental health rehabilitees (94% in both communal and round-the-clock housing) and persons with severe disabilities (84% and 92%). In addition, a large proportion (79%) of institutional services for substance abuse rehabilitees are provided by private actors. In terms of the number of customers, private service providers are especially prominent in housing services for older persons (about 29,000 older persons covered by private services in 2023).

10 L 30.12.2014/1301. Social Welfare Act. Finlex, government regulatory databank, up-to-date legislation. <https://www.finlex.fi/fi/laki/ajantasa/2014/20141301>

11 L 3.4.1987/380. Act on Disability Services and Assistance. Finlex, government regulatory databank, up-to-date legislation. <https://www.finlex.fi/fi/laki/ajantasa/1987/19870380>

12 L 23.6.1977/519. Act on Special Care for Persons with Intellectual Disabilities. Finlex, government regulatory databank, up-to-date legislation. <https://www.finlex.fi/fi/laki/ajantasa/1977/19770519>

13 L 13.4.2007/417. Child Welfare Act. Finlex, government regulatory databank, up-to-date legislation. <https://www.finlex.fi/fi/laki/ajantasa/2007/20070417>

14 L 28.12.2012/980 Act on Supporting the Functional Capacity of the Older Population and on Social and Health Care Services for Older Persons. Finlex, government regulatory databank, up-to-date legislation. <https://www.finlex.fi/fi/laki/ajantasa/2012/20120980>

15 The responsibility for organising healthcare, social welfare and rescue services was transferred from municipalities and joint municipal authorities to wellbeing services counties on 1 January 2023. The division into counties is mainly based on the division into regions. (<https://stm.fi/wellbeing-services-counties>)

16 L 611/2021. Act on the Wellbeing Services County. Finlex, government regulatory databank, up-to-date legislation. <https://www.finlex.fi/fi/laki/alkup/2021/20210611>

17 L 29.6.2021/612 Act on the Organisation of Social Welfare and Health Care. Finlex, government regulatory databank, up-to-date legislation. <https://www.finlex.fi/fi/laki/ajantasa/2021/20210612>

18 THL, Institutional and housing services in social welfare 2023. Statistical report 22/2024. <https://thl.fi/tilastot-ja-data/tilastot-aiheittain/ikaan-tyneet/sosiaalihuollon-laitos-ja-asumispalvelut>19

**Table 1.** Public and private institutional and housing services (round-the-clock services and communal housing) for older persons, persons with intellectual and severe disabilities, mental health rehabilitees and substance abuse rehabilitees. The statistical report by the Finnish Institute for Health and Welfare (2024)<sup>19</sup> notes that the figures are partly lower than in reality due to missing data.

Service	Customers by the end of 2023	Share of public service providers, %	Share of private service providers, %
<b>Institutional care for older persons</b>	2822	84	16
<b>Round-the-clock service housing for older people</b>	45 820	44	56
<b>Communal housing for older people</b>	4182	29	71
<b>Institutional service for people with intellectual disabilities</b>	451	94	6
<b>Round-the-clock service housing for people with intellectual disabilities</b>	9057	44	56
<b>Communal housing for people with intellectual disabilities</b>	1644	53	47
<b>Round-the-clock service housing for people with severe disabilities</b>	2711	8	92
<b>Communal housing for people with severe disabilities</b>	119	16	84
<b>Round-the-clock service housing for mental health rehabilitees</b>	4111	6	94
<b>Communal housing for mental health rehabilitees</b>	3671	6	94
<b>Institutional service for substance abuse</b>	6225	21	79

19 THL, Institutional and housing services in social welfare 2023. Statistical report 22/2024. <https://thl.fi/tilastot-ja-data/tilastot-aiheittain/ikaantyneet/sosiaalihuollon-laitos-ja-asumispalvelut>

THL also publishes a statistical report on child welfare. In 2023, 49% (8421 children) of children (aged 0–17 years) placed outside the home were in institutional placement (child welfare institution, family rehabilitation unit, reform school, substance abuse care institution or intellectual disability institution). These figures concern the data on the most recent placement. A child placed outside the home may have several different placements during a year. At the end of 2023, 36% of children taken into custody were in institutional care (3471 children). In addition, 184 young persons who had turned 18 were placed in institutional care (24%).<sup>20</sup>

The THL statistical report on child welfare does not specify the service provider of institutional care. Statistics on institutional service providers have been collected in different ways over the years, and their contents have varied, but the different statistics and reports have featured a trend where the role of private service providers has increased over the past decades.<sup>21</sup> According to a study conducted by Lith (2021)<sup>22</sup>, in institutional care for children and young people, companies accounted for 18.2% of the turnover in 2019.

