

Corporate governance



Corporate governance report

Good corporate governance ensures that Skanska is managed responsibly, efficiently and in a sustainable way on behalf of all of our stakeholders including but not limited to shareholders, customers, suppliers, society and employees. Corporate governance describes how rights and responsibilities are distributed among corporate bodies according to applicable laws, rules and regulations as well as internal rules and processes. The purpose of corporate governance is also to ensure oversight by the Board of Directors (the "Board") and management, guide our employees in good business conduct and ensure a sound risk culture.

This corporate governance report for 2021 has been reviewed by Skanska's external auditors in accordance with Chapter 9, Section 31 of the Swedish Companies Act. The report contains information as required by Chapter 6, Section 6 of the Annual Accounts Act.

Corporate governance principles

Skanska is one of the world's largest project development and construction companies. We operate across select markets in the Nordics, Europe and USA. Supported by strong trends in urbanization and demographics, and by aiming to be in the forefront of sustainability, Skanska offers competitive solutions. Driven by Skanska's purpose, values and business model, Skanska helps create sustainable futures for customers and communities as well as create value for shareholders. The parent company of the Group is Skanska AB (the "Company"), with a registered office in Stockholm, Sweden.

As a Swedish public limited company with shares listed on Nasdaq Stockholm, Skanska is subject to a variety of external rules that affect its corporate governance. In addition, Skanska has adopted internal rules to govern the Group as well as processes for monitoring compliance with external and internal rules by

all business units and functions in the Group. Skanska's ethical and sustainability endeavors are an integral part of the business, and the Board discusses these issues on a regular basis.

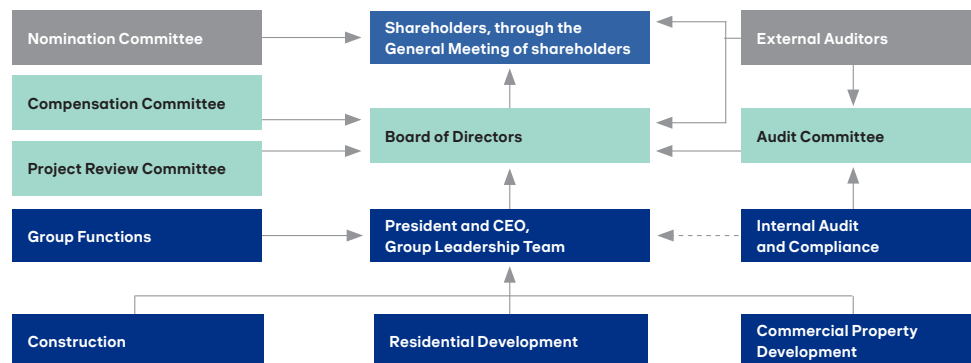
Skanska has no deviations from the Swedish Corporate Governance Code (the "Code") to report for the financial year 2021. Nor has Skanska been subject to any rulings by Nasdaq Stockholm's Disciplinary Committee or decisions on breach of good practices in the stock market by the Swedish Securities Council in 2021.

Further information about Skanska's corporate governance is available on the Group's website: group.skanska.com/corporate-governance/.

Shares and shareholders

Skanska's Series B shares are listed on Nasdaq Stockholm in the Large Cap

Governance structure



Key external governing documents

- Swedish Companies Act
- Nasdaq Nordic Main Market Rulebook for Issuers of Shares
- Swedish Corporate Governance Code
- Swedish Annual Accounts Act
- Swedish Securities Market Act
- EU Market Abuse Regulation
- International Financial Reporting Standards (IFRS) and other accounting rules
- Non-Financial Reporting Directive (NFRD)
- Global Reporting Initiative (GRI) Standards.

Key internal governing documents

- Articles of Association, which are available on the Group's website
- Procedural Rules for the Board and its Committees
- Instructions for the President and CEO
- Group steering documents, including Group policies, standards and procedures, guidelines, and business processes for approval, control and risk management
- Skanska's Code of Conduct, which is available on the Group's website.

segment. The share capital at the end of 2021 amounted to SEK 1,259,709,216 consisting of a total of 419,903,072 shares, of which 19,661,632 were Series A shares and 400,241,440 were Series B shares. Series A shares entitle the holders to ten votes per share and Series B shares entitle the holders to one vote per share. There are no other restrictions in the Articles of Association on the number of votes each shareholder may cast at a General Meeting. Series A shares and Series B shares entitle the holder to the same dividend.

At the end of 2021, Skanska had a total of 109,416 shareholders, according to statistics from Euroclear Sweden AB. The ten largest shareholders held 54.8 percent of the votes and 37.7 percent of the capital. AB Industrivärden's holding amounted to 24.3 percent of the votes and Lundberg Group's holding to 13.2 percent. More information about the Skanska share and shareholders, including the Company's holdings of Series B treasury shares, is available on pages 14–15.

General Meetings of shareholders

The General Meeting is Skanska's highest decision-making body and it is where shareholders exercise their decision-making rights. At the Annual General Meeting ("AGM"), the shareholders decide on key issues, such as adoption of income statements and balance sheets; the dividend; the composition of the Board; discharging the members of the Board and the President and CEO from liability; and election of external auditors. Skanska's financial year is from January 1 to December 31, and the AGM is to be held

within six months of the end of the financial year. The date and venue for the AGM is communicated no later than the publishing of the third quarter interim report on the Group's website. The notice convening the meeting is published in Post- och Inrikes Tidningar (the Official Swedish Gazette) and on the Group's website. An announcement of the notice convening the meeting is published in Dagens Nyheter and in at least one more Swedish daily newspaper. All documents relating to the AGM are published on the Group's website in both Swedish and English. Shareholders listed in the register of shareholders on the record date and who notify the Company of their intention to participate in the meeting are entitled to attend it either personally or by proxy through a representative. According to the Articles of Association, the Board may decide that shareholders shall be entitled to exercise their voting rights by post before the AGM. Shareholders have the right to have matters addressed at the AGM if they have submitted a request to the Board no later than seven weeks before the AGM.

Annual General Meeting 2021

The AGM 2021 was held on March 30, 2021, in Stockholm. A total of 786 shareholders, representing approximately 60.4 percent of the total number of votes, were represented at the AGM. Due to the risk of the spread of Covid-19 and the authorities' regulations and advice, the AGM was carried out solely through advance voting pursuant to temporary legislation. The AGM was thus carried out without the possibility for shareholders to attend physically, in person or by proxy, and



Annual General Meeting 2022

Skanska's AGM 2022 will be carried out on Tuesday March 29, 2022, through advance voting (so-called postal voting) pursuant to temporary legislation. No meeting with the possibility to attend physically will take place. Further information is available on the Group's website: group.skanska.com/corporate-governance/shareholders-meeting/agm-2022/.

the shareholders exercised their voting rights by voting in advance, so-called postal voting. As communicated by the Swedish Corporate Governance Board in a press release in March and December 2020, this is not to be considered a deviation from the Code. Pre-recorded presentations by the Chairman of the Board and the President and CEO were made available on the Group's website before the AGM.

