SKANSKA

Green Bond Impact Report 2024

Port7 Prague Czech Republic

Introduction

Sustainability is an enabler for our business strategy and a key component for success for Skanska and our customers. In 2014, we became one of the first corporations in the world to issue green bonds. Since then, we have continued to tie our sustainability ambitions to our funding strategy. As of 2024, 100 percent of our central financing is classed either as green or sustainability-linked.

In 2023, we updated our green bond framework which received a "Medium Green" shading from S&P Global Rating. In the framework, we included criteria from the EU taxonomy for sustainable activities and broadened our scope to include additional categories that are needed in our journey towards our long-term climate targets. In this report, we outline the projects and investments that have been made and the resulting impact.

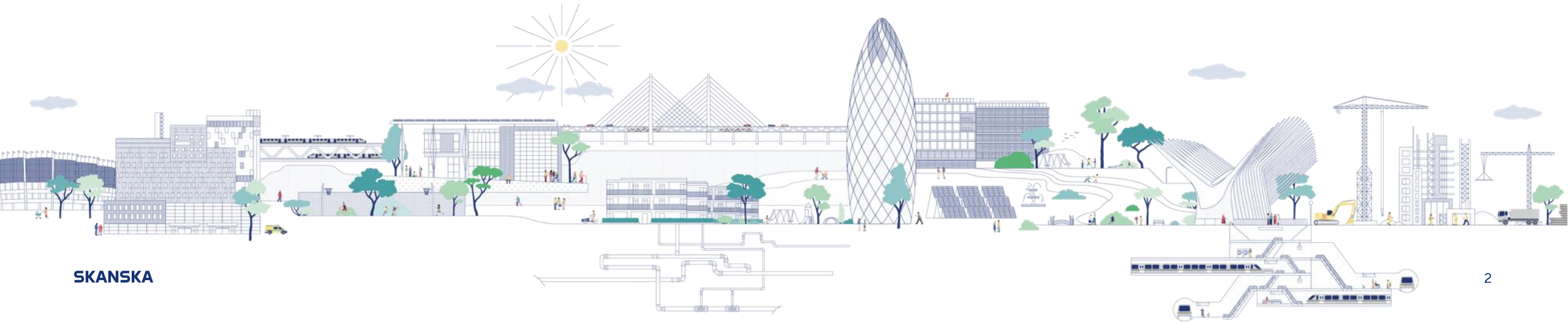
Table 1: Green bonds, SEK M

ISIN	Volume	Issue Date	Fixed/Float	Tenor
SE0020356400	750	11-15-2023	Fixed	2 year
SE0020356418	2,400	11-15-2023	Float	3 year
SE0020356434	750	11-15-2023	Float	5 year
SE0020356426	750	11-15-2023	Fixed	5 year
SE0020052603	1,000	05-22-2024	Float	3.5 year
Total outstanding green bonds	**5,650**			

Table 2: Group central debt, SEK M

Funding type	Volume	Proportion of total, %
Green bilateral loans	3,615	36%
Sustainability-linked bilateral loans	823	8%
Green bonds	5,650	56%
Total central debt	**10,088**	

In addition to the Group central funding above, the Group's unutilized credit facilities are classed either as green or sustainability-linked.



Sustainability at Skanska

The built environment is responsible for a significant share of the world's consumption of energy and materials, accounting for approximately 40 percent of global energy-related carbon emissions according to the International Energy Agency (IEA).

We are determined to do our part by reducing emissions in our operations and also driving change to lower emissions in our value chain. We aim to develop low-carbon, energy and resource efficient solutions for our customers, and use our expertise to build resilience into the built environment.

Our Group climate target is to achieve net-zero emissions by 2045 both in our own operations (scope 1 and 2) and across the value chain (scope 3). For our own operations the interim reduction target a is 70 percent decrease by 2030, from the base year of 2015. The interim climate target for our project development streams (Residential Development and Commercial Property Development) is to halve emissions in the value chain by 2030 from the base year 2020.