Overall, the share of private service providers in housing services for different target groups has increased over the years, but the growth has been concentrated to a small number of large companies. Between 2015 and 2019, the share of companies with more than

250 employees grew from 34–35% to 51% in terms of employment and turnover of housing services. Companies owned by domestic and foreign venture capital investors have expanded their operations by establishing new housing units (including property construction) and by buying hundreds of local care homes in different parts of Finland.<sup>23</sup>

Private housing service providers are also medium-sized employers. Based on the information published in the Ministry of Economic Affairs and Employment's sectoral report on social welfare and health care services, more than 90,000 employees worked in housing services in 2020, and more than half of them worked for private service providers (companies and organisations).<sup>24</sup>

### Companies providing housing services selected for the assessment

In the assessment of the human rights responsibility of companies providing housing services carried out with the CHRB methodology, the focus was on companies that employed more than 250 people. In 2021, there were 13 such companies, and in 2023–2024, there were a total of 16 (Table 2). The number of assessed companies increased because three companies providing housing services had crossed the threshold of 250 employees. In addition, there were some acquisitions or mergers between the companies included in the assessment (concerning three companies included in the

20 THL, Child welfare 2023. Statistical report 19/2024 (in Finnish). [https://www.julkari.fi/bitstream/handle/10024/148992/Lastensuojelu\\_2023.pdf?sequence=1&isAllowed=y](https://www.julkari.fi/bitstream/handle/10024/148992/Lastensuojelu_2023.pdf?sequence=1&isAllowed=y)

21 Ranta, H., Commercialisation of child welfare institutional care in legislation and official documents. *Janus* 32(1) 2024, p. 54–72. <https://journal.fi/janus/article/view/120061>

22 P. Lith, Service housing market in Finland. Statistical report on service demand and service providers in the sector. Helsinki 31 March 2021. <https://www.hyvinvointiala.fi/wp-content/uploads/2021/04/servicehem2021.pdf>

23 P. Lith, Service housing market in Finland. Statistical report on service demand and service providers in the sector. Helsinki 31 March 2021. <https://www.hyvinvointiala.fi/wp-content/uploads/2021/04/servicehem2021.pdf>

24 Ministry of Economic Affairs and Employment, Sector reports. Health and social services sector. Labour, the role of the private sector and internationalisation. Ministry of Economic Affairs and Employment, sector reports 2023:2. <https://julkaisut.valtioneuvosto.fi/handle/10024/164805>

assessment in 2021). The 2024 assessment revealed ongoing changes; for one company, a decision had been made to sell a part of the business to another company providing housing services, and another company had been transferred under the ownership of a holding company.

A large part of the companies included in the assessment were Finnish companies

whose head office was in Finland. In 2024, four foreign-owned companies were among the largest companies in terms of turnover (exceeding EUR 100 million). The owner or background organisation of six companies was a foundation or association.

The names of the companies included in the assessment are listed in Appendix 1. Since the aim is to give an overall picture of the human

**Table 2. Ownership of the assessed companies, volume of turnover, number of personnel, housing services by target group, and geographical area.**

Background information and their categories		Number of companies per sample per year		
		2021	2023	2024
Ownership	Finnish	10	12	11
	Foreign	3	4	5
	Listed company	3	3	3
Turnover	Over EUR 100 million	5	6	7
	EUR 50-100 million	1	4	3
	EUR 1-49 million	7	6	6
Personnel	Over 5000 persons	4	4	5
	1000-5000	2	4	2
	250-1000	6	8	9
	Not known	1		
Target groups	Persons with disabilities	11	13	13
	Older persons	8	11	12
	Mental health and substance abuse rehabilitees	7	6	8
	Child protection	3	4	7
Geographical area of operations	Different parts of Finland	9	10	11
	In two areas (Southern, Western, Eastern and Northern Finland)	2	4	5
	In one area	2	2	0

rights performance of companies providing housing services in Finland, this publication does not discuss company-specific results but focuses on the overall results of the assessment and related trends.

The size of the companies varied significantly in terms of both turnover and personnel. A general trend over the years has been the growth of business activities (turnover and personnel) in both larger and smaller companies. Regarding the personnel and turnover, it should be noted that some of the assessed companies also offer social and health care services other than housing services. In addition, some of them are part of a larger corporate group. The assessment has been carried out at the group level, since there was no information on the turnover and number of employees of all the groups' subsidiaries providing housing services. Policies were also generally applicable to the entire group.

The majority, 13 out of 16 companies, provided housing services for persons with disabilities. A large part of the companies (12) also provided housing services for older persons. Especially the largest companies offer housing services to most target groups, although there is some specialisation on certain target groups even among the largest companies (for example a larger company buying the business share focusing on services for older persons and related housing services of another company). It is also important to bear in mind that even though a housing service unit has been set up for a certain target group, the situation is more complex in reality. For example, persons receiving housing services under the Disability Services Act represent different age groups, and some of them may be clients of mental health or substance abuse services.

A large number of companies operate in different parts of Finland or have units in two regions (for example in Southern and Western Finland). In 2023, the assessment included two companies that had units in two regions, but in 2024, they too had expanded their operations

to a new area. In the update of August 2024, it was also revealed that one company will be expanding its operations from Southern and Western Finland to Northern Finland at the beginning of next year.

## Results of the assessment carried out with CHRB methodology

### a) Indicators used in the assessment

The human rights performance of companies providing housing services was assessed with the United Nations Guiding Principles on Business and Human Rights (UNGP) methodology developed by the Corporate Human Rights Benchmark (CHRB). The same methodology has been used to assess the state of corporate human rights responsibility quite extensively in different countries and at the international level, which makes it possible to compare the results more widely.

Comprised of thirteen indicators, the tool is based on analysing publicly available information (websites, reports and any other information from the past three years). This policy is based on the principle of transparency contained in the UN Guiding Principles, which requires companies to communicate openly and actively about their commitment to human rights, their human rights risks and impacts, and the related actions.