Among other matters, the meeting resolved to re-elect Hans Biörck, Pär Boman, Jan Gurander, Fredrik Lundberg, Catherine Marcus, Jayne McGivern and Åsa Söderström Winberg as members of the Board. Hans Biörck was re-elected as Chairman of the Board. The employees were represented on the Board by Ola Fält, Richard Hörstedt and Yvonne Stenman as members, with Hans Reinholdsson and

Anders Rättgård as deputy members. The AGM also resolved to pay a dividend to the shareholders of SEK 9.50 per share, of which SEK 6.50 per share as ordinary dividend and SEK 3.00 per share as extra dividend; re-elect Ernst & Young AB as external auditor; approve the Board's remuneration report for 2020 and the Board's motion on amendments to the Articles of Association; and to authorize the Board to, during the period up to the AGM 2022, resolve on acquisitions of not more than 1,200,000 own Series B shares in Skanska on Nasdaq Stockholm to secure delivery of shares to participants in the Skanska employee ownership program resolved by the AGM 2019 (Seop 5).

Complete information on the AGM 2021 and the minutes of the meeting are available on the Group's website: group.skanska.com/corporate-governance/shareholders-meeting/.

The Nomination Committee

The AGM 2018 gave the Chairman of the Board a mandate to allow each of the four largest shareholders in terms of voting power to appoint a representative to join the Chairman on the Nomination Committee. In determining which are deemed to be the largest shareholders in terms of voting power, the list of shareholders registered with and categorized by Euroclear Sweden AB as of the last business day in August each year is to be used.

The Nomination Committee's mandate includes:

- Evaluating the composition of the Board and its work
- Preparing proposals to submit to the AGM regarding the election of board members and the Chairman of the Board
- Working with the Board's Audit Committee to prepare proposals to submit to the AGM regarding the election of auditors
- Preparing a proposal to submit to the AGM on fees to the Chairman of the Board and to the other AGM-elected board members for board work and for work in the committees of the Board, as well as fees to the auditors
- Preparing a proposal to submit to the AGM regarding a Chairman for the AGM
- When applicable, preparing a proposal on changes to the principles for appointing the next Nomination Committee.

Information on how shareholders can submit proposals to the Nomination Committee is available on the Group's website.

Nomination Committee for the AGM 2022

The Nomination Committee for the AGM 2022 has the following composition:

- Helena Stjernholm, AB Industrivärden (24.3 percent of votes¹), Chairman of the Nomination Committee
- Mats Guldbrand, Lundberg Group (13.2 percent of votes¹)
- Dick Bergqvist, AMF (4.2 percent of votes¹)
- Malin Björckmo, Handelsbanken Funds (2.1 percent of votes¹)
- Hans Biörck, Chairman of the Board, Skanska AB.

This information was announced on the Group's website and published in a press release on September 16, 2021. According to the Code, the majority of the Nomination Committee's members are to be independent in relation to the Company and its senior executives and at least one member is also to be independent in relation to the largest shareholders in the Company in terms of voting rights. All of the appointed members are independent in relation to the Company and its senior executives and three are independent in relation to the largest shareholders in the Company in terms of voting rights.

In preparation for the AGM 2022, the Nomination Committee held seven meetings at which minutes were kept. No fees have been paid out for Nomination Committee duties. To perform its work, the Nomination Committee has taken part of the internal evaluation of the Board's work, the Chairman's account of board duties and the Company's strategy. The Nomination Committee has also interviewed

an individual member of the Board. Furthermore, Skanska's President and CEO and CFO have attended a meeting for presentation of the Company's operations and strategies.

For the composition of the Board, the Nomination Committee has applied the rules on the composition of the Board that are found in the Code. The Nomination Committee has applied rule 4.1 of the Code as diversity policy. The objectives of the diversity policy is that the Board is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances, that the board members elected by the General Meeting are collectively to exhibit diversity and breadth of qualifications, experience, background and need for renewal, and that a gender balance on the Board is to be strived for. The Nomination Committee considers that such a diversity and breadth is represented among the proposed board members. Three out of eight of the proposed board members are women. The gender balance is therefore 38 percent women and 62 percent men, which, in the opinion of the Nomination Committee, is consistent with the gender balance requirement. The Nomination Committee further assess that those fields of competence and experience considered important to Skanska are well represented in the proposed Board and that the composition and size of the proposed Board is appropriate to meet Skanska's needs. The Nomination Committee has also assessed that the proposed board members will be able to devote the necessary time required to fulfil their tasks as board members in Skanska.

The Nomination Committee has assessed that the proposed Board meets the requirements in the Code relating to board members' independence. The Nomination Committee's proposals, work report and information on proposed board members are published on the Group's website, group.skanska.com/corporate-governance/shareholders-meeting/agm-2022/, in connection with the notice convening the AGM 2022.

Board of Directors

According to the Articles of Association, the Board, with regard to members elected by shareholders at a General Meeting, shall consist of not fewer than five and not more than ten members. The Board has overall responsibility for Skanska's organizational structure and management, and the Board's main duty is to safeguard the interests of the Company and the shareholders. The Board thus makes decisions regarding the Group's strategy, interim and annual reports, major construction projects, investments and divestments, appointment of the President and CEO, and matters concerning the organizational structure of the Group. The Chairman leads the Board in its work and has regular contact with the President and CEO in order to stay informed about the Group's activities and development.

During the period January 1, 2021 to August 31, 2021, the Board consisted of seven members elected by the AGM and three members and two deputy members appointed by the trade unions. As communicated by Skanska in a press release on August 31, 2021,

¹ Based on shareholding as of August 31, 2021.

Jayne McGivern resigned as a member of the Board effective as of that day.

According to the Code, the majority of the Board's AGM-elected members are to be independent in relation to the Company and its senior executives, and at least two members are to also be independent in relation to the largest shareholders in the Company. All of the board members elected by the AGM 2021 are independent in relation to the Company and its senior executives. Of these, five members are also independent in relation to the Company's largest shareholders. The composition of the Board and an assessment of the independence of each member are presented in more detail on pages 48–49.

The work of the Board in 2021

The work of the Board follows an annual agenda established in the Board's Procedural Rules. In preparation for each board meeting, the Board receives reports and documentation compiled according to established procedures. The purpose of this is to ensure that the Board has the relevant information and documentation on which to base decisions. In 2021 the Board held seven meetings, including its statutory meeting. For attendance at board meetings, see the table on page 42. The more important issues dealt with by the Board during the year included monitoring operations, review and approval of the interim reports and year-end report, strategic review of Skanska, as well as internal control, risk management, compliance

matters, and sustainability, including climate and health and safety, related issues. The Board further decided on the introduction of a new business stream, Investment Properties, revised financial targets for the Group starting 2022, and Skanska's business plan for 2022–2024. The Board received regular updates on the impact of the Covid-19 pandemic on the Group's business and the markets where Skanska is active.

