

NCC is one of the leading construction and property development companies in the Nordic region. With the Nordic region as its home market, NCC is active throughout the value chain – developing commercial properties and constructing housing, offices, industrial facilities and public buildings, roads, civil engineering structures and other types of infrastructure.

NCC also offers input materials used in construction and accounts for paving and road services. NCC creates future environments for working, living and communication based on responsible construction operations that result in sustainable interaction between people and the environment.

# The way we operate

## Code of Conduct

Foto: Erik Mørtensen, Casper Hedberg 20.47.2005 NCC Communication Services 2017/04



# Our vision is to renew our industry and provide superior sustainable solutions

NCC's Code of Conduct outlines a set of expected behaviors for all stakeholders – employees, managers, the Board and business partners – that support the ethical culture of the organization. But why does NCC need a Code of Conduct? We are one of the leading construction and property development companies in Northern Europe, creating and developing entire communities for work, living and communications. Because virtually everything we build has a lifetime that extends far into the future, ensuring responsible enterprise and the ethical conduct of our skilled and dedicated employees is key to our business. Our products and solutions help people to realize their dreams of a new home, a new creative office environment, a safe road to drive on or a comfortable and healthy school environment for their children. Doing all this in a sustainable manner is a major responsibility, and NCC is committed to the highest ethical standards. This is why we consider it important to set out guidelines not only for how we behave toward our stakeholders and what they can expect from us, but also for what we expect from parties that do business with us or come into contact with us in some other way. The guidelines cannot cover every conceivable situation but are intended to help all of us to 'do the right thing' and to make it easier to speak up about any concerns – and speaking up is something we want to encourage.

Upholding the Code of Conduct is a positive way to live by our values and is the shared responsibility of all stakeholders. Please join the Board and me in giving it your full support.

Peter Wågström, President and CEO  
Stockholm, December 9, 2016

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# Our values lay the foundation for our conduct

NCC is a company guided by its values, with the aim to enable all the decisions and actions of employees to be in accordance with our shared values. Since our business partners are an important part of our operations, we also expect them to respect and stand by our values. In this way, our values act as guiding principles for both employees and business partners, navigating us all in our daily operations.

Our Code of Conduct provides us with a framework for our actions based on our values and on voluntary initiatives we have adopted, such as the World Economic Forum's Partnering Against Corruption Initiative (PACI) and the UN Global Compact. These initiatives set out principles for addressing human rights, work methods, the environment and corruption.

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## Honesty

- We are true to ourselves and our stakeholders
- We conduct business in a correct and responsible manner
- We make sure our stakeholders can always rely on NCC

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## Trust

- We trust each other, say what we mean and do what we say
- We have the courage to be forthright and clear
- We honor our commitments and strive for high standards of quality, ethics and sustainability

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## Respect

- We value diversity and treat others respectfully
- We cooperate, value the opinion of others and we stand behind our decisions
- We use all our resources with care

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## Pioneering spirit

- We take the initiative and work proactively and energetically
- We have the courage to try new ways of thinking and working
- We drive development together with our stakeholders

# Business ethics



Upholding the principles of the Code of Conduct is a shared responsibility.

As an employee, you should be familiar with it and consider how it applies to your own work. You are encouraged, and must feel free to report possible breaches.

At NCC, we strive to achieve long-term business relationships as a basis for generating customer value, shareholder value and secure workplaces that promote development. We achieve this through our actions – demonstrating to our customers and other stakeholders that we are a reliable and honest company that always meets its commitments.

That is why it is equally important to communicate our Code of Conduct as a natural part of cooperation with business partners and other third parties.

## Laws, regulations and international conventions

It goes without saying that NCC complies with laws and international conventions. This means that we always respect and comply with the legislation and regulations relevant to our operations. We expect all

employees to be aware of the laws and regulations that apply to their specific function or role.

## Business relations

At NCC, we are honest and open in our relationships with business partners and third parties, and we expect our business partners and their suppliers to behave in the same way. We honor our commitments and respect the agreements we have entered into. We expect our business partners to communicate our values, or if their own values are similar, throughout the supply chain. We expect them to act and demonstrate that they comply with our or their own, similar values /code of conduct.

## Practical guidelines

- I act in compliance with and respect the shared decisions and regulations at NCC and the commitments that NCC has. I am guided by the values of honesty, respect and trust.



### Anti-bribery and anti-corruption

At NCC, we are committed to securing business solely on the merits and integrity of our products, services and people. We do not tolerate bribery or corruption. We will not give or offer anything of value to a government official or company representative to influence a discretionary decision.