Our climate transition plan, ACT, steers our efforts to transition to low-carbon construction across all our projects and ultimately meet our target of net-zero carbon emissions by 2045.

Sustainability in our business streams

Construction	Residential Development	Commercial Property Development	Investment Properties
We help our customers create and implement climate solutions that are low in carbon, circular and resilient across our markets.	We offer attractive homes and high-quality housing for our customers, with an increased emphasis on energy, water and resource efficiency.	We shape energy-efficient, buildings with strong sustainability features, and develop new solutions to deliver greater value for customers.	We invest and actively manage high-quality, sustainable office properties. These properties serve as a test bed for solutions to be implemented in new developments.

Climate Target - Skanska's own emissions

Target 2030

-70%

Outcome 2024

-61%

Target 2045

Net-zero

Since 2015 we have reduced our own carbon emissions (scope 1 and 2) by 61 percent and improved our carbon intensity to 0.88 from 2.60.

Climate Target - Skanska's value chain emissions

Target 2030

-50%

Outcome 2024

-37%

Target 2045

Net-zero

Compared to 2020, we have reduced emissions in our value chain by 37 percent. The outcome in a specific period will vary with the development activity in Project Development.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our climate target is approved as a science-based target on the 1.5°C alignment pathway.

Allocation & Impact

Significantly cutting carbon emissions in the construction industry can be accomplished by examining energy, processes and materials. At Skanska, we take a holistic approach to designing and building low-carbon projects, incorporating resource efficiency, recycling, renewable energy, electrification and digitalization. We have allocated proceeds into three of our eligible categories under the Green Bond Framework.

We have financed a selection of our most sustainable and energy-efficient buildings under the 'Green buildings' category. Within this category we seek to cut carbon emissions throughout the life cycle of the project, from material production to the construction phase and finally the use phase of the building.

Under 'Circular economy', we have allocated financing to our newest asphalt plant designed primarily for recycling asphalt - an important step to shifting to low-carbon construction and material production.

Finally, we have allocated financing to the electrification of construction equipment under the category of 'Clean transportation' – an important step in reducing emissions in our own operations.

Average distribution of emissions in our own operations and value chain (2020-2024)

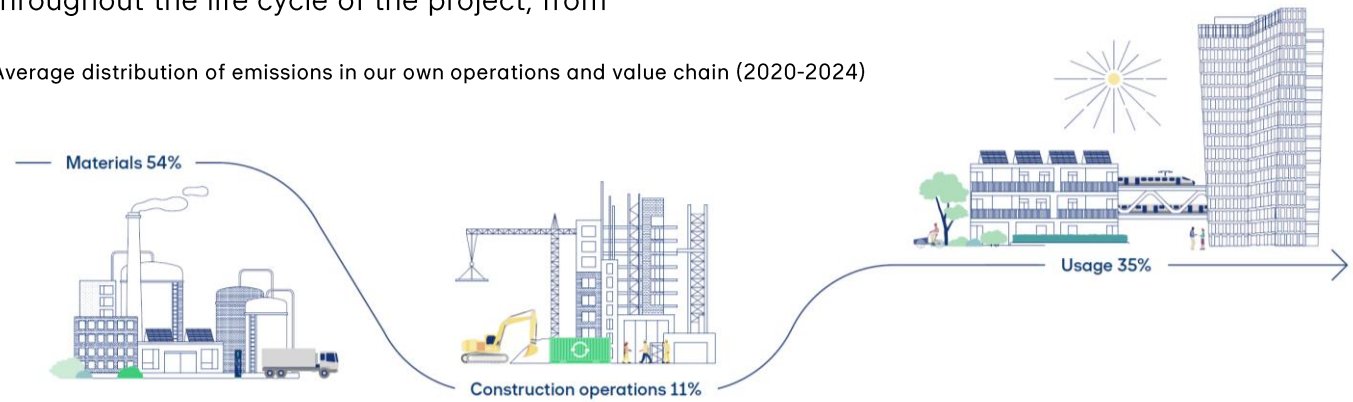


Table 3: Disclosure of allocation, SEK M

Category	Allocated Net proceeds	Proportion of total
Green buildings	5,264	93%
Circular economy	92	2%
Clean transportation	294	5%
Total Allocated Net Procceds	**5,650**	
Outstanding Green bonds	**5,650**	
Balance Green Account	**0**	