Evaluation of the work of the Board

The work of the Board is evaluated annually through a structured process aimed at improving work processes, efficiency and collective expertise, and to assess any need for change. The Chairman of the Board is responsible for the evaluation and

for presenting the findings to the Board and the Nomination Committee. In 2021 an evaluation was carried out in the form of a questionnaire and individual conversations between the Chairman and each member of the Board, but also through discussion at board meetings. The Chairman was also evaluated through a written questionnaire and discussion with the Board without the Chairman present; the board meeting on this occasion was chaired by another member appointed for the purpose. The outcome of the 2021 evaluation was that the work of the Board was deemed to be functioning well.

Board fees

The AGM 2021 resolved in accordance with the Nomination Committee's proposal on fees to the Chairman of the Board and to the other board members as well as fees for work in the Board's committees. Total fees to the AGM-elected board members not employed by Skanska were thus approved by the AGM 2021 in the amount of SEK 9,171,000.³ The Chairman of the Board received SEK 2,175,000 and the other board members not employed by Skanska received SEK 725,000 each. In addition, the Chairman of the Audit Committee received SEK 260,000 and the other members of the committee SEK 185,000 each, the Chairman of the Compensation Committee received SEK 112,000 and the other members of the committee SEK 107,000 each, and the Chairman of the Project Review Committee and the other members of the committee received SEK 215,000 each. For more detailed information, see Note 37, Remuneration to senior executives and board members, on pages 168–171.

The members and the deputy members of the Board

Member	Position	Elected, year	Audit Committee	Compensation Committee	Project Review Committee	Independent in relation to the Company and GLT	Independent in relation to major shareholders
Hans Biörck	Chairman	2016	■	■	■	Yes	Yes
Pär Boman	Member	2015	■	■	■	Yes	No
Jan Gurander ¹	Member	2019	■	■	■	Yes	Yes
Fredrik Lundberg	Member	2011			■	Yes	No
Catherine Marcus	Member	2017			■	Yes	Yes
Jayne McGivern ²	Member	2015		■	■	Yes	Yes
Åsa Söderström Winberg	Member	2020	■		■	Yes	Yes
Ola Fält	Employee Representative	2018				–	–
Richard Hörstedt	Employee Representative	2007				–	–
Yvonne Stenman	Employee Representative	2018				–	–
Hans Reinholdsson	Employee Representative (Deputy)	2020				–	–
Anders Rättgård	Employee Representative (Deputy)	2017			■	–	–

■ = Chairman ■ = Member

¹ Member of the Compensation Committee from September 15, 2021.

² Until August 31, 2021.

³ In light of that Jayne McGivern resigned as a member of the Board effective as of August 31, 2021, and Jan Gurander was appointed as a new member of the Compensation Committee effective as of September 15, 2021, the total board fees for 2021 have been revised downwards to SEK 8,701,000.

The Board's committees

The Board is ultimately responsible for the organization of Skanska and the management of Skanska's operations. The overall responsibility of the Board cannot be delegated, but the Board may appoint committees to do preparatory work and explore certain issues in preparation for decisions by the Board. The Board has formed three committees to provide structure, improve efficiency and ensure the quality of its work: (i) Audit Committee, (ii) Compensation Committee and (iii) Project Review Committee. The members of the committees are appointed annually at the statutory meeting of the Board. In light of that Jayne McGivern resigned as a member of the Board, and thus also as a member of the Compensation Committee, effective

as of August 31, 2021, Jan Gurander was appointed as a new member of the Compensation Committee at a board meeting on September 15, 2021, effective as of that date. The Board's Procedural Rules specify which duties and decision-making powers have been delegated to the committees. The Chairman of each committee reports orally to the Board at each board meeting and all minutes from the committee meetings are submitted to the Board.

Audit Committee

The main task of the Audit Committee is to assist the Board in overseeing the financial reporting, reporting procedures and accounting principles, and to monitor the auditing of the accounts for the Company

and the Group. The committee also evaluates the quality of the Group's reporting, internal auditing and risk management, and reviews the reports and opinions of Skanska's external auditors. The committee monitors the external auditors' assessment of their impartiality and independence, and that there are routines in place stipulating which non-audit services they provide to the Company and the Group. The committee also monitors compliance with the rules on auditor rotation. The external auditors are present at committee meetings. At least once a year the Audit Committee meets the auditors without senior executives being present.

In 2021 the Audit Committee consisted of Pär Boman (Chairman), Hans Biörck, Jan Gurander and Åsa Söderström Winberg. The composition of the committee meets the requirements in the Code relating to audit committee members' independence. At least one member has accounting or auditing skills. The Committee held six meetings in 2021. Important matters addressed during the year included capital allocation, financing, pension reporting, external reporting, impairment testing, write-downs in construction projects, larger disputes, review of the interim reports and year-end report, internal control, risk management and compliance matters.

Compensation Committee

The main tasks of the Compensation Committee include preparing recommendations for decisions by the Board on the appointment or dismissal of the President and CEO, including salary and other remuneration, and of the other Group Leadership Team

members, and on incentive programs. The committee also examines the outcomes of variable remuneration components.

In 2021 the Compensation Committee consisted of Hans Biörck (Chairman), Pär Boman, Jan Gurander¹ and Jayne McGivern². The Code requirements regarding independence, according to which the Chairman of the Board is permitted to be the Chairman of the Compensation Committee and other AGM-elected members are to be independent in relation to the Company and its senior executives, have therefore been met. The committee held six meetings in 2021. Important matters addressed during the year were review of Skanska's variable remuneration programs for the senior executives, review and evaluation of the application of the guidelines for salary and other remuneration to senior executives adopted by the AGM 2020 as well as the existing remuneration structures and levels in the Company, and review of senior executives' other assignments. The committee further reviewed and prepared, for resolution by the Board, proposals to the AGM 2022 on a remuneration report for 2021, detailing paid and outstanding remuneration that is covered under the above-mentioned remuneration guidelines, and on a Skanska long-term employee ownership program for the financial years 2023, 2024 and 2025 (Seop 6).

Project Review Committee

The Project Review Committee takes decisions on individual projects within the Construction, Residential Development and Commercial Property Development business streams and on certain project financing

Attendance at Board and Committee meetings

	Board	Audit Committee	Compensation Committee	Project Review Committee
Number of meetings	7	6	6	12
Member				
Hans Biörck	7	6	6	12
Pär Boman	7	6	6	12
Jan Gurander ¹	7	6	4	11
Fredrik Lundberg	7			11
Catherine Marcus	7			12
Jayne McGivern ²	4		2	8
Åsa Söderström Winberg	6	5		11
Ola Fält	7			
Richard Hörstedt	7			
Yvonne Stenman	7			
Hans Reinholdsson	7			
Anders Rättgård	7			12

¹ Member of the Compensation Committee from September 15, 2021.

