

# Remuneration report

## Introduction

This remuneration report for 2023 describes how Skanska AB's (the Company) guidelines for salary and other remuneration to senior executives (the Remuneration Guidelines), adopted by the Annual General Meeting (AGM) 2020 and revised by the AGM 2023, have been applied in 2023. The report also provides information on remuneration to the President and CEO and a summary of the Company's outstanding share-related incentive programs. The report has been prepared in accordance with Chapter 8, Sections 53 a and 53 b of the Swedish Companies Act and *the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes* issued by the Swedish Corporate Governance Board and now administered by the Stock Market Self-Regulation Committee (ASK).

Further information on remuneration to senior executives and board members as required by Chapter 5, Sections 40–44 of the Annual Accounts Act is available in Note 37, Remuneration to senior executives and board members, on pages 181–186 in the Annual and Sustainability Report 2023. Senior executives include the President and CEO and the other members of the Group Leadership Team.

The Board of Directors (the Board) has established a Compensation Committee. Information on the work of the Compensation Committee in 2023 is set out in the corporate

governance report available on pages 79–89 in the Annual and Sustainability Report 2023.

Remuneration of the Board is not covered by this remuneration report. Such remuneration is resolved annually by the AGM and is disclosed in Note 37 on page 183 in the Annual and Sustainability Report 2023.

The AGM 2023 resolved to approve the Board's remuneration report for 2022. No opinions were expressed by shareholders on the report.

## Key developments 2023

The President and CEO, Anders Danielsson, summarizes Skanska's overall performance in 2023 in his statement on pages 8–9 in the Annual and Sustainability Report 2023.

## Remuneration Guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability agenda, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. The Remuneration Guidelines enable the Company to offer the members of the Group Leadership Team competitive total remuneration. Under the Remuneration Guidelines, the combined total remuneration for each member of the Group

Leadership Team shall be market-related and competitive in the labor market in which the senior executive is placed, and distinguished performance should be reflected in the total remuneration. The remuneration may consist of the following components: fixed cash salary, variable cash remuneration, pension and other benefits. The variable cash remuneration shall aim at promoting the Company's business strategy and long-term interests, including its sustainability agenda. This is accomplished through the financial and non-financial targets that determine the outcome of the variable cash remuneration and are clearly linked to the Company's business strategy and sustainability agenda.

The applicable Remuneration Guidelines adopted by the AGM 2023 are found in Note 37 on pages 181–182 in the Annual and Sustainability Report 2023. The Remuneration Guidelines adopted by the AGM 2020, which applied during the period January 1, 2023 until the close of the AGM 2023, are available on the Group's website: [group.skanska.com/corporate-governance/shareholders-meeting/archive-shareholders-meetings](http://group.skanska.com/corporate-governance/shareholders-meeting/archive-shareholders-meetings). During the period January 1, 2023 until the close of the AGM 2023, the Company has complied with the Remuneration Guidelines as adopted by the AGM 2020. During the period from the close of the AGM 2023 until December 31, 2023, the Company has complied with the Remuneration Guidelines as adopted by the AGM 2023. In 2023, there were no deviations

from the respective applicable Remuneration Guidelines and no derogations from the decision-making process that according to the respective guidelines is to be applied to determine, review and implement the respective guidelines. The auditor's report regarding the Company's compliance with the Remuneration Guidelines adopted by the AGM 2020 and by the AGM 2023 is available on the Group's website: [group.skanska.com/corporate-governance/remuneration](http://group.skanska.com/corporate-governance/remuneration). No remuneration has been reclaimed in 2023.

In addition to remuneration covered by the Remuneration Guidelines, the AGMs of the Company have resolved to implement long-term share-related incentive programs.

## The Compensation Committee's evaluation of remuneration

As informed in the remuneration report for 2022, the Board proposed to the AGM 2023, upon recommendation from the Compensation Committee, changes to the Remuneration Guidelines adopted by the AGM 2020, primarily in relation to pension benefits aiming to align the cap for pension benefits for senior executives with prevailing Swedish market practice. The AGM 2023 adopted the revised Remuneration Guidelines in accordance with the Board's proposal.