Table 4: Impact per SEK M

Category*	GHG emissions avoided (tonnes CO_2e/year)	Allocated Net Proceeds	Impact, tonne CO_2e /SEK M
Green buildings	531	5,264	0.1
Circular economy	4,000	92	43
Clean transportation	658	294	2.2
Total	**5,223**	**5,650**	
Average impact, tonne CO_2e per SEK M			**0.92**

*For definitions and metrics please see page 9.

Green buildings

Our transition to low-carbon building projects is focused on *Design for Efficiency, Materials* and *Energy*.

Design for Efficiency. By engaging in the early phases of projects, we can use insights to enhance design and planning processes. A proactive approach to offering sustainable solutions has the potential to reduce both emissions and costs through a more efficient resource use.

Materials. Adopting low-carbon materials and promoting circular economy principles maximizes resource efficiency. We help our customers deliver on their targets by working with product development and innovations such as low-carbon concrete and recycled asphalt.

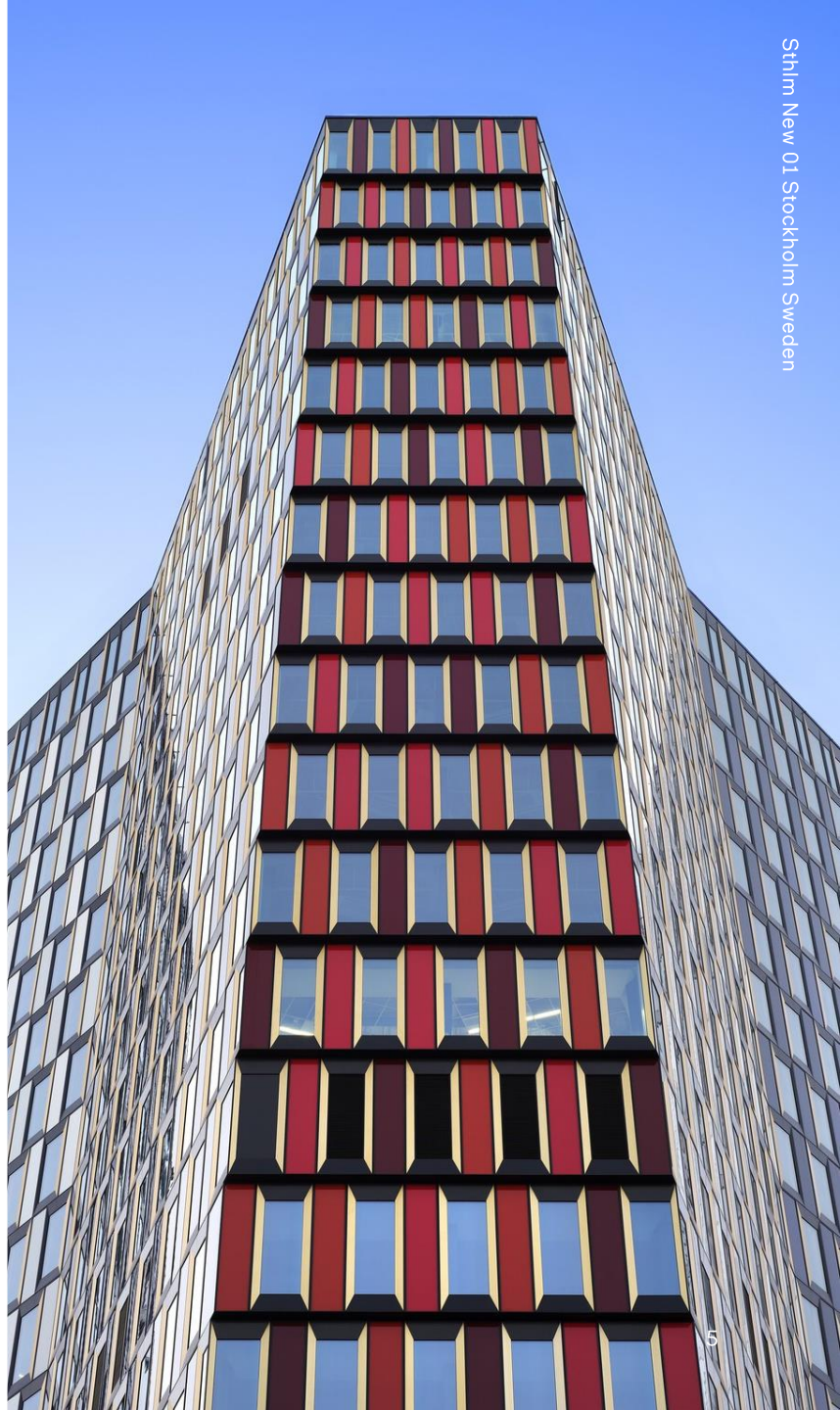
Energy. Within our Property Development businesses, we focus on energy efficiency and greater use of renewable energy to minimize use-phase emissions. We measure, track and optimize the energy performance of our project portfolio and make sure our buildings perform well against current and expected future standards.

