



SWEROAD



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

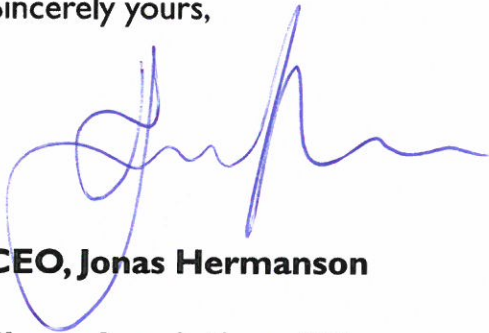


STATEMENT OF CONTINUED SUPPORT

I am pleased to confirm that SWEROAD reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In the following Communication on Progress for 2016, we describe the actions carried out at SWEROAD during the past year in order to continually improve the integration of the Global Compacts principles into our business strategy, culture and daily operations. We will share this report with our stakeholders using our primary channels of communication.

Sincerely yours,



CEO, Jonas Hermanson

Short description of the company

Swedish National Road Consulting AB (SweRoad) is a state-owned enterprise governed by Trafikverket (The Swedish Transport Administration).

SweRoad has over the last three decades conducted over 300 consulting projects abroad regarding foremost road, road safety and railways where sustainability and safety have been key elements.



HUMAN RIGHTS

Vision

With the world as our workplace, it lies in our core values to always conduct good business practice. In order to ensure this, it is important for us to establish close relations with purchasers, suppliers and clients. This increases our level of internal control through our entire supply chain.

SweRoad supports the UN principles for protection of internationally proclaimed human rights and aim to support a healthy and sustainable business environment within the regions we operate.

We believe that good communication and a high level of transparency are key factors to conduct sustainable business.

Progress

It is every team leaders' and supervisors' responsibility to make sure that the work carried out through SweRoads projects are in line with our code of conduct and business ethics.

During 2016 we have continued working on the subject of human rights and business ethics with our employees. A handbook and checklists are being developed and this material will be provided to all Project Managers and Team Leaders. It will safeguard that our project leaders and managers hold necessary knowledge and have practical tools to handle the issues in an adequate way.

Result

SweRoad does not accept any kind of human rights violations within our own business or within the organizations that we do business with. There has been no information received during the year indicating any form of human rights violation.

PRINCIPLE 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2:

make sure that they are not complicit in human rights abuses.

LABOUR RIGHTS

Vision

It is important for us to maintain a positive atmosphere and a workplace well appreciated by our employees. Our business idea is to provide professional advisory and offer a wide knowledge base within our field of work. Hence, the level of satisfaction of our employees is highly crucial for us in order to continue to conduct good business.

Progress

During the previous year, we wanted to look over our routines regarding safety and how to handle potential crisis where our expats carry out their work. We therefore organized an exercise with the board and our employees on the subject. The exercise resulted in the decision of developing a more thorough crisis management plan so that we are prepared to solve a potential crisis as effective as possible, if one occurs.

We furthermore stated that SweRoad always puts safety aspects first when deciding if taking on a certain project or not. Economical or political aspects of a project should never be considered before the evaluation of a project regarding its safety aspects.

Like previous years SweRoad has provided health examinations to our employees. We also offer vaccination to our expats prior to their travels (along with family members who travel with them). We encourage our employees to maintain good physical health and therefore offer preventive health care contributions (3000 SEK/employee and year), a contribution that has been well appreciated.

In order to follow up on our employees' opinions and level of satisfaction at their positions we conduct employee surveys on a yearly basis.

PRINCIPLE 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4:

the elimination of all forms of forced and compulsory labour;

Result

Regarding UNGCs third principle on freedom of association and collective bargaining, about 60 percent of our employees are members in the trade unions. We put value on that representatives from these unions are represented in our board of directors. SweRoad has furthermore signed collective agreements with the trade unions.

SweRoad supports the four UN Global Compact principles regarding labour rights and we continuously strive to provide an equal and diverse work place. During 2016 SweRoads head office consisted of three female and five male employees. The board consisted of one woman and four men.

