

ECRI Sponsors Meeting

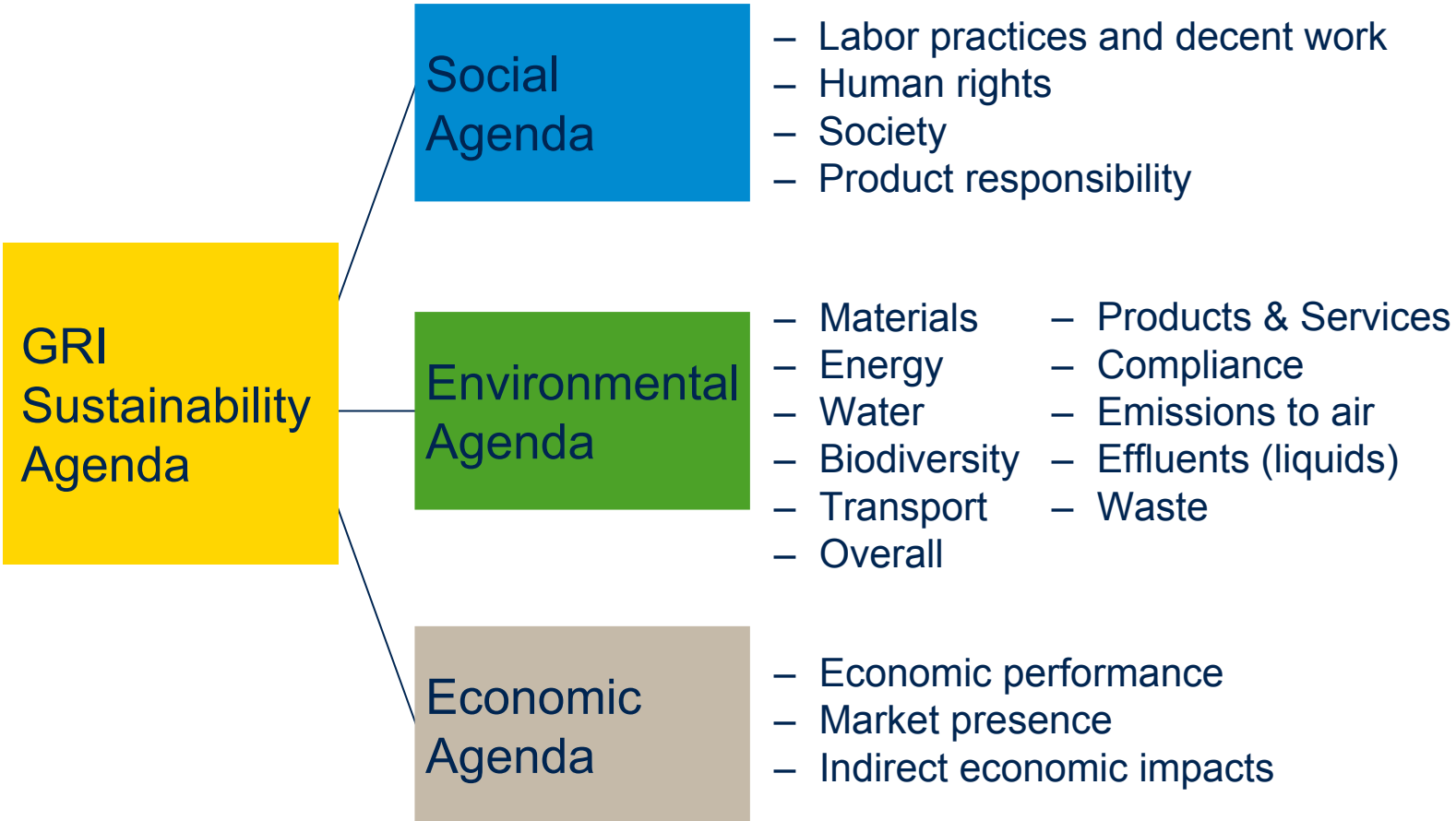
Project Risks Associated with Sustainability

