



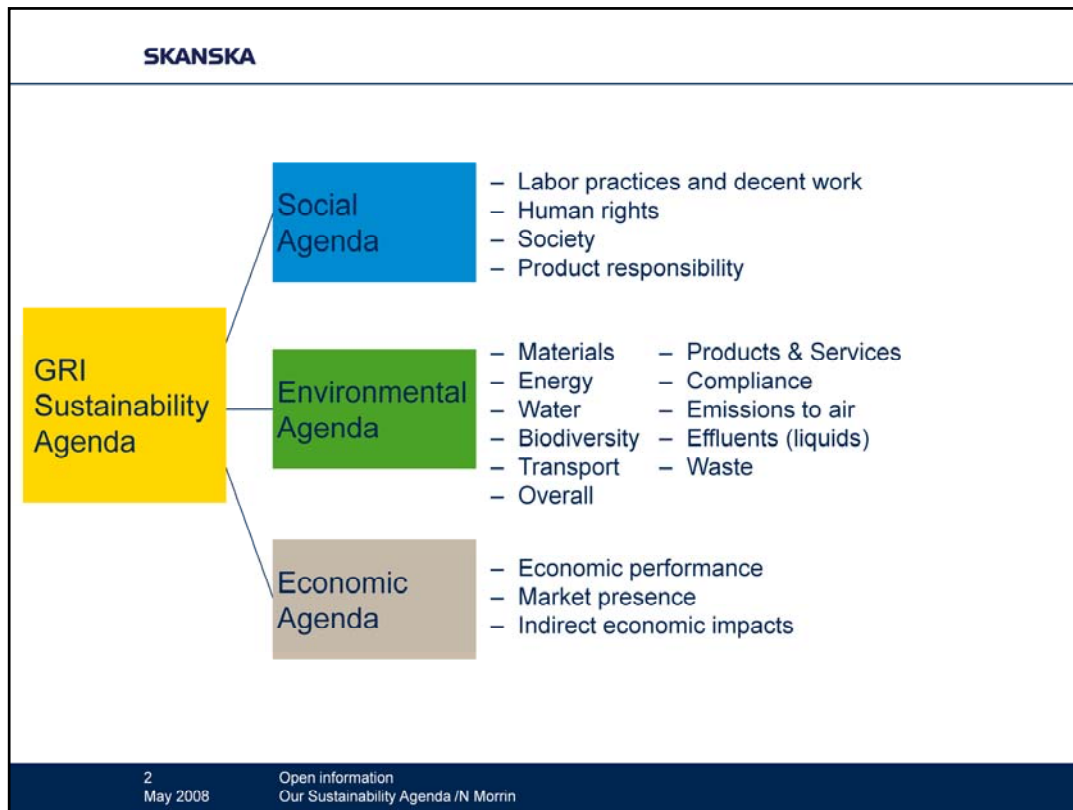
This presentation summarises the key elements of our Sustainability Agenda.  
For more information see

<http://www.skanska.com/en/About-Skanska/Sustainability>

The Construction sector, the Built Environment and the supply chain that feeds them together have a significant negative global impact that includes

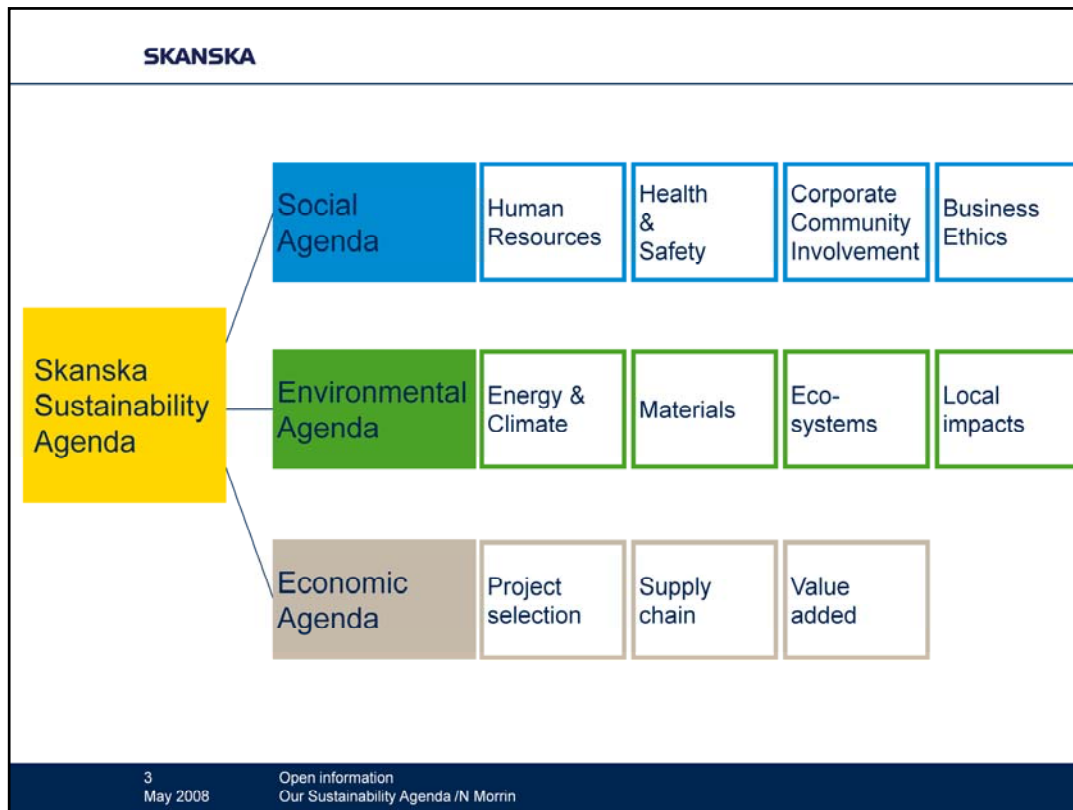
- 40% of all workplace fatalities
- The sector with most labour practice issues
- Low diversity – very few women employed
- 30-50% of waste to landfill
- 30-50% of mineral resource extraction
- 40-50% of all energy use
- 50-70% of electricity use
- 40% of man-made CO<sub>2</sub>