The Compensation Committee considers that the Remuneration Guidelines adopted by the AGM 2023 have worked well in 2023, that remuneration to the Group Leadership Team has been paid in accordance with the guidelines adopted by the AGM 2020 and revised by the AGM 2023 and that the purpose of the respective guidelines has been achieved. The Compensation Committee has concluded that the Remuneration Guidelines adopted by the AGM 2023 should not be revised. The Remuneration Guidelines adopted by the

AGM 2023 are intended to remain valid until the AGM 2027. No changes are proposed to the Remuneration Guidelines, and therefore no shareholder approval of remuneration guidelines will be required at the AGM 2024.

The Compensation Committee has further concluded that the ongoing programs and those that ended during the year, for variable remuneration to the Group Leadership Team, as well as the current remuneration structures and levels in the Company, are appropriate,

on market terms and well balanced. Upon evaluation of the ongoing programs for variable remuneration to the Group Leadership Team, the Compensation Committee concluded that these programs efficiently served their purpose to support achieving the Company's strategic business objectives and sustainable long-term interests, as well as to increase the long-term focus of the members of the Group Leadership Team and align their interests with the long-term expectations and the interests of the shareholders.

**Table 1 – Total remuneration of the President and CEO in 2022 and 2023<sup>1</sup>**

SEK thousands		Fixed remuneration		Variable remuneration				Proportion of fixed and variable remuneration <sup>7</sup>	
		Base salary <sup>2</sup>	Other remuneration and benefits <sup>3</sup>	One-year variable remuneration <sup>4</sup>	Multi-year variable remuneration <sup>5</sup>	Extraordinary items	Pension expense <sup>6</sup>		Total remuneration
Anders Danielsson, President and CEO	2023	14,250	133	0	1,087	–	4,988	20,458	95/5
	2022	13,750	126	10,313	7,756	–	4,812	36,757	51/49

<sup>1</sup> Except for multi-year variable remuneration, the table reports remuneration earned in 2022 and 2023. Disbursement may or may not have been made the same year.

<sup>2</sup> Vacation allowance is included in the base salary.

<sup>3</sup> Other remuneration and benefits for 2023 include company car, fuel, medical insurance, meals and tax return assistance.

<sup>4</sup> One-year variable cash remuneration relating to the 2023 financial year will be finally determined after reviewing the operational performance in the first quarter of 2024. The one-year variable cash remuneration for the President and CEO may amount to not more than 75 percent of the fixed annual cash salary. The amount included for 2022 in the table refers to actual disbursements for the 2022 financial year.

<sup>5</sup> The value stated for 2023 refers to a preliminary award of performance shares for 2023's invested saving shares, calculated based on the share price on December 29, 2023 (SEK 182.35). The President and CEO is preliminarily estimated to receive 5,963 performance shares.

The estimated number of performance shares for 2023, calculated based on the outcome of the performance conditions, has been reduced as a consequence of the cost limits of the share saving program. The value stated refers to the preliminary number of performance shares after this reduction. The Board will determine the final outcome for 2023 after reviewing the operational performance in the first quarter of 2024. In order to receive performance shares, an additional three years of service are required. For 2023, the President and CEO invested in 8,560 saving shares, equivalent to SEK 1,561 thousand, calculated based on the share price on December 29, 2023 (SEK 182.35).

The President and CEO has received remuneration related to the 2020 financial year. After a three-year lock-up period, as part of the previous share saving program Seop 5, the President and CEO received 38,277 shares, equivalent to SEK 6,980 thousand, for performance shares awarded for the 2020 financial year. The value has been calculated based on the share price on December 29, 2023 (SEK 182.35).

<sup>6</sup> The President and CEO is covered by an individual occupational pension insurance plan, including health insurance (Sw: sjukförsäkring). The occupational pension insurance plan is a defined-contribution plan and the total premiums for the occupational pension insurance plan, including health insurance, shall amount to 35 percent of the fixed annual cash salary.

<sup>7</sup> Pension expense, which in its entirety relates to base salary and is contribution defined, has been counted entirely as fixed remuneration.

### Share based remuneration Outstanding share-related incentive programs

Long-term share saving programs, Skanska employee ownership programs (Seop 5 and Seop 6) have been implemented in the Company. Seop 5 and Seop 6 give present and future employees the opportunity of becoming shareholders of the Company and are offered to permanent employees in the Skanska Group. The President and CEO participates in Seop 5 and Seop 6.