The tool covers three themes:

- **Theme A:** four indicators on companies' commitment to respect human rights generally, respect for workers' human rights, stakeholder engagement and remedial measures.
- **Theme B:** six indicators, one of which focuses on the division of responsibilities and work related to human rights issues in the organisation, and the other five indicators focus on the

operationalisation of the different stages of the human rights due diligence process.

- **Theme C:** three indicators, two of which assess complaint mechanisms for employees and third parties, while one indicator focuses on the company's approach to remedial measures.

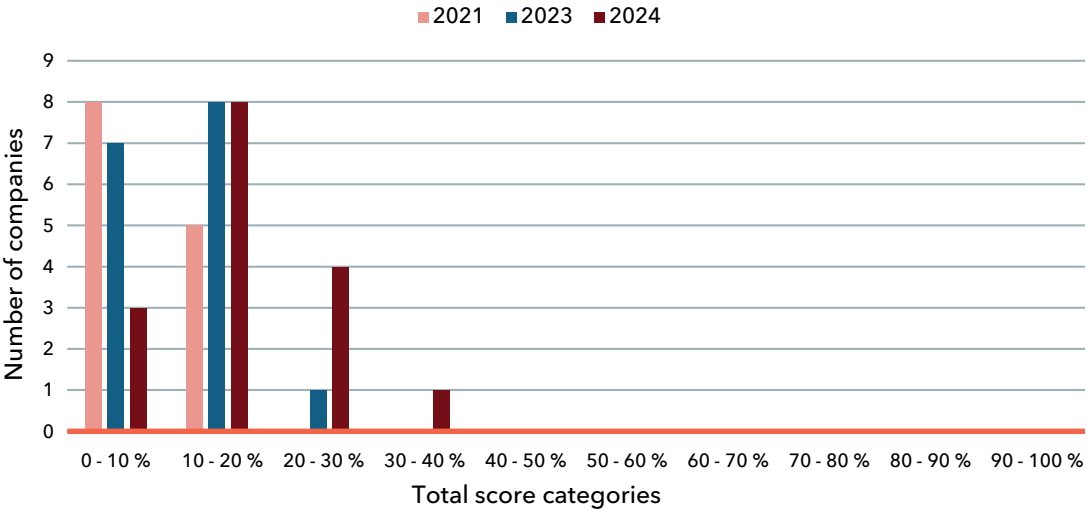
The first assessment carried out in spring 2021 used the methodology published by the CHRB in 2019, and this methodology was also used in subsequent assessments for the sake of comparability. The CHRB published a new version of the methodology for the Core UNGP Indicators in 2021. In the new version, the themes and indicators are largely the same, but the indicator related to stakeholder engagement has been excluded from theme A, and the content of individual indicators has been modified in some parts.

The scoring for the assessment has been converted to percentages, with a maximum of 100 per cent. This makes it possible to compare results with other assessments carried out with the same methodology, such as the SIHTI project.<sup>25</sup>

**b) Overall results of assessment**

The results of the assessment based on publicly available data, carried out with the Core UNGP Indicators, show that companies providing housing services have made progress in their human rights responsibility efforts between

25 Tran-Nguyen, E., Halttula, S., Vormisto, J., Aho, L., Solitander, N., Rautio, S., and Villa, S., Human rights performance status of Finnish companies project SIHTI. Report on the status of human rights performance in Finnish companies, Government's analysis, assessment and research activities 2020:57. <https://julkaisut.valtioneuvosto.fi/handle/10024/162648>



**Figure 6.** Distribution of the overall results of companies assessed using the Corporate Human Rights Benchmark (CHRB) Core UNGP Indicators by result category in 2021, 2023 and 2024 (n=13 companies in 2021, n=16 companies in 2023 and 2024).



2021 and 2024 (Figure 6). In 2021, only five of the 13 companies exceeded a total score of 10% and three companies had a zero score. In 2023, nine companies exceeded the 10% threshold, and in 2024, a clear majority of 13 did so (of 16 companies in each year). There was one company that received a zero score in 2024, and the highest overall scores were close to 30% (30.8% and 28.8%).

Despite the positive development, it must be noted that companies providing housing services are still at a relatively early stage in their efforts related to human rights responsibility, as the average of the total scores did not reach a very high level even in the most recent year under review. The average of the total scores for the 16 companies in 2024 was 15.4% (Table 3). For example, the average score of the 78 companies in the SIHTI project, which

covered companies from several sectors, was 27.2% in 2021.

When analysing the overall results, the size of the company seems to be relevant, as the averages of the five largest companies (based on turnover) were higher in all years than the average of the total scores of all companies (Table 3). The difference is probably partly explained by the fact that, compared to small companies, the largest companies have more resources for both sustainability work and for communicating about it. The assessment included companies that do not publish annual or responsibility reports, and information on their websites was often also relatively scarce. This leads to the amount of publicly available information being rather limited.

**Table 3.** Distribution of the overall results of companies assessed using the Corporate Human Rights Benchmark (CHRB) Core UNGP Indicators by category in 2021, 2023 and 2024 (n=13 companies in 2021, n=16 companies in 2023 and 2024). The five largest companies are defined based on group-level turnover.

