

Explore the
opportunities
in project
development
and construction

Worldwide

#2·12

SKANSKA

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Stepping app the digital era

Smartphone technology is entering the construction scene. Recently developed apps can help save time, paper and a lot of footwork.

A new Leak Prevention app won this year's Skanska USA Building Award for best-implemented Innovation Grant Program. Leaks are a major issue and quality inspections are time- and paper-intensive. The app contains a standardized checklist, and building drawings are marked with yellow pins that represent inspection points. Once the user has completed the inspection, taken notes and photos and obtained sign-offs, the pin turns green – or red if there is a problem.

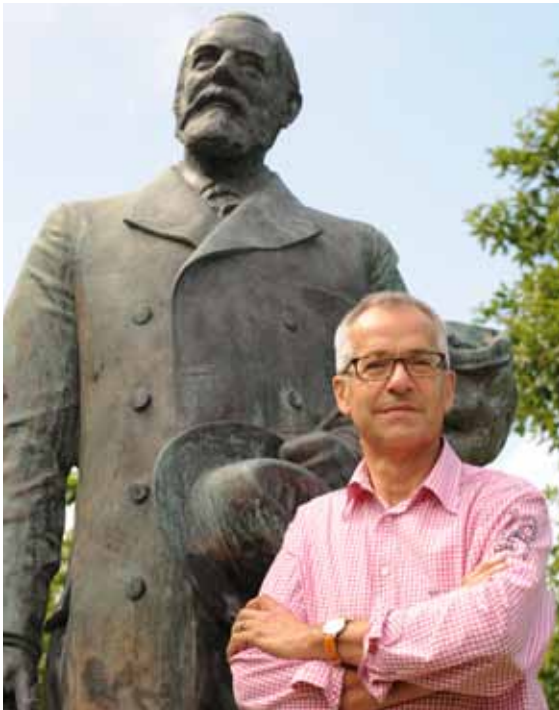
The app offers considerable time savings for builders and clients. More importantly, the protocol it follows takes advantage of Skanska's collective knowledge and puts it in the hands of every superintendent. The original idea was developed by **Randy Pitre**, a construction superintendent at Skanska USA Building in Texas, and realized by the infrastructure implemented by the USA IT Team.

"Ideas for apps come from our line people. For each app, we connect people and champions across the United States and build a team to develop the app and share it across all regions. We support this financially, and Skanska AB provides part of the funding through the Innovation Grant Program," says **Anthony Colonna**, National Director, Innovation, Skanska USA Building.



Letter from the Editor

Alf Lindström



Keep calm and carry on

While the climate is warming, the economy is cooling. Unemployment is rising and, the money supply is shrinking. What is the world coming to? Four years of recession and financial turmoil and it's still dark on the horizon. Maybe we need to adjust and look at the brighter side of life, as in the words of Oscar Wilde: "We are all in the gutter, but some of us are looking at the stars."

Every day, we are fed bad news by the media. With just one exception – Worldwide – possibly the only magazine in the world with good news. Of course, a flourishing world economy would be better for Skanska. But my colleagues in this company are phenomenal at identifying and grasping new opportunities. They are heirs to Winston Churchill, he who once said, "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."

That's why we can fill yet another issue with good news.

It is a question of mindset: if we just look for evidence, good news is in abundance. Global poverty is on the decline and a higher proportion of children survive today than just a few decades ago.

If in doubt, please check out Mindgap at www.gapminder.org – for a fact-based world view created by the medical professor Hans Rosling. "I am a serious possibilist!" he said when he recently visited Skanska in Solna. He lays full responsibility on all of our shoulders. We are part of the problem – but we are also the solution.

Keep calm and carry on!

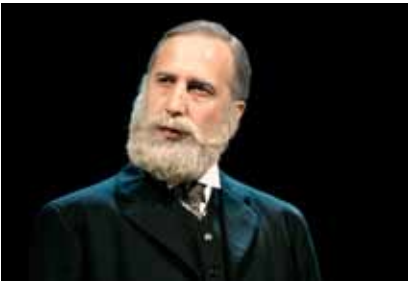


7 Determined to win

After years of excellent performance, Skanska Sweden was named the Skanska Business Unit of the Year 2011. However, being the best at Skanska is not enough. Skanska Sweden is also determined to secure the No. 1 position in the Swedish construction market.

10 Winning ways

Profits and people development are the keys to reaching our goals. Some 45 experienced Skanska colleagues shared their success stories and best practices for outperformance.



20 Homework for success

The residential development business in the Nordic countries has been restructured and integrated with the Nordic construction units. Residential development is and will continue to be an important part of Skanska's core business, and homebuyers will still be able to get a Skanska home.

28 Fifty shades of green

The Skanska flags are waving over the first Deep Green office in Sweden. The Väla Gård office in southern Sweden is Skanska's greenest office building to date. The building is designed to achieve LEED Platinum and Deep Green building through net zero energy and by being constructed with zero hazardous materials and with zero waste sent to landfill.



Worldwide

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Lucie Nováková, Head of Communications, and Dan Ťok, President of Skanska in the Czech and Slovak republics rejoice over international recognition.

Czech, Czech and Czech again

Skanska Czech Republic was recognized three times recently for exceptional values and principles. First, **Dan Ťok**, President of Skanska in the Czech and Slovak republics, was honored with the AmCham Wings Award for his efforts to improve business ethics. The AmCham Wings Award is presented by the American Chamber of Commerce in the Czech Republic to a member who has contributed significantly to AmCham activities and benefited the business community as a whole.

Second, Business for Society awarded Skanska Czech Republic the Top Responsible Company 2012 Award. The prize honors companies that embody social responsibility and sustainability, the key factors being quality of strategy, innovation and a systematic approach.

Third, Skanska in the Czech Republic won the Global PR Award for best Crisis Communication in connection with the Barta affair. Vit Barta, the former Minister of Transport in the Czech Republic, publicly accused Skanska of poor roadwork quality. He was later forced to resign after allegations of unethical behavior and was subsequently convicted of bribery and given a suspended prison sentence.

Royal praise for mentorship work

In the United States, Skanska works with The Mentor Foundation, a nongovernmental organization that focuses on preventing drug abuse among children and young people through mentorships. Last month there was a career meeting for students and mentors at Skanska's 11th Street bridge project in Washington, D.C. The students and our American colleagues were also visited by HRH Queen Silvia of Sweden.

Read more about The Mentor Foundation at www.mentorfoundation.org



Seeking opportunities in new markets

Entering new geographies is one way to grow Skanska's business. Already on the ground in Colombia, Romania and the Middle East, Skanska is now considering Canada. About the Middle East, **Mats Williamson**, Executive Vice President, Skanska AB, says, "We are starting with a low-risk approach, concentrating on complex big projects in partnership with local players and ensuring our operations are in line with our Code of Conduct."

A coopted to co-chair

Mike Putnam, President Skanska UK, (right), takes his place on the UK government's Green Construction Board (GCB). The GCB has members from government and industry and is jointly chaired by Putnam and Rt Hon **Michael Fallon** MP, the Minister of State. A number of key UK government ministries are represented on the Board. GCB was established by the government as a response to the Low Carbon Construction report issued by the Innovation and Growth Team.



Double Green Awards

Sweden Green Building Council has honored two Skanska projects with awards for best LEED projects. The winners were Gårda Green Office center, Skanska's regional office in Gothenburg, in the category for new developments and Österport, the regional office in Malmö, for best LEED renovation project. "This is proof of our leadership in the development of green offices," says **Jan Odelstam**, President, Skanska Commercial Development Nordic.

Hans Wallström, Madeleine Liljekvist and Larissa Kaplan.



A very special visit

In June, children from the Astrid Lindgren Children's Hospital were invited to visit the New Karolinska Solna (NKS) construction site.

The Hospital Play Therapy area at Karolinska University Hospital is a place where children can go during their hospital visit, to demystify their sojourn and help make it more fun.

"It's not common for the children to go on excursions like this," says **Lena Ulander**, who works with therapeutic play. "It means a lot to these children."

On one summer day, **Martin Thorin**, **Linus Westerlund**, **Jesper Cedervall** and their parents visited the NKS site. They tried out hand tools and sat in a tractor with the supervision of **Janne Sedvall**.

"It was an extremely positive experience for me to get these children's perspectives on the construction site. It was also emotionally moving and gratifying to meet them," Sedvall says afterwards.

"Skanska means 'professional constructor,'" says Martin, seven years old. His mother **Malin Thorin** says that the visit meant a lot to him and that he kept talking about it and explained it to absolutely everyone. "I will never forget this day," Martin says.

