



**CONSTRUCTION
LIMITED**

“We build value”

**UN GLOBAL COMPACT
COMMUNICATION ON
PROGRESS
2018**

STATEMENT OF CONTINUED SUPPORT

I am pleased to confirm that OMOSTEV Construction 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 2018, we describe the actions carried out at OMOSTEV Construction 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,



Stephen David Omoding
Managing Director

Short description of the company

OMOSTEV CONSTRUCTION LIMITED is a Construction and Civil Engineering Groups-oriented company that was formed in 2015. OMOSTEV is a limited liability company and was registered in 2015 under number 211429 by the Registrar of Companies of the Republic of Uganda. OMOSTEV commenced operations in the year 2016.

The company is self-sufficient in the majority of construction disciplines and provides employment for an average of 20 people, placing great emphasis on training its technicians and craftsmen to produce an exceptionally high standard of workmanship.

OMOSTEV Construction Limited is one of Uganda's Construction and Civil Engineering Groups. OMOSTEV which is one of the few integrated engineering contractors that has adopted the international ideal of financial strength and probity, providing major benefits to our clients. The company's design, manufacturing and Construction activities relate to all sectors including Infrastructure (roads, bridges and water supply) Telecommunications, Mining, Power Generation, Petroleum Industry, Agricultural Sector (sugar, tea), Process Industries, Cement among others. This process will continue during the first half of 2018 and we welcome this decision and look forward to future growth.

OMOSTEV policies for corporate responsibility and alignment with the UN Global Compact principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Policy: We consider this a natural part of our operations.
Principle 2: make sure that they are not complicit in human rights abuses.	Policy: We consider this a natural part of our operations.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Policy: We permit workers' councils, and acknowledge and respect the freedom of association.
Principle 4: the elimination of all forms of forced and compulsory labor;	Policy: We examine and monitor our suppliers closely.
Principle 5: the effective abolition of child labor; and	Policy: We examine and monitor our suppliers closely.
Principle 6: the elimination of discrimination in respect of employment and occupation.	Policy: We do not discriminate in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;	Policy: We continuously evaluate how we can reduce our total carbon footprint.
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Policy: We continuously evaluate how we can reduce our total carbon footprint.
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Policy: We invest up to 10% of our revenue in R&D to develop environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Policy: We do not tolerate corruption, and neither do our suppliers, customers, or other stakeholders.
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HUMAN RIGHTS

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.

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.

OMOSTEV Construction 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

OMOSTEV Construction is, at this point, a private owned enterprise governed by Board of Directors. During 2018 the Board conducted an internal audit of the company. One of the observations made during the audit was that OMOSTEV Construction needed to update the internal management system. This was carried through during the past year and in October 2018 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

OMOSTEV Construction 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.

LABOUR RIGHTS

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;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Vision

OMOSTEV Construction shall offer a healthy work environment where all employees can evolve both on a personal level as well as in their profession. OMOSTEV Construction 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.

OMOSTEV Construction 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 2018 OMOSTEV Construction 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 Uganda and abroad with our employees in order to clearly communicate them.

Like previous years OMOSTEV Construction 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 (10 Million UGX /employee and year), a contribution that has been well appreciated.

Result

About 70 percent of our employees were members in the trade unions during 2018 (an increase from 55% during 2017) and we value that the union representatives are presented in our board of directors. OMOSTEV Construction furthermore offer collective agreements with the trade unions, covering all employees.

OMOSTEV Construction supports the four UN Global Compact principles regarding labour rights and we continuously strive to provide an equal and diverse work place. During 2018 OMOSTEV Construction 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 OMOSTEV Construction welcomed two new employees, one project leader and one project coordinators.

We have experienced a decreasing level of sick-leave during the past year compared to 2017 with as much as 45% 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 2018.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly

Vision

It is OMOSTEV Construction 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.

OMOSTEV Construction largest direct negative environmental impact is caused by emissions from our travels to our assignments abroad. OMOSTEV Construction 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 Kampala. 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.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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, OMOSTEV Construction 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 2018 OMOSTEV Construction 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 2018.

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.

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

OMOSTEV Construction 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.

OMOSTEV Construction 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 OMOSTEV Construction violating the UN Global Compact's 10th principle regarding anti-corruption.