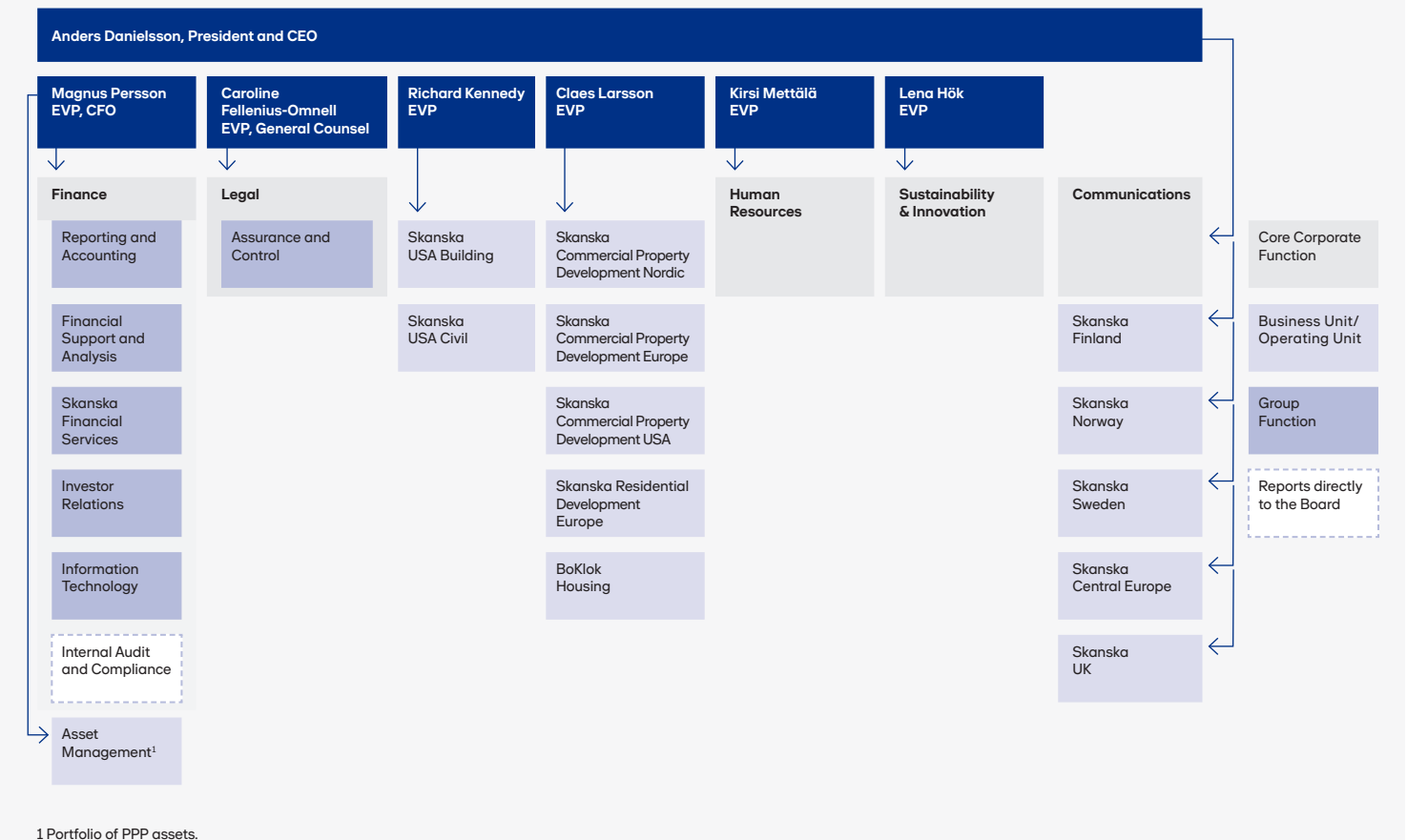
² Until August 31, 2021.

packages. Projects above a certain monetary threshold or that involve especially high or unusual risks or other special circumstances may be referred to the Board for a decision. The committee consists of all AGM-elected board members and employee representative Anders Rättgård, with employee representative Richard Hörstedt as deputy member for Anders Rättgård. The committee held twelve meetings in 2021.

External auditors

According to the Articles of Association, the Company shall have one or two authorized auditors and no more than two deputy auditors. A registered accounting firm may be appointed as the Company’s external auditor. At the AGM 2021, Ernst & Young AB was re-elected as external auditor, until the close of the AGM 2022. Authorized Public Accountant Hamish Mabon is the auditor in charge. The external auditor has attended two board meetings to report on the auditing process of Ernst & Young AB for Skanska and to provide the members of the Board with an opportunity to ask questions without senior executives being present. The external auditor has also attended five meetings of the Board’s Audit Committee. The independence of the external auditor is guaranteed by the Audit Committee having determined the principles for allowing non-audit services to be provided by the auditor and pre-approving non-audit services. For information on fees and other remuneration to the external auditor for audit-related and other services, see Note 38, Fees and other remuneration to auditors, on page 172.

Skanska’s management structure
Group Leadership Team



Operational management and internal governance

Skanska operates with a decentralized governance model that recognizes the local characteristics of the construction and development markets, empowering the business units to develop their business and deliver according to plan, while retaining the profit and loss responsibility. Skanska's strategy and targets are set at Group level to ensure effective financial capacity and conduct proper follow-up on business unit performance and compliance. In the decentralized governance structure operated, as a rule, what is required is established at Group level, while the business units are responsible for how requirements are met. Each business unit is headed by a President and has its own administrative functions and other resources to conduct its operations effectively. Aside from day-to-day operations managing projects, the business units deal with matters such as their strategic development, business plans, investments, divestments and organization. Information on Skanska's business model and our business streams is available on pages 21–34.

The President and CEO and the Group Leadership Team

The President and CEO is appointed by the Board and runs the Company and the Group in accordance with the instructions adopted by the Board. The President and CEO is responsible for the day-to-day management of the operations of the Company and the Group and is supported by the other members of the Group Leadership Team. The work of the President and CEO is

evaluated at one board meeting each year at which no senior executives are present. The President and CEO has no business dealings of any significance with the Company or its Group companies. Lena Hök was appointed Executive Vice President Sustainability & Innovation and new member of the Group Leadership Team from November 1, 2021. Information on the President and CEO and the other members of the Group Leadership Team can be found on pages 50–51.

Core corporate functions and Group functions

Core corporate functions and Group functions are based at Skanska's headquarters in Stockholm. The Core corporate functions and Group functions assist the President and CEO and the Group Leadership Team

on matters relating to corporate functions, coordination and oversight. They also provide support to the business units. The head of each Group function reports directly to a member of the Group Leadership Team. The head of the Internal Audit and Compliance reports directly to the Board by way of the Audit Committee. A presentation of the Core corporate functions and Group functions can be found on page 43.