In the 'Green building' category, we have allocated proceeds to six commercial development properties.

Table 5: Green buildings

Project	Location	Completed/ Planned completion	Net Proceeds %	Certification	Primary Energy Demand (kWh/m²/year)	% energy savings vs NZEB	GHG emissions avoided (tonnes CO_2e/year)	Lifecycle carbon intensity (kg CO_2e/m²)
Hyllie Terrass	Malmö	2023	11%	LEED Platinum	66	30%	7	304
Port 7E	Prague	2023	14%	LEED Platinum	92	25%	533	735
Sthlm 01	Stockholm	2020	32%	LEED Platinum	52	30%	8	554
Snäckan	Stockholm	2026	24%	LEED Gold	52	31%	9	398
Sthlm 02A	Stockholm	2024	6%	LEED Platinum	60	32%	3	441
Sthlm 04	Stockholm	2021	13%	LEED Platinum	62	21%	5	470

For definitions and metrics please see page 9.


Sthlm New 01 Stockholm Sweden

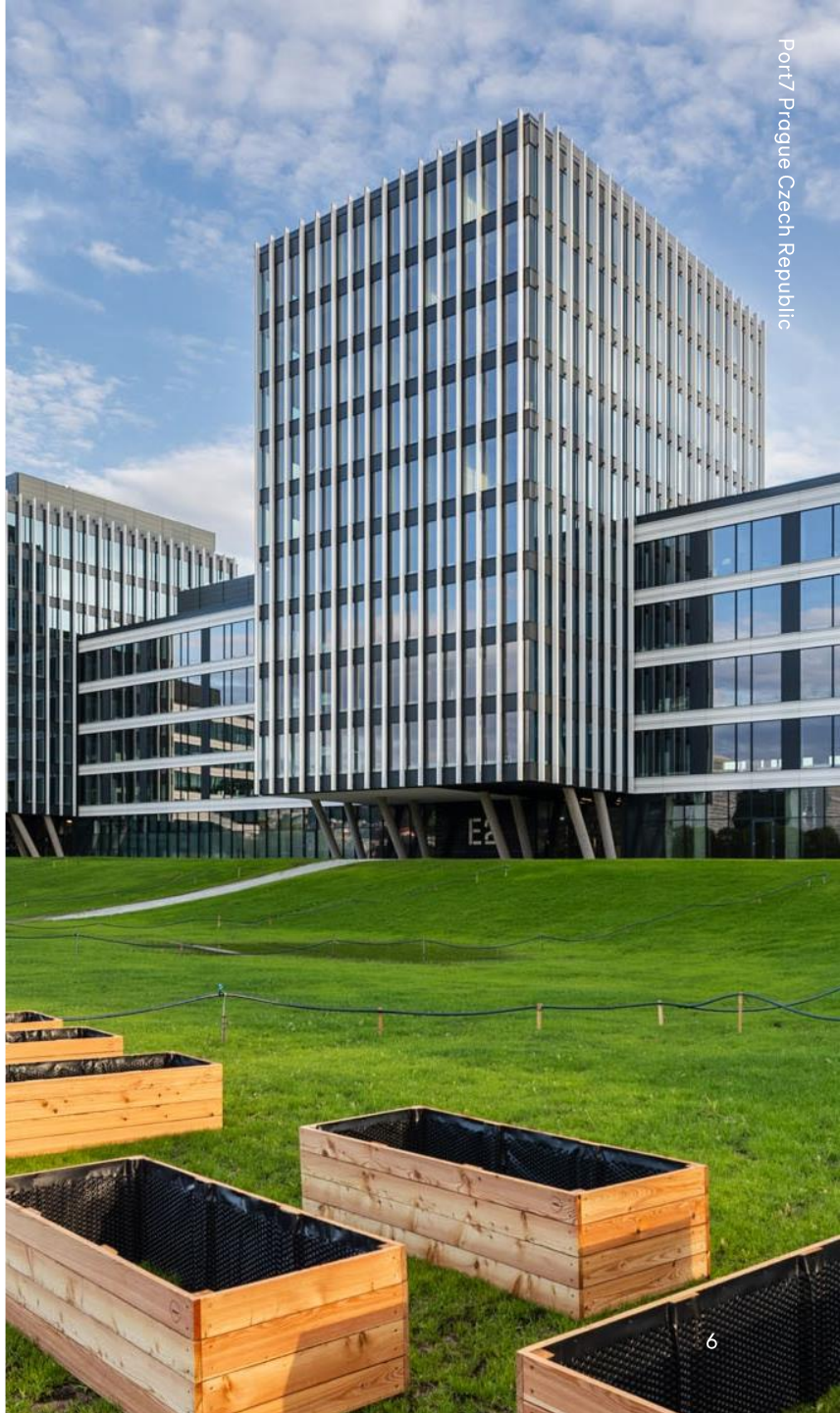
Port7 – transformation of brownfield to a vibrant center

Port7 has transformed a former factory in Prague, Czech Republic, into a new center with offices, retail space and a large public park. Port7 consists of three buildings with office and retail space. The largest building, Port7E, consist of almost 28,000 m^2.

Port7 has achieved the highest international environmental certification, LEED Platinum for Shell & Core. The project is designed with high environmental ambitions regarding both construction and operation, reducing energy and potable water consumption at least 40 percent compared to the LEED-certified baseline reference building, and using 100 percent renewable electricity. The project also captures rainwater used for watering green spaces. As part of the project's excavation work, a large brownfield site was cleaned up.

