



EXPERT ROUNDTABLE OPPORTUNITIES TO ATTRACT INSTITUTIONAL INVESTMENT

HOSTED BY FOLKSAM & GRSP

DISCUSSION SUMMARY



**TUESDAY
26 SEPTEMBER, 2023**



**STOCKHOLM,
SWEDEN**

The workshop was introduced by CEO and President of the Folksam Group, Ylva Wessén and GRSP CEO, Dave Cliff, with facilitation by Dr Claes Tingvall (AFRY) and Dr Nhan Tran (WHO). There were 42 attendees.

The programme was divided into five sessions, each with a topic heading as described below with introductory presentations delivered to set the scene for each discussion.

The workshop concept was explained by Ylva Wessén as follows;

“ It is a step forward that more and more investors are no longer satisfied with purely financial measures but are also looking for investments that can contribute to a more sustainable world.

Each session is summarised as follows:

Session One - Is there a fundamental difference between a carbon and a safety footprint?

Introductory presentation - Helena Stigson, Senior Researcher, Folksam

- Motor vehicles are often workplaces and high rates of serious crashes involve people at work. Further, work related crashes frequently involve unrelated third parties.
- Discussions included definitions of value chain, the scope of corporate responsibility and an organisation's 'sphere of influence' throughout its value chain and beyond, extending to peer organisations. For example, the sphere of influence includes the transportation of products received/delivered, production, sale and distribution as well as contributions of contractors and interactions with industry, and cross-industry peers. Product accountability extends beyond sale. The duration of how long a manufacturer should be accountable for product safety performance was raised.

- Discussion on accountabilities of manufacturers of various vehicle classes such as five-star NCAP rated cars, compared to motorcycles without ABS systems as well as crash performance over time (e.g. a five-star car from 2010 may not be a five star car in 2023). Production of high visibility full face standard approved motorcycle helmets as compared to significantly less safe black helmets. The complexities of assessments were explored.
- Acceptance that measurement is required for assessments of road safety performance to be possible. Accurate measurement of road trauma through an organisation's full value chain could be complex. Carbon footprints are more easily measurable.

Session Two - What does it take to reduce the footprint?

Introductory presentation - *Anders Kullgren, Head of Research, Folksam*

- Examples exist of industries (e.g. oil and gas) which have robust road safety related policies, commitments and practices. These are replicable in other industries.
- It was noted and accepted that a culture of safety could only be achieved with support and firm commitment from senior leadership.
- FIA Index provides a model for measurement.
- Discussion as to why human life appears to be lower in priority to sustainability and financial goals. An example was provided of the private sector focus on ISO 27001 (Cyber Security) as compared with ISO 39001 (Road Safety Management). Cyber security is a major focus and yet results in no known loss of life or serious injuries. There was discussion as to why road safety is not achieving the same priority.

Session Three - Can we measure the impact of actions?

Introductory presentation - *Luca Pascotto, Head of Road Safety & Global Advocacy, FIA*

- The background to the FIA index is a vision for safety, building a culture of safety, and implementing evidence-based interventions.
- Reinforced by increasing stakeholder demands for consistent and comparable data, there is now robust momentum to move toward more harmonised non-financial reporting based on common metrics.
- The Index offers organisations a platform to inform external stakeholders of what they can do to control safety and provides a tool that can help organisations to understand what they know and what they don't know about their operations.
- The methodology is transparent, available and based on feedback from companies during the pilot phase. FIA will launch an advisory board soon to ensure guidance on rolling-out of the programme.
- FIA will be supporting companies/organisations interested in starting the journey (support; audit process; communication of results) in the start up phase.
- Broad discussion and agreement that the Index offers a highly valuable tool to advance transparent measurement.

Session Four - What does an investor need to act on, the role and operations of the financial markets?

Introductory presentation - *Marcus Svedberg, Chief Economist, Folksam*

- Road safety performance is one important measure to be assessed to help inform investor decisions along with other indicators. Perfect data is not required.
- Discussion on the extent to which investors currently place priority on private sector road safety performance. Not considered to be sufficient and doesn't currently appreciate the scale of the problem (i.e. around 3,700 lives lost and 55,000 seriously injured each day on the world's roads).
- Discussion included reference to 'traffic safety bonds' that Folksam had invested in through the World Bank.
- Discussed how investors can be encouraged to begin asking for sustainability reporting for road safety such as through published reports.

Session Five - The role of the public sector, procurement etc.

Introductory presentation - *Maria Krafft, Director Traffic Safety, Swedish Transport Administration*

- The role of public procurement in Sweden was explained and examples of current requirements that are placed on public procurement related to road safety were discussed. These included requirements such as vehicles having alcohol interlocks, speed limiting, five star vehicles, policy compliance procedures etc.
- It was noted that while technology was progressing quickly with advanced driver assist technologies and automated vehicles, this was not a tonic as the vast majority of fatalities and injuries occur in low- and middle-income countries where fleet quality and turnover would remain well behind for decades. Further, the proliferation of powered two-wheelers in these countries only widened the safety gap.
- Public procurement should be encouraged to include road safety as a core requirement within contracts.

Summary

The world is into year three of the UN Second Decade of Action for road safety. Currently, around 3,700 people are killed and 55,000 seriously injured daily on the world's roads. There is dramatic disparity between the levels of safety in most high-income as compared with low- and middle-income countries. To make a major improvement in global road safety, having the private sector globally commit to improving their road safety performance¹ throughout their value chains offers an enormous opportunity to improve safety. The scale of private sector influence can be substantial and a road safety performance and measurement tools and published performance, such as the FIA Index, provided a ready to use opportunity to advance this initiative.

Outcome / Next Steps

There was a clear mandate to:

- progress a transparent road safety measurement tool (the FIA index offers a viable methodology);
- promote the use of the tool to the private sector;
- encourage investors to assess road safety performance as part of the investment due diligence processes;
- disseminate content of these discussions broadly and explore a future workshop building on the outcomes from the workshop;
- publicise private sector performance results.

The convenors will work with the FIA Index to enhance the tool and discuss opportunities to promote its use.

¹Road safety performance includes all road safety management, practices and policies.