Impacts such as these present us with significant challenges and opportunities to contribute to a more sustainable society and to differentiate us from our competitors when we address them in a positive way.



At the global level Skanska has been inspired by the Global Reporting Initiative (GRI) when developing its own Sustainability Agenda.

Given the highly decentralised structure of Skanska the generic GRI agenda has been adapted and consolidated into a number of high priority areas as set out in the next slide.



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### **Social Agenda**

This consists of four high priority areas that address our interaction with our workforce (employees and sub contractors), the marketplaces and communities in which we operate.

### **Environmental Agenda**

This consists of four high priority areas. Three of these are of global significance (Energy & Climate, Materials and Ecosystems) and one is important at local level (Local Impacts).

### **Economic Agenda**

This covers our selection and execution of projects for clients and how we use our purchasing activities to support Sustainable Development. When done well, these two activities contribute significant added value to the societies in which we operate.

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Human Resources

Diversity

STEP

Great Boss

Social Agenda

Skanska Global Trainee Program

After two years ...

Skanska UNLIMITED

4 May 2008

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This slide illustrates some of the most important corporate initiatives relating to our employees. These and other initiatives are implemented at BU level and beyond.

The *Diversity* strategy is designed to attract, recruit, develop and retain the best possible female, ethnic and non-engineer talent alongside our more traditional recruits.

*Skanska Top Executive Program* (STEP) takes our top 250 managers through a development program at the IMD business school in Switzerland. Our top-25 managers attend leading international business schools when they study for a Masters in Business Administration (MBA)

The *Great Boss* initiative is designed to develop leadership throughout the company

The *Global Trainee* programme offers career development opportunities for selected employees, especially those new to the company.

*Skanska Unlimited* offers short-term international assignments as part of career development, especially for young professionals with a minimum of two years service.

In addition, we annually put a number of high potential managers through the world's most important executive development programme on Sustainability, *The Prince of Wales's Business and Environment Programme* - see

[http://www.cpi.cam.ac.uk/programmes/sustainable\\_development/business\\_the\\_environment\\_pro.aspx](http://www.cpi.cam.ac.uk/programmes/sustainable_development/business_the_environment_pro.aspx)



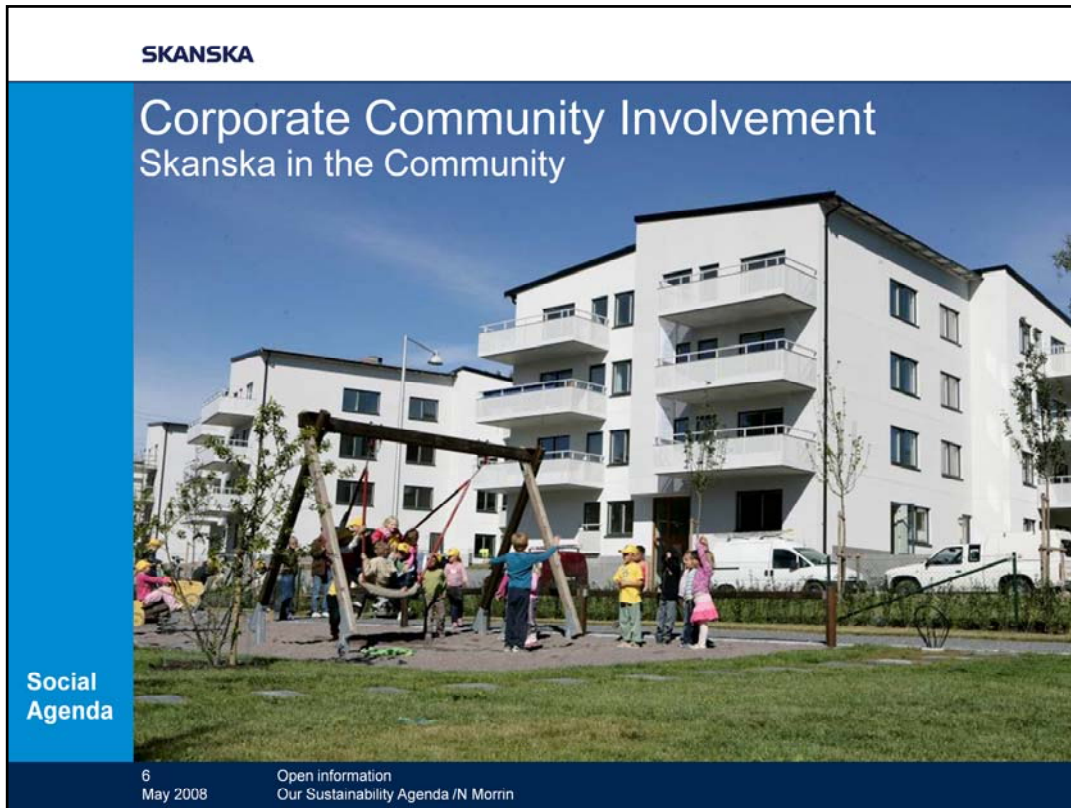
Our number one commitment to our workforce (employees and sub contractors) is that they are entitled to return to their loved ones in the same condition that they left them.