Subject to the participant having made an own investment in shares in the Company (saving shares), the participant may be awarded

matching and/or performance shares. Matching and performance shares are awarded free of charge and are subject to three-year lock-up periods, during which the saving shares must be held, and employment must continue. Vesting of performance shares is also subject to the satisfaction of a number of performance conditions. The performance conditions used to assess the outcome of Seop 5 and Seop 6 consist of financial targets at Group, business unit and/or business unit cluster level. The financial target applicable at Group level, which applies for the President and CEO and the other members of the Group Leadership Team, is growth in earnings per share (EPS target). In Seop 6, the performance

conditions applicable at Group level also contain a climate target linked to the Group's reduction of carbon emissions within scope 1 and scope 2 (Climate target), which applies for the President and CEO and the other members of the Group Leadership Team in addition to the EPS target. The weighting of the performance conditions and the 2023 preliminary outcome of the EPS target and Climate target can be found in Table 3 (b). Information on the starting point and outperform target for the EPS target 2023, the threshold level for the Climate target 2023 and on the financial targets applicable for participants in Seop 6 in the different business streams can be found in Note 37

on page 186 in the Annual and Sustainability Report 2023. No matching shares are awarded to the President and CEO under Seop 5 or Seop 6.

Further information on Seop 5 and Seop 6, including the conditions on which the outcome depends, is available on the Group's website: [group.skanska.com/corporate-governance/remuneration/incentive-programs](http://group.skanska.com/corporate-governance/remuneration/incentive-programs). Information on costs of the programs, dilution effects, etc. is available in Note 37 on page 185 in the Annual and Sustainability Report 2023.

Table 2 – Remuneration of the President and CEO in shares

Name and position	Name of program	The main conditions of the share programs				Information regarding the reported financial year <sup>4</sup>					
		Performance period <sup>1</sup>	Award period <sup>2</sup>	Vesting period <sup>3</sup>	End of retention period	Opening balance	During the year		Closing balance		
						Share awards held at the beginning of the year	Awarded	Vested	Subject to performance condition	Awarded and unvested at year end	Shares subject to retention period <sup>5</sup>
Anders Danielsson, President and CEO	Seop 5	2020–2022	2020–2022	2023–2025	2023–2025	119,653	0	38,277 <sup>7</sup>	–	81,376	–
	Seop 6	2023–2025	2023–2025	2026–2028	2026–2028	0	5,963 <sup>6</sup>	0	–	5,963	–
<b>Total</b>						<b>119,653</b>	<b>5,963</b>	<b>38,277</b>	<b>–</b>	<b>87,339</b>	<b>–</b>

1 Each Seop program is divided into three annual programs, with an annual performance period. Seop 5 is divided into annual program 2020 with performance period 2020, annual program 2021 with performance period 2021 and annual program 2022 with performance period 2022. Seop 6 is divided into annual program 2023 with performance period 2023, annual program 2024 with performance period 2024 and annual program 2025 with performance period 2025. Vesting of performance shares is conditional upon satisfaction of a number of performance conditions during the performance period for each annual program.

2 The investments in saving shares through the Seop programs are normally made by way of monthly salary deductions followed by monthly investments in saving shares, normally the month after the month the salary deduction was made. The acquisition period for Seop 5 comprises the financial year 2020 in respect of the annual program 2020, the financial year 2021 in respect of the annual program 2021, and the financial year 2022 in respect of the annual program 2022. The acquisition period for Seop 6 comprises the financial year 2023 in respect of the annual program 2023, the financial year 2024 in respect of the annual program 2024, and the financial year 2025 in respect of the annual program 2025. In connection with each monthly acquisition of saving shares, future matching and/or performance shares are awarded.

3 Matching and/or performance shares may normally be vested only after the lock-up period for each annual program, which comprises three years. Vesting of matching and/or performance shares to participants within each annual program is estimated to occur monthly three years after the investment in each saving share, meaning that vesting of matching and performance shares under Seop 5 is estimated to occur monthly during the financial year 2023 in respect of the annual program 2020, during the financial year 2024 in respect of the annual program 2021 and during the financial year 2025 in respect of the annual program 2022. Vesting of performance shares under Seop 6 is estimated to occur monthly during the financial year 2026 in respect of the annual program 2023, during the financial year 2027 in respect of the annual program 2024, and during the financial year 2028 in respect of the annual program 2025.