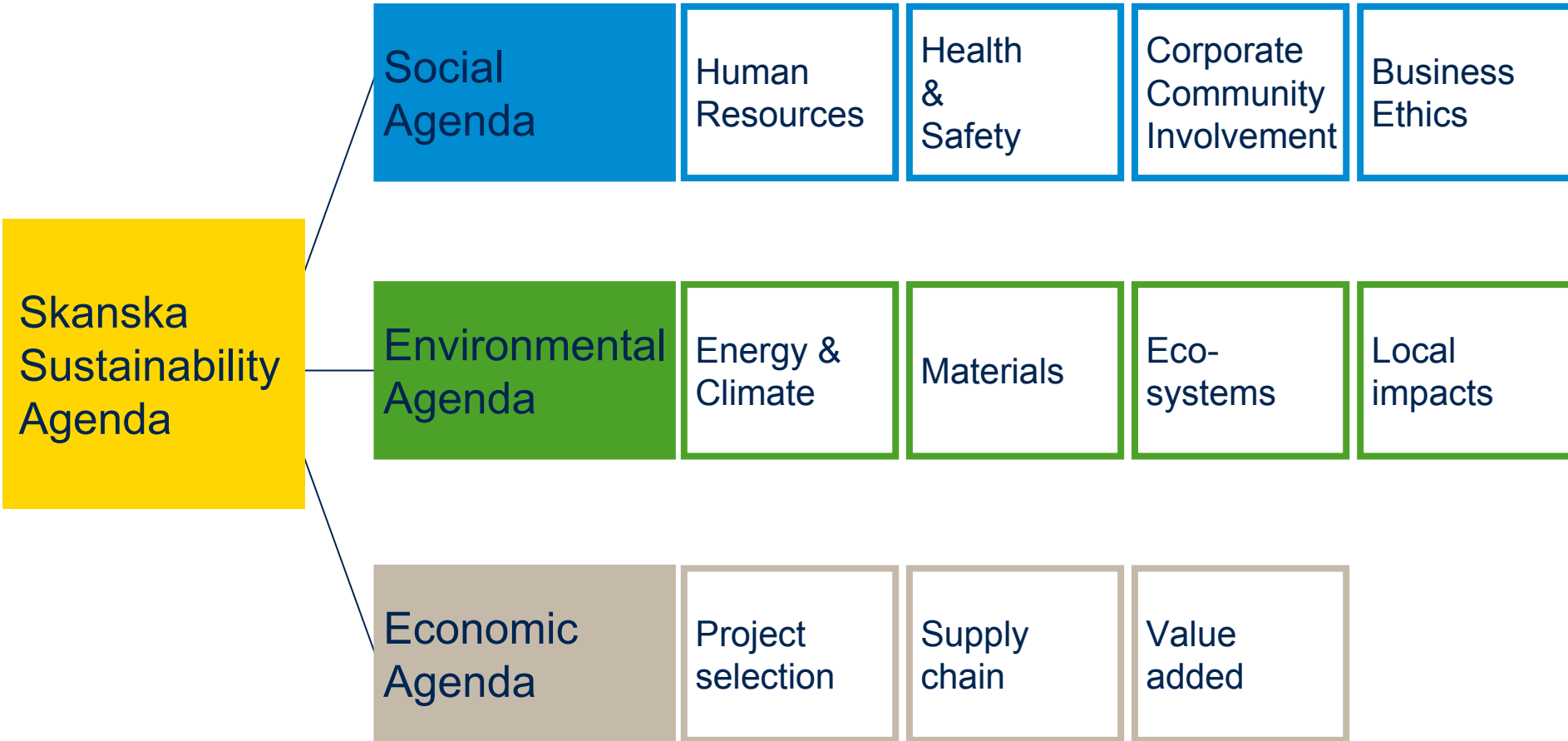
N Morrin - SVP Sustainability, Skanska AB

