

## UN Global Compact

# Communication on Progress, 2015

### Statement of continued support

As an industry leader, we have a responsibility to drive development towards a more sustainable society. Sustainability is a key, integral component of our business and we aim to be both a leader and a pioneer in this area.

#### *Evaluation of strategy period 2012-2015 and looking ahead*

For the past four years, we have been pursuing a strategy where the primary objective was to improve the Group's profitability, and our efforts have yielded results, far exceeding our objectives. We have strengthened our positions in all of the Nordic countries and we have played a leading role in the movement towards a more sustainable society by offering sustainable solutions in every segment. I am delighted to see that we achieved both our financial and our sustainability targets. Direct emissions from NCC's own operations have declined by 28,000 tons since 2013. Indirect emissions from electricity and heat have increased, however, by 14,000 tons, in part due to increased thoroughness when collecting data; as a result, the absolute target of reducing emissions by 20,000 tons of CO<sub>2</sub>e was not fully attained. The relative target of emitting not more than 4 tons CO<sub>2</sub>e/MSEK as a net objective was achieved in 2015. Our other targets on resource efficiency, waste reduction and minimizing the use of hazardous materials were all exceeded. Read more about this in our Annual Report 2015, page 7.

We are now launching a new proactive strategy focusing on profitable growth. Since our ability to execute our strategy and achieve our financial objectives is closely linked to how well we are able to contribute to sustainable development, we must continue to be a pioneer, and we have established ambitious targets in this area. When it comes to our carbon footprint, we must halve the greenhouse gas emissions from our own production no later than 2020. We will achieve this mainly by continuing to convert our asphalt plants to renewable fuels and by increasing the share of renewable forms of energy across a broad front in our own use of energy. In line with this, NCC is affiliated with the UN-backed Lima-Paris Action Agenda (LPAA) climate initiative. We have already halved the number of workplace accidents since 2011, but we must halve them again before the strategy period ends. We also know that these are just statistics, and that behind every number is a person who has suffered an accident and perhaps even lost their life. It is with great sorrow that I report that four of our employees died in connection with workplace incidents in 2015. We must now do everything in our power to ensure this does not happen again, through even more training, more safety procedures and better protective measures. We have a vision of zero workplace accidents at NCC, and we cannot rest until this has been realized.

#### *Business ethics*

NCC works continuously to ensure compliance with our Code of Conduct and to ensure that no violations occur. The extensive training program for all of our employees initiated last year has been a success, over 16 100 employees has completed the training based on the NCC Compass, our tool to assist employees with advice and guidance on issues relating to gifts, business entertainment, conflicts of interest and competition law. We want to ensure that nobody at NCC is unaware of the significance of maintaining high ethical standards in our company. To ensure capacity, transparency and competition in connection with the sourcing of temporary labour for NCC projects, the subsidiary NCC Montage was established in 2015. NCC Montage is an example of a long-term sustainable solution. With an in-house company, NCC gains full insight and can ensure that the right wages and employment conditions apply, and that we act in line with our company values. NCC initiated an anti-bribery partnership project in 2013, together with the Swedish Association of Local Authorities and Regions, the Swedish Anti-corruption Institute, the Swedish Construction Federation, the Swedish construction clients and other construction companies. The project was concluded in December and resulted in common guidelines for construction companies when working with municipalities and county councils. The *Agreement for counteracting bribery and corruption* serves to ensure a sound business culture and that actions between players are conducted in an ethical, legal and trustful manner. By signing this agreement, NCC, like the other parties involved, undertook to work for and uphold and abide by the agreement.

#### *Confirming our commitment*

NCC signed the UN Global Compact in 2010 and has thus undertaken to adopt an active approach to issues involving human rights, labour rights and working conditions, the environment and sound business ethics in its operations and partner relationships. Through this Communication on progress, NCC expresses our commitment to and continued support for the UN Global Compact's ten principles. We welcome you to take part of our annual report in order to learn more about NCC's values, Code of Conduct, environmental goals, economical performance and more, and how we have progressed. The below table illustrates main sections regarding human rights, labour, environment and anti-corruption in NCC's Annual report 2015 and NCC's Code of Conduct, but additional information can be found throughout the Annual report as these areas are integrated in our daily work.

Solna April 14, 2016



Peter Wågström

The NCC Annual report 2015 can be found on our website (<http://www.ncc.se/Annualreports>), as well as NCC's Code of Conduct (<http://www.ncc.se/en/sustainability/our-values/code-of-conduct/>).

	Assessment, policy & goals	Implementation	Measurement of outcomes
Human Rights	Code of conduct: "Human rights and working principles" Annual report 2015: "NCC's code of conduct" (p. 35)	Annual report 2015: "NCC's code of conduct" (p. 35) and "Ethics and compliance: Sustainable business" (p.43)	Code of conduct: "Compliance and follow up" Annual report 2015: "NCC's code of conduct" (p. 35) and "Ethics and compliance: Sustainable business" (p.43)
Labour	Code of conduct: "Human rights and working principles" Annual report 2015: "Review by the president"(p. 2) and "NCC's sustainability targets"(p. 7)	Annual report 2015: "Occupational health and safety: Concerted work for increased safety" (p. 42)	Code of conduct: "Compliance and follow up" Annual report 2015: "NCC's code of conduct" (p. 35) and "Occupational health and safety: Concerted work for increased safety" (p. 42)
Environment	Code of conduct: "Environmental responsibility" Annual report 2015: "Review by the president"(p. 2) and "NCC's sustainability targets"(p. 7)	Annual report 2015: "Climate and energy: Reduced emissions and renewable fuels" (p. 39) and "Materials and waste: Efficient use of resources in circular flows" (p. 41)	Code of conduct: "Compliance and follow up" Annual report 2015: "Climate and energy: Reduced emissions and renewable fuels" (p. 39)
Anti-Corruption	Code of conduct: "Business principles" Annual report 2015: "NCC's code of conduct" (p. 35)	Annual report 2015: "NCC's code of conduct" (p. 35) and "Ethics and compliance: Sustainable business" (p.43)	Code of conduct: "Compliance and follow up" Annual report 2015: "NCC's code of conduct" (p. 35) and "Ethics and compliance: Sustainable business" (p.43)