The fee for guided tours at the NKS Showroom goes to support Play Therapy at the Astrid Lindgren Children's Hospital.



OneSkanska honored for content

The OneSkanska intranet was honored at Intranet Innovation 2012. The awards celebrate new ideas and innovative approaches to the enhancement and delivery of intranets. In addition to presenting the gold award winners, the Intranet Innovation report provides case studies of outstanding practices, in which OneSkanska was commended for "local and global content integration." The commended companies included Heineken, Coca-Cola, Arup and others.



Filmservice International / Blaise Tassou

Gold Award in Cannes

At the annual Corporate Media & TV festival in Cannes, "We are Skanska" won the Gold Award for best internal film. "We are Skanska" provides a walk-through of some of the company's greatest projects around the world, including the Öresund Bridge in Sweden, the No. 7 subway line in New York and the Antofagasta highway in Chile.

"This is a fantastic achievement and confirms the strength of the film concept, relating the story of Skanska through our projects," says **Maria Lomholt**, Head of Brand Communications, Skanska. "Most people recognize us as a construction company and not for our projects or what these contribute to society."

"We are Skanska" was one of the winners of the Gold Award in competition with 700 entries from 35 countries. Please enjoy the film at www.skanska.com/en/Media/Films/



Professor Kyösti Tuutti

Gold medal in concrete

The Swedish Concrete Association's gold medal has been awarded to Professor **Kyösti Tuutti** of Skanska. The commendation reads: "For his great work in the field of concrete as a scientist, leader of an industrial research and development operation in Cementa and Skanska and the initiator of a number of major research programs. As a scientist, he conducted pioneering studies of the corrosion process affecting embedded steel reinforcement. His work resulted in a classic thesis entitled 'Corrosion of Steel in Concrete' (1982)."



Pierre Olofsson, Business Unit President for Skanska Sweden, is on the winning track.

Determined to win

After years of excellent performance, Skanska Sweden was named the Skanska Business Unit of the Year 2011. However, being the best at Skanska is not enough. Skanska Sweden is also determined to secure the No. 1 position in the Swedish construction market.

Text Jonas Fogde Photo Holger Staffansson

Pierre Olofsson, Business Unit President for Skanska Sweden, explains how to profitably outgrow the competition.

“Winning the Business Unit of the Year is a great honor. With so many outperforming sister companies in the Group, the competition is intense.”

Skanska was number one in the Swedish construction market for many years. However, competitors have gained market shares of late. How do you react to this?

“It think it’s important to point out that there’s more to market leadership than just volume. We are outstanding in the Swedish market in terms of results and cash flow, but I am determined to take back lost market shares. It was necessary for us to focus on margins, reduce loss-making projects and so forth for a period, and we have been very successful in delivering on this strategy.

“We are now ready to start growing again. Our new business plan focuses on profitable growth. We will defend our margins but also endeavor to capture market shares. By having an ongoing dialogue with our customers, together we can identify project opportunities that address their needs and foster our growth.”

“Bundled construction (an arrangement in which we also organize financing) has proven to be an effective way of expanding our market and delivering strong margins. Another way of achieving success is to collaborate with other business streams and act as a One Skanska team.”

If it is not just about size and volume, in which areas do you want Skanska to lead?

“Everything we do should support our goal of being the leader in ethics, **S**afety and green, and I can see how our target-oriented work in these areas has paid off. In the past five years, we have reduced our accident rate by 50 percent.

“I’m also proud that the Swedish Construction Federation has adopted **S**afety as a key area going forward, thanks largely to pressure from us. We need to involve the entire industry if we are to achieve our own goals.

“By having an ongoing dialogue with our customers, together we can identify project opportunities that address their needs and foster our growth.”

“In September, there was a fatal accident involving one of our subcontractors. I immediately went to the site to support our staff. It was the most difficult day of my career and a reminder that we still have some way to go. We will never abandon our long-term goal of zero accidents in the workplace. Anything else would be wrong.

“Much progress is being made in green construction. Many staff members have been trained in environmental certification systems such as LEED, BREEAM and CEEQUAL. We always endeavor to include a greener alternative bid when responding to customer requests and we support leading-edge projects conducted in cooperation with clients using funds from our Green concept lab.”

What are your main strengths and which areas have potential for improvement? What has top priority?

“Our dedicated staff is our single most important asset. There is a winning culture in our unit, and we have proven time and time again that we can deliver on tough financial targets. Financial outperformance seven years in a row



speaks for itself, in my opinion. Skanska Sweden is also a great talent developer with a steady flow of individuals taking on new challenges.

“Another strength is that we operate in all business streams and throughout the country. Our decentralized organization creates a strong local presence and enables us to maintain proximity to our customers, thus providing us with stability.

“Working as one team gives us the greatest opportunity to take the next step. No single aspect is more important than collaborating closely at the early stages. If we combine all of our knowledge and strengths, we will be unbeatable. Our mix of competence and strong finances is unique.”

Skanska is listed on the Nasdaq OMX Stockholm exchange, and your company is naturally regarded as the flagship. What does that entail?

“It means that we feel the pressure to perform from the Senior Executive Team and the Skanska Board, but it also enables us to leverage the strong Skanska brand and use the high expectations placed on us as motivation to perform.

“Without a doubt, I have the best job in the Swedish construction industry. To lead Skanska’s construction unit in Sweden, where it all began 125 years ago, is a great source of pride and a privilege.”

Looking at Skanska from a global perspective, what experiences, initiatives or lessons learned do you want to bring to Sweden from your global colleagues?

“There are so many things we can learn from other business units in Skanska.

“The most obvious example is our cooperation with Skanska UK. It has been our main source of inspiration in efforts to take **S**afety to the next level. Skanska UK is also one of our key partners in the construction of the New Karolinska Solna university hospital. We could not have performed this project without Skanska UK’s experience of similar projects in its home market.

“Looking ahead, I hope we can utilize the experiences gained by other units from infrastructure projects to increase our market share in that segment.”

How can we maximize Skanska’s know-how?

“I think that real business cases, in which we assemble a cross-business-stream and cross-market team, are the best way to leverage the vast knowledge base within Skanska. I am a true believer in the One Skanska approach. The combination of our unique talents is the main factor that sets us apart from the competition.”

What is Skanska’s best-kept secret?

“There is no secret that I am aware of. In fact, if we were able to tell the external audience more about all of the great values that Skanska represents, they would realize what is so exceptional about our company. We provide people with unrivaled development opportunities and the chance to work with others at the very pinnacle of the industry. Although Skanska is already well known in Sweden, I’m sure we could further strengthen the Skanska brand by being more active externally. There are stories to tell: we are at the forefront of **S**afety and green and are financially strong.”

“ I am a true believer in the One Skanska approach. The combination of our unique talents is the main factor that sets us apart from the competition.”

If it was up to you, what social issues would you like Skanska to play a part in and help solve? What stands in our way?

“Public infrastructure is critical for the development of society. I hope that the New Karolinska Solna hospital project will serve as an eye-opener for both politicians and the public, showing how public-private partnerships (PPPs) can be an efficient way of solving long-standing public sector needs.

“Compared with the UK, for example, Sweden has limited experience of PPPs. We need to demonstrate the advantages of the PPP model to encourage politicians to start using this way of sourcing critical public infrastructure.”

Skanska has a long tradition of residential development. Having started as part of construction operations, residential development is once again incorporated into Skanska Sweden. What will this involve for the business?

“Residential development has always been and will remain the core business of Skanska in Sweden. The turnaround of the residential development business is a top priority. Efforts are ongoing, and I am receiving positive feedback from our regional construction and development units. It’s a real team effort requiring us to focus on cost efficiency and standardization throughout the process, to bring the right product at the right price to the local market. Our long-term goal is to become the leader in the residential development market.”

And for homebuyers?

“A more effectively managed project development process will enable us to achieve zero defects. It will also mean that we will be in sync with homebuyers’ needs in terms of the right product at the right place at the right time.”

In Sweden, Skanska is currently active in all areas, including Commercial Development (CD) and PPP via Infrastructure Development (ID). What synergies and opportunities does this offer? How do you cooperate?

“The possibilities are immense. We already have a great track record of working as One Skanska together with CD. Its focus on green and **S**afety aspects helps us boost our competitiveness in the external market. We can also use our contacts in city administrations to generate new opportunities for each other.

“One such example is Malmö Live, our bundled construction project in Malmö. We are constructing a combined concert, congress and hotel facility in close cooperation with the City of Malmö. The project includes building rights for commercial and residential buildings.

“While our cooperation with ID began at a later stage, it accounts for a significant portion of our business. Just to give you an indication, the New Karolinska Solna project accounts for about 10 percent of our annual revenue. If Skanska ID is successful in marketing the PPP concept in Sweden, Skanska Sweden could take home numerous projects.