4 Performance shares related to saving shares invested under Seop 5 for 2020 have vested, whereupon 38,277 performance shares were transferred to the President and CEO. Under Seop 6, the President and CEO is preliminarily awarded 5,963 future performance shares. Saving shares, in which the President and CEO has invested to become eligible to participate in the programs, are not included in the table.

5 There is no requirement to hold the saving, matching or performance shares after acquisition/vesting.

6 Value: SEK 1,087 thousand, calculated based on the share price on December 29, 2023 (SEK 182.35) multiplied by the number of preliminary awards (5,963).

7 Value: SEK 6,980 thousand, calculated based on the share price on December 29, 2023 (SEK 182.35) multiplied by the number of performance shares vested (38,277).

**Application of performance criteria**

The performance criteria for the President and CEO's variable remuneration have been selected to deliver Skanska's strategy and to encourage behavior which is in the long-term interest of the Company and the Group. In the selection of performance criteria, the strategic objectives and short- and long-term business priorities for 2023 have been taken into account. The non-financial performance

criteria further contribute to alignment with the sustainability agenda as well as Skanska's purpose and values.

In addition to the financial targets outlined in Table 3 (a), the President and CEO has non-financial targets that may reduce the outcome of the variable cash remuneration. The outcome in relation to the financial targets determines the total (financial) bonus potential,

i.e. the financial targets are the basis of the total bonus potential. This outcome may be reduced depending on the outcomes of the non-financial targets. The non-financial targets are set to support the Company's business strategy and long-term value creation, including its sustainability agenda, and are for 2023 activity-based targets related to, among other things, Skanska's climate target. The outcome is reduced in

cases where the non-financial targets are not fully reached. The non-financial targets together represent 50 percent of the total bonus which means that the total bonus outcome may be reduced by up to 50 percent if the non-financial targets are not met. Information on Skanska's climate target is available on pages 46–53 and 68 in the Annual and Sustainability Report 2023.

**Table 3 (a) – Performance of the President and CEO in 2023: variable cash remuneration**

Name and position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance <sup>1</sup> and b) actual award/remuneration outcome
Anders Danielsson, President and CEO	Income after financial items 2023 <sup>2</sup>	100%	a) SEK 2.6 billion b) SEK 0 thousand <sup>3</sup>

1 Starting point and outperform target can be found in Note 37 on page 183 in the Annual and Sustainability Report 2023.

2 The income excludes the operating unit Asset Management (portfolio of PPP assets).

3 Outcome relating to the 2023 financial year will be finally determined after reviewing the operational performance in the first quarter of 2024. The one-year variable cash remuneration for the President and CEO may amount to not more than 75 percent of the fixed annual cash salary.

**Table 3 (b) – Performance of the President and CEO in 2023: share-based incentives**

Name and position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance <sup>1</sup> and b) actual award/remuneration outcome
Anders Danielsson, President and CEO	Earnings per share 2023 <sup>2</sup>	85%	a) SEK 7.8 b) SEK 0 thousand <sup>4</sup>
	Carbon emissions (CO <sub>2</sub> e) 2023 <sup>3</sup>	15%	a) 161,000 tonnes b) SEK 1,087 thousand <sup>4</sup>

1 Starting point and outperform target for the EPS target and threshold level for the Climate target can be found in Note 37 on page 186 in the Annual and Sustainability Report 2023.

2 Profit for the period attributable to equity holders, divided by the average number of outstanding shares after dilution during the year.

3 Emissions within scope 1 and scope 2 (market based). More information can be found on page 68 in the Annual and Sustainability Report 2023.

4 The value stated refers to a preliminary award of performance shares for 2023's invested saving shares, calculated based on the share price on December 29, 2023 (SEK 182.35). The President and CEO is preliminarily estimated to receive 5,963 performance shares in total for both performance criteria. The estimated number of performance shares for 2023, calculated based on the outcome of the performance conditions, has been reduced as a consequence of the cost limits of the share saving program. The value stated refers to the preliminary number of performance shares after this reduction. The Board will determine the final outcome after reviewing the operational performance in the first quarter of 2024. In order to receive performance shares, an additional three years of service are required.