Remuneration to senior executives

The AGM 2020 adopted guidelines for salary and other remuneration to senior executives in accordance with the Board's proposal, which are valid until the AGM 2024. The guidelines and information about salary and other remuneration to senior executives, as well as outstanding share award and

share-related incentive programs, are found in Note 37, Remuneration to senior executives and board members, on pages 168–171. Senior executives include the President and CEO and the other members of the Group Leadership Team. Information on remuneration to the President and CEO is also set out in the remuneration report available on pages 53–57.

Purpose and values

While creating shareholder value, Skanska's purpose is to build for a better society. This reflects the Group's role in society, a position that enables Skanska to create shareholder value. Fundamental to Skanska's success are four values; Care for life; Act ethically and transparently; Be better together; and Commit to customers. They serve as a moral

Skanska's reporting structure

Operating units Member	Business Streams					
	Construction		Residential Development		Commercial Property Development	
	Operating unit	External reporting	Operating unit	External reporting	Operating unit	External reporting
Sweden	■	□	■	□	■	□
Norway	■	□	■	□	■	□
Finland	■	□	■	□	■	□
Commercial Property Development Nordic					■	□
Central Europe	■	□				
United Kingdom	■	□				
Commercial Property Development Europe					■	□
Residential Development Europe			■	□		
USA Civil	■	□				
USA Building	■	□				
Commercial Property Development USA					■	□
BoKlok ¹			■			

■ = Operating unit □ = External reporting

¹ BoKlok has operations in Sweden, Norway, Finland and the UK. In the external reporting BoKlok is divided and included in the Nordic cluster, of which Sweden, and Europe.

foundation and compass, and Skanska constantly drives the need for every employee to strongly live these values. Further information on Skanska's values is available on page 4.

Skanska provides innovative and sustainable solutions to create a sustainable future for its employees, customers, shareholders and communities. This is demonstrated through continued commitment to the sustainability impact areas Climate, Resilience and Responsibility outlined on page 69. Furthermore, sustainability at Skanska is grounded in the Group's purpose and values. Skanska's sustainability report can be found on pages 67–94.

Code of Conduct

Skanska's Code of Conduct is based on the Skanska values and sets the standard for the daily behavior of employees on how Skanska does business. It is reviewed regularly by the Group Leadership Team and updates are approved by the Board. It defines Skanska's commitments in the workplace, in the market and to society. It covers such topics as health and safety; diversity and inclusion; data protection; environment; confidentiality; conflicts of interest; fraud; fair competition; anti-bribery and corruption; and insider information and market abuse. All Skanska employees are required to uphold the principles and requirements contained in the Code of Conduct. All employees are asked to complete Code of Conduct training every two years, and new employees within one month of starting with Skanska. This requirement applies equally to members of the Board.

The Code of Conduct is supplemented by the Supplier Code of Conduct which must be adhered to by all subcontractors, suppliers, consultants, intermediaries and agents. It is included in agreements with these parties and outlines the expectations that Skanska put on those Skanska does business with. The Supplier Code of Conduct covers topics such as fair working conditions; discrimination and harassment; anti-bribery and corruption; and fair competition. The Code of Conduct and the Supplier Code of Conduct can be found on the Group's website: group.skanska.com/about-us/our-code-of-conduct/.

Skanska's Code of Conduct Hotline provides a mechanism for employees, suppliers' employees and other third parties to anonymously report on breaches or suspected breaches of the Skanska's Code of Conduct. The hotline is managed by an independent third-party service provider and is a supplement to the internal reporting channels that all employees have access to.

Governance framework

The Group governance framework is set at Group level. The Group Leadership Team and the Core corporate functions and Group

functions are responsible for following up on its implementation and effective operation in the business units. The Group governance framework consists of three categories of steering documents: Group policies and Group procedures and standards, which are mandatory, as well as non-mandatory guidelines for the Group.

A clear framework of policies, procedures and standards reduces risks and increases effectiveness, it also makes it easier to live by Skanska's Code of Conduct and the Skanska values. The Group governance framework steering documents define how Skanska's operations are run, controlled and organized, which standards and processes to work according to, how to manage risks, at what levels decisions are made and what is mandatory for the Skanska business units. The governance framework is applicable to the Company, all Skanska business units and all Skanska employees. If not followed, there may be consequences, up to and including dismissal. The business units are required to establish and maintain a robust and well-functioning system of governance within their operations. Business units' governance systems, such as business units' policies and

management systems, should complement and add local, practical detail to the steering documents in the Group governance framework. The Business Unit President is responsible for implementation of the Group governance framework in the respective business unit.

The Procedural Rules for the Board and its Committees state which items of business will be decided upon by the Board, by the President and CEO, by the Group Leadership Team, or at the business unit level. In addition to the Board's Procedural Rules, and Skanska's Code of Conduct and Supplier Code of Conduct, Skanska's Group policies include:

- Anti-Corruption Policy
- Claims Management Policy
- Enterprise Risk Management Policy
- Finance Policy
- Human Resources Policy
- Information Policy
- Insider Policy
- IT Policy
- Personal Data Protection Policy
- Sustainability Policy
- Tax policy.

Group policies

Core mandatory operating rules of the Group, addressing risks, goals and where corporate governance is required.

Group procedures and standards

Mandatory. Procedures are generally detailed step-by-step instructions to achieve a given goal, while standards indicate expected behavior or a minimum level of quality or a minimum standard.

Group guidelines

A non-binding document containing guidance for the organization.

Internal control

This description includes the most important elements of Skanska's internal control and risk management systems in connection with financial and sustainability reporting. A description of Skanska's sustainability reporting principles is set out on page 94.

Control environment

The Board has overall responsibility for ensuring that Skanska has effective and adequate risk management and internal controls. The purpose is to provide a reasonable assurance that the operations are run appropriately and efficiently, that external reporting is reliable, and that laws and regulations and internal rules are complied with. The Board's Procedural Rules ensure a clear division of roles and responsibilities for the purpose of ensuring effective management of business risks. The Board and the Group Leadership Team have also adopted a number of fundamental rules of importance for internal control work, such as the Group's Enterprise Risk Management Policy and the Group Governance Procedure. The Group Leadership Team reports regularly to the Board according to established routines. The Audit Committee also presents reports on its work. The Group Leadership Team is responsible for the system of internal controls required to manage material operational risk. This includes a clear decision-making structure and the Group framework of policies, standards/procedures and guidelines. The Group function Assurance and Control supports the Group Leadership Team in monitoring the system of internal control.