The project is also built to meet the criteria of the international WELL Platinum certification, which evaluates interior spaces from the perspective of its users, with all built-in materials being strictly controlled for volatile organic content.

Port7 is located near a railway station and is built to support alternative means of transport, with bike racks, showers and towel service for cyclists in the underground parking. The project also includes a large public park of almost two hectares, with greenery, benches, a cycle path, community garden, and various sports facilities.



Port7 Prague Czech Republic

Circular economy

Almost half of the carbon emissions in our value chain are related to material production. Embodied carbon emissions can be reduced through choice of materials, by striving for circular solutions and by optimizing the volume of materials used. At Skanska, we have an innovation portfolio through which we identify, test and scale solutions of tomorrow.

During 2023, we began operating one of the most modern asphalt production plants in the world. Located in Vällsta, just outside Stockholm, it has been designed primarily for recycling and is capable of producing 100 percent recycled asphalt.

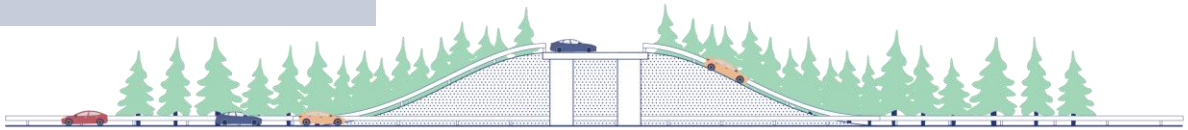
The Vällsta plant has an improved combustion chamber which provides a more even and gentle heat. In addition, the recirculation of air allows for heat recovery: in total, 75 percent of the exhaust fumes recirculate, lowering the energy consumption by around 25 percent.

