

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2017



COMMUNICATION ON
PROGRESS

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 2017, 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, Stefan Arnersten

Short description of the company

Swedish National Road Consulting AB (SweRoad) provides consulting services within the transport sectors, especially road, road safety and railways to clients outside Sweden. Projects run by SweRoad usually includes advisory services and technical assistance to Government agencies, ministries, and local authorities. The overall objective is to assist in obtaining a sound and sustainable development in the transport system wherever needed.

SweRoad has, with over three decades of experience in the international market, carried out over 300 consulting assignments in Africa, Asia, Europe, the Middle East, Central and South America.

After an internal audit it was found that Trafikverket (Swedish Transport Administration) was not a suitable long-term owner of SweRoad. The Swedish Ministry of Enterprise and Innovation instituted Trafikverket to sell SweRoad to a more suitable owner who's long-term strategic goals were in line with SweRoads'. This process will continue during the first half of 2018 and we welcome this decision and look forward to future growth.

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

SweRoad is, at this point, still a state owned enterprise governed by Trafikverket (The Swedish Transport Administration). During 2017 Trafikverket conducted an internal audit of the company. One of the observations made during the audit was that SweRoad needed to update the internal management system. This was carried through during the past year and in October 2017 we had a half day training session in issues related to working environment and changes in our quality management system.

The training focused on our regulations related to working environment, our policy documents, business ethics, our code of conduct and our sustainability work.

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

SweRoad shall offer a healthy work environment where all employees can evolve both on a personal level as well as in their profession. SweRoad shall never risk the health or safety of our employees and shall, as a minimum, meet the legal requirements on work environment in every country we do business in.

We strive to continuously improve our work environment organizationally, socially and physically and it is crucial that we always strive to maintain a high level of satisfaction among our employees.

We shall, as a company, uphold a good working environment characterized by respect for differences and with an open, direct and mutual way of communication. We do not accept any form of discrimination or harassment at our workplace and every employee is entitled to be seen, heard and respected in his/her work.

Progress

It is important for us to identify and incorporate our employees' different perspectives, knowledge and ambitions to develop our business further.

SweRoad regularly conduct investigations and surveys to be able to analyze and follow up our working conditions and try to identify potential risks in order to maintain a positive workplace.

During 2017 SweRoad introduced a set of new policies regarding personnel issues. The new policies include a work environment policy, a policy against bribery, a code of conduct and an equality and diversity policy.

A half day training on the new policies was held both in Sweden and abroad with our employees in order to clearly communicate them.

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;

Like previous years SweRoad continued to provide health examinations to our employees. We also offered vaccination to our expats prior to their travels (along with family members who travel with them).

We continuously 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.

Result

About 70 percent of our employees were members in the trade unions during 2017 (an increase from 60% during 2016) and we value that the union representatives are presented in our board of directors. SweRoad furthermore offer collective agreements with the trade unions, covering all employees.

SweRoad supports the four UN Global Compact principles regarding labour rights and we continuously strive to provide an equal and diverse work place. During 2017 SweRoads head office consisted of four female and six male employees. The board consisted of two women and four men.

Due to the nature of our business, we have a relatively high level of staff turnover since the nature of the job is project related. During the past year SweRoad welcomed three new employees, one project leader and two project coordinators.

We have experienced a decreasing level of sick-leave during the past year compared to 2016 with as much as 47% fewer sick-days and there have been no work-related accidents reported during the past year.

We have not received any information regarding any type of discrimination or violation of the UN Global Compact principles on labour rights regarding our organization during 2017.

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 SweRoad's 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 for example 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.

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.

Financers of a project furthermore usually require businesses or parties involved in the project to be ISO-certified or that other environmental standards are in place.

PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8:

undertake initiatives to promote greater environmental responsibility; and

SweRoads largest direct negative environmental impact is caused by emissions from our travels to our assignments abroad. SweRoad is provided statistics over our CO2-emission caused by our travels from our travel agencies. Green house gases are also emitted when employees travel to and from our head office in Solna. However, there are currently no statistics regarding the amount of these emissions.

In order to decrease our negative environmental impact caused by office related waste, we recycle and use double-sided printing.

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 prior to a project.

PRINCIPLE 9:
encourage the
development and
diffusion of
environmentally friendly
technologies.



ANTI-CORRUPTION

Vision

We believe that our way of doing business demonstrates our values. We shall always show credibility and conduct business in an ethical and reliable manner. We shall strive for sound competition and work for the benefit of the customer without promoting illegitimate interests. We emphasize to always order and execute assignments with care and precision within the framework of good professional business practice.

Progress

With the world as our workplace, and far from our head office, it is imperative to have control. To achieve a high level of control, SweRoad most often work with experts that we have built long-term relations with, and who are well-versed with our work ethics and code of conduct.

It is, within all assignments important that our 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.

During 2017 SweRoad updated our code of conduct and established a new policy against bribery. Both of these policies were included in the former mentioned training that our employees took part in during 2017.

Our policy against bribery states that all employees must act with good judgement and take responsibility if offered a gift or benefit. It is a matter of course for our employees to comply with current regulations and legislation. Every project shall furthermore annually go through an assessment regarding risks of bribery.

It is of great importance that our business partners and customers can rely on us. All employees, including temporarily hired staff, are expected to act in accordance with our business values.

PRINCIPLE 10:

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

To secure good business ethics when submitting bids on bilateral funded projects, all companies within each consortium sign a Statement of Undertaking certifying how to deal with bribes and counteract corruption.

Any violation against our policies or our code of conduct shall be reported to our CEO and/or our safety representative.

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.

PROJECTS

Ethiopia

In October 2016 SweRoad was 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 for example to improve ERA's project planning, technical design governance and strengthen transparency in planning.

Our assignment in Ethiopia continued according to plan during 2017. During the past year we invited 30 officials to a training session in Sweden. We also provided on sight training in Ethiopia.

Serbia

SweRoad signed an agreement with the Public Enterprise for Roads of Serbia on 28 December, 2017.

SweRoad will prepare and perform Road Safety Audit Training Courses, including field trips, undertake the final examination and subsequent Certifications of Road Safety Auditors.

Due to the success and Client satisfaction, our assignment was further expanded into 2019 to also include preparing the Guidelines for conducting the Road Safety Audit and Road Safety Inspection. These guidelines are prepared in line with the Law on Roads and RSA and RSI best practices for local conditions. The final product will be a 'Rulebook and Guidelines' manual.

Vision Zero Initiative

SweRoad continues its support of the Swedish Vision Zero Initiative that aims towards the 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.

There is a continuous strong demand for the initiative. Every year we meet with customers and financiers to showcase Vision Zero and our projects.

Laos

In September 2017 SweRoad signed a contract with the Ministry of Public Works and Transport in Laos. The project covers three parts, first, performing climate resilient periodic maintenance and routine maintenance works program in the six provinces, including technical assistance for design and supervision of works.

Second, carrying out routine maintenance of provincial and district roads in the Project provinces, consisting of roads selected by GoL in accordance with the respective AWPBs.

Third, Provision of technical and operational assistance for the design and supervision, procurement, quality assurance, contract management, and other technical management of the works.