We strive to achieve this day-in, day-out through a wide range of programmes and initiatives culminating each year in Skanska Safety Week. The Skanska Safety Performance Network (SPN) champions continual improvement across all Business Units and helps the Senior Executive Team to refine and develop new policies, strategies and key performance indicators.

Highlights for 2007 include

- Bespoke training for the Senior Executive Team
- Publication of a revised global Safety Policy plus new Guidelines and Standards
- Common monthly reporting by all Business Units
- Move to Leading Indicators as well as Lagging Indicators

57% of Skanska Business Units operate to the international Health & Safety management system OHSAS 18001



Skanska is committed to acting as a responsible member of global society and the communities in which we operate.

With around 12,000 projects underway at any one time in our Home Markets, Skanska is closely involved with many communities through its 56,000 employees and many more sub contractors.

Wherever Skanska is located worldwide, we aim to make a positive contribution to our local communities through charitable donations, sponsorships, employee volunteering and other initiatives that help to make a difference.

We focus our community outreach activities on three main areas: safety, education and disaster relief.

We encourage and empower our employees to make a positive contribution to society and the communities where we work and live. Through normal management approval systems, these contributions are determined by our employees according to local needs.

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# Business Ethics

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**Code of Conduct**

Approved by the Board of Directors of Skanska AB  
30 September 2008

Dear Colleagues,

Our Code of Conduct defines how all Skanska employees work, no matter where we are in the world. We are proud of the ethical business practices that we have established. We do not believe we have a competitive advantage unless we operate with integrity and respect for all stakeholders. Our Code of Conduct is a cornerstone of our business and a reflection of our values. We are committed to creating a safe and healthy workplace for everyone involved in our projects as described in our Code of Conduct. I encourage you to read the Code of Conduct and to use it as a guide for your work. We are constantly striving to do more to reduce our environmental footprint.

Our first Code of Conduct was established by the Board of Directors in February 2002. In September 2008, the Board of Directors approved this revised and updated Code of Conduct. I expect all Skanska employees to read and understand and live by the Code. By doing this, Skanska will stay a strong company.

*Julian Kalinovic*  
Julian Kalinovic  
President and CEO

**General Principles**

The key responsibility of all Skanska Group companies, businesses included is to develop and maintain an essentially sound and progressive business. Skanska assumes its responsibilities when we have effective control. These include our responsibilities towards the communities and environments in which we operate, towards our employees, business partners and society in general.


Therefore we have defined some key foundations for our performance:

- We are committed to do business with a high degree of integrity and ethics.
- We comply with legal requirements that apply to the countries where we do business.
- We respect the United Nations' Universal Declaration of Human Rights and recognize our responsibility to observe those rights that apply to our performance toward our employees and the communities in which we operate. This commitment includes activities that relate to the rights and well-being of indigenous Peoples.
- We are open and ethical in our dealings with those who are affected by our operations. We respect to negotiate from mutual parties and communicate with affected parties in a timely and efficient manner.

Unless our sphere of influence we endeavor to ensure that in our products, our suppliers, subcontractors, agents and franchise and other partners abide by the principles set out in our Code of Conduct.

October 2008 08-10

**Partnering Against Corruption  
Principles for Countering Bribery**



WORLD ECONOMIC FORUM  
COMMITTED TO IMPROVING THE STATE OF THE WORLD

As a member of the World Economic Forum, I partner with Transparency International and the Bank Institute in Governance.