Due to the nature of our business, we have a relatively high level of staff turnover since the form of employment agreement is project-related. Regarding our head office, the staff turnover has been low.

We have during 2016 experienced a somewhat higher level of sick-leave in comparison to the level of sick-leave during 2015. There has during 2016 been no work-related accidents reported.

We have not received any reports regarding any type of discrimination or violation of the UN Global Compact principles' on labour rights regarding our organization during 2016.

PRINCIPLE 5:

the effective abolition of child labour; and

PRINCIPLE 6:

the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Vision

It is SweRoads' aim to contribute to better environmental standards within the scope of work that we operate. Thanks to a high level of technical development in the Swedish traffic sector we can transfer valuable knowledge and thus contribute to a decrease in emissions caused by insufficient local traffic sectors abroad.

Our aim is to be in the forefront of promoting environmental awareness within the transport sector. The environmental aspect must always be considered in both the planning and implementation phase of every project we take part in.

We shall furthermore, as stated in our environmental policy, recognize and consider both short-term and long-term as well as direct- and indirect environmental impacts in all projects undertaken.

Progress

In our assignments, we assist our customers with e.g. environmental impact assessments, environmental analysis and environmental action plans in order to help decrease the negative environmental impacts from the transport sector and to help develop better traffic standards.

We continuously strive to keep our employees informed on our environmental policy and offer relevant education previous to a project.

PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8:

undertake initiatives to promote greater environmental responsibility; and

Regarding our collaborative partners and suppliers, we always seek to maintain close business relationships and strive to follow our environmental policy when evaluating new potential partners.

During 2016 we have started to recycle our waste. Furthermore, we always use double-sided printing in order to reduce unnecessary waste. The largest direct negative environmental impact that SweRoad causes are still emissions from work-related travels by airplane to our projects abroad. Furthermore green house gases are emitted when employees travel to our head office in Solna. Office related waste is also part of our negative environmental impact.

Result

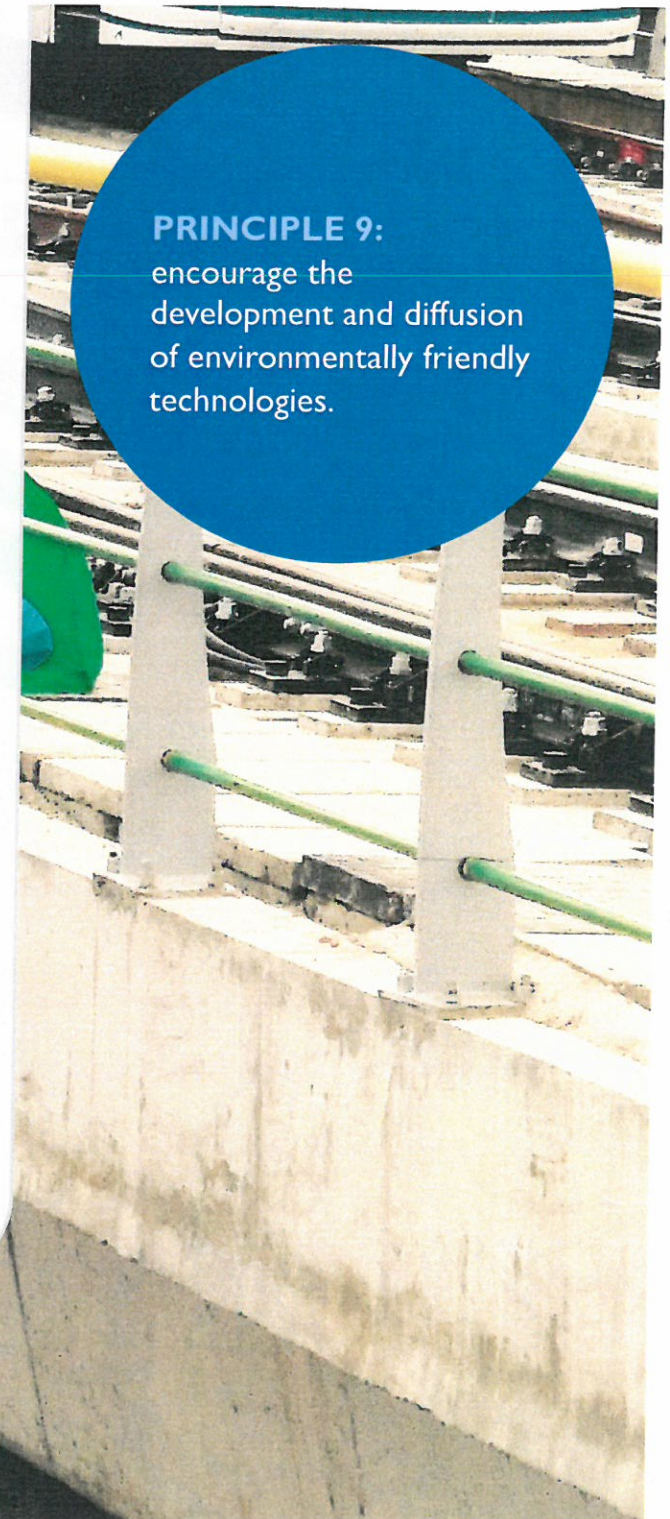
We believe that our projects contribute to a more sustainable infrastructure in low-income countries, leading to a cleaner environment and improved living standards.