“Last year, we also worked together when we began construction on wind farms in northern Sweden. The first project, Sjisjka, recently went on-stream. We have now started construction on a second project, Mullberg wind farm. Our cooperation with ID has enabled us to build competence in a new and growing market segment.”

In 2015, what will the significance of Skanska Sweden be for society, clients, employees and shareholders?

“By then, our stakeholders will have a better understanding of Skanska’s unique capabilities. Also we will have strengthened our profile as a caring community builder. One way of achieving this is to increase the volume of renovation work that we do in Sweden’s Million Programme housing areas. Built during the 1960s, many of these structures are now dilapidated, but we have the know-how to make the buildings more attractive and involve the local citizens in the renovation work.

“Skanska should be the company of choice in the construction industry for prospective employees. I also hope that we will have been able to increase diversity among our staff in terms of education, gender and ethnicity.

“My main goal for 2015 is that we be perceived as the undisputed leader in the Swedish construction sector. Every step we take should support this goal.”

Know more about Pierre Olofsson

Joined Skanska after graduation via a two-year trainee program. Took up a position in the construction business. Remained there until 2008, when he was selected as a member of Skanska Sweden’s management team with responsibility for a major reorganization project targeting the support functions of the business units. He then became head of the main support functions until 2011, when he was appointed Vice President Building. Has held the position of Business Unit President of Skanska Sweden since March 2012. **Born:** 1966 in Malmö **Educational background:** M.Sc. in Construction from the Faculty of Engineering at Lund University (LTH), Sweden **Began working at Skanska:** 1993 **Family:** Wife and two sons **Favorite leisure activities:** Sports, music and outdoor activities

How to fulfill the Profitable Growth plan was the focus of attention at this year's Management Meeting.

Text Alf Lindström Photo Holger Staffansson Illustration Thomas Palmback



Peter's Wallet

Peter Wallin, Executive Vice President and CFO

What's in it?
"About USD 350 million in assets."

One year ago, the figure was closer to USD 1,250 million. What happened?
"We are investing in acquisitions and in project development. We are now active in commercial property development in 20 cities. This is double the amount of a few years ago. We have established a presence in four cities in the United States and we have won our first U.S. PPP project, Elizabeth River Tunnels in Virginia. Our U.S. footprint has been expanded through the acquisition of IC Skanska."

What does this mean?
"We have put our cash to work. Our investment projects account for about 15 percent of construction revenue. Commercial Development projects have typically accounted for an average profit of roughly USD 150 million annually for the past five years. Moreover, divested PPP projects also contributed to Group profits."

Will Skanska continue to invest in all business streams?
"Yes, we will, but the principal focus of the Nordic residential business is to get back on track in terms of profitability. We have initiated a process to reduce the land bank for residential projects."

Does Skanska have sufficient capital for all potential investments?
"Naturally, we have to prioritize. The internal competition for capital is increasing. The units that report the best return will of course be allocated the largest amount to invest."



R.F. Berg (1846–1907)
founder of Skanska

Understanding the needs and demands of a changing society was and must continue to be the way forward. Your innovative spirit is needed more than ever. I trust you to carry our legacy into the future.



Pia Sundhage, former Head Coach for the U.S. Women's National Soccer Team and now Head Coach of the Swedish National Team

Go for gold! Last year, Pia Sundhage and her U.S. soccer team won the silver medal at the world championship. Afterwards, Sundhage commented: "We will go for gold next time." A year later, the U.S. team won the Olympic Gold medal at the 2012 London Olympic Games. "We did it, we won the gold," she says and asks the Management Meeting, "Can you do it?"



Stuart Graham, Chairman, Skanska Board of Directors

This is a great, great company. We should be No. 1 – the best. And we will be if we get out there, meet the clients and secure the business ahead of the competition. That's the challenge. We have the right leaders, a supportive and committed Board of Directors, an effective risk management procedure and the Five Zeroes. If we capitalize on this and avoid becoming complacent, we will continue to be a shining example.



Johan Karlström, President and CEO

Profit and cash flow should be the focus of our attention each and every day. Profit is like oxygen – it is the necessity that makes us thrive and survive – and cash fuels the Skanska engine, enabling it to achieve our ambitious targets.

We stand strong. Thanks to our spread – with four business streams in a number of home markets, our brand and people – I believe that we are unbeatable provided that we use our strengths in the right way, plan for profit, generate cash funds and put these funds to work. Combined with developing our personnel, these are the keys to success.

The 2011–2015 Profitable Growth Business Plan is working and remains unchanged. There is no doubt that it provides us with the way forward.

To get there we need two things: First, we need oxygen – a profitable business. Second, develop yourself and your people. We need exceptional leaders to achieve our targets.

Turning customers into fans



"When we listen to the client and fulfill their needs, we gain intimacy with that client and move closer to establishing trust and credibility with them. It's the beginning of a relationship. Only then can our customers become fans."



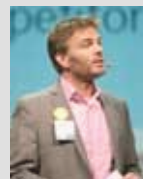
Katy Dowding, Skanska UK, and **Larry Casey**, Skanska USA Building, advise their colleagues to use time with clients wisely. Spend 80–90 percent of the time listening and asking open-ended questions, and spend no more than 10–20 percent of your time giving information or solutions.

Taking a lead in transparency



"The Czech Republic is lagging in transparency," says **Dan Ěok**, Skanska Czech Republic and Slovakia. "When I got the task to clean up our business, I had to start with our own management. Then we re-launched the code of conduct." Since then, Skanska has continued to do right and challenge the industry and society. Earlier this year, Ěok was honored with the AmCham Wings Award, from the American Chamber of Commerce, for his efforts to improve business ethics in the Czech Republic.

Pro-activity doubles opportunity



At a major future bypass project in Stockholm, Skanska units in Sweden can double their potential project opportunities by joining forces and acting pro-actively. **Patrik Larsson**, Skanska Sweden, demonstrated the business rationale and potential of One Skanska.

Branding before building



Never seen, never heard and not built yet – but soon a reality. The launch of Stockholm New earlier this year generated headlines in all media. The buzz about a tailor-made, green and flexible office development with a top floor bar gave **Caroline Arehult** at Skanska Commercial Development Nordic a head start in marketing the project. Stockholm New is now on the map and on everybody's mind – and this achieved at a very limited cost.

Introducing Design/Build in Slovakia



Miroslav Potoĉ, Skanska Czech and Slovakia Republics, felt deep frustration at losing contract bids. A new way to win business was needed. So the Slovak unit teamed up with Skanska Poland to bring in Design/Build and new technical solutions that can cut costs by 20 percent compared to the client's original design. Such cluster cooperation has been used to advantage in Poland and the Czech Republic before.

BoKlok: making, breaking and shaking the market



BoKlok (live smart) is a housing concept co-owned with IKEA: developing quality homes for people with limited purchasing power. "To make money on affordable homes, you must be fast and extremely cost-efficient. We only look for land where our projects fit, and not the other way around, thereby becoming market makers and market breakers. Our internal business model even makes us market shakers," says **Jonas Spangenberg**. In Sweden, a BoKlok home typically costs about a third as much as an average newly built home.

Making Markets through acquisition



Expanding its footprint and advancing into the energy market are on the Skanska USA Civil agenda. A major step was taken through the purchase of IC Skanska in Indiana. The bolt-on acquisition is now a fact. "The integration process has gone very well," says **Denny Quinn**, President of the new unit IC Skanska. "Skanska's great story made the communication easy. No one has left the company." Their commitment is illustrated by the fact that 60 percent of the new Skanska colleagues signed up for SEOP, the employee stock participation program.



125 Celebrating our first 125 years

- Choose the right project
- Get into the project as early as possible
- Leadership – involve our crafts people

- Visible leadership
- Support leaders in strengthening their operational know-how

- Choose the right people (leaders on all levels)
- Manage our aggregated knowledge

- Multi-disciplinary teams
- Communication
- Plan and act ahead of the curve
- Peer reviews



Gasoducto del Sur, Puerto Rico



125 Celebrating our first 125 years

Winning ways

Profits and people development are the keys to reaching our goals. Some 45 experienced Skanska colleagues shared their success stories and best practices for outperformance.

Text Alf Lindström Photo Holger Staffansson

Leaders make the difference



"We know that people development is the divider between good and poor performance," says **Veronica Rörsgård**, Executive Vice President Skanska AB. The new Leadership Profile is the tool that will help us drive performance. It contains the competencies we need to realize the Profitable Growth plan and to make Skanska the greatest company in its markets. The four competency groups are: Living our values, Managing operations, Developing the business and Leading ourselves and others. "We have units in which decades of focus on identifying and developing talent have led to outperformance year after year."