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**Social  
Agenda**

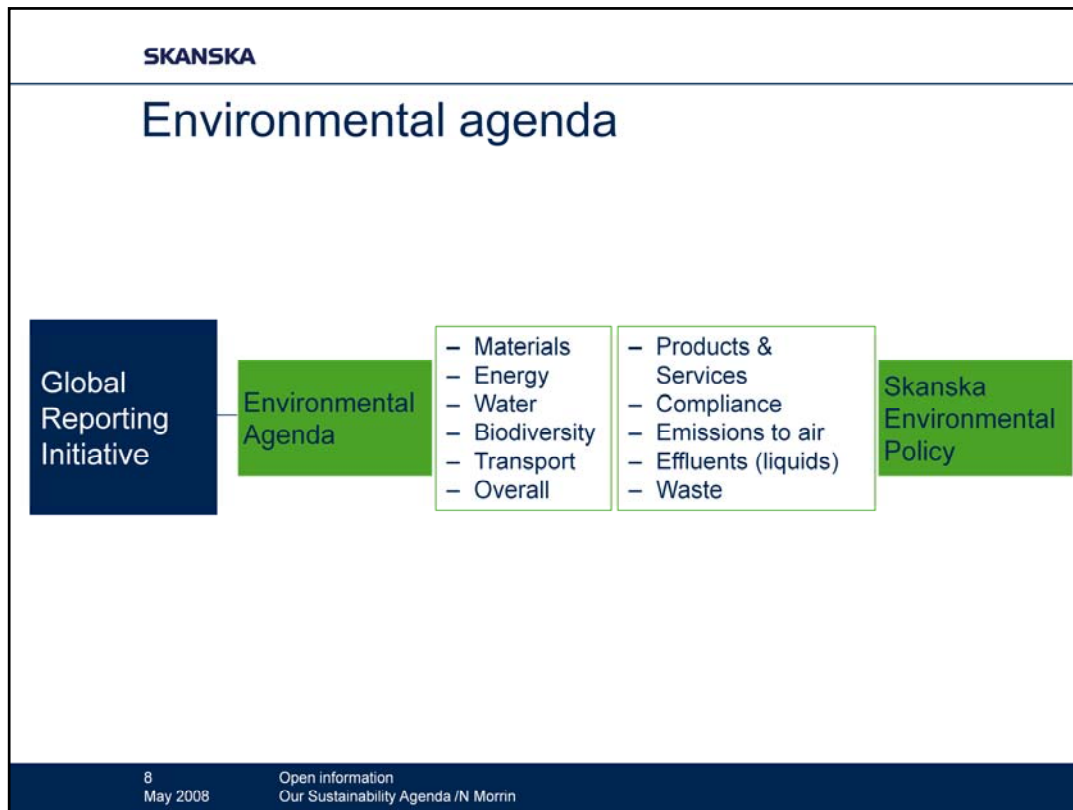
Skanska first published a Code of Conduct in 2002. A Compliance Guideline was later published to elaborate requirements. Both contain explicit expectations about ethical business behaviour.

As part of its commitment to Business Ethics, Skanska is a founding member of the World Economic Forum's PACI Principles and supports relevant NGOs.

Following significant breaches relating to Business Ethics in Argentina and Slovakia in 2006 the Senior Executive Team commissioned an implementation review of the Business Ethics section of the Code of Conduct in each Business Unit. None were found to have significant weaknesses although several did indicate room for improvement. Corrective actions were proposed by the Review Team and subsequently implemented.

A revised Code of Conduct will be published in 2008 to reinforce earlier commitments.

A revised Compliance Guideline will also be published during 2008.



Skanska has used the generic environmental agenda of the GRI framework to devise its Environmental Policy and Strategy using the concept of "materiality" in order to focus on

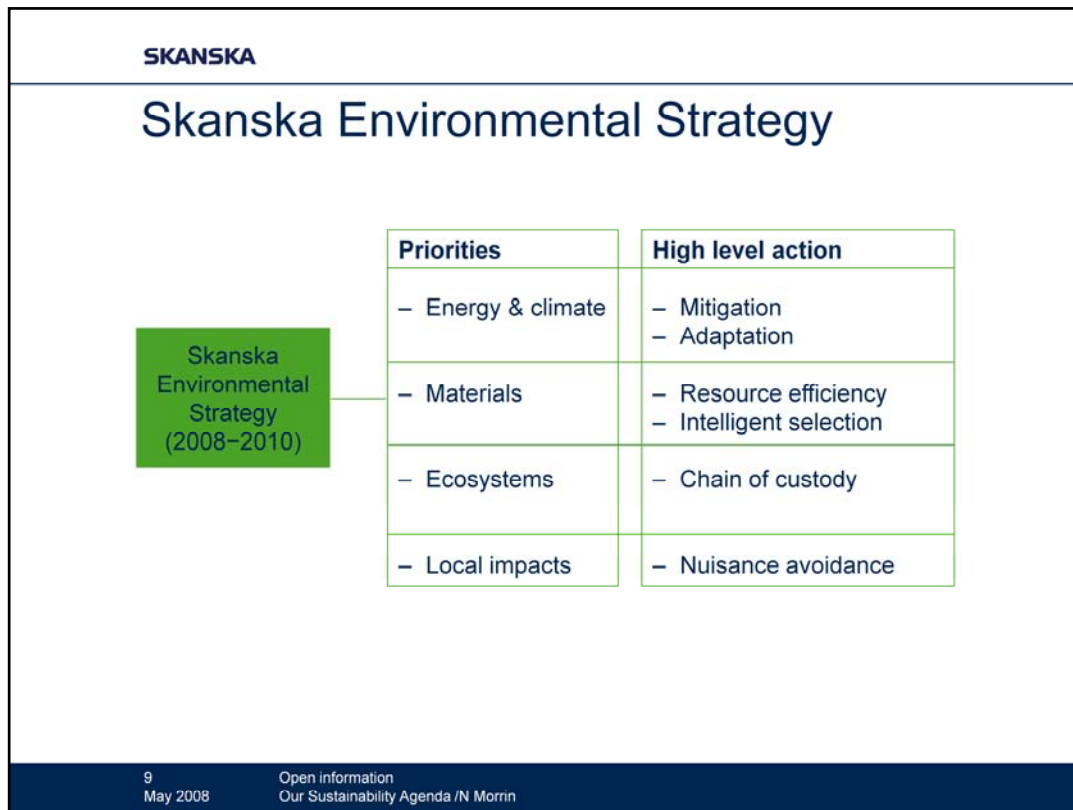
Activities that we must get right everywhere, all the time and therefore are promoted as corporate requirements