Assessment categories	2021		2023		2024	
	Average of whole sample (%)	Average of five largest companies (%)	Average of whole sample (%)	Average of five largest companies (%)	Average of whole sample (%)	Average of five largest companies (%)
A. Commitments	3,8/31	6,9/31	4,7/31	9,6/31	6,9/31	12,7/31
B. Human rights due diligence	0/46	0/46	0/46	0/46	1,0/46	1,9/46
C. Remedial measures and complaint mechanism	4,0/23	7,3/23	5,4/23	8,1/23	7,6/23	9,6/23
Total score	7,8/100	14,2/100	10,1/100	17,7/100	15,4/100	24,2/100

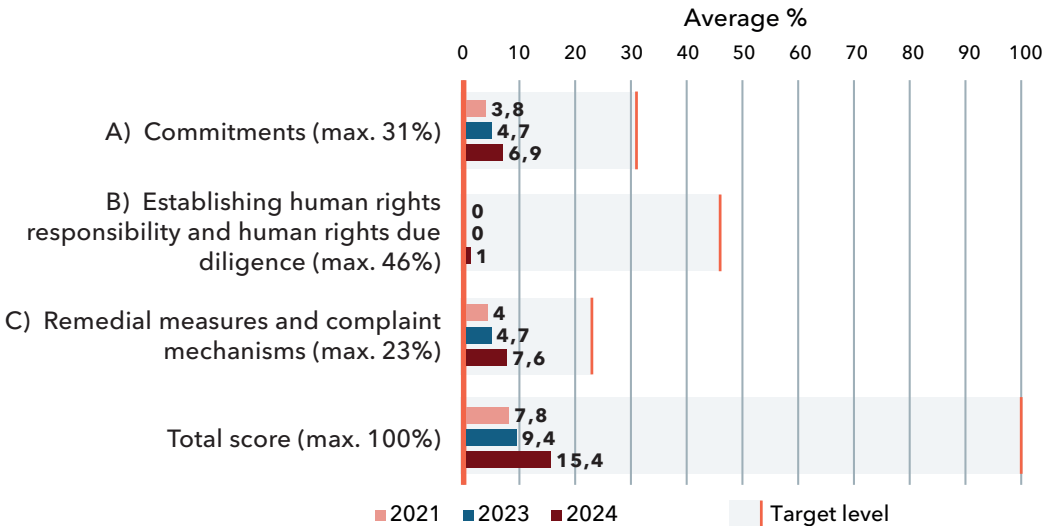
**c) Assessment results by theme: commitments**

The implementation of a company's human rights responsibility starts with a public commitment by the company and its management to respect human rights. In 2021, there were only three companies that had made such public commitments (3/13), but in 2024, the number had increased to eight (8/16). All five largest companies were among these eight.

In 2021, two companies received a non-zero score on their commitment to respecting the human rights of workers, and in the 2024 review, the number of these companies grew to five. This positive development is naturally also reflected in the total scores related to commitments (Table 3, Figure 7). Still, it must be noted that none of the companies met all criteria for respecting the human rights of workers by explicitly committing to the rights and freedoms contained in the ILO Declaration on Fundamental Rights and Principles at Work and to the ILO standards on working hours both

regarding their own employees and in supply chains. Explicit commitment means that all the above-mentioned fundamental rights and standards are addressed in the company's publicly available policy guidelines or other ethical guidelines (e.g. code of conduct, supplier code of conduct).

The majority of companies (13/16) scored points in the commitment category for publicly sharing information about the consultation and inclusion of customers and employees - i.e. the rightsholders. Feedback is collected from customers and their families, for example through various surveys, feedback boxes, resident meetings or cooperation groups. Companies also regularly collect information on employee well-being with surveys, feedback discussions, meetings, and so on. Many companies also mentioned collecting feedback from the party procuring the services. However, the involvement of rightsholders had not been explicitly linked to the development of the company's human rights responsibility.



**Figure 7.** Results of the assessment carried out using Core UNGP Indicators by theme (n=13 companies in 2021, n=16 companies in 2023 and 2024).

The collection of feedback from customers, employees and other groups was described in company reports and websites, but also in self-monitoring programmes and plans. Self-monitoring programmes and plans are statutory. Service providers are required to collect regular feedback from customers, their family, and personnel. Self-monitoring programmes and plans must also be published, for example online, and the plans must also be publicly available at the service units. During the period under review, it was observed that there was an increase in the number of companies that published their self-monitoring programmes and plans on their websites. This meant that there was more information available on the involvement of the rightsholders for the most recent review.

The last indicator in the assessment of human rights commitment assessed the company's public commitment to remedy. This kind of public commitment was only found for one company.

**d) Assessment results by theme:  
human rights due diligence**

Based on publicly available information, most companies had not started implementing the human rights due diligence process that is a central element of the UN Guiding Principles. Only four companies scored points in this category in the most recent assessment (Table 3, Figure 7). Two companies described the division of responsibilities and work related to human rights responsibility in their organisation. One company had shared information about its sustainability assessment, which also included the identification of human rights risks, and the results of the assessment. In addition, one company had shared information about its human rights risk mapping process related to its supply chains.

For a few of the companies, human rights were generally reflected in the description of risk management or sustainability objectives, but the actual risks to the rightsholders were not described and the processes related to risk identification were not explained further. One company reported in its sustainability report on a human rights impact assessment that would be carried out in 2024, and the interviews revealed that the assessment had been done, but there was not yet publicly available information on it and its results at the time of the most recent assessment.