Profit Scorecards – an active way to outperform



Kenneth Nilsson, the Skanska Finland President, tells about Profit Scorecards, a tool designed to enrich the results of an awarded contract. "It is a structured way of working to drive performance to outperformance by setting, steering and following up aggressive profit targets."

Identifying clients' needs



Spotting the opportunity can add value for the client and make one contract into two. As a spin-off of the 320-kilometer (200-mile) Antofagasta road project in Chile, Skanska Latin America's **Diego Pini** and Skanska Infrastructure Development's **Magnus Eriksson** developed a solution to provide water for the mining industry in the area. A pipeline along the road will be able to supply seawater to the mining process, thus saving scarce drinking water.

Root causes for success



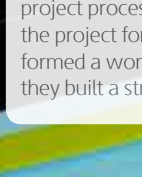
When performance is good, it is really good – and something everyone should learn from. There is a lot to learn from colleagues across the company. To learn from the best is to work smarter. But what makes a project a success? **Magnus Persson**, Skanska Sweden, points out the success factors behind Malmö Police Building in Sweden: Choose the right project, get into the project as early as possible and involve your tradespeople. **Piotr Janiszewski** of Skanska Poland says the A1 success in Poland was based on composing the right team and ensuring that leaders got the right support. **Ståle Rød**, Skanska Norway, stressed the importance of being a visible leader. Janiszewski and Rød proved the benefits of cross-business-unit collaboration, exemplified in the Gulli bridge. **Don Fusco's** long list of advice includes identifying a "champion" on the client's side, a partner who can guide you to understand what's important for the client's business.

Changing Safety behaviors



Based on his 25 years of experience in the business, **Larry Gillman**, Skanska USA Civil, can tell the difference between then and today, between a risky and a safe behavior. "We used to put ourselves at risk every day," he says. "A great change in mindset has happened in the past few years. But to reach an injury free environment (IFE), we need to work with people, educate them and make it personal to change behavior." **Per Hanson**, of the risk management team, emphasized the customer's role. "The **S**afety awareness we achieved by working with Pfizer has been very valuable in other projects." Introducing a non-blaming culture, safety inspections together with the client, common cleaning breaks and safety rewards are some routines that Hanson introduced to improve safety on the CD projects he has worked on. "Make up your mind. You can't change anyone else until you have changed yourself." Skanska UK has a leading position in safety work. For the past few years, **Steve Iddon** has shared his extensive experience with colleagues in Poland and the Czech Republic. He emphasizes the importance of a non-blaming culture and the idea that safety is not something that someone else does to you. "Safety is something we do together for the benefit of each other."

3 other P's that make PPP



Elizabeth River Tunnels project in Virginia is Skanska's first PPP contract in the United States and the largest design/build project in the history of Skanska USA Civil. **Karl Reichelt**, Skanska Infrastructure Development, and **Sal Taddeo**, Skanska USA Civil, identified three P's of Market Making in the Elizabeth River Tunnels project process. Patience: Skanska tracked the project for 10 years. Positioning: they formed a world-class team. Partnership: they built a strong customer relationship.

"De-risked" CD model



Bundled Construction with a proven track record in Sweden is entering new markets. **John Dingle** of Skanska Financial Services explains the de-risked CD model run by construction units. It opens up opportunities for substantial construction contracts with low risks and good margins. Skanska UK is developing its first de-risked project in London.





Be Market Makers
Fred Hames ,Executive Vice President, Skanska USA Building

One of the things that I've learned in this business is that relationships are more than just business types of relationships. To be a good Market Maker, you have to get beyond people's barriers. People who I work with know my family, and I know their families, and that level of connectivity builds a lot of trust.



Work Smarter
Mike Viggiano, Executive Vice President, Skanska USA Civil

Working Smarter means doing something a little different. Keep an open mind when it comes to learning. When you are first to get into a new market, you usually have about five years to be out in front. We're trying to get in a position to be the first to bring something to fruition and set the trend.



Build Winning Teams
Piotr Janiszewski, Vice President, Skanska Poland

To build a winning team, it's important to have the right targets. Motivated people in the right place with the right goals will work together as a team. I think you need to listen to your people, talk to them and love them.



Scot on the rocks

Learn and Lead in Safety

Paul Haining, Vice President Environment Health and Safety, Skanska USA Civil
 I don't think there's any big secret to safety in general. If there's one thing that I could say that's going to make a difference and make a change in safety it is, Genuinely care for your people. Genuinely show them that you care and take that message right down through the company. Take it from the top, right down through management, right out to the guys on the front line.



Explore New Horizons
Chris James, Development Director, Skanska Infrastructure Development

When we go into New Horizon projects, it's important to understand the risks and address what the important ones are for the client. We have to listen and try to understand where to focus our attention. We also have to work closely with construction and investment partners.



Living Our Values
Eric Milne, Senior Works Manager, Skanska UK

People talk about our Code of Conduct. I think we are extremely advanced in the industry, and that's a differentiator for us to our clients. Living Our values is just doing the right thing – for myself, for the company and for our clients.



Dirty Boots for 30 years

In 1908, Karl Koch founded and gave his name to the Steel Erecting Company. His sons and grandsons carried on the legacy with a number of landmark projects in the U.S. More than a century after the company's founding, Karl's grandson **Bob Koch** was presented with the Stuart Graham Lifetime Achievement Award, also known as The Dirty Boots Award.

Values winner was taken by surprise as the spotlight picked him out of the crowd. "I've been fortunate to have 30 great years at Skanska. The fantastic people I work with are the reason for our success," Bob said after receiving his trophy. Karl Koch Steel Erecting Company was acquired by Skanska in 1982, opening the gates for Skanska's expansion in the U.S. market. Bob Koch has an impressive track record: Brooklyn Bridge, George Washington Bridge, Manhattan Bridge and Queensboro Bridge – all have received a Skanska Koch facelift. The Oculus building is the next iconic project, now in the making.



Project of the Year, Civil, Partihallsförbindelsen, Skanska Sweden
P-O Svahn, Claes Svanström, Roger Johansson and Christian Werner, Skanska Sweden

A big key to success on this project was that we made a plan together with our client of what was important for them and what was important for us based on our common goals. We have that plan on the wall, we have signed it, we have communicated it and we have lived by it.

Project of the Year, Building, Intel, Skanska USA Building
Gary Weyant and Tim Johnson, Skanska USA Building

We had a perfect combination of teams coming together from Skanska on this project. Our knowledge and experience of working with this demanding client in another part of the country made it possible for us to succeed in the southwest as well.

Project of the Year, Project Development, St Bartholomews & The Royal London hospital
Ulf Norehn, Keith Winton, Harry Winstanley, Martine Gagnon, Ian Dodds and Paul Bamfield

Skanska Infrastructure Development
 Skanska ID, Skanska UK, Skanska Facilities Services all coming together is what makes this project the success that it is. We partner well with our client, and for them we are One Skanska and not separate divisions or business units.