## Comparative information on the change of remuneration and company performance

**Table 4 – Remuneration and company performance over the last reported financial years**

Annual change <sup>1</sup>	2018	2019	2020	2021	2022	2023
<b>Executive remuneration (SEK thousands)</b>						
President and CEO remuneration (Anders Danielsson)	16,868	32,347 (+91.8%)	34,399 (+6.3%)	35,772 (+4.0%)	36,757 (+2.8%)	20,458 (-44.3%) <sup>2</sup>
<b>Skanska Group's performance</b>						
Income after financial items (SEK bn) <sup>3</sup>	4.9	7.7 (+58.9%)	11.6 (+50.5%)	9.7 (-16.9%)	9.6 (-0.8%)	3.8 (-60.0%) <sup>4</sup>
Earnings per share (SEK) <sup>5</sup>	9.5	15.5 (+63.2%)	22.5 (+45.2%)	19.8 (-12.0%)	18.6 (-6.1%)	7.9 (-57.5%) <sup>6</sup>
Carbon emissions (tonnes) <sup>7,8</sup>	332,000	291,000	265,000	216,000	182,000	161,000
<b>Average remuneration on a full-time equivalent basis of employees<sup>9</sup> of the Company (SEK thousands)<sup>10</sup></b>						
Employees <sup>9</sup> of the Company	–	–	1,455	1,603 (+10.2%)	1,589 (-0.9%)	1,231 (-22.5%) <sup>11</sup>

1 The table reports actual outcome and annual change in percentage.

2 Total remuneration in 2023 as set out in Table 1.

3 The income includes eliminations at the Group level. In the remuneration reports for 2020-2022, the income has been reported excluding eliminations at the Group level since the financial targets for the variable cash remuneration has been set based on income after financial items excluding eliminations at the Group level. As of 2023, eliminations at the Group level are no longer excluded from the income for target setting purposes, why the reporting in this table has been changed accordingly.

4 The table reports the income including the operating unit Asset Management (portfolio of PPP assets). In Table 3 (a), the income after financial items is reported excluding the operating unit Asset Management. Variable cash remuneration to the President and CEO for 2023 has been related to income after financial items excluding the operating unit Asset Management, as set forth in Table 3 (a).

5 Profit for the period attributable to equity holders, divided by the average number of outstanding shares during the year.

6 The table reports earnings per share before dilution. In Table 3 (b), earnings per share is reported after dilution. Share-based incentives to the President and CEO for 2023 has been related to earnings per share after dilution, as set forth in Table 3 (b).

7 Scope 1 (direct) and scope 2 (indirect - market based). More information can be found on page 68 in the Annual and Sustainability Report 2023.

8 Carbon emissions are reported in the table without annual change in percentage in accordance with the method used for reporting of sustainability information in the annual and sustainability report available under the heading Sustainability information on pages 66–78 in the Annual and Sustainability Report 2023.

9 Excluding members of the Group Leadership Team.

10 Comparative information on the change of remuneration is not included in the table for 2018–2019. As 2020 is the first financial year for which the reporting obligation exists, the Company does not have readily available the required information for the previous financial years 2018–2019.

11 Average remuneration for the Company's other employees includes payments of remuneration and benefits made in 2023. For one-year variable cash remuneration, the amount included in the table is however preliminary variable cash remuneration related to the 2023 financial year which will be finally determined and disbursed after reviewing the operational performance in the first quarter of 2024. The calculation of the one-year variable cash remuneration is further preliminary insofar as the outcome of the non-financial targets have yet not been taken into account. When calculating the preliminary one-year variable cash remuneration, full outcome of the non-financial targets has consequently been considered. The value included for multi-year variable remuneration (the share saving program Seop 6) refers to preliminary awards of matching and performance shares for 2023's invested saving shares, calculated based on the share price on December 29, 2023 (SEK 182.35). The estimated number of performance shares for 2023, calculated based on the outcome of the performance conditions, has been reduced as a consequence of the cost limits of the share saving program. The value included in the average remuneration refers to the preliminary number of performance shares after this reduction. The Board will determine the final outcome of the share saving program after reviewing the operational performance in the first quarter of 2024. In order to receive matching and performance shares, an additional three years of service are required. The average remuneration further includes pensions vested during the year in defined-benefit plans and pension expenses for defined-contribution plans. The average number of full-time equivalent employees in 2023 was 105 (2022: 74). The higher number of average full-time equivalent employees during 2023 has affected the average remuneration. The average remuneration for 2023 is further affected by a lower outcome for the one-year variable cash remuneration and the share saving program for 2023 compared to 2022.