In addition, one company has developed a tool for peer reviews carried out by persons with disabilities. The tool is largely based on the norms and principles of the UN Convention on the Rights of Persons with Disabilities. Although the company in question has not yet comprehensively started implementing the human rights due diligence obligation, this tool and reviews are important for identifying human rights risks.

**e) Assessment results by theme:  
remedies and grievance mechanisms**

The sub-component on grievance mechanisms and remedies and especially the indicators related to grievance mechanisms have resulted in the proportionally best scores each year the assessments have been conducted (Table 3, Figure 7). In the first assessment in 2021, eight (8/13) companies had publicly available information on grievance mechanisms, and in the latest update of 2024, fifteen (15/16) companies had shared information about their grievance mechanisms. Slightly more information was shared on grievance channels available to external individuals and communities: in 2024, this was the case for fourteen (14/16) companies and for seven (7/13) companies

in 2021. Similarly, thirteen (13/16) companies had publicly available information on channels for their employees in 2024 and five (5/13) in 2021. Although the Whistleblower Protection Act, which entered into force in 2023 in accordance with the EU Directive, does not apply to housing services<sup>26</sup>, it is possible that its entry into force may have contributed to the development of grievance mechanisms also in this sector.

There was very limited information available on how the grievance channels work, for example how reported cases are processed, and it was not clear from publicly available information whether the reported cases were related to human rights. Similarly, there was very limited information available on whether the companies offered workers in their supply chains the opportunity to use their complaint channels or whether the companies required the suppliers to have a separate grievance channel for their workers.

None of the companies publicly communicated anything about their possible remedial measures or related approaches.

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26 Ministry of Justice, Whistleblower protection, <https://oikeusministerio.fi/en/whistleblower-protection>.

# 4 Specific characteristics of corporate human rights responsibility in housing services

The general discussions and guidelines related to corporate human rights responsibility often focus on workers' rights in a company's own operations and on human rights risks and impacts in supply chains. In the early stages of the assessment in 2021, a small mapping was carried out on any existing guidelines or tools that would address the specific characteristics of business activities in the social welfare and health care sector and support the identification, assessment and management of their typical human rights risks. However, such guidelines or tools were not found, and their lack also emerged in subsequent discussions with companies.

Workers' rights and the human rights risks and impacts in supply chains are very important when discussing the human rights responsibility of companies providing housing services, but alongside these, the risks and impacts on residents using these services are central. The business activities of companies providing social welfare housing services focus on organising services for people of whom a significant proportion for various reasons have difficulties in monitoring and standing up for their rights. The human rights risks of residents vary by person. Still, some common risk factors can be identified.

## Dependency increases vulnerability

A situation where a person needs a service to cope with his or her everyday life creates a strong dependency on the housing service provider. In such situations, service providers play a key role in safeguarding many human rights that are central to a person's everyday life (see Figure 4). This setting also exposes people to various risks related to how they are treated, such as the endangerment of their privacy or physical integrity. For example, the operating methods of housing service units can be heavily institutionalised, which may endanger the resident's right to self-determination. Institution-like housing and inadequate services are likely to jeopardise the possibility of inclusion in society. An institution-like setting and an organisation-focused approach may also jeopardise residents being genuinely heard in matters concerning them.

Many factors, such as age and health, can affect how a person is able to stand up for their rights. For example, children are always subordinate to adults. Similarly, people struggling with a serious illness or substance abuse have reduced ability to hold on to their rights. Belonging to a group of people experiencing wider societal discrimination – for example due

to ethnic background, sexual orientation or religion – may also weaken a resident's courage or energy to demand their rights. In fact, a significant proportion of housing service residents need encouragement, support or help to express their wishes and be able to give feedback on the service they receive. If such support is not available, the person's voice might not get heard.

### **Diverse human rights impacts**

In general, services and products produced by companies are related to a specific, rather limited need or aspect of life. On the contrary, housing services are usually services that have a significant impact on a resident's life and its different aspects. For this reason, housing services have diverse impacts on the realisation of residents' fundamental and human rights.

The right to self-determination is fundamental in these services. It is part of the right to personal freedom and a precondition for residents to be able to exercise their other rights. However, it does not cover all the human rights issues and risks that must be taken into account when providing services. For example, residents' sexual rights, cultural rights and religious freedom are topics around which there is relatively little discussion.

### **Companies performing public tasks**

A specific characteristic of human rights responsibility of companies providing social welfare housing services is that the public sector, meaning the wellbeing services county, is the customer of the services via competitive tendering and that the produced services fulfil statutory tasks of the public sector. This means that the services are mainly produced with public funds and often alongside services produced

by wellbeing services counties. In addition, the content of the services is determined by legislation and guidelines issued by wellbeing services counties. The obligation of the public authorities to safeguard the implementation of fundamental and human rights also extends to situations where a statutory service is purchased from private actors.

There has been much discussion on whether the requirements of providing services are the same for the private and the public sector, seeing as services are being produced by service providers in both sectors.

A potential conflict, which has been raised in the public discussion and also in the research process for this report, is the one between the maximising of profits and the minimising of costs inherent to business, and the realisation of the statutory rights of residents who are at the centre of housing services.