Thanks to more efficient energy use, nearly doubling the use of biofuels for heating the combustion chamber and increasing the proportion of recycled asphalt in production, the Vällsta plant reduces carbon dioxide emissions per metric ton of asphalt by 50 percent compared to similar plants.

Vällsta Plant Key figures 2024

Asphalt produced: 286,000 tonnes
Asphalt recycled: 94,000 tonnes
Recycled asphalt (average): 33 percent

CO_2e saved: 4,000 tonnes
CO_2e saved / SEK M invested: 43 tonnes



Vällsta Asphalt plant, Sweden

Clean transportation

Energy plays a vital part in the construction of Skanska's projects. By focusing on energy efficiency, we can increase productivity and cut emissions and costs. When we increase electrification and adopt innovative solutions emissions are reduced and we create business opportunities both for us and our customers.

We are transitioning towards electrification while also striving for improved efficiency. Electrification of our operations brings benefits including lower emissions, less noise and improved health and safety for workers. These benefits are also attractive to our customers who are enquiring about possibilities to deploy electrified machinery. We meet this demand by investing in electrification.

Key figures 2024

Net allocation 2024: SEK 294 M

CO_2e saved: 658 tonnes
CO_2e saved / SEK M invested: 2.2 tonnes

In 2023-2024, we have invested further in electric vehicles and machinery. In the 'Clean Transportation' category, we have allocated proceeds of SEK 294 M to those investments. The majority of investments relate to heavy vehicles and machinery such as drilling rigs, excavators, wheel loaders, crushing plants, trucks and element setters.

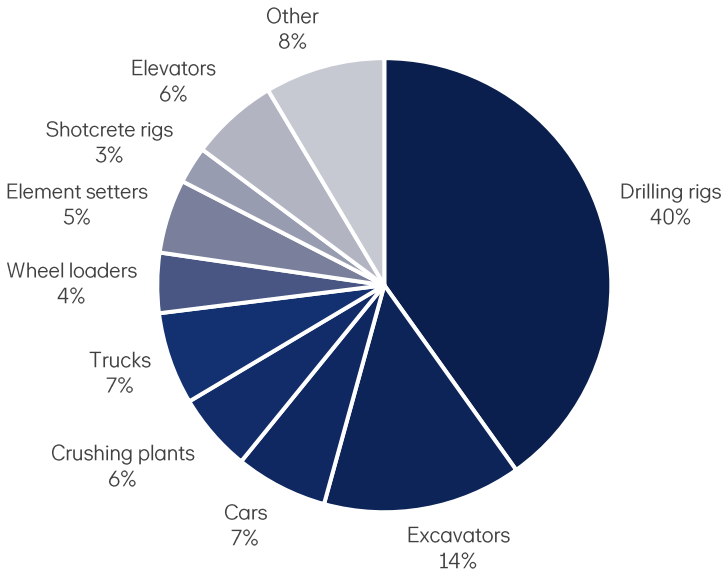


Figure 1. Distribution of electrified machinery

Distribution of 2024 net allocation in electrified vehicles and machinery.

Garnes Ungdomskule Bergen Norway

Definitions & metrics

Definitions

ACT on Climate. Skanska Group's climate transition plan.

EU Taxonomy. An EU-wide classification system for sustainable activities

Green buildings. One of six eligible categories under Skanska's Green Bond Framework. Focused on investments in environmentally accredited and energy-efficient buildings

LEED. Leading green building rating system.

NZEB Nearly-Zero Energy Buildings. As defined within the EU's Energy Performance of Buildings Directive.

Primary Energy Demand. The amount of energy necessary to meet the total energy demand of a building, measured in connection with obtaining building permit.

