

UN Global Compact

Communication on Progress, 2017

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.

Focus on sustainable urban development

Sustainable urban development is an important growth area in our strategy 2016-2020. In everything we do and all of the projects we implement, we must view our responsibility in a larger perspective. The strong urbanization of the Nordic region must be accompanied by the development of sustainable, secure city districts and an infrastructure that facilitates both transport and meetings. For this reason, getting the inhabitants of our cities to feel included is one important long-term challenge for NCC. We will continue to build housing that more people can afford, while also building places of work, hospitals, schools and event locations that make the cities sustainable from an economic, environmental and social perspective.

Diversity and discrimination

NCC's HR function formed a Diversity Council in 2017 with the aim of strengthening diversity processes and procedures and bringing about a tangible increase in diversity in the Group. Diversity is also a significant feature of the Group's updated Code of Conduct, implemented 2017, and since 2017 diversity is also included in NCC Compass, a program that provides guidance to employees in business ethics. All employees receive regular training in the Code of Conduct's fundamentals and are expected to comply with these principles in their daily work. Knowledge of the Code of Conduct at NCC is very high. According to NCC's human capital survey, NCC Pulse, employees believe to a great extent that NCC's values and Code of Conduct provide guidance in their work.

Progressing towards our targets

NCC's sustainability framework has six focus areas – Health and safety, Social inclusion, Materials and Waste, Climate and Energy, Compliance and Portfolio performance. Connected to all six focus areas, we have both short term targets for the strategy period 2016-2020 and long term directions, which extend beyond 2020, to enable us to secure maximum leverage on our sustainability efforts and steer us towards our vision. NCC's targets have also been supplemented by a selection of the UN Sustainable Development Goals. These global goals help ensure that NCC's business strategies create long-term value for the societies in which the company is active by creating change where it is needed the most.

Health and safety is a highly prioritized area where we work systematically to eliminate the number of accidents. During 2017 we saw a decrease in accidents. However, it is with great sorrow that I report that during the past year, one of our employees lost his life in a workplace accident. We will do everything in our power to ensure this does not happen again. Efforts to continue strengthening the safety culture and achieving the zero vision are in progress at an undiminished pace. Health and safety constitute one of our foremost focus areas for 2018 and our aim of halving accidents between 2015 and 2020 stands firm. Another of NCC's strategic targets is to continuously reduce the company's climate impact by lowering emissions of greenhouse gases from its own operations with the long-term aim to become climate neutral. I am delighted to see that we are progressing towards the target of halving our CO₂-emissions by 2020. Our work has resulted in a 19% decrease in CO₂-emissions in 2017, compared to 2015. Regarding our other sustainability targets on diversity, waste management and our target connected to compliance, we are progressing towards our 2020 goals. Read more about our sustainability targets and our long term directions in sustainability in our Annual Report 2017, page 8-9 and 11-12.

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, sustainability targets, 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 2017 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 11, 2018



Håkan Broman

Acting President and CEO

The NCC Annual report 2017 can be found on our website (www.ncc.group), as well as NCC's Code of Conduct (www.ncc.group/sustainability/code-of-conduct).

	Assessment, policy & goals	Implementation	Measurement of outcomes
Human Rights	Code of conduct: "Human rights" Annual report 2017: "NCC's code of conduct" (p. 104)	Annual report 2017: "NCC's code of conduct" (p. 104) and "Compliance" (p.110)	Code of conduct: "Compliance and reporting mechanism" Annual report 2017: "NCC's objectives" (p.12) "NCC's code of conduct" (p. 104) and "Compliance" (p.110)
Labour	Code of conduct: "Human rights" and "Occupational health and safety" Annual report 2017: "Review by the president"(p. 5), "NCC's objectives"(p. 11) and "Health and Safety" (p. 106-107)	Annual report 2017: "Health and safety" (p. 106-107)	Code of conduct: "Compliance and reporting mechanism" Annual report 2017: "NCC's code of conduct" (p. 104), "NCC's objectives" (p.11) and "Health and safety" (p. 106-107)
Environment	Code of conduct: "Environmental responsibility" Annual report 2017: "NCC's objectives"(p. 11-12)	Annual report 2017: "Climate and Energy" (p. 108-109) and "Materials and Waste" (p. 108)	Code of conduct: "Compliance and reporting mechanism" Annual report 2017: "NCC's objectives"(p. 11-12), "Climate and energy" (p. 108-109) and "Materials and Waste" (p. 108)
Anti-Corruption	Code of conduct: "Business ethics" Annual report 2017: "NCC's objectives"(p. 12) "NCC's code of conduct" (p. 104) and "Compliance" (p. 110)	Annual report 2017: "NCC's code of conduct" (p. 104) and "Compliance" (p.110)	Code of conduct: "Compliance and reporting mechanism" Annual report 2017: "NCC's objectives"(p. 12) "NCC's code of conduct" (p. 104) and "Compliance" (p. 110)