### **Highly regulated sector**

The provision of housing services involves much other regulation in addition to the legislation on the objectives of the services and the rights of residents. For example, companies are required to carry out quality assurance measures, including self-monitoring. Wellbeing services counties and other authorities, such as the Regional State Administrative Agencies and the National Supervisory Authority for Welfare and Health Valvira, supervise housing service providers. It is important that the development of practices related to human rights responsibilities aims to integrate the human rights due diligence process into existing processes and practices as much as possible. This helps companies manage their human rights risks systematically and effectively.

## International recruitment

Due to a shortage of labour in the social welfare and health care sector, companies, including those providing housing services, have recruited staff from abroad in recent years. International recruitment can provide much needed employment opportunities for the workers but has also been associated with various human rights risks, such as labour exploitation. These risks are not specific to companies in the social welfare and health care sector. However, due to the specific nature of the work in housing services, it is necessary to analyse related risks in a more comprehensive manner, both from the perspective of employees with different backgrounds and with regard to different customer groups.

## Role of other actors

Although the interaction between the company and the resident is at the centre of the human rights responsibility of companies providing housing services, in practice, there are several other actors that also influence this interaction. In the everyday life, a resident's family members can have a very important role in the realisation of their rights. Other actors, such as organisations upholding various groups' interests, also play an important role in promoting the rights of residents, especially in societal discourse but also at the level of actual services. It is important to include these actors in discussions on the human rights responsibility of companies providing housing services.

At the same time, it is important to note that some resident groups, such as substance abuse and mental health rehabilitees, may have a weaker safety net surrounding them and fewer advocacy organisations to highlight their perspectives both in public discussions and in the provision of services. Little to no public discussion on their situation and needs can make it even harder for these residents to demand their rights as individuals.

# 5 Challenges and development needs

## Concretising corporate human rights responsibility in the everyday work of companies providing housing services

When the assessment process was started in spring 2021, interviews conducted at that time revealed that representatives of companies offering housing services were fairly unfamiliar with the UN Guiding Principles on Business and Human Rights. Awareness of these principles has since increased in the companies, which has probably been partly influenced by public discussions on the EU's Corporate Sustainability Due Diligence Directive, events organised for companies in the process leading up to this report (learning session on corporate human rights responsibility and round table discussion on the results of the assessments and development needs) and other training programmes, such as human rights training organised by Global Compact Finland. Corporate human rights responsibility has also been discussed within the Finnish Association of Private Care Providers Hali ry following the development of larger companies' sustainability work and increased international recruitment. However, the research process for this report revealed that the UN Guiding Principles are not well known among other actors in the social welfare and health care sector either.

With the increased awareness, companies have recognised that they need support in

their work on human rights responsibility. The discussions and interviews with the companies clearly highlighted the need to concretise human rights and the due diligence process through practical examples. The discussions also highlighted the importance of making visible how the right to self-determination and companies' work on quality development are linked to the wider framework of human rights. The need to concretise human rights and related responsibilities were also highlighted in interviews with non-corporate actors.

In the discussions and interviews especially issues related to customers' right to self-determination, the restriction of that right, and related development needs were brought up. Other themes included gaps in legislation and a poor understanding of fundamental and human rights, leading to companies' insufficient ability to identify situations where these rights are being restricted. Companies also have shortcomings related to management and work culture. One challenge has been that good practices developed to ensure the right to self-determination have only been shared to a limited extent.

On the topic of guidance related to the right to self-determination, one interviewee noted that even extensive corporate-level instructions are not enough; it is necessary to have unit-specific plans and guidelines for everyday work, focused on the people at the unit and the



local context. In addition to a plan and guidelines, also discussions on everyday situations and sharing of good practices is needed. With regard to legislation related to the right to self-determination, the Ministry of Social Affairs and Health has launched a project preparing a legislative reform.<sup>27</sup>

### Need for training, guidance and policy sharing

In the discussions on the concretisation of human rights and the related due diligence process it was concluded that the identification and systematic consideration of a company's human rights risks requires sufficient knowledge of the topic. The companies' representatives pointed out that trainings, clear guidelines, development of operating models and practices, and sharing of said resources would support developing the required understanding. There are some general training resources and guides related to corporate human rights responsibility, but companies providing housing services specifically hoped for trainings and materials that would address the specific characteristics of the sector.

Discussions and interviews also revealed that although the wellbeing services counties and the supervisory authorities – Regional State Administrative Agencies and Valvira – provide some training, advice and support, there is clearly a need for more, for example different kinds of workshops, webinars and joint discussions. Many interviewees pointed out that training, discussions and other events should include lived experience experts and the expertise of different organisations.

The discussions and interviews also touched on the education of health and social services professionals, and it was noted that human rights are addressed in their basic education, but all rights are not necessarily addressed to the same extent. For example, sexual rights often get sidelined. Some of the interviewees reflected on the extent of concrete skills and practices that basic education offers for encountering different groups and their right to self-determination.

### Further development of interaction between companies and wellbeing services counties

The discussions and interviews highlighted that the human rights perspective may not be reflected in the documents of wellbeing services counties' tendering processes. Procurement-related competence was found to vary between different regions. The interviewees reported that the tendering processes of some wellbeing services counties thoroughly addressed the matter of quality, and thereby also human rights. In addition, the interviewees brought up that respect for human rights should also be included in procurement contracts, as these contracts specify what is required of companies and how services are implemented. Most of the interviewees noted that price still plays a decisive role in selecting the service provider, and they expressed concerns about future savings measures in the wellbeing services counties.