#### Practical guidelines

- I always show care and restraint, and include a professional/serious part, if I offer a gift to customers, public officials, subcontractors, suppliers, consultants or other external stakeholders, or if I invite these individuals to participate in dinners, parties, sport events and any other form of business entertainment.
- I do not accept hospitality or a gift from anyone with whom NCC has, or will have a business relationship if it represents more than common business courtesy, creates a sense of obligation or is contrary to NCC's policies of care and modesty.
- I convince business partners of NCC's position

through the strength of my commercial argument.

- I never provide anything of value to a public official unless I have confirmed that it is legal and consistent with NCC Compass, the stakeholders own regulations/guidelines or other industry guidelines.
- I never distort the true nature of any transaction. I do not use a third party, such as an agent or distributor, to pay a facility payment or bribe.
- When in doubt, I turn to the Ask Me function for guidance.

### Competition Law

NCC competes forcefully in the marketplace to meet our customers' needs and enhance shareholder value. We do not enter into agreements or engage in activities that restrict competition. For example, we do not permit any form of anti-competitive behavior such as pricing collaboration, cartel building or abuse of its market dominance. We support appropriate and unrestricted competition with regard to bids, tenders, procurement and purchasing in all phases of its operations.

### Practical guidelines

- I do not enter into any contracts with competitors without first having checked the situation with my business area's legal counsel.
- I never enter into any agreement concerning price fixing or market sharing. If I am asked to participate in such an agreement, I firmly reject the offer in a way that cannot be misunderstood. Leave the meeting, document the event and report it to your manager and your business area's legal counsel.
- I am particularly careful in my relationship with competitors.
- I always make sure that all meetings are documented.
- I am particularly careful if NCC holds a dominant position in any relevant market.
- When in doubt, I turn to the Ask Me function for guidance.

### Conflicts of interest

A conflict of interest exists whenever someone's

private interests interfere, or appear to interfere, with those of NCC. As employees at NCC, we are obliged to inform our immediate superior of any business activity that we conduct outside the NCC Group. We may not work in any way or participate indirectly in business activities for an organization that is in competition with, or does business with, NCC. We may not engage in activities that could lead to conflicts of interest or be used for personal gain in relation to business partners.

This includes providing or accepting personal gifts or services, or participating in expenses-paid activities beyond normal business requirements. It also includes seeking or making any form of promise connected to the acceptance of gifts. As employees, we must disclose personal conflicts of interest to our immediate superior.

NCC as a company does not make contributions or donations to political organizations. While the company does not subscribe to any party-political position, employees are encouraged to take an active interest in social issues and topical debate.

### Practical guidelines

- As an NCC employee, I avoid any situation where I am in a position to potentially exploit my professional capacity in some way for personal benefit, or am at risk of biasing a decision in a way that contradicts NCC's interests.
- I promptly disclose any potential conflict of interest to management since, in certain cases, such activity may require the prior approval of NCC.
- I do not engage in a private and personal relationship with a fellow NCC employee who directly or indirectly reports to me without first informing my manager.
- If I am uncertain as to whether an activity I am engaged in constitutes a conflict of interest, I turn to the Ask Me function for guidance.

### Anti-Money laundering

NCC will follow the laws that apply to prevent money laundering to occur. Money laundering is various types of arrangements to conceal criminal activity or present them as legitimate with regard to making criminal payment of money become legitimate

#### Practical guidelines

- I take realistic steps to identify and assess the integrity of our business partners and ensure they are engaged in legitimate business activities.
- I am cautious if asked to transfer money to a receiver or country that is unrelated to the transaction.
- I raise questions if I see suspicious activity. Resolve your concern with a member of NCC Treasury, NCC Legal or NCC Security.

### Information and social media

Only explicitly authorized persons are allowed to speak on behalf of NCC. As NCC employees, we are all aware of the clear distinction between our own personal views and views that represent an official NCC company position or NCC's views. We are careful not to disclose confidential information belonging to NCC or others, except to those who have a legitimate need to know and who are authorized to access the information. Information shared through instant messaging, texts, blogs and social networking sites can be far-reaching, permanent and have a negative or damaging impact on you as a private person, NCC and our stakeholders.

#### Practical guidelines

- I use caution when discussing company business or working on a laptop or other IT devices in public.
- I do not access, use or disclose confidential information without appropriate management authorization.

- I never allow third parties to access NCC facilities without appropriate authorization.
- I refer all inquiries from analysts or investors to NCC Investor Relations.
- If I want to use media tools to describe my work day or my work at NCC as an NCC employee, I am clear about who I am and what I work with and respect the NCC values and Code of Conduct.
- I never give the impression that I am speaking on behalf of NCC in any personal communication, including media tools (such as online forums, blogs, chat rooms, podcasts, Facebook, LinkedIn, Twitter, etc.), without proper authorization.
- If I see something inappropriate or anything that NCC should act on, I inform NCC's Head of Digital.
- Before talking about company matters with media, I take advice from NCC Group Communication.