Thanks to our wide knowledge base regarding good environmental standards considering the transport sector, we are continuously contributing to greater road safety and increased transport efficiency in the countries where we operate.

Furthermore we always encourage our customers to choose as environmentally friendly measures of traffic solutions as possible when planning a project.

PRINCIPLE 9:

encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

Vision

As stated in our business ethics policy, it is our vision to always show credibility through conducting business in an ethical and reliable manner. We shall thus strive for sound competition and work for the benefit of the customer without promoting illegitimate interests. We put emphasis on that we always order and execute assignments with care and precision and within the framework of good professional business practice.

Progress

It is, within all assignments that SweRoad chooses to engage in, important that all team leaders and employees are well aware of our ethical stance and guidelines. We continuously work to inform and educate our employees on these issues and have during 2016 continued this dialogue with our employees.

Result

SweRoad is always cautious when signing agreements with clients, suppliers and customers to ensure that the scope of the assignment is clearly stated and that potential risks and uncertainties are thoroughly discussed.

SweRoad does not accept any kind of corrupt activities, extortion or bribery and thus take on a rigorous approach towards accepting contact- and relationship promoting benefits.

No information has been received during the past year that could indicate on SweRoad violating the UN Global Compacts 10th principle regarding anti-corruption.

PRINCIPLE 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

PROJECTS

Cambodia – Climate Change Adaptation

Cambodia is increasingly being exposed to the negative effects caused by climate change. SweRoad is taking on the assignment of identifying the most critical problem areas and strengthening the existing infrastructure to secure road investments.

The project in Cambodia has during 2016 been extended where components as EMS (emergency management systems), warning systems, emergency center and four safe shelters will be set up. The project will be finished in November 2017.

Vision Zero Initiative

SweRoad continues its support of the Swedish Vision Zero Initiative that aims towards a goal of zero fatal traffic accidents by developing a safer traffic environment. It is within this initiative SweRoads aim to contribute with expertise knowledge and consultancy services regarding road safety.

Every year we visit our financiers' of the Vision Zero Initiative where we discuss the initiative. Last year we also presented "lessons learned" (an ongoing project) when visiting our financiers'.

Nigeria

In August 2016 SweRoad began working with an assignment in Nigeria where we will help the Federal Road Safety Corps to develop and implement a road traffic crash data management system.

The project aims to increase the quality and efficiency of road traffic crash data reporting in Nigeria.

Ethiopia

In October 2016 SweRoad got assigned a project for the Ethiopian Roads Authority (ERA). SweRoad will provide ERA with consultancy services regarding the technical assistance for modernization of the ERA through technical audit and quality management.

The main objectives with the assignment is e.g. to improve ERA's project planning, technical design governance and strengthen transparency in planning.