Stockholm – 12 June 2008

Agenda

- Skanska's Sustainability Agenda
- Recent examples of Sustainability risks in Skanska





Human Resources

STEP



Diversity

Great Boss

Social Agenda

Skanska Global Trainee Program

If you have recently graduated from college or university and have no more than three years of work experience, our Global Trainee Program offers you the opportunity to take your skills forward in the next phase of your life. We are looking for people with different backgrounds and experiences, but with the common goal of gaining a strategic and creative mindset and a desire to shape both a personal career and make a difference to the world.

If you think this could be the next step in developing and honing your knowledge, rewarding you in the job experience you're looking for during 2006/2007, apply before March 31. Find out more at www.skanska.com/careers

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www.skanska.com/careers

After two years ...

Skanska
UNLIMITED

Health & Safety

Zero accidents



Corporate Community Involvement

Skanska in the Community



Social
Agenda

Business Ethics



Environmental agenda

Global
Reporting
Initiative

Environmental
Agenda

- Materials
- Energy
- Water
- Biodiversity
- Transport
- Overall
- Products & Services
- Compliance
- Emissions to air
- Effluents (liquids)
- Waste

Skanska
Environmental
Policy

Skanska Environmental Strategy

Skanska Environmental Strategy (2008–2010)	Priorities	High level action
	– Energy & climate	– Mitigation – Adaptation
	– Materials	– Resource efficiency – Intelligent selection
	– Ecosystems	– Chain of custody
	– Local impacts	– Nuisance avoidance