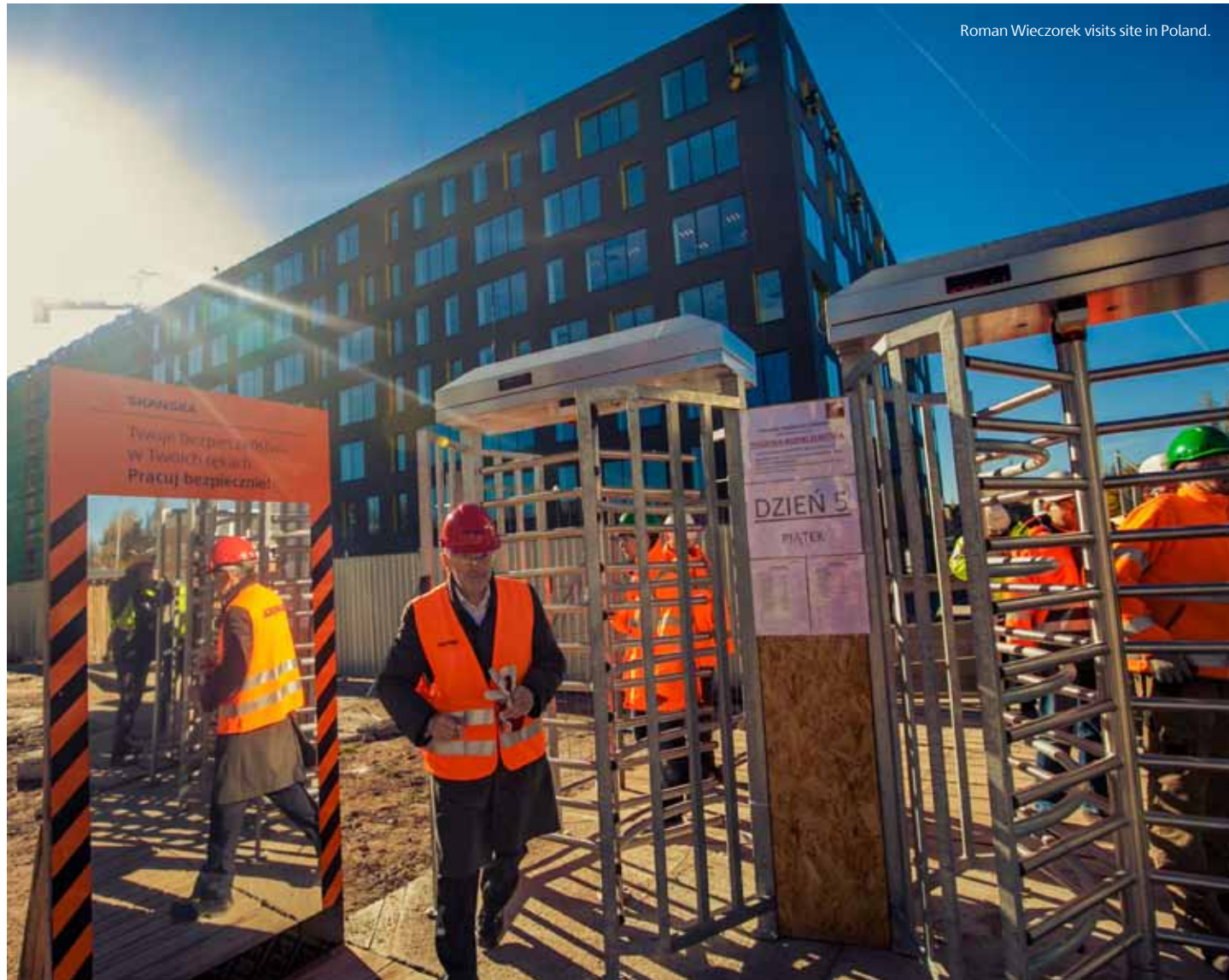


Business Unit of the Year, Construction, Skanska Sweden
Pierre Olofsson, President

Our goal is to take the clear No. 1 position in the Swedish market. There is a winning culture in our business unit. Skanska Sweden is filled with people who outperform over and over again.

Business Unit of the Year, Project Development, Skanska USA Commercial Development
Mats Johansson, President

Timing is everything when you enter a new market. We've had great timing entering the U.S. market. We have a great team of people, filled with passion and energy, and we had a bit of luck as well.



Safety Week leads change

Skanska Safety Week took place in October for the eighth consecutive year. Hundreds of thousands of people were engaged in activities focused on workplace safety at more than 10,000 worksites in 18 countries.

Text **Alf Lindström** Photo **Holger Staffansson**

The theme for Skanska Safety Week 2012, “Our journey to zero accidents is only possible with you and me taking responsibility,” put us all in focus. Safety is everyone’s responsibility.

“We know that achieving our goal of zero accidents is going to be tough. We are not going to get there by doing more of the same,” says **Neil Moore**, Senior Vice President Safety, Skanska AB.

“We have to do things differently. How we behave, the decisions we make and what we expect of others. We have to take responsibility for the **S**afety of ourselves and how we work with our colleagues.”

To encourage knowledge sharing

between colleagues across Skanska, the Safety Discussion Forums on OneSkanska was launched this fall.

“We want everyone to participate – not just **S**afety specialists. This is our way of trying to spread the knowledge. “If only Skanska knew what Skanska knows”, as Stu Graham used to put it,” says **Eva-Lena Carlén-Johansson** of the Safety team.

Go to the Safety section of OneSkanska and join a discussion thread on the Skanska Safety Road Map. Search for solutions or ask Skanska colleagues for advice at <http://groups.one.skanska.com/EN/safetydiscussion-forums/default.aspx>

Skanska Poland promotes Safety Week.



Scandinavian living in Warsaw

Text **Alf Lindström** Photo **Holger Staffansson**

What you see is what you get. Polish homebuyers can now get the feel of a new home from Skanska before signing. The sales office has taken the form of a fully equipped flat featuring a kitchen and two bedrooms.

“The showroom is decorated in a light Scandinavian style, which is new here. We also offer a darker finish for those who prefer a more traditional style,” says **Katarzyna Mirecka**, Customer Relations Manager at the sales office.

Just 10 minutes from Warsaw city center, construction

work is under way on Skanska’s first residential area in Poland: Park Ostrobramska. Two 13-story towers will contain 298 apartments. Residents will have access to a green patio area featuring a playground and plants.

The apartments range in size from 27 to 126 sq m (291–1,356 sq ft). In October, about 30 units had been sold, with sales expected to reach 120 by year-end. The first homes will be ready for occupancy in early 2014. The price will be EUR 2,000/sq m (USD 240/sq ft), which is extremely competitive in the Polish market.

Homework for success

The residential development (RD) business in the Nordic countries has been restructured and integrated with the Nordic construction units. Residential development is and will continue to be an important part of Skanska's core business, and homebuyers will still be able to get a Skanska home.

Text Alf Lindström Photo Holger Staffansson



In the long term, we see strong demand for homes in the Nordics. Residential development is an important part of Skanska's core business and our strategic aim is to strengthen our market position in the Nordics," says **Johan Karlström**, President and CEO of Skanska.

The restructuring is based on enhancing the One Skanska approach by bringing together the construction expertise with the customer focus from developers. Combining these forces will improve cooperation, cut costs and capture synergies, consequently increasing profitability.

Other tasks include fine-tuning the machine for the future. As a result of the reorganization, the number of employees is being reduced by about 150, of which 110 are in Sweden.

Selling is top priority

"Having the right product, right location and right price are still key to success," says **Pia Sjöberg**, Customer & Development Manager, Skanska Sweden.

"We bring the best from each side. We'll maintain our close customer relations and knowledge about potential homebuyers' preferences. And we'll continue to monitor trends and needs. We have a panel of about 2,000 people as well as focus groups that help us keep track.

"We are also aiming at improving our Customer Satisfaction Index. The automaker BMW which scores 85 out of 100 points is our benchmark. We are aiming to get a higher score and close in on them."

Novelties for Skanska homebuyers include the "Ur och Skur" all-weather preschools and design lines with options that facilitate the process for buyers.

"It should be pleasant and easy to buy a home from us," Sjöberg says.

Customer care and all-around efficiency through Skanska Xchange top priorities

"In Norway, demand is high. Our two latest sale starts in Oslo had people queuing overnight. At the same time, construction costs are increasing, and there is a lively debate about how to provide homes at reasonable prices. We must enhance our focus on cost efficiency. In parallel, we're improving Skanska Xchange platforms and the design pro-

Having the right product, right location and right price are still key to success.

cess," says **Synnøve Lyssand Sandberg**, Regional Director, Residential Development Skanska Norway.

"The collaboration with Construction Services is crucial, especially in the early development phase. We emphasize establishing well-functioning teams. We have to learn from the teams that excel," Lyssand says.

"We are merging the two streams into one business model," says **Håkan Stenström**, Executive Vice President, Skanska Sweden. "We have set common goals, clarified areas of responsibility and are working to minimize risk. To improve profitability, we encourage the construction side to cut costs and the development side to boost revenues. Of course, the ultimate goal is to become No. 1 in the residential market."

Jukka Hörkkö, Executive Vice President for Residential Development, Skanska Finland, explains, "First, we have to coordinate and streamline our processes and methods based on the new structure consolidating forces within Skanska Finland. Then we have to focus on both customers and projects. We'll aim at making good business deals based on our customer understanding, being efficient and profitable while taking care of our customers."



Synnøve Lyssand Sandberg



Håkan Stenström



Jukka Hörkkö



Pia Sjöberg



Modern living in Cambridge

“Britons tend to prefer a very modern or a very traditional style,” said one visitor to Skanska’s first UK residential project, Seven Acres, in Cambridge.
“And this is very nice and modern.”

Text Alf Lindström Photo Holger Staffansson

Worldwide did not stay in Cambridge long enough to know if this visitor decided to buy at Seven Acres. But 31 properties had been reserved by November this year.

The ambition was to create a living area with homes in a typically light Scandinavian style with a modern, sustainable and functional design. The buyers confirm that Skanska is spot on target. The brick façade speaks of an unmistakably British exterior.

The first phase comprises 31 town houses and 15 apartments which are slated for completion early next year.