The "Procurement Finland" programme produced a wide range of tools, guides, reports and other materials that are available for free<sup>28</sup>. They also include topics related to corporate responsibility. The Public Procurement Handbook<sup>29</sup> states that it is not generally recom-

27 Ministry of Social Affairs and Health press release 27 August 2024. Continuation for monitoring group of the project aiming to strengthen the right to self-determination. <https://stm.fi/-/itsemaaraamisoikeuden-vahvistamista-koskevan-hankkeen-seurantaryhmalle-jatkoa>.

28 Procurement Finland, Tools, guides and reports, Ministry of Finance website, <https://vm.fi/tyokalut-ja-opaat#tyokalut>.

29 Ministry of Finance, Public Procurement Handbook 2023, Procurement Finland programme, Publications of the Ministry of Finance 2023:60. <https://julkaisut.valtioneuvosto.fi/handle/10024/165114>

mended to use matters of working conditions and upholding human rights as comparison criteria for the price-quality ratio, but they should instead be defined on a case-by-case basis as a contractual condition. If necessary, there should be a code of conduct as an appendix defining the minimum objectives regarding corporate responsibility. On the other hand, accessibility can be used as a comparison criterion according to the handbook. The materials of Procurement Finland and the KEINO competence centre<sup>30</sup> offer very good support for procurement, especially for actors in the public sector. However, even these materials are focused on employees' rights and supply chains – which are important considerations as such, but the specific characteristics of the social welfare and health care sector addressed above are clearly less represented. One guide addresses the consideration of customer inclusion in public procurement, but human rights are not addressed<sup>31</sup>.

The interviewed companies hoped for more joint discussion on human rights issues with wellbeing services counties for sharing experiences and working together to find solutions to problems. This would also generate more consistent practices between different regions. The interviewees hoped that these discussions would also include other parties (such as other authorities), which could also help make supervisory authorities' decisions more consistent.

Some of the interviewees also pointed out that there are differences between wellbeing services counties in the implementation of self-monitoring, reflecting on wellbeing services counties' competence and resources in the oversight of corporate human rights responsibility. In the interviews the importance of procurement documents, contracts, plans and other documents was recognized but it was also underlined that corporate human rights responsibility should amount to something more than just words on paper.

## Other observations

Many of the interviewees brought up reflections on the premise of providing housing services – whether the services are produced from an organisation-focused or a customer-oriented starting point. Is it primarily the customers' home where the employees work or do the customers live at the personnel's workplace? Do customers spend time in a common living room or a day room? Is the customer an actor who is genuinely heard (a subject), or a target of services (an object)? Many interviewees also brought up the question of the availability of services: do people who need housing services have access to these services when they need them, are they in the right place, and are they getting the additional services they need.

Since 2009, the annual report of the Parliamentary Ombudsman has included observations on some typical or long-standing shortcomings in the implementation of fundamental and human rights. Since 2013, the annual report has included a list of ten critical problems identified in the implementation of fundamental and human rights in Finland. The list is based on information on failures and shortcomings received by the Ombudsman through complaints, inspection visits and own initiatives. The most recent annual report for 2023 addresses shortcomings in the living conditions and treatment of older persons, in the

30 KEINO, Competence Centre for Sustainable and Innovative Public Procurement, Procurement by wellbeing services counties. Guidelines for planning responsible procurements in the social and health care sector, 14 March 2023. [https://www.hankintakeino.fi/sites/default/files/media/file/Hyvinvointialueiden\\_hankinnat\\_opas\\_14032023\\_0.pdf](https://www.hankintakeino.fi/sites/default/files/media/file/Hyvinvointialueiden_hankinnat_opas_14032023_0.pdf)

31 Ruuskanen, N., Public Procurement Advisory Unit, Taking customer participation into account in public procurement, Association of Finnish Local and Regional Authorities, Helsinki 2022. <https://www.kuntaliitto.fi/julkaisut/2022/2159-asiakasosallisuuden-huomioiminen-julkisissa-hankinnoissa>

safeguarding of child welfare and the rights of persons with disabilities. All these sections include shortcomings related to housing services (it should be noted that this is done without categorising service providers).<sup>32</sup>

The interviewees also brought up self-monitoring by companies and related self-monitoring plans and programmes. They were highlighted as examples of tools that companies use to measure the quality of their own activities. Human rights responsibility was considered to be included in self-monitoring. Self-monitoring plans offer a good basis for addressing, monitoring and reporting on many issues related to corporate human rights responsibility. However, it should be noted that the current contents of self-monitoring plans do not cover all matters related to corporate human rights responsibility, such as subcontracting related to services or issues related to customers' sexual or cultural rights, among other things.