Risk assessment and control activities

Skanska has identified the material risks in its operations that may, if not managed correctly, lead to errors in financial reporting and/or have an impact on the Company's performance results. The Group Headquarters has subsequently ensured that the Group has rules in place to guarantee that these risks are managed. The Group Leadership Team and the Core corporate functions and Group functions are responsible for managing general risks relating to strategy, macroeconomics and regulatory frameworks, while the main tasks relating to operational risk and opportunities are carried out at the local level within the business units. A detailed description of the identified enterprise risks and how they are managed is found on pages 59–65.

Skanska uses a Group-wide procedure for identifying and managing risks associated with construction contracts and project development. A specialized Group unit, the Skanska Risk Team, examines and analyzes proposals for tenders in construction and land investments, project starts as well as divestments in project development above a certain size. Based on the identified risks and opportunities, the Skanska Risk Team then issues a recommendation on how to proceed. The final decision is made by the Skanska Tender Board, which consists of the Group Leadership Team, and, in certain cases, the Project Review Committee, which consists of board members.

Risks and opportunities for improvement are both greatest during the actual execution phase of the projects, and thus the work focuses heavily on this phase. Since almost every project is unique, risks and opportunities must be analyzed with respect to project type, location, execution phase and client. During execution, projects over a set threshold must adhere to the Skanska Project Review and Reporting Procedure to ensure consistent project reviews, including a process to make sure that deviations from planned performance are detected and acted upon early. All business units employ common valuation principles and terminology to ensure conservative project valuation and a high level of performance transparency.

Information and communication

Significant accounting principles, manuals and other documents of importance in financial and sustainability reporting are updated and information on them is communicated regularly. There are several information channels to the Group Leadership Team and the Board for important information. For its external communication, the Group has an Information Policy to ensure that Skanska complies with existing regulations on providing the market with accurate information.

Monitoring

The Board continually evaluates the information provided by the Group Leadership Team and the Audit Committee. Of particular importance is the result of the Audit Committee's work on monitoring the effectiveness of the Group Leadership Team's internal control processes. This includes ensuring that steps are taken to address the shortcomings revealed in internal and external audits and to implement the proposed actions.

Internal Audit and Compliance

The Group function Internal Audit and Compliance is responsible for monitoring and evaluating risk management and internal control processes. The work is planned in consultation with the Audit Committee and reporting takes place directly to the Board through the committee. Matters relating to internal audit are also communicated on an ongoing basis to Skanska's external auditors. In 2021, Internal Audit and Compliance focused on reviewing the risks identified relating to the Group's projects, business-critical processes and key corporate functions. A total of 100 audits were conducted during the year within all business units. There was a particular focus on the business operations of commercial development investments and supply chain resilience for the construction units. The audits were performed in accordance with a uniform audit method.

IN FOCUS

Building a net-zero future in Europe's biggest infrastructure project

We believe that a collaborative approach is what makes any project successful, particularly within sustainability. Our work for the London tunnels section of the high-speed rail project HS2 Phase One is not limited to the project itself. Together with our joint venture partners and our client, we are addressing challenges facing the entire industry.

Working in the Skanska Costain STRABAG joint venture, we are responsible for the full detailed design and construction of the London tunnels section of HS2 Phase One. As part of the biggest infrastructure project in Europe, we can develop and implement new construction techniques that deliver a step-change and long-lasting benefits for the industry. Collaborating with our partners and supply chain, we are able to test and use new technologies and processes to reduce our carbon emissions. For example, we are trialing a 100 percent diesel-free project,

replacing the diesel with hydrotreated vegetable oil (HVO) and avoiding approximately 250 tonnes CO₂e.

We are using several new technologies on sites across the country, including the UK's first electric forklift and the world's first solar and hydrogen-powered portable cabins for site staff. We are also trialing innovative solutions across sites, including a low-carbon concrete that significantly reduces carbon emissions. And a new carbon and cost estimating solution, powered by artificial

intelligence, allows us to visualize, precisely measure and compare carbon emissions and the environmental impact of construction so we can design a more sustainable solution.

Beyond our actual project work as part of the Skanska Costain STRABAG joint venture – building 21-kilometer-long tunnels at depths of up to 50 meters from the London terminus at Euston station to West Ruislip – we are involved in several initiatives to support local communities in overcoming local challenges. Across the whole HS2 route, training and job

initiatives to empower local communities include social mobility programs, creating jobs for 52 previously unemployed people and virtual school outreach to support young people with career advice. We want to do what we can to boost economic growth and improve community cohesion where we work.

This project is a testament to the importance of collaboration. Working closely with HS2, our joint venture and supply chain partners adds highly valued expertise to our operations.



HS2 Phase One London UK

Board of Directors



Hans Biörck



Pär Boman



Jan Gurander



Fredrik Lundberg

Position	Chairman	Board member	Board member	Board member
Born	Sweden, 1951	Sweden, 1961	Sweden, 1961	Sweden, 1951
Elected	2016	2015	2019	2011
Shareholding in Skanska, December 31, 2021	25,000 B shares through privately owned company	1,000 B shares	5,000 B shares	6,032,000 A shares and 16,050,000 B shares through L E Lundbergföretagen AB, 1,150,000 B shares through privately owned company, 5,376 A shares and 1,100,000 B shares privately
Other board assignments	<ul style="list-style-type: none"> – Chairman, Trelleborg AB – Board member, Handelsbanken AB 	<ul style="list-style-type: none"> – Chairman, Handelsbanken AB – Chairman, Essity AB – Chairman, Svenska Cellulosa Aktiebolaget SCA – Vice Chairman, AB Industrivärden 	<ul style="list-style-type: none"> – Board member, The Association of Swedish Engineering Industries 	<ul style="list-style-type: none"> – Chairman, AB Industrivärden – Chairman, Holmen AB – Chairman, Hufvudstaden AB – Vice Chairman, Handelsbanken AB – Board member, L E Lundbergföretagen AB
Education	<ul style="list-style-type: none"> – Master of Science in Business and Economics, Stockholm School of Economics 	<ul style="list-style-type: none"> – Engineering and Business/Economics degree, Honorary Ph.D. in Economics 	<ul style="list-style-type: none"> – Master of Science in Business and Economics, Stockholm School of Economics 	<ul style="list-style-type: none"> – M.Sc. Engineering, Royal Institute of Technology, Stockholm – Master of Business Administration (M.B.A), Stockholm School of Economics – Dr. (Econ.) h.c., Stockholm School of Economics – Dr. (Eng.) h.c., Linköping University
Work experience	<ul style="list-style-type: none"> – Chief Financial Officer, Skanska AB – Chief Financial Officer, Autoliv AB – Chief Financial Officer, Esselte AB 	<ul style="list-style-type: none"> – President and CEO, Handelsbanken AB 	<ul style="list-style-type: none"> – Deputy CEO, AB Volvo (since 2018) – Deputy CEO and CFO, AB Volvo – CFO and Senior Vice President Finance, Volvo Car Group – CFO, MAN Diesel & Turbo SE – Group Vice President and CFO, Scania AB 	<ul style="list-style-type: none"> – President and CEO, L E Lundbergföretagen AB
Dependency relationship in accordance with the Swedish Corporate Governance Code	<ul style="list-style-type: none"> – Independent in relation to the company and its executive management – Independent in relation to major shareholders 	<ul style="list-style-type: none"> – Independent in relation to the company and its executive management – Dependent in relation to major shareholders 	<ul style="list-style-type: none"> – Independent in relation to the company and its executive management – Independent in relation to major shareholders 	<ul style="list-style-type: none"> – Independent in relation to the company and its executive management – Dependent in relation to major shareholders