Seven Acres is a new development area in Great Kneighton, Trumpington just outside the historical city center

of Cambridge. Seven Acres is arranged around a village green fringed by meadows and with a small creek running through the center.

The location is perfect for both outdoor recreation, close to nature and for city life with the historic center just ten minutes away by bus. And bicycle paths go all the way there from Seven Acres.

Cambridge has become increasingly attractive and ranks highly as a place to live. There are a number of schools in the area and both the hospital and supermarket are just around the corner. London is just one hour away by train or the M11 motorway.

The new homes have been designed with a strong focus

Cambridge is a historical city and the first town charters were granted in the 12th century. The population today is about 130,000. The University of Cambridge, founded in 1209, is one of the top five universities in the world.



on sustainability. Triple glazing and renewable materials, such as wood, mechanical ventilation with heat recovery and floor heating throughout add both comfort and environmental qualities. Solar and photovoltaic panels help to qualify the homes for Level Four – one level above the legal requirements - of the British Code for Sustainable Homes.

This is not a one-off for Skanska. There are two new sites for future development in Cambridge.

“Cambridge is one of Skanska’s selected markets due to its strong economy, high employment rate and closeness to London. Living in Cambridge is appreciated by people who value modern living with high quality, functional design and green solutions,” says Magnus Andersson, President of Skanska Residential Development UK.

The Seven Acres development will include a total of 41 town houses and 36 apartments for private sale and 51 affordable homes for BPHA, a Registered Social Landlord (government-funded not-for-profit organizations that provide affordable housing). Skanska Residential Development UK is also planning projects in Cheltenham and Bath.



World's largest green expo



Many of the world's leading green experts gathered in November for the 2012 Greenbuild International Conference and Expo in San Francisco, California, USA. Among the group were Skanska's **Elizabeth Heider**, Senior Vice President, Business Development, Skanska USA Building; **Noel Morrin**, Senior Vice President, Skanska AB, Group Staff Unit Sustainability and Green Support and **Steve Clem**, Vice President Preconstruction, Skanska USA Building, Oregon, who each took part in panel discussions at the conference. Also the Skanska Green Business Officer **Staffan Haglund** attended.

Beth, Chair of the US Green Building Council this year, was on the plenary panel at the International Day. Meanwhile, Noel was speaker and moderator at the Codes Summit. Steve Clem shared his expertise in meetings regarding Living Building Challenge. Skanska USA unit's booth in the Moscone Center Expo highlighted the company's green expertise and more than 30 Skanska employees from around the world took part in the conference. 2012 Greenbuild International Conference and Expo attracted more than 30,000 attendees.

We want risk management to go from a “bolt-on” to a “built-in” necessity



All eyes on risk and opportunity

One bad apple can spoil the whole basket. A few loss-making projects can ruin the company. Risk and opportunity management is there to prevent this and, of course, to lay a solid platform for good earnings, to support the units to make the most out of the projects that they have taken on.

Text **Alf Lindström** Photo **Holger Staffansson**

The team

A team with 160 years of experience in Skanska. The risk team has vast international experience from both construction and project development. The team members are based in Solna unless otherwise stated.

Christel Åkerman, SVP, 18 years in Skanska, based in Solna/Malmö

Per Hanson, VP, 25 years in Skanska, based in Gothenburg

Ulf Håkansson, VP, 13 years in Skanska, holds a professorship at Royal Institute of Technology, Stockholm

Mark Mugglestone, VP, five years in Skanska, based in Solna/London

Inger Olsson, VP, 30 years in Skanska in Skanska

Eva Johnsson, Coordinator, four years in Skanska

Gunni Bjärkeson Johansson, VP, 19 years in Skanska

John Cammack, VP, nine years in Skanska, based in Tampa, Florida

R&D is also integrated in the risk team:
Kyösti Tuutti, Director R&D, 18 years in Skanska, holds a professorship at the Faculty of Engineering at Lund University (LTH)
Mariella Frostell, R&D Manager, 18 years in Skanska



In the back Mark Mugglestone, Per Hanson, Eva Johnsson, Inger Olsson and Ulf Håkansson.

In the front Christel Åkerman, Mariella Frostell and Gunni Bjärkeson Johansson. Inserted John Cammack.

The Skanska Risk Management team reviews about 500 project opportunities every year.

In addition, the new enhanced team is aiming at strengthening the risk culture across the company. A top priority is to look deeper into the basket and pick up and share lessons learned from smaller projects, too.

“Yes, that’s right. We used to be mainly a support to the Senior Executive Team (SET) Tender Board, but now we’re extending our efforts. To be successful, we must become really effective at managing risks and opportunities throughout the project life-cycle,” says **Christel Åkerman**, Senior Vice President, Skanska Risk Management, since 2011. “And we want to strengthen the risk culture at all levels. The processes we have elaborated for big projects should be applicable, in most parts, for projects of all sizes.

“Skanska has a strong culture in many respects. And we want the risk awareness to be at the center of it. We want risk management to go from a ‘bolt-on’ to a ‘built-in’ necessity. It should be an integrated part of our daily job. Doing the right things right without thinking about it – like riding a bicycle, once you master it.”

Risk culture should permeate all levels, all the way into the projects.

“We are driving risk awareness deeper into the organization. We encourage and support the units. And we want to have closer cooperation and dialogue with the projects. That’s where we make the money – or lose it if we don’t do the job.”

What is the rationale?

“We take on many unique projects and are growing in new and existing markets. We are expanding into new areas and meeting new clients. This means new opportunities and new risks.”

Senior people are retiring at the same time as many younger colleagues are entering the scene. Where can they find support?

“We are building a network of risk experts across the company. There is always someone who has the experience needed, and we should make use of our global expertise and best practices.”

Work and play on the road ahead

“Risk people from the units are invited to attend the SET Tender Board meetings for the purpose of learning and understanding the process so they can bring it back and implement it in their local units.”

As well as through this work, risk awareness will be spread through play: a learning and training game originally developed in Skanska Sweden some years ago has been upgraded to become a risk management game by Skanska UK. The risk management game is a full-day activity where your moves eventually show up in the financial results. You win or lose, but only virtual money. Risk managers from across the company played the game at a recent risk seminar in London where the Polish Pit Stop model was also presented.

And the wind cries Sjisjka

The icy winter winds sweep over the mountain tundra region in Sjisjka, as they have done for thousands of years. But now the freezing winds also provide power for light and heat.

Text **Alf Lindström** Photo **Holger Staffansson**

The 30 turbines on Sjisjka Wind Farm, in the Swedish municipality of Gällivare, north of the Arctic Circle, are in place and operational and have delivered green electricity since early September 2012. Sjisjka is supplying the electricity grid with 200 GWh, corresponding to the consumption of about 40,000 households.

“This is something we should be proud of. It is Skanska’s first proprietary wind power project and it contributes to creating a better world. I have three children and naturally I want to do what I can for their future,” says **Fredrik Björckebaum**, President of Sjisjka Wind Farm.

“Everything has gone smoothly. We have a good working relationship in the consortium and with the local Sami reindeer grazing community of Girjas. We will build further on this in our next wind power project, Mullberg in Jämtland County,” says Björckebaum.

Because the construction season is short in the mountain tundra region, some 700 meters (2,297 feet) above sea level, activity during the summer was intense. The concrete foundations were largely in place last year and have now been crowned with towers. The towers are 80 meters (262 feet) high with rotor blades each measuring 50 meters (164 feet) in length. The total height of the turbines will thus be 130 meters (427 feet). Overall, it will be one of Sweden’s largest onshore wind farms.

Most people are aware of the green credentials of wind power: no emissions or waste, just clean electricity. At Sjisjka, the foundations, too, are greener than traditional types. The unique Skanska design has divided each foundation into 16 prefabricated wedges. This more than halved the concrete required and minimized the impact on the natural surroundings.

Some 70 workers from Skanska, Jämtkraft and Vestas have been active on-site.

Between five and 10 staff will be involved in operations and maintenance during the operational phase. Furthermore, the worksite and its railway tracks will be converted into a service station for trains.

Sjisjka Wind Farm in figures

30 turbines each generating 78 MW
Annual production capacity: 200 GWh
Investment: about USD 165 million
Owners: Skanska 50 percent, O2 and Jämtkraft 25 percent each
Average wind speed: 7.2 m/s (23.6 ft/s) year-round
Maximum capacity at 7–8 m/s (23–26 ft/s), minimum wind speed for operation 3 m/s (10 ft/s)

Fifty shades of green

The Skanska flags are waving over the first Deep Green office in Sweden. The Väla Gård office in southern Sweden is Skanska's greenest office building to date. The building is designed to achieve LEED Platinum and Deep Green building by achieving net zero energy and by being constructed with zero hazardous materials and with zero waste sent to landfill.