Metrics

Green buildings - GHG emissions avoided (tonnes CO_2e/year). Emissions avoided in relation to a building's NZEB threshold. Includes only emissions related to energy use. The carbon intensity of energy grids can result in significant differences between markets.

Clean transportation - GHG emissions avoided (tonnes CO_2e/year). Emissions avoided for usage of electric machines compared to diesel or gasoline driven machines. Calculated for cars, excavators and wheel loaders and extrapolated to remaining machinery categories.

Impact (tonne CO_2e per SEK M). Emissions avoided, as defined above, in relation to SEK M invested.

Carbon intensity (kg CO_2e per m^2). Lifecycle emissions of the building, in relation to m^2.

Skanska's climate targets

Skanska aims to achieve net-zero carbon emissions in its own operations and its value chain (scope 1, 2 and 3) by 2045. For our Development streams, the interim target is a 70 percent decrease of carbon emissions from our own operations (scope 1 and 2) and a 50 percent decrease of carbon emissions in the value chain (scope 3) by 2030. For our Construction stream the interim target is a 70 percent reduction of carbon emissions from our own operations (scope 1 and 2) by 2030. The base year is 2015 for scope 1 and 2 and 2020 for scope 3. The scopes are defined according to the Greenhouse Gas Protocol.

SKANSKA

Agreed-upon procedures report

To Skanska Financial Services AB, registration number 556106-3834

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting investors in determining whether the projects in eligible categories exists as at a date agreed with management and have been approved and may not be suitable for another purpose.

Responsibilities of the Engaging Party

You have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

You are responsible for the subject matter on which the agreed-upon procedures are performed.

Auditor's responsibility

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with you, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional ethics and quality control

In performing the agreed-upon procedures engagement, we will comply with generally accepted professional ethics and are independent from Skanska Financial Services AB in accordance with these requirements.

Our firm applies International Standard on Quality Control (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 ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and findings

We have performed the procedures described below, which were agreed upon with you in the terms of engagement dated 11 March 2025.

We have obtained, from management, the Skanska Green Bond Impact Report for 2024, which is included as Appendix 1 and performed the procedures described below.

Number	Procedures	Findings
1.	We have for each project in the Green buildings category in the table on page 5, the one project in the Circular economy project mentioned on page 4 and the one project in the Clean transportation project mentioned on page 4 in the Skanska Green Bond Impact Report for 2024 agreed that the projects have been approved by the Skanska Green Bond Committee and that the minutes were duly approved.	We have no findings to report.
2.	We have for each category in table 3 on page 4 in the Skanska Green Bond Impact Report for 2024 agreed the Allocated Net proceeds to minutes from the Skanska Green Bond Committee and written representation from the Senior Vice President Skanska Group Finance Operations at Skanska. We have recalculated the Total Allocated Net Proceeds and Proportion of total % in this table 3. We have further recalculated the Net proceeds % for each project in the Green buildings category in the table on page 5 based on data in an analysis prepared by Skanska Financial Services.	We have no findings to report.
3.	We have for each project in the Green buildings category in the table on page 5 in the Skanska Green Bond Impact Report for 2024 agreed the following information to the minutes of the Skanska Green Bond Committee: a. The project name b. The Green Bond Framework category c. Certification d. % energy savings versus NZEB (Nearly Zero-Emission Building)	We have no findings to report.
4.	We have for the project in the Circular Economy category on page 7 in the Skanska Green Bond Impact report agreed the following information to the minutes of the Skanska Green Bond Committee: a. The project name b. The Green Bond Framework category	We have no findings to report.
	We have for the project in the Clean transportation category on page 8 in the Skanska Green Bond Impact report agreed the following information to the minutes of the Skanska Green Bond Committee: a. The project name b. The Green Bond Framework category	

5.	We obtained written representation from the Senior Vice President Skanska Group Finance Operations at Skanska that the proceeds from the 2024 green bond issuance were applied solely to the projects in the eligible categories and to no other projects.	We have no findings to report.

Stockholm, the date specified in the electronic signature

Ernst & Young AB

Magnus Engvall
Authorized Public Accountant