Energy & Climate

Adapt and mitigate



Ecosystems

Chain-of-custody



Quarry Products



Timber

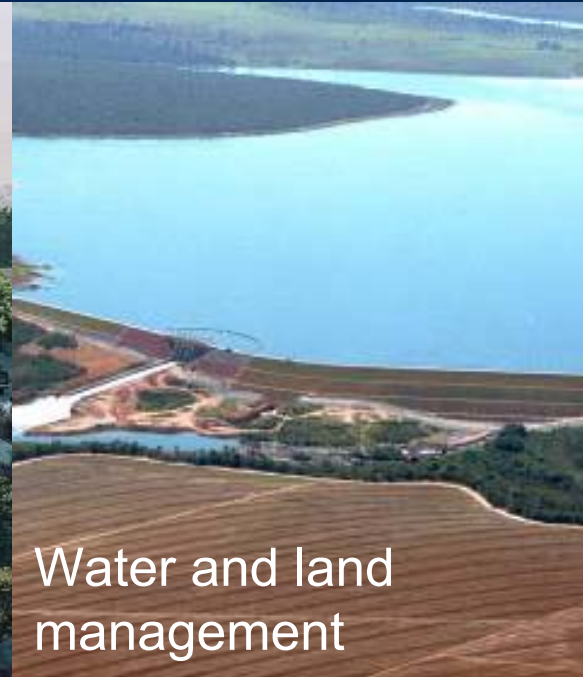


Bio-fuels

Local impacts



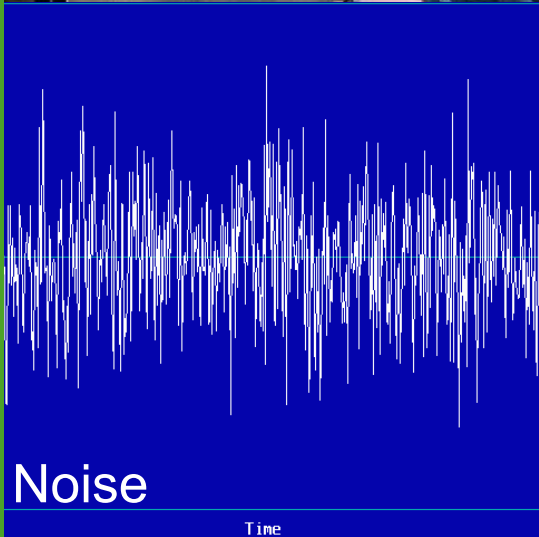
Transport



Water and land management