Text Alf Lindström Photo Torben Andahl



“This puts us ahead of our competition,” says **Staffan Haglind**, Skanska's Green Business Officer. “Väla Gård demonstrates that we walk the talk. It proves that Deep Green is achievable and the building will be a true showcase of our capability. This is certain to further spark customer interest in Deep Green offices.”

The Väla Gård office was constructed on the site of an old farm and is located just northeast of Helsingborg. The 1,777 sq m (19,127 sq ft) office building was completed in October 2012. The building now houses Skanska's regional offices in Helsingborg under one roof and enables yearly cost savings of about USD 300,000.

According to Skanska's Color Palette™, a Deep Green

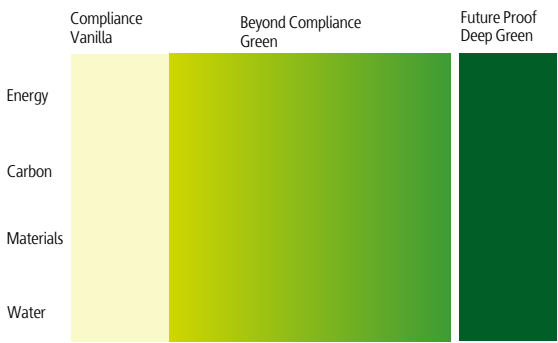
project must achieve at least three of the following six objectives: net zero primary energy, zero waste, zero unsustainable materials, zero hazardous materials, near zero carbon construction and net zero water. Väla Gård achieved net zero primary energy, zero waste and zero hazardous materials. The project is aiming to earn the world's second highest LEED score ever.

A former Swedish MP and former spokesperson for the Swedish Green Party, **Maria Wetterstrand**, recently visited Väla Gård. “If we can build sustainable and energy-efficient offices like Väla Gård, why don't we do it all the time, everywhere?” she asked.

Color Palette™ comes alive

Will an initial extra buck make your project greener? Color Palette™ Mapping will help you find the answer. With the new tool, any change in data is reflected immediately in the Color Palette™. If your current design proposal positions you in Green, you can evaluate the upgrade route to Deep Green.

Text Alf Lindström Photo Holger Staffansson



The tool was developed by the lifecycle and sustainability team at Skanska Infrastructure Development (ID).

“Yes, Color Palette™ Mapping makes the green journey less abstract,” says **Greg Chant-Hall**, Head of Sustainability, Skanska ID. “If we make a design change that impacts on energy, carbon, materials or water, the mapping immediately shows the move on the Color Palette™. Color Palette Mapping is based on hard facts – project data – and illustrates where your project is positioned along the Vanilla to Deep Green palette and provides indicative costs, too.”

“The tool reveals the indicative costs and relative costs of attaining Deep Green across the fields of energy, carbon, materials and water,” says **Rob Patrick**, Life Cycle Manager, Skanska ID. “The key is to make early project decisions based on information from the whole life cycle. This tool enables us to predict these costs and budget accordingly.

“Naturally, you can see both the initial cost and the life-cycle



Greg Chant-Hall, Head of Sustainability, Skanska ID

cost and how the data interact. This information is transformed into graphs enabling different design options to be compared. Life-cycle assessment is complex, but this tool provides a quick and quite accurate method.”

Chant-Hall and Patrick have so far mapped the existing Skanska ID portfolio. This data will be used as a foundation for future development. Now their Skanska ID colleagues will be trained to use it in client talks on new projects. Chant-Hall believes that Color Palette™ Mapping will be most useful in helping to show clients the value of making greener choices.

“It will enable us and the clients to talk the same language and think the same way. Hopefully, we will be able to convince clients to raise their green ambitions. We will be able to show how a project can be Deep Green and how long the payback time will be for an increased initial investment.”

For more about Color Palette™ Mapping, please contact greg.chant-hall@skanska.se

Skanska has introduced a set of 10 Color Palette™ Green Segment Cards that summarize trends and drivers and the key benefits of a green focus with examples of green solutions and green projects. The set of cards is a tool to help facilitate the journey to Deep Green™. A set of four Green Business Snapshots has been produced to provide detailed evidence from different home markets that green equals good business.



Solar race in Chile

The solar race is on. In November, there was a race for solar powered vehicles through the Atacama Desert in Chile. Some amazing creations participated in this green, clean-tech competition, held in South America for the first time. Skanska is one of the sponsors and most of the race took place along the Antofagasta – the Skanska highway project in the area. Read more here (in Spanish) www.carrerasolar.com

Cooling and patent pending

A Skanska innovation is cooling Malmö's new police station when the heat is on.

Text Alf Lindström Photo Holger Staffansson Illustration Thomas Palmback

The police station in the Rosengård district of Malmö, Sweden, is cooled by geothermal exchange. The newly completed building is one of the first to enjoy Skanska Deep Green Cooling – Skanska's patent-pending solution.

Cool water in boreholes 200 meters (656 feet) deep, where the temperature is about 11 degrees centigrade (52 fahrenheit), is circulated in a closed system. On a day when the outside air temperature is 24C (75F) and the building is flooded with warm, bright sunshine, the indoor climate remains a comfortable 21C (70F).

The technology behind the cooling system is similar to that used in a geothermal heat pump but on a larger scale and without the heat pump. A number of boreholes are connected to form a Borehole Thermal Energy Storage (BTES) system that utilizes the bedrock's natural temperature. In the summer, the system has the capacity to satisfy the building's entire cooling requirements, while in the winter the warmth in the bedrock contributes to heating the building.

The system used to cool the 3,000-sq-m (32,292-sq-ft) office comprises 12 holes drilled to a depth of 200 meters, a pump and a heat exchanger. Deep Green Cooling operates at optimal efficiency when the ground temperature is equivalent to the average air temperature at the location.

Skanska has applied for patents in Sweden, the European Union and the United States. The Deep Green Cooling system uses very little energy, because only a small circulation pump is needed. Experts talk about the coefficient of performance (COP) as a measure of how many units of heating or cooling are delivered for a given electrical input. In this case, the COP is 25, meaning that an input of 1-kilowatt generates a 25-k cooling effect.

Jonas Gräslund, Technical Director of Skanska Commercial Development Nordic, is the brain behind this innovation.

"The patent application we have submitted relates to the system combination," he says. "The innovation has been supported by special funding for construction innovation from the Swedish research fund Vinnova. The system is now being evaluated by Chalmers University of Technology in Gothenburg, Sweden."

The initial cost for Skanska Deep Green Cooling is higher than for conventional systems.

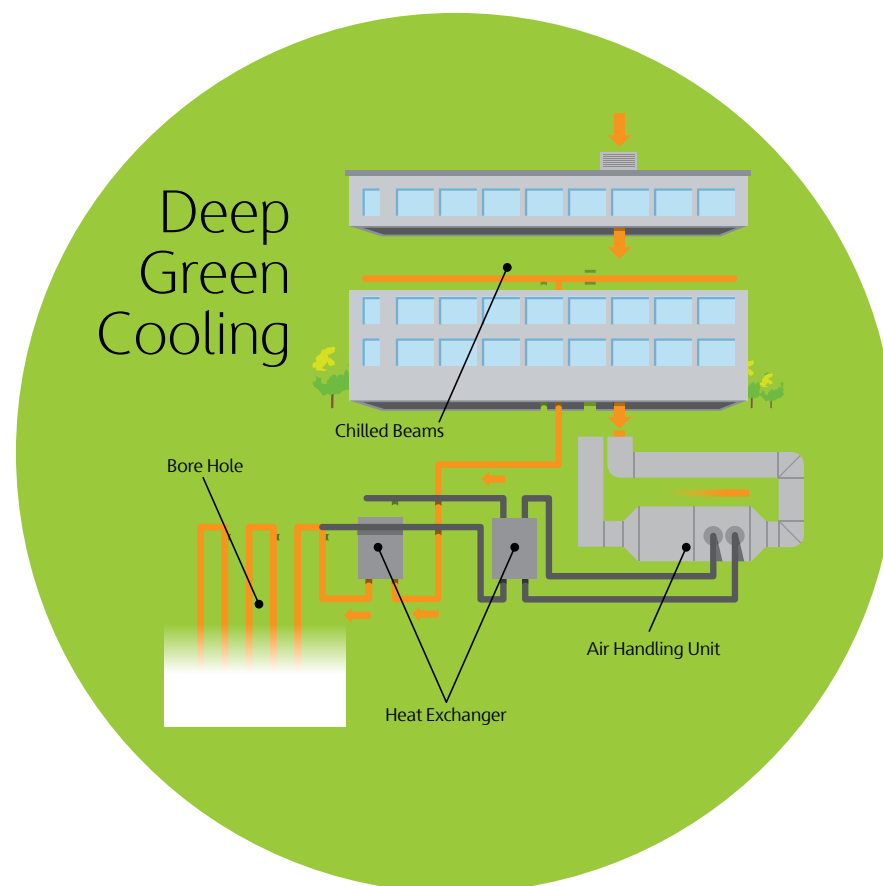
"This is primarily a green solution, not an economical one," Gräslund emphasizes. "But the higher energy

prices climb, the greater the benefits it will yield. And costs can be predicted using this system."