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32 Parliamentary Ombudsman, Report of the Parliamentary Ombudsman 2023, K 15/2024 vp, Hansaprint Oy, Turenki 2024.  
[https://www.eduskunta.fi/FI/vaski/Kertomus/Documents/K\\_15+2024.pdf](https://www.eduskunta.fi/FI/vaski/Kertomus/Documents/K_15+2024.pdf)

# 6 Conclusion

The UN Guiding Principles for Business and Human Rights were adopted in 2011, and awareness of their content has gradually spread among companies and other actors. This process will likely be accelerated by the EU Corporate Sustainability Due Diligence Directive, which entered into force in summer 2024 and is largely based on these principles. All in all, responsibility and sustainability are quite new concepts in the social welfare and health care sector. It may have been thought that the sector is inherently responsible because the business is focused on people and meeting their needs. Nevertheless, no sector is automatically responsible, and services can be produced more sustainably or less so<sup>33</sup>. The results of the assessments carried out for the report, the interviews and the round table discussion have demonstrated that there is increased understanding of the significance of corporate and human rights responsibility in the social welfare and health care sector, which is also starting to be reflected in practical measures.

While the results of the assessments carried out with the CHRB methodology demonstrate that companies providing housing services are largely in the early stages of their work on human rights responsibility, clear progress can be observed between 2021 and 2024. Now half of the assessed companies have at least some kind of public commitment to respecting

human rights in their business activities, and the majority of the companies have publicly available information on their grievance mechanisms. However, the human rights due diligence process is still only implemented to a very limited extent in companies. Translating this process into concrete terms and integrating it into existing quality assurance processes and activities will enable companies to systematically and effectively manage their human rights risks, and thereby also complement and strengthen their current quality work.

It is very important and encouraging that the first steps have been taken in the discussion on corporate human rights responsibility in housing services and that companies see a clear need to strengthen this aspect. This process should now be continued; it is necessary for concretising the human rights responsibility of companies providing housing services. Central for this work is also the cooperation between different actors: companies, wellbeing services counties, supervisory authorities, organisations, trade unions, researchers and lived experience experts.

People and their rights are at the centre of corporate human rights responsibility. It is important to understand that the residents of housing services are actors in their own lives and not merely objects of care. This should be the starting point besides in housing services also in more general level discussions on corporate human rights responsibility.

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33 See e.g. the discussion in Kurittu, K. & Rankinen, L., *Menesty kestävästi! Vastuullisuus johdon ja hallituksen agendalla*, Alma Talent, 2023, p. 27.

# Appendix 1.

**Companies included in the assessments carried out with the methodology of the Corporate Human Rights Benchmark (CHRB) Core UNGP Indicators**

## 2021

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ASPA PALVELUT OY  
ATTENDO  
CARITAS PALVELUT OY  
ESPERI CARE GROUP OY  
HUMANA GROUP  
KVPS TUKENA OY  
MEHILÄINEN OY  
NHC GROUP / NORLANDIA  
NUORTEN YSTÄVÄT OY  
PIHLAJALINNA OYJ  
VALIDIA OY  
VETREA TERVEYS OY  
YRJÖ JA HANNA OY

## 2023 & 2024

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ASPA PALVELUT OY  
ATTENDO  
ESPERI CARE GROUP OY  
FOLKHÄLSAN VÄLFÄRD AB  
HOIVATIE OY  
HONKALAMPI-KONSERNI  
HUMANA GROUP  
IKIFIT OY  
KVPS TUKENA OY  
MEDIVIDA OY  
MEHILÄINEN OY  
NHC GROUP / NORLANDIA  
OYH GROUP OY  
PIHLAJALINNA OYJ  
RINNEKODIT OY  
VALIDIA OY

## Appendix 2.

### Persons interviewed for the publication in autumn 2024

The interviewees for the publication are representatives of companies, authorities, organisations, researchers and other experts working on housing services.

#### Companies:

**Arja Laitinen**, Director, Care and Competence, Hali ry

**Marina Lampinen**, Director of Corporate Responsibility, Mehiläinen Oy

**Jonna Salomaa**, Quality Manager, Onnikodit / Mehiläinen Oy

**Maija Ikävalko**, Sustainability Manager, Pihlajalinna Oyj

**Anu Metsälä**, Quality Manager, Validia Oy

#### Authorities:

**Lotta Hämeen-Anttila**, Principal Legal Adviser, Office of the Parliamentary Ombudsman

**Minna Verronen**, Principal Legal Adviser, Office of the Parliamentary Ombudsman

**Päivi Vainio**, Senior Social Welfare Officer, Regional State Administrative Agency for Southern Finland (AVI)

**Marja Salo**, Service Area Director, Wellbeing Services County of North Ostrobothnia

**Maija Miettinen**, Ministerial Adviser, Secretary General (ETENE), Ministry of Social Affairs and Health

#### Organisations:

**Kristian Wahlbeck**, Chief Specialist, Mieli ry

**Sari Elomaa**, Lawyer, Alzheimer Society of Finland

**Aino Hynninen**, Development Manager, Child Welfare Services, Save the Children Finland

**Pia Miettinen**, Executive Director, Suoja-Pirtti ry

**Terhi Toikkanen**, Juristi, Kynns ry, Vice Chair, Hengitystuki ry, Board Member, Finnish Disability Forum

#### Researchers and other experts:

**Heidi Vanjusov**, University Lecturer in Social Law, University of Eastern Finland

**Teppo Kröger**, Professor, Director of the Centre of Excellence in Research on Ageing and Care, University of Jyväskylä

**Susanna Lehti**, Lawyer, Partner, Lehti ja kumppanit Oy

**Liisa Murto**, Lawyer, Partner, Lehti ja kumppanit Oy

**Jari Pirhonen**, Docent, University Researcher, University of Tampere

**Emmi Hanhikoski**, MSocSc, licensed social worker

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