and

each Activities that from time to time may be important so are left to Business Unit to action on a case-by-case basis

All of these activities are addressed by the Skanska Environmental Management System operating under ISO 14001 certification which has applied since 2000 to 100% of our Business Units, Skanska AB and corporate related units. At the end of 2007 more than 95% of our business by revenue was covered by ISO certification. The shortfall on 100% is due to divestments and acquisitions of small units within individual Bus. Our policy on acquisitions is that they should be ISO 14001 certified within two years of takeover.

The Skanska Environmental Performance Network (EPN) champions continual improvement across all Business Units. It meets twice a year.

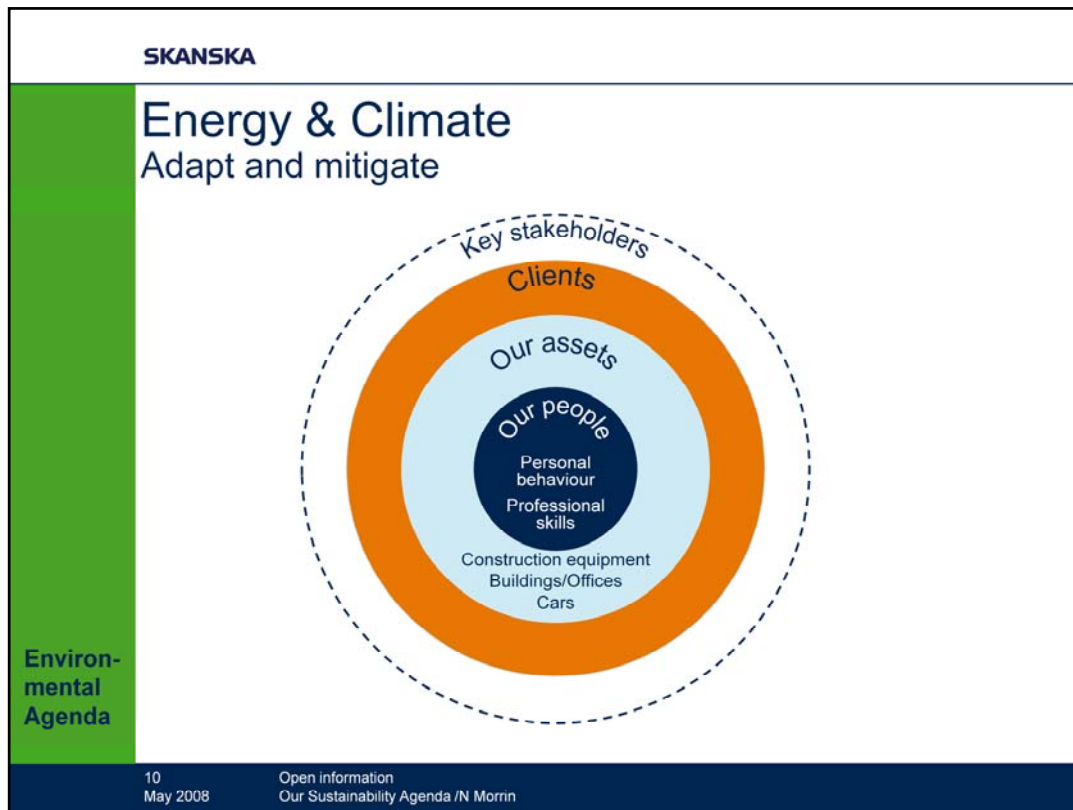


This corporate environmental strategy is aligned with the corporate Business Plan for 2008-2010. It focuses on four priorities of which three (Climate & energy, Materials and Eco-systems) are corporate priorities and one (Local Impacts) is determined on a case-by-case basis by individual Business Units.

The four priorities are broken out into six High Level Actions which in turn lead to Strategic Objectives, Key Performance Indicators and Targets for delivery in the period 2008-2010.

The Environmental Strategy is delivered under the Skanska Environmental Management System, certified to ISO 14001.

A separate Environmental Policy, Strategy (2008-2010) and background briefing papers are available on the Skanska AB intranet under *Group Forum/Policies & Rules*.