**Catherine Marcus**

Position	Board member	Board member
Born	USA, 1965	Sweden, 1957
Elected	2017	2020
Shareholding in Skanska, December 31, 2021	0 shares	2,500 B shares through privately owned company, 800 B shares through related person
Other board assignments	– Board member, NCREIF PREA Reporting Standards Board (Private)	– Board member, Vattenfall AB – Board member, OEM International AB – Board member, Delete Group Oyj – Board member, Fibo AS
Education	– M.S., Real Estate Investment and Development, New York University – B.S.E. Real Estate Finance and Entrepreneurial Management, Wharton School, University of Pennsylvania	– B. Sc. Economics, Stockholm University
Work experience	– Global Chief Operating Officer, PGIM Real Estate – MBL Life Assurance Corporation	– CEO, Sweco Theorells AB – CEO, Ballast Väst AB – Marketing Manager, NCC Industry – Communications Manager, NCC Bygg AB
Dependency relationship in accordance with the Swedish Corporate Governance Code	– Independent in relation to the company and its executive management – Independent in relation to major shareholders	– Independent in relation to the company and its executive management – Independent in relation to major shareholders

**Åsa Söderström Winberg****Board members and deputies appointed by the trade unions¹****Ola Fält**

Born: Sweden, 1966
Skanska Industrial Solutions; appointed by SEKO in 2018
Board member
Shareholding in Skanska: 1,313 B shares

**Anders Rättgård**

Born: Sweden, 1961
Region Hus Göteborg; appointed by Unionen in 2017
Deputy Board member
Shareholding in Skanska: 4,159 B shares

**Richard Hörstedt**

Born: Sweden, 1963
Region Hus Syd; appointed by Byggnads in 2007
Board member
Shareholding in Skanska: 0 shares

**Yvonne Stenman**

Born: Sweden, 1959
Region Hus Stockholm Nord; appointed by Ledarna in 2018
Board member
Shareholding in Skanska: 0 shares

**Hans Reinholdsson**

Born: Sweden, 1972
Region Hus Göteborg; appointed by Byggnads in 2020
Deputy board member
Shareholding in Skanska: 816 B shares

Auditors

Ernst & Young AB
Auditor in charge since 2016:
Hamish Mabon, Stockholm, born 1965, Authorized public accountant.

¹ Shareholding in Skanska as of December 31, 2021.

Group Leadership Team



Anders Danielsson



Caroline Fellenius-Omnell



Lena Hök



Richard Kennedy

Position	President and Chief Executive Officer (since 2018) Responsible for business units/Core Corporate Function – Skanska Finland – Skanska Norway – Skanska Sweden – Skanska Central Europe – Skanska UK – Communications	Executive Vice President, General Counsel (since 2017) Responsible for Core Corporate Function/ Group Function – Legal – Assurance and Control	Executive Vice President (since 2021) Responsible for Core Corporate Function – Sustainability & Innovation	Executive Vice President (since 2018) Responsible for business units – Skanska USA Building – Skanska USA Civil
Born	1966	1968	1972	1966
Joined Skanska in	1991	2017	2017	2004
Shareholding in Skanska, December 31, 2021	143,177 B shares	14,174 B shares	3,456 B shares	32,748 B shares
Awarded but unvested share awards under Skanska's long-term share saving program (Seop), December 31, 2021¹	110,390 B shares	38,549 B shares	13,788 B shares	93,109 B shares
Board assignments	–	– Board member, The Swedish Association of Listed Companies	– Chair of the Swedish Sustainability Committee, International Chamber of Commerce (ICC)	– Building Trades Employers Association, NY, USA
Education	– M.Sc. Engineering, Royal Institute of Technology, Stockholm – Advanced Management Program, Harvard, Boston MA	– Master of Laws, Stockholm University – Master of Laws, College of Europe, Bruges	– Bachelor of Social Science, Uppsala University and Maastricht University – GEM Management Program, Stockholm School of Economics Executive Education	– Bachelor of Arts, Rutgers College, Rutgers University – Juris Doctor, Seton Hall University School of Law – Master of Laws, London School of Economics and Political Science
Work experience	– Executive Vice President, Skanska AB – President, Skanska Sweden – President, Skanska Norway	– Group General Counsel, Tele2 AB – Group General Counsel, Sidel – General Counsel Europe, Tetra Pak AB – Corporate Counsel, AB Electrolux	– Senior Vice President, Sustainability, Skanska AB – Head of Sustainability, Skandia Group – Head of Skandia R&D foundation "Ideas for life", Skandia Group – Head of Communication, Skandiabanken and Skandia – Senior Associate, JKL Group	– President and CEO, Skanska USA Building – Chief Operating Officer, Skanska USA Building – General Counsel, Skanska USA Building

¹ Share awards awarded during 2019–2021. In order for the shares to vest, an additional three years of service from each award date are required. Share awards for 2021 are further preliminary. The Board will determine the outcome for 2021 in the first quarter of 2022 after reviewing operational performance.

**Claes Larsson****Kirsi Mettälä****Magnus Persson**

Position	Executive Vice President (since 2006) Responsible for business units – Skanska Commercial Property Development Nordic – Skanska Commercial Property Development Europe – Skanska Commercial Property Development USA – Skanska Residential Development Europe – BoKlok Housing	Executive Vice President (since 2018) Responsible for Core Corporate Function – Human Resources	Executive Vice President, Chief Financial Officer (since 2018) Responsible for Core Corporate Function/ Group Functions/Operating unit – Finance – Reporting and Accounting – Financial Support and Analysis – Skanska Financial Services – Investor Relations – Information Technology – Internal Audit and Compliance – Asset Management
Born	1965	1963	1976
Joined Skanska in	1990	1994	2006
Shareholding in Skanska, December 31, 2021	205,202 B shares	29,814 B shares	24,767 B shares
Awarded but unvested share awards under Skanska's long-term share saving program (Seop), December 31, 2021¹	56,823 B shares	28,126 B shares	41,312 B shares
Board assignments		– Chairperson, Nomination Committee, FIBS (Finnish Business Society) – Board member, Stockholm School of Economics, Advisory Board	
Education	– M.Sc. Engineering, Chalmers University of Technology – MBA, Chalmers University of Technology and University of Gothenburg	– Bachelor of Business Administration, Haaga-Helia University of Applied Sciences – eMBA, Aalto Executive Education	– Ph.D. in Business Economics, Uppsala University – Master of Science in Business Economics, Uppsala University
Work experience	– President, Skanska Commercial Property Development Nordic – President, Skanska Fastigheter Göteborg	– Senior Vice President, HR and Communications, Skanska Finland – Senior Vice President, HR Development, BU Skanska Finland – HRD manager, Skanska Finland – HR specialist, Skanska Finland	– Chief Financial Officer, Skanska Sweden – Senior Vice President, Investor Relations, Skanska AB – Group Manager, Corporate Finance, Skanska AB – Head of Research & Analysis, Skanska Financial Services AB

