



## **PARALLEL SESSION: PRODUCING AND CONSUMING RESPONSIBLY**

### **Session Conclusions**

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#### **1. KEYWORDS**

road safety, sustainability, sustainability reporting, procurement, public procurement, NCAP, private sector, government, public enterprises

#### **2. TITLE OF THE SESSION**

Producing and Consuming Responsibly

#### **3. TOPIC OF THE SESSION**

Supply chains associated with multinational corporations account for over 80 percent of global trade and employ one of five workers. Hence corporations and businesses have the power and global reach to effectively contribute to achievement of the Sustainable Development Goals (SDG) which is clearly stated in SDG target 12.6. In this context it is obvious that investors have large possibilities to influence the sustainability practices of these corporations. Today more and more investors are looking beyond solely economic indicators before purchasing a firm's stock or providing capital. For that reason sustainability reporting is a key to enabling transparent external review, and stimulate the application of stakeholder pressure on large multinational corporations, e.g. from investors and consumers.

Public procurement accounts for 10-20 percent of global GDP. Governments and public enterprises have direct power to influence the sustainability of the supply chains associated with the transport services, including vehicles, whether they are "self-generated" or procured. Up until today this has not been a widely used tool by

governments but the SDG target 12.7 clearly points out the importance of sustainable public procurement.

It is important to underline that recommendations 1 and 2 of the International Academic Expert Group as well as item 14 and 15 of the Stockholm Declaration clearly points out the importance of these issues.

#### **4. SHORT SUMMARY OF SESSION**

Ms. Sara Lindstrand, AFRY, gave a theoretical background on the subject. There has been a development of corporate social responsibility from philanthropy through providing funding and skills to value creation through sustainable business models. There is a clear risk for companies to miss market opportunities without this approach. Today investors to a greater extent demand transparency from companies relating to sustainable practices. For that reason sustainability reporting has become an important tool for companies to disclose their sustainability efforts in a systematic way for their entire value chains. Since road safety is a part of the SDGs efforts must be made to include road safety disclosures in reporting practices.

Mr. Anthony Loke Siew Fook, Minister of Transport in Malaysia, supported the view of public procurement as an important tool for increasing road safety. In Malaysia, the government every fifth year acquire about 10 000 passenger cars for different use within governmental operations, e.g. the police. It is clearly possible for the government to require that they fulfill safety standards, e.g. a five star rating in NCAP (New Car Assessment Programs). The minister further supported the idea to have public enterprises, e.g. post services, to adopt sustainable procurement. However, there is a clear need for political leadership to give such directives to these businesses. The minister was also aware of the possibilities and the potential to manage the safety of the transport services generated within governmental activities, e.g. speed management through geofencing.

Mr. Ciarán Cuffe, EU-parliament, also underlined the importance of public procurement. Today there is no EU-regulations concerning sustainability requirements in such procurements. There are however guidelines for green public procurement in which road safety could be a part. European Transport Safety Council has urged the Commission to include it in the guidelines. Mr. Cuffe meant that there is now an opportunity to influence the new Commission to look further into the possibilities with sustainable procurement, including legislation.

Mr. David Ward, Towards Zero Foundation, stressed that NCAP ratings can be an important tool in both public and private procurement of car fleets. In this context it is also desirable to enlarge NCAP to trucks and buses. NCAP could also be an important disclosure in sustainability reporting. Through NCAP it has become clear that several car manufacturers sell the same car model but with different levels of safety depending on the safety regulations country in which the model is sold. By introducing high vehicle safety requirements in private and public procurement and subsequent disclosures of these requirements in sustainability reporting, it may possible to influence these manufacturers not to differentiate the safety levels of the same car model.

Ms. Samantha Cockfield, Transport Accident Commission (TAC), Australia, stressed that an insurance company has several possibilities to include sustainability practices in its operations. First of all it is important to start with the daily operations "at home". TAC is planning to shorten the cycle of renewing their own car fleet in order to

continuously increase road safety for its employees. Further TAC include safe driving policies and vehicle safety requirements in contracts with all their suppliers. They also have the possibility to differentiate insurance premiums on the basis of safety performance both for private persons and companies Last but not least TAC is investing more and more in sustainable bonds and in companies with sustainable practices. The integration of road safety in these investments is an interesting idea that should be explored further. But to be able to do that it is important to be able to evaluate “the road safety footprint” of companies. This could be achieved by integrating relevant road safety disclosures into sustainability reporting. The road safety community should immediately start to develop such disclosures.

## 5. OVERALL MESSAGES

SDG targets 12.6 and 12.7 pose new but mainly unexplored opportunities and innovative tools to improve road safety. Since corporations, businesses, governments and public enterprises directly and indirectly generates a huge amount of road transports within their value and supply chains, often in LMIC, the potential for improving global road safety is very large.

## 6. OVERALL RECOMMENDATIONS

The private sector is recommended to contribute to the achievement of global road safety targets through assuring high levels of road safety in their entire value chain.

Governments are recommended to contribute to the achievement of global road safety targets through assuring high levels of road safety in their procurement practices and among public enterprises.

## 7. IMPORTANT FINDINGS (EX. TECHNICAL OR OTHERS)

## 8. SPECIFIC RECOMMENDATIONS FOR DIFFERENT STAKEHOLDERS INCLUDING GOVERNMENTS AND THE PRIVATE SECTOR

**Investors:** Include road safety requirements in investment considerations in the same way as other sustainability issues.

**Governments:** Include road safety requirements when procuring transport services and vehicle fleets.

Give directives to public enterprises to include road safety requirements through their entire value and supply chains associated with the transport services, including vehicles, whether they are “self-generated” or procured.

### **Multinational**

**corporations:** Include road safety practices and requirements through entire value and supply chains.

Include road safety disclosures in sustainability reporting.

### **Standardisation**

**bodies:** Develop standardised road safety disclosures for sustainability reporting.

## 9. PREPARATION OF THE SESSION

Professor Claes Tingvall, Chairman of the International Academic Expert Group  
Professor Anders Lie, Swedish Ministry of Infrastructure  
Peter Larsson, Swedish Transport Administration

## 10. SESSION PROGRAM

Chair:

Moderator: Claes Tingvall, Chairman of the International Expert Group

Plan and timing:

Approx. Time	Topic/Presentation title	Speaker (title, role/position, organisation)
5 min	Introduction	Moderator
10 min	Responsible production and consumption	Sara Lindstrand, Senior Manager Sustainability, AFRY
25 min	Panel discussion	Anthony Loke Siew Fook, Minister of Transport, Malaysia Ciarán Cuff, Member of EU-parliament David Ward, President and Chief Executive Officer, Towards Zero Foundation Samantha Cockfield, Lead Director Road Safety, Transport Accident Commission, Australia
15 min	Questions from the audience	
5 min	Session conclusions	Moderator