Our strategy for Energy & Climate is to focus on things we can directly control and directly influence. We will Mitigate our own direct impacts and Adapt our products and services to address emerging demands and concerns in our marketplace. This approach begins with “Our People” – all 60,000 of them. It moves on to address “Our Assets” and finally our commercial relationship with “Like-minded Clients”.

### Our People

We will improve the awareness, understanding, commitment and action of our employees with respect to the energy efficiency impact of the activities in their work and through this, eventually also their private lives. This includes advice on simple energy efficiency activities that can be undertaken at home, at work and while traveling including good practice in CO<sub>2</sub> offsetting when air travel is necessary.

### Our Assets

We have three major asset classes that we can directly control and influence: company cars, heavy equipment and offices that we occupy (owned or leased).

Our *Green Car Policy* is the first step in our commitment to address transport-related impacts. We are also investigating how best to address other forms of transport. Through *Energy Efficiency Best Practice Guides* for our ten most significant groupings of heavy equipment we will impact ~\$1bn of assets on our Balance Sheet and through our *Energy Efficiency Guide for Facility Managers* we hope to better control and influence the buildings we occupy and/or lease.

### Like-minded Clients

Our four Development Business Units – Skanska RDN, CDN, CDE and ID have incorporated “*Green Construction*” into their Business Plans for 2008-2010 and the new Green Construction Initiative will take this further into our Home Markets beyond our internal clients to like-minded external clients.

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## Materials



Eco-design + Life cycle



Waste



Hazard

Environmental Agenda

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Skanska's environmental strategy for materials is to focus on two distinct activities:

### **Resource Efficiency** (*"Eco-efficiency"*)

Resource Efficiency is about doing more with less. It is motivated by concepts such as the *"Waste Hierarchy"* (Reduce, Reuse, Recycle/Down-cycle, Extract Energy, Responsible Disposal) and seminal publications such as *"Factor Four"* – producing four times the output with one unit of input.

By the end of 2010 each Business Unit is expected to send <10% of construction waste to landfill.

### **Intelligent Selection of Materials** (*"Future-proofing"*)

By this we mean 1) avoiding materials that in the future may be less-favored than today due to new-found risks or hazards and 2) taking into account long-term considerations relating to eco-design and life cycle analysis/costing.

We aim to substitute commercially viable alternatives for materials that have the potential to harm human health or the environment. This commitment includes an active role in the International Chemicals Secretariat (*ChemSec*) and its Business Group, a cross-section of leading companies from sectors such as water, healthcare, electronics, clothing, footwear and home furnishings.



The “built environment” consumes vast quantities of natural materials during all the phases of its life-cycle.

During the construction phase Skanska focuses on two significant product streams in its supply chain that can have significant impact on ecosystems:

### Timber

Wood products are widely used in construction as permanent features like facades, floors and roofs and as temporary items such as plywood shuttering for concrete pours. Through Chain-of-custody processes like the *Forest Stewardship Council (FSC)* our long-term aim is to support sustainable forestry through informed purchasing decisions.

### Quarry Products

Products such as sand, gravel, rock and dimensional stone are widely used in the “built environment”. These products usually have their origins in quarries, sandpits, river valleys and sea beds. Our long-term aim is to use our purchasing activities to obtain these products from sustainable sources.

### Bio-fuels

In addition to timber and quarry products we will monitor the on-going debate around the ecological (and social) impacts of bio-fuels, especially first generation ethanol and bio-diesel and take appropriate action as part of our Green Car Policy which requires that 50% of our car fleet emits less than 130g CO<sub>2</sub> per km by the end of 2010.



Construction is fundamentally a local activity. Done well it adds value and leave a positive legacy. Done badly, it can become a nuisance or worse, leave a legacy of harm and destruction which ultimately can reduce or remove our “License to Operate”.

Since 2000, all Skanska Business Units have managed their local impacts using an Environmental Management System certified to ISO 14001.

Civil engineering and other projects can significantly change the landscape on a temporary or permanent basis. Done in a sympathetic way these projects can leave a positive legacy.