Business Unit Presidents

Gunnar Hagman, Skanska Sweden
Ståle Rød, Skanska Norway
Tuomas Särkilähti, Skanska Finland
Michal Jurka, Skanska Central Europe
Greg Craig, Skanska UK
Paul Hewins, Skanska USA Building
Don Fusco, Skanska USA Civil
Jonas Spangenberg, BoKlok Housing
Björn Mattsson, Skanska Residential Development Europe
Jan Odelstam, Skanska Commercial Property Development Nordic
Katarzyna Zawodna-Bijoch, Skanska Commercial Property Development Europe
Robert Ward, Skanska Commercial Property Development USA

Senior Vice Presidents, Group Functions

Katarina Bylund, Reporting and Accounting
Karolina Cederhage, Communications
Anders Göransson, Internal Audit and Compliance
Mark Lemon, Assurance and Control
André Löfgren¹, Investor Relations
Antonia Junelind², Investor Relations
Therese Tegner, Skanska Financial Services
Anders Candell, Information Technology (IT)
Sanna-Mari Pöyhtäri, Financial Support and Analysis

¹ Until February 3, 2022.
² From February 4, 2022.

¹ Share awards awarded during 2019–2021. In order for the shares to vest, an additional three years of service from each award date are required. Share awards for 2021 are further preliminary. The Board will determine the outcome for 2021 in the first quarter of 2022 after reviewing operational performance.

Auditor's report

This is a translation from the Swedish original.

To the general meeting of the shareholders of Skanska AB (Publ), corporate identity number 556000-4615

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Skanska AB (publ) for the year 2021 except for the statutory sustainability report on pages 67–94. The annual accounts and consolidated accounts of the company are included on pages 37–52 and 59–193 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31st, 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31st, 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. Our opinions do not cover the statutory sustainability report on pages 67–94.

The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the income statement and the statement of financial position of the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

A. Revenue recognition over time in Construction contracts *Description*

The main portion of the company's income relates to construction contracts. For 2021 the revenues from construction contracts amount to MSEK 132,587. Usually a performance obligation is satisfied over time, which means that revenue should be recognized over time by measuring the progress towards complete satisfaction of that performance obligation. Revenue is recognized on the basis of the company's efforts to the satisfaction of a performance obligation relative to the total expected efforts. This requires the entity to be able to measure its progress towards complete satisfaction of the performance obligation and determine the transaction price. This in turn requires that the Group has effective, coordinated systems for cost estimation, forecasting and revenue/expense reporting. Also, a consistent process is required to assess the final outcome of the project, including analysis of differences compared with earlier assessment dates. This critical judgment is performed at least once per quarter.

How our audit addressed this key audit matter

Our audit procedures include, among others, analytical procedures of revenue and margins of material projects and

data analytics of transactions. We have audited samples of revenue and costs in selected projects, which are of material size or represents a significant risk to the company. We have also had discussions with the company's controllers and responsible project managers about assessments, assumptions and estimates related to revenue recognition, profit margin and cost allocation.

We have also audited material contracts to identify potential risks for penalties due to any delays in the projects, and we also have continuous meetings with the Company's internal legal representatives. We have audited provisions and other reserves related to projects within Construction based on underlying support and the Company's assessments.

We have continuous meetings and discussions with responsible auditors in each country to identify and cover country-specific risks.

We have assessed the historical accuracy of the company's estimates of the final outcomes of projects through discussions with Group Leadership Team and Audit Committee regarding the actual outcome.

In addition, we have evaluated whether the valuation of revenue in the Company's accounting principles is reasonable and assessed the completeness of the disclosure requirements, which are found in Note 4 "Operating Segments" and Note 9 "Contract assets and contract liabilities".

B. Valuation of investments in project development

Description

The book value of investments in project development, which constitute current asset properties, amounts to MSEK 49,745 as shown in note 22 "Current-asset properties/Project development". As shown in note 22 the current-asset properties are carried at cost or net realizable value, whichever is lower. The company therefore makes calculations of the net realizable value. Potential impairment in development projects under construction and completed projects could have significant

impact on the company's net income. Changes in the supply of similar projects, as well as changes in demand may materially affect both estimated market values and carrying amounts for each project. These projects vary in size and the investment cycle could be either short or long.

How our audit addressed this key audit matter

Our audit procedures include assessing budgets and financial projections and reviewing other financial input used to determine the value in use models. We have also audited work performed by external appraisers. We specifically focused on the sensitivity in the difference between the net realizable value/estimated value and book values of the projects, where a reasonably possible change in assumptions could cause the carrying amount to exceed its estimated present value. We also assessed the historical accuracy of the company's estimates of the final outcomes of valuation through discussions with Group Leadership Team and the Audit Committee regarding the actual outcome.

Finally, we evaluated the adequacy of the Company's disclosures included in Note 22.

C. Litigations and legal matters

Description

The provision for legal disputes amounts to MSEK 2,413. As outlined in Note 29 "Provisions" of the Annual Report, the Company is exposed to potential legal matters and disputes in the Construction business stream for contracts that have been completed. Legal matters and disputes including any provisions is a key audit matter to our audit because management judgement is required. The assessment process is complex and entails assessing future developments. In addition, some of the matters are in countries where the legal proceedings can stretch out over an extended period of time.

How our audit addressed this key audit matter

We have gained an understanding of the litigations and legal matters through discussions with the responsible persons within the Company, the Group Leadership Team and the

Audit Committee. We have read the internal position papers prepared by the Company. We also obtained lawyers' letters to the extent considered necessary for our audit. For all potentially material legal matters we tested the underlying facts and circumstances considered relevant for the legal advisors to reach their conclusions and assessed the best estimate of outflows and associated provisions as determined by the Company.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–36, 53–58 and 194–207. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation

in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up

to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Skanska AB (publ) for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This

includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout

the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Skanska AB for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report #[checksum]* has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in

more detail in the *Auditors' responsibility* section. We are independent of Skanska AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegat-

ed Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 67–94, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Skanska AB by the general meeting of the shareholders on March 30, 2021 and has been the company's auditor since the 2016.

Stockholm March 7, 2022

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Anders Kriström
Authorized Public Accountant