### Privacy

NCC only collects and processes the personal information of consumers, employees and third parties in compliance with applicable privacy laws and relevant NCC policies. Confidential employee information is maintained securely and, unless required by law, may only be disclosed to individuals with proper authorization to receive such information.

#### Practical guidelines

- I ensure that personal data is collected only for lawful, legitimate purposes – “good to have” is not a valid reason.
- I never share personal data except with those employees or associates who have a legitimate business need for the information, and always in accordance with applicable privacy laws.
- When in doubt, I take advice from NCC HR or NCC Compliance.

# Human rights

### Diversity and equality

At NCC we support and respect international conventions concerning human rights and promote diversity and equality. Equal treatment and equal opportunities apply to everyone irrespective of gender, transgender identity and expression, sexual orientation, ethnical background, religious beliefs, disability or age.

#### Practical guidelines

- I base all employment decisions on objective criteria and on qualifications, such as education, prior experience and merit.
- I am conscious of my own behavior and the effect it may have on others.
- I never make statements or tell jokes that may be understood or interpreted as degrading or humiliating to others.
- If I see bad behavior or lack of equality, but do not feel free to express my concerns, I can use the NCC Tell Me function, where my reports are treated in confidence.



### Harassment and forced labor

At NCC, we do not accept any form of psychological or physical punishment, threat of punishment, discrimination in connection with employment opportunities or work, bullying at the workplace, sexual or other types of harassment, forced labor or other types of involuntary work. NCC and our business partners must ensure that employees are not obliged to work more than the standard number of hours per week, although overtime may be acceptable in exceptional cases.

#### Practical guidelines

- I contribute to a work environment that is free of hostile, violent, threatening or bullying behavior.
- I report suspicions of harassment, unwelcome conduct of such nature, forced labor, physical punishment or pressure at any NCC workplace or at any supplier, distributor or other business partner. I report to NCC management or use the NCC Tell Me function, where my reports are treated in confidence.

### Honoring obligations

At NCC, we respect and honor our obligations to employees with regard to national laws and agreements on social security, work conditions and collective bargaining. Pay and other benefits must comply with national laws, applicable agreements and the generally accepted standard for the industry.



NCC and our partners must ensure that all work is performed under recognized and documented employment conditions that comply with the national legislation in the country where the work is being carried out. Optimal work safety arrangements must be ensured at all times.

#### Practical guidelines

- I report my suspicions when I observe employees, employees of subcontractors or suppliers, who do not appear to be covered by national laws, lack social security or do not receive at least the minimum wage.
- If the documentation or credentials of an employee granting him/her access to the worksite are un

clear, I report this to NCC management or NCC Group Security. The NCC Tell Me function can also be used.

### Child labor

At NCC, we do not tolerate child labor. NCC employees must be at least 15 years of age or, where this is higher, have reached the age for completion of compulsory schooling.

#### Practical guidelines

- I make sure that I am aware of the minimum age requirements under applicable laws before employing anyone under the age of 18.
- I report suspicions of child labor at any NCC work place, or at any supplier, distributor or other business partner, to NCC management or NCC Group Security. I can also use the NCC Tell Me function, where my reports are treated in confidence.

### Freedom of association

At NCC, we respect the rights of all employees to organize themselves in voluntary employee organizations and to negotiate collectively. Employee representatives must have the opportunity to perform their duties.

#### Practical guidelines

- I respect the right of employees to form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with local laws.
- I never interfere with the official, legally sanctioned activities of workers' representatives.
- I also respect workers' representatives from subcontractors and suppliers as they are a part in projects.

# Occupational health and safety

At NCC, we have a zero-tolerance approach to workplace accidents and work continuously to make improvements to ensure safe and healthy workplaces.

Anyone who works for or cooperates with, or supplies goods or services to NCC must be able to do so in a safe and risk-aware manner. We want to create workplaces and products that are as safe and secure as possible for our employees, in-sourced workers, suppliers, customers and other stakeholders.

While managers and supervisors are responsible for leading efforts to improve the work environment, every individual should be aware of and comply with applicable regulations and policies, and play an active part in improving the work environment. At NCC, we also value a healthy life-work balance and work actively to help employees achieve this.

Think safe. Work safe. Be safe. NCC strives for a sound and safe work environment where employees look out for one another. Everyone should think safe, work safe and be safe. Would you like to know more? Read the NCC Health and Safety Policy at [ncc.group/safety](https://ncc.group/safety)

#### Practical guidelines

- With a pioneering spirit, I present ideas for improving my work environment.
- I participate in relevant safety training.
- I never disregard safety devices on worksites or the need for personal safety equipment.
- I promptly report any unlawful or unsafe conditions to my manager.