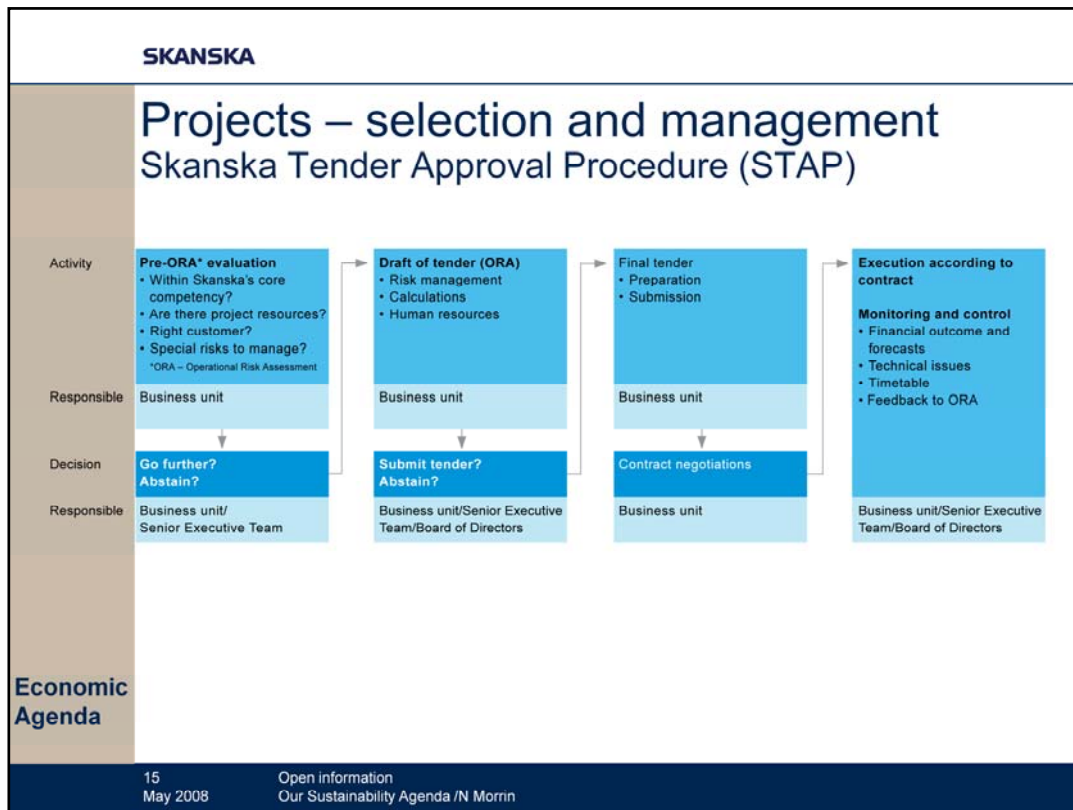
As a starting point, all projects undergo an Environmental Impact Assessment (EIA) as part of the normal planning approval process. EIAs are normally conducted by the client and submitted to relevant regulatory bodies, often in consultation with stakeholder groups such as NGOs, local communities etc

When Skanska bids for such a project it is normally in the role of a contractor. In this case part of its bid proposal will include a plan to address EIA requirements. These plans may address different aspects of land management including where required by the EIA, impacts on flora, fauna and wider ecosystems.

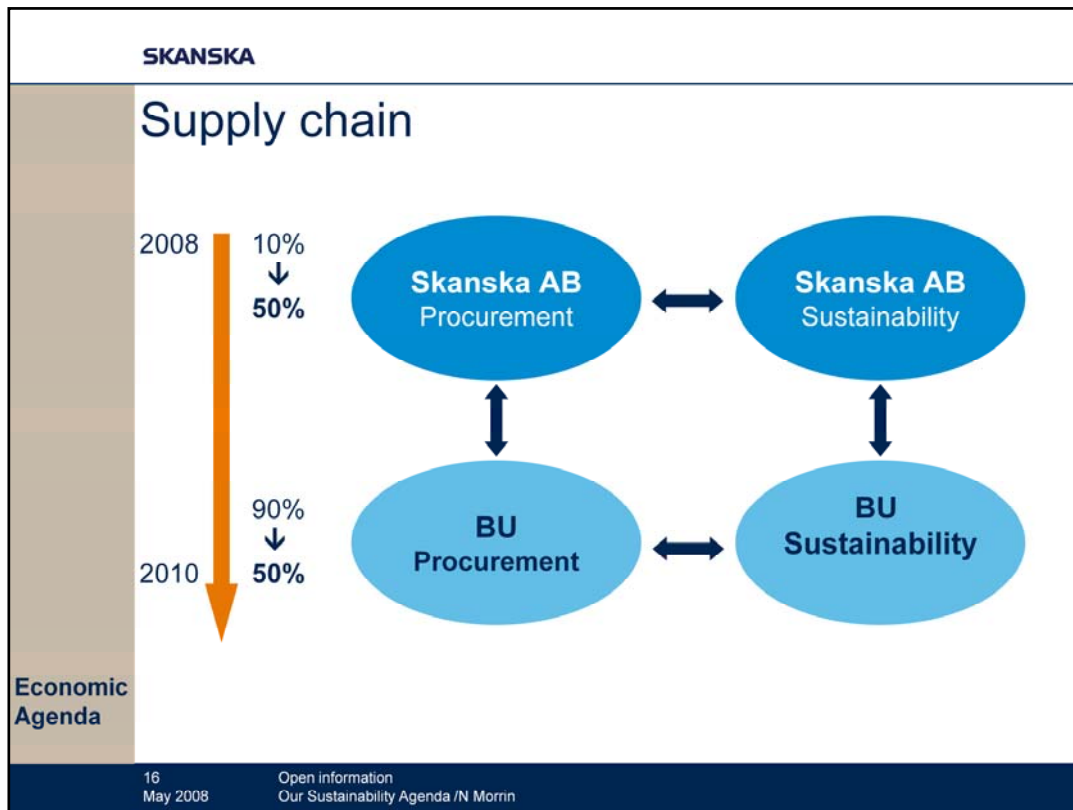
On the occasions where Skanska is the client/developer – typically Skanska ID, CDN, RDN and CDE - it will commission the EIA alongside other interested parties for review and approval by relevant regulators and stakeholders.