Air quality



Noise



Light pollution



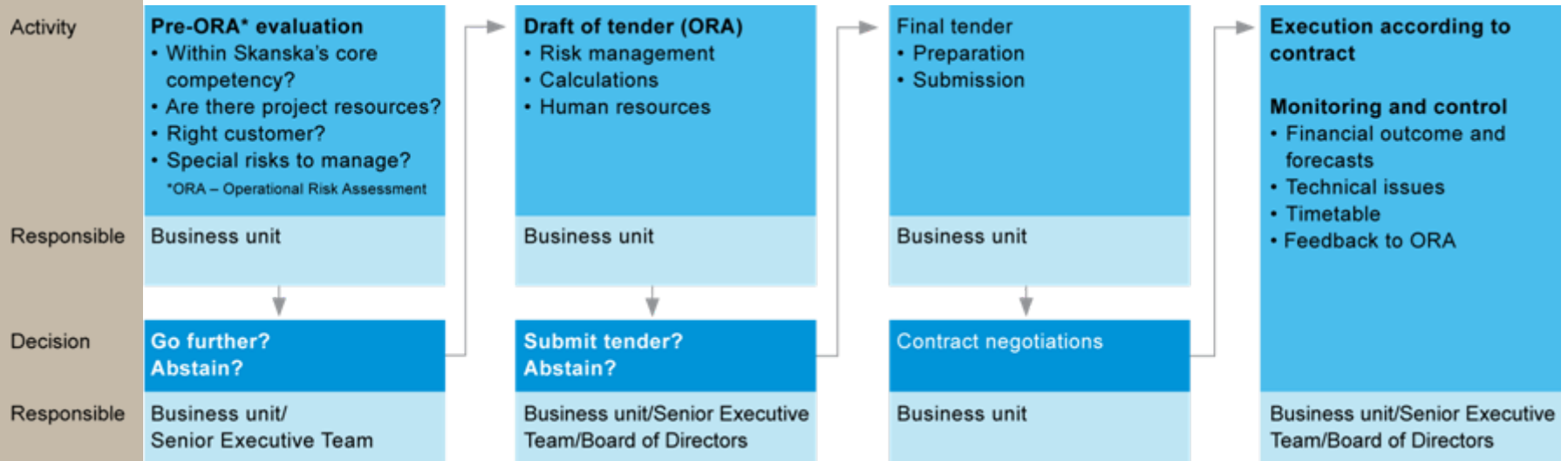
Dust



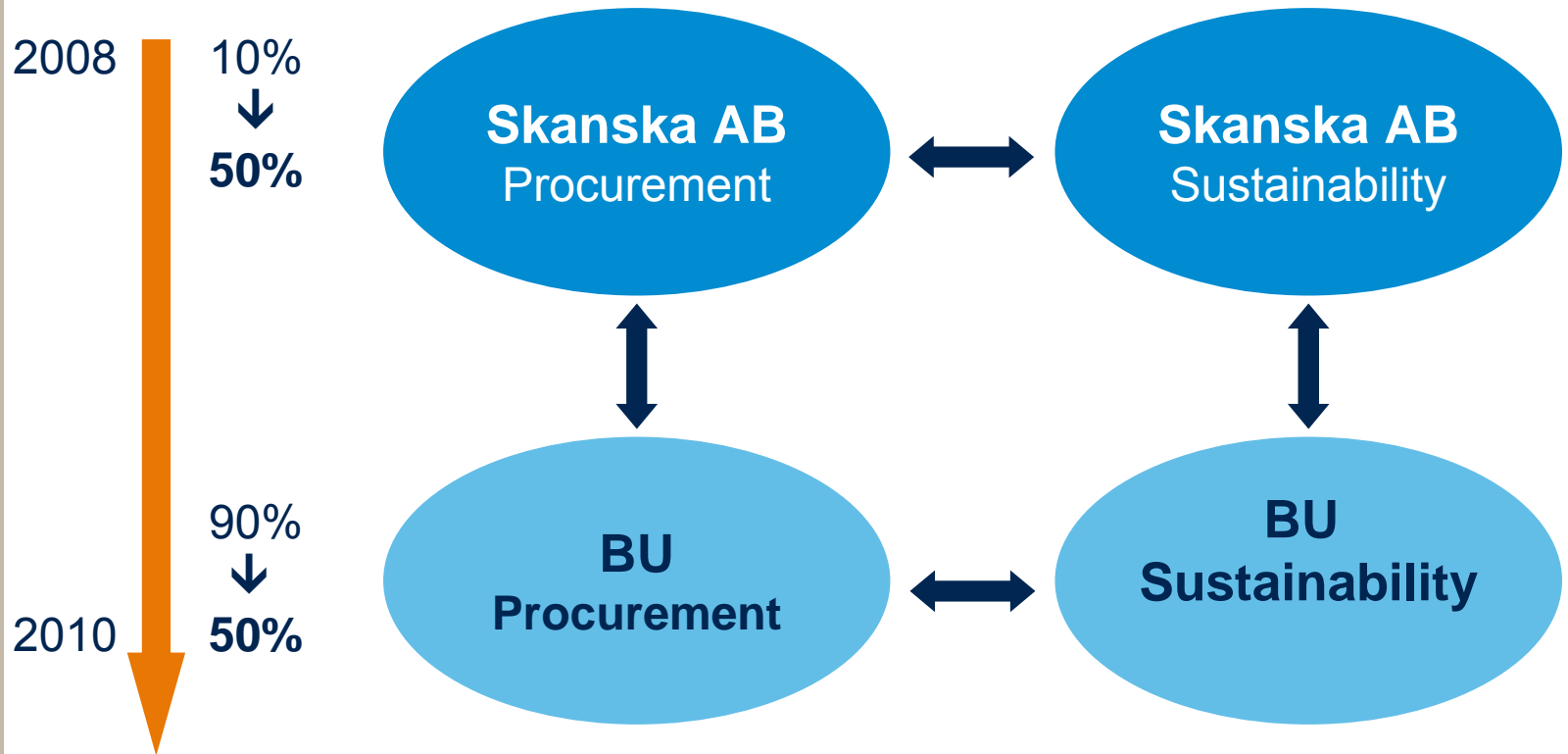
**Economic
Agenda**

Projects – selection and management

Skanska Tender Approval Procedure (STAP)