# Environmental responsibility

At NCC, we pursue a long-term sustainability strategy encompassing environmental, social and economic aspects of sustainability. Innovative thinking and innovations that contribute to sustainable development are encouraged in dialog with customers and other stakeholders.

NCC is a major player in the construction and civil engineering industry, and we view contributing to sustainable development as a natural part of this. Our responsibility for the environment means always complying with environmental legislation in the markets where we are active, as well as seeking to develop more energy-efficient, climate-adapted and resource-efficient products and services throughout the product lifecycle. Before and during our projects, we work with our customers, suppliers and partners to develop superior sustainable solutions.

In all of our products and operations, we also aim to reduce the use of harmful substances, ensure that waste is handled in a safe and environmentally friendly manner and contribute to increased resource effi-

ciency, a gradual fossil independence and circular flows.

When selecting suppliers, we prioritize suppliers that are proactive and systematic in their work relating to social responsibility, the environment, quality and occupational health and safety. Our aim is to be able to produce buildings and civil engineering structures that meet all the relevant standards and comprise environmentally sound and sustainable products that are traceable throughout the supplier chain.

To ensure compliance among our suppliers and partners, we combine our own audits conducted by in-house personnel with third-party audits conducted by consultants within the framework of our membership of the Business Social Compliance Initiative (BSCI) and the UN's Global Compact.



## *Practical guidelines*

- I ensure that my daily activities at work allow for efficient use of resources and reduction in all types of harmful substances, focusing on climate, energy, materials and waste.
- I provide my manager with ideas that could lead to innovations with a positive environmental impact.
- I understand and comply with NCC's Environmental

- Policy and the requirements of international reporting, such as GRI, to which NCC is subject.
- I follow the principles of NCC's responsible sourcing policies.

# Compliance and reporting mechanism

## Responsibilities of the company and employees

Compliance with the Code of Conduct is a requirement throughout NCC: from the Executive Management Team via managers at all levels to the individual employee.

Within their specific area of responsibility, all managers have an obligation to ensure that employees and business partners are given information about the contents of the Code of Conduct and our requirement for compliance with this. NCC managers must set a good example at all times.

## Reporting mechanism – the NCC Compass

This Code of Conduct has been adopted by NCC AB's Board of Directors, and the company monitors compliance with the Code on an ongoing basis as a natural part of its operations. To help employees to comply with the Code, we have created the NCC Compass – a program that provides guidance on issues concerning gifts, business entertainment, conflicts of interest and competition law.

Together with the NCC Compass, the Code of Conduct guides us in the right direction. If any employee is uncertain about how to act, a group of specially

trained employees – known as navigators – are available throughout the Group for consultation. Navigators can be reached through the helpdesk called Ask Me. Employees are obliged to report any breaches of the Code of Conduct of which they become aware. Tell Me is a reporting mechanism that enables NCC employees to bring possible breaches of the Code of Conduct or applicable laws to the attention of senior management. This facility is also available to other stakeholders such as suppliers, other business partners and the general public via NCC's external website. All reports are taken seriously and are investigated. All reports are treated in confidence, and NCC will not tolerate any form of retaliation against employees for making "good faith" reports of violations of the Code of Conduct or relevant laws.

NCC employees found to be in breach of the Code of Conduct will be subject to disciplinary measures. We will also take action against business partners found to be in breach of our guidelines, and the relationship will be terminated in the event of repeated or serious breaches.



## Practical guidelines

- I file a report if I observe a violation of national law or a breach of the NCC Code of Conduct.
- I want external stakeholders to file a report if and when they observe a violation of national law or a breach of the NCC Code of Conduct.
- I do not have to tolerate investigation or retaliations that jeopardize my employment at NCC because I have insisted on following the NCC Code of Conduct, NCC policy or reported an incident.

As a part of the NCC Compass, we monitor the adherence of NCC values and NCC Code of Conduct in several ways to get a picture of where and how improvements are needed. Indicators of the present state are: numbers of questions asked to Ask Me, incidents in the Tell Me function, media coverage, number of training sessions, statistics from the web, blog, quiz and other activities. Measurements are an important part of the NCC Compass.

## Compliance resources

NCC Group Compliance Officer  
[gunnar.backstrom@ncc.se](mailto:gunnar.backstrom@ncc.se)

NCC Group Security Officer  
[kaj.juhlin@ncc.se](mailto:kaj.juhlin@ncc.se)

NCC Corporate Sustainability  
Senior Vice President  
[christina.lindback@ncc.se](mailto:christina.lindback@ncc.se)

NCC Board of Directors (and Audit Committee)  
[nccboard@ncc.se](mailto:nccboard@ncc.se)

Tell Me  
[ncc.se/tellme](http://ncc.se/tellme)

Ask Me (for internal use)  
[starnet.ncc.se/ask-me](http://starnet.ncc.se/ask-me)