While fulfilling our financial obligations to shareholders, Skanska believes that in the long run it is important to balance this with ensuring that business decisions are made only when all the risks are assessed. These risks are not purely financial. They also take into account unacceptable social or environmental issues.



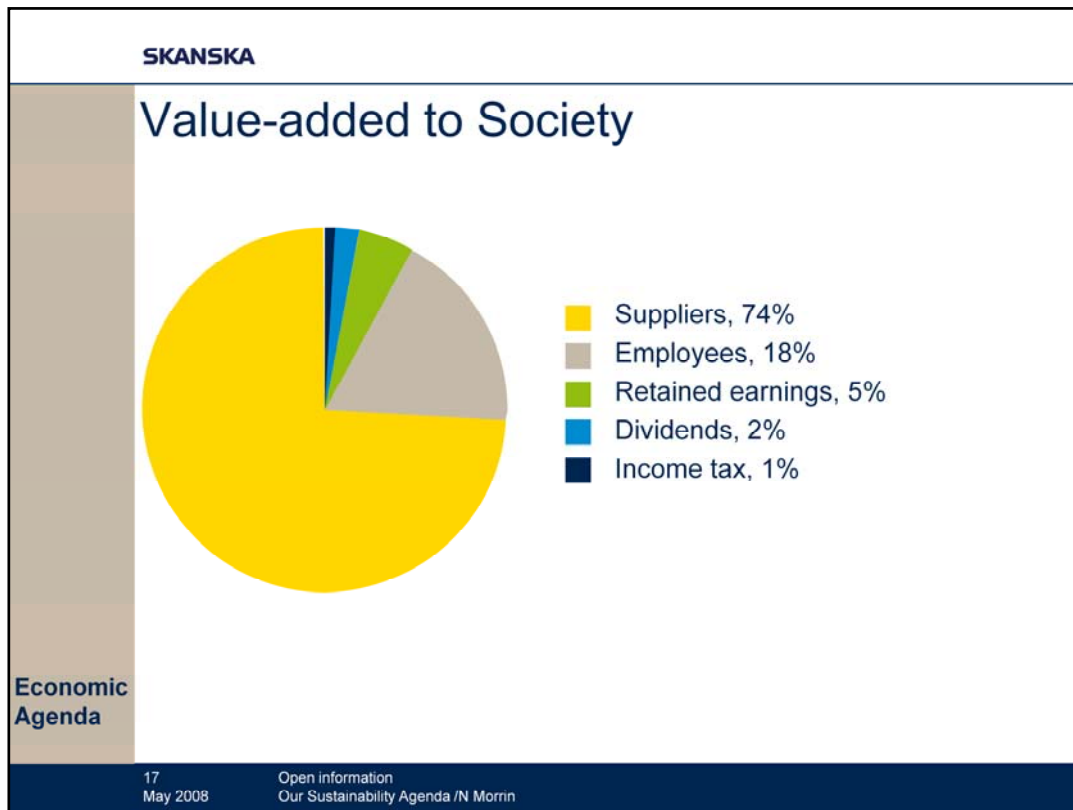
Through the *Skanska Risk Management System*, proprietary assessment tools such as the *Skanska Tender Approval Process (STAP)*, the *Skanska Operational Risk Assessment (ORA)* and pre-ORA allow the efficient and accurate screening of projects for economic, social and environmental risks.



74% of the revenue coming into Skanska in 2007 went out again to commercial partners in our supply chain.

Worldwide we have ~93,400 suppliers providing a broad range of products and services. At present ~10% of this spend is coordinated yet 80% of it goes to just 6% of our supply base, around 5,700 suppliers.

By the end of the current Business Plan (2008-2010) the expectation is that 50% of our spend will be coordinated in order to improve our purchasing power. An additional benefit will be much higher visibility and control of Sustainability risks relating to environmental and social issues. For example, unacceptable impacts on ecosystems, flora and fauna from illegal logging and inappropriate quarrying of stone.



Sustainable societies need strong foundations built on sound legal systems, good social services, effective infrastructure and a high quality environment. All of this requires money, usually derived from companies and individuals in the form of taxes, which ideally are redistributed in an equitable way for the benefit of the whole society. The taxes paid by Skanska and those collected from its employees on behalf of governments are important contributors to the creation of wealth and well-being in the markets in which we operate.

In 2007 Skanska reported income tax expenses of SEK 1.546bn, up 16% on 2006. Likewise, of the 92% of 2007 revenue paid to employees in salaries and related benefits (18%) and to sub-contractors and suppliers in contracts (74%), a significant amount will find its way back into society in the form of direct and indirect taxes paid by our workforce and commercial partners.

Of all the money handled by Skanska in 2007 some 2% eventually found its way to shareholders in the form of dividends and 5% is held in the corporate accounts as “retained earnings” to provide a financial buffer to address future risks and opportunities.



These interlocking circles show how Skanska's Sustainability Agenda links into the Skanska Green Construction Initiative.

Green Construction is focused on the market opportunities for environmentally sound structures. This clearly has its foundations in how we address our own environmental impacts as part of our Sustainability Agenda. We must have "our own house in order" if we are to be credible in the Green Construction marketplace.

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