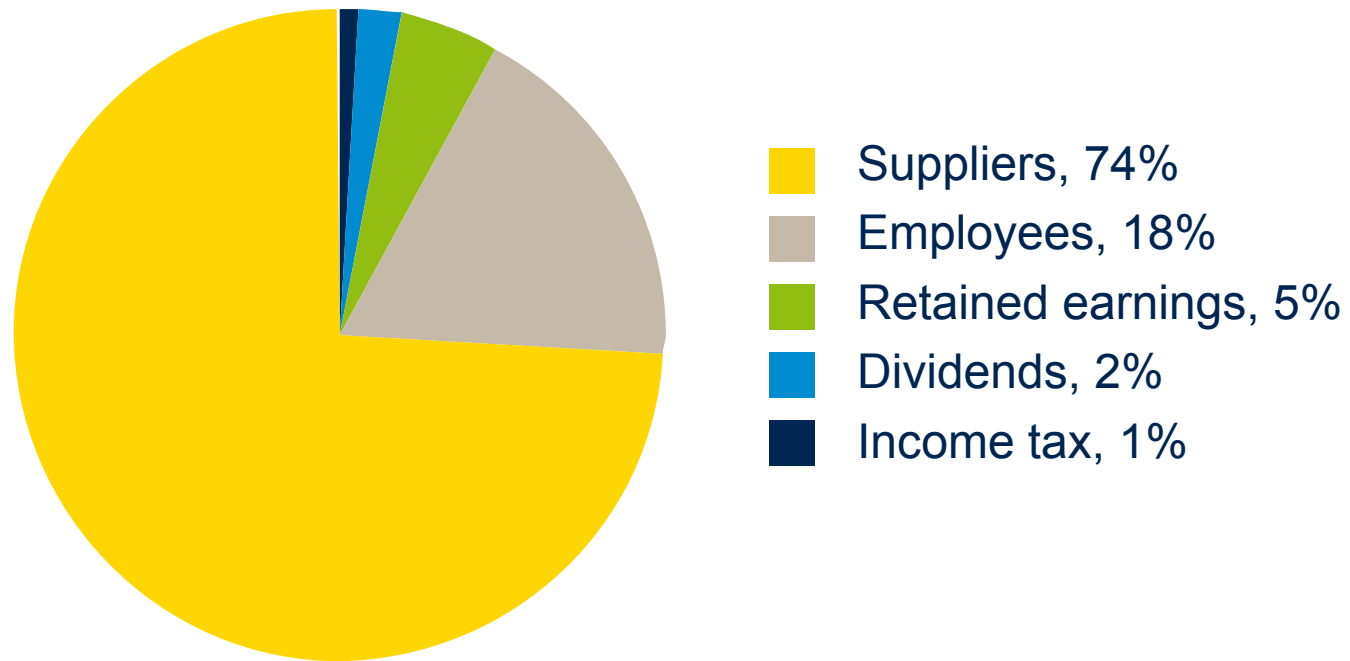


Supply chain



Economic
Agenda

Value-added to Society





Recent examples of Sustainability risks in Skanska

Economic Agenda - “Escalation” thresholds

Risk system based on some sort of economic hurdle?

But :

Social/environmental/brand risks do not respect economic hurdles!

Recent example:

Sweden - BT Kemi contaminated land project

Environmental Agenda - “New” risks

Biodiversity

EU Environmental Liabilities Directive triggered by damage to *Natura 2000* sites

- Old CEE ESIA's pre-EU accession can leave a lot to be desired
 - When was ESIA done?
 - Who commissioned ESIA?
 - Was ESIA consultant independent of client?
 - Was ESIA consultant competent?
 - Did ESIA consultant have adequate PII cover?
 - What was asked for in the ESIA?

Recent examples:

Czech - Prelouc river project – snails and butterflies

Czech - Railway bridge project – Natura 2000 - lamprey eels

Poland – A1 phase II – Natura 2000 – migrating birds

Environmental Agenda – “New” risks

- Climate Change
 - Scientific evidence is now pretty compelling
 - Already worth \$60bn p.a. in traded emissions
 - Politicians on board
 - “post Kyoto” will see global patchwork of “cap and trade” systems + taxes

But

Most projects assume “cost of carbon” = zero

Real cost currently €20/unit and likely to reach 10x

Seven major supply chains to construction sector already in EU ETS on compulsory basis

Recent examples:

UK - One Kingdom Street

UK - water sector alliance

UK - Highways Agency

UK – School PFI projects

Social Agenda - “New” risks

- Electronic media/communication
 - Rise of internet communication – webcams etc
 - On-line publishing – “*rights without responsibility*”
 - Chat rooms – Facebook, Bebo, YouTube etc

Recent example:

Ecuador - NGO allegations

Social Agenda - “Old” risks

Business Ethics

Our industry is still one of the most prone in the world to bribery and corruption.

Recent example:

Argentina – “the Skanska scandal”

SKANSKA

Thinking Ahead

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