Skanska's patent-pending Deep Green Cooling system will also cool the Company's largest-ever office development project, Entré Lindhagen, the new Skanska Headquarters in Stockholm 2013, and the Atrium office project in Warsaw. At the Atrium, however, it is not possible to supply 100 percent of the cooling requirements due to site restrictions on the number of boreholes. The next project to enjoy the benefits of the system will be the new Skanska office in Hyllie, Malmö.



Jonas Gräslund, has been named Adjunct Professor in Building Services Engineering at Chalmers University of Technology, Gothenburg, Sweden.



UNEP

U.N. task force for a greener supply chain

The Sustainable Buildings and Climate Initiative of the United Nations Environment Program (UNEP) has asked Skanska's Noel Morrin, Senior Vice President Sustainability and Green Support, to chair its working group on greening the supply chain.

The construction industry is one of the largest consumers of natural resources in the world. An alarming 2 percent of revenue is lost in the form of self-generated waste, according to government research. This issue is now being addressed as part of a new U.N. initiative. The elimination of waste, or a significant reduction, would prevent over-consumption of natural resources and boost profits.

"Smart procurement will clearly be critical to the success of this policy effort," **Noel Morrin** says. "There's considerable scope for improvement. One example is ready-mix concrete. Typically, 1-5 percent of order quantities are returned to manufacturers each year due to over-ordering. In global terms, this generates up to 75 million cu m [98 million cu yds] of unnecessary waste annually!"

"It's an honor to chair this task force on behalf of Skanska, a testimony to the great green brand we have built over the years and, more importantly, the world-class green projects that we have delivered for ourselves and others across our home markets."

"We now have the opportunity to work with major organizations, both globally and regionally, from the private and public sectors to accelerate the transition to green and make our Journey to Deep Green™ a reality."

The task force's six-month mission will result in globally significant recommendations for making the construction sector's supply chain greener in terms of its policies and practices.

Noel Morrin



The UNEP green supply chain task force includes:

Royal Institution of Chartered Surveyors (RICS)
European Federation of National Engineering Associations (FEANI)
International Federation of Consulting Engineers (FIDIC)
Chartered Institute of Purchasing & Supply (CIPS)

St Gobain, one of the world's largest suppliers of materials to the construction sector
Siemens
Various United Nations agencies
The World Business Council for Sustainable Development
The World Green Building Council
Government bodies at global, national and local levels

The Green Corner office complex



A greener city around the corner

Poland is ranked the second-best investment destination in Europe, behind Germany, according to a new report from Ernst & Young. Skanska's Green Corner office complex will be a major boost to the country's capital city Warsaw in terms of the quality it offers.

The Green Corner office project is already LEED Platinum pre-certified based on a number of green features that not only help conserve the planet's resources but also contribute to a healthy indoor working environment.

A combination of on-site renewable energy, high-efficiency mechanical equipment, heat recovery and reduced power for lighting cuts the energy required by 30 percent.

Certified wood and low-VOC materials, combined with more natural daylight and fresh air, create a healthy indoor climate. A patio area with

plants and a spacious terrace six floors above street level provide peaceful environments for inspirational breaks for tenants on upper floors. Innovative technologies and the use of gray water will yield cost savings for tenants.

The Green Corner office complex is actually on two corners, Wronia and Chłodna streets and Wronia and Ogrodowa streets in central Warsaw. The seven-story office building comprises a total area of 27,000 sq m (290,626 sq ft). 95 percent of the building is leased, including anchor tenants: the Nordic bank Nordea, occupying 7,000 sq m (75,347 sq ft), and a state institution, taking 12,000 sq m (129,167 sq ft).

Green Corner, which will be completed by year-end, will offer good access to public transportation, including a new subway line.

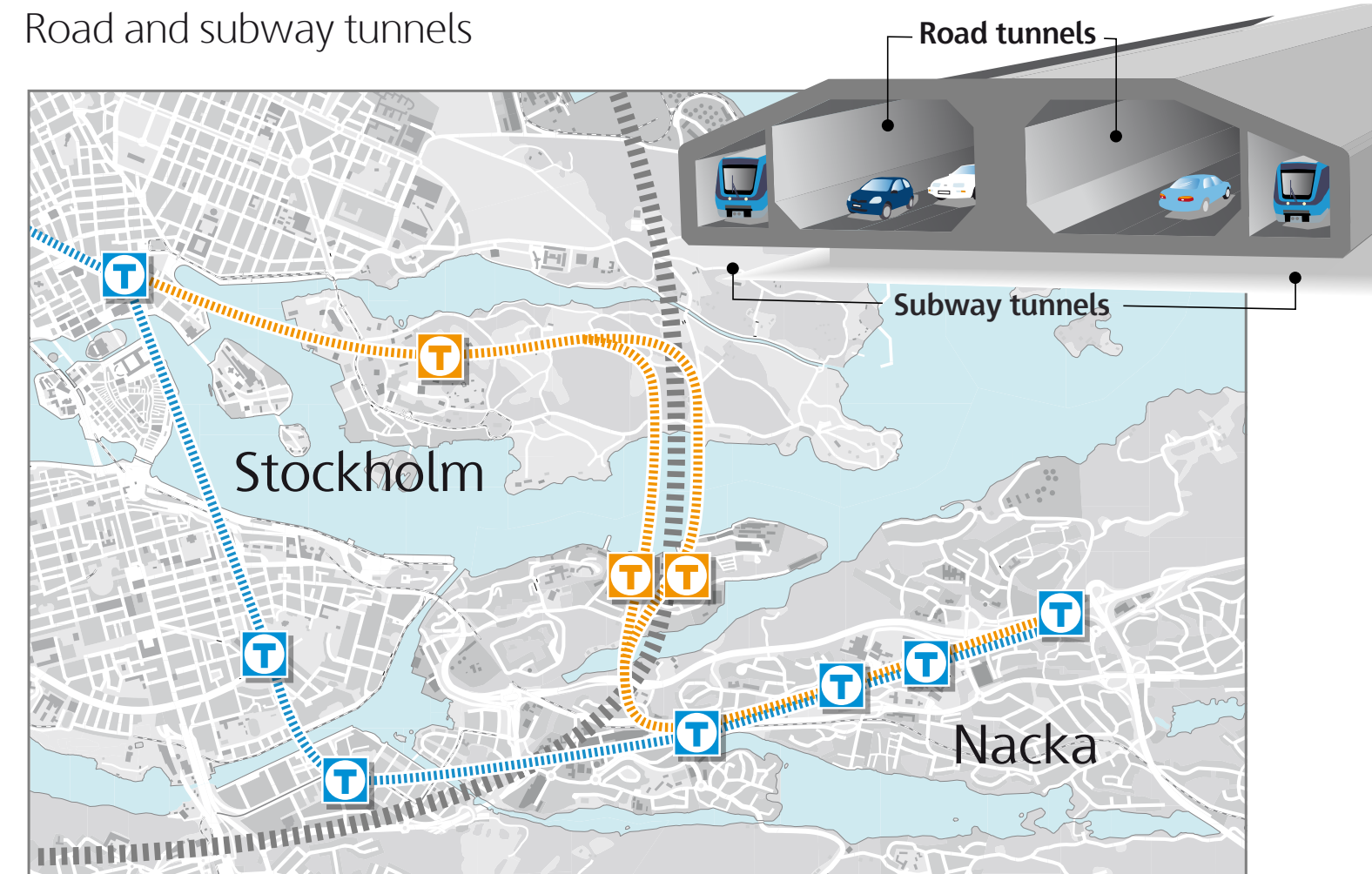
Next stop Nacka

Ask not what society can do for you – ask what you can do for society. With this motto in mind, Skanska has drafted a proposal outlining a significantly improved traffic scenario in Stockholm and Nacka: the Saltsjö Tunnel, a public private partnership (PPP) solution initiated by Skanska.

Text Alf Lindström Photo Holger Staffansson Illustration Thomas Palmback



Road and subway tunnels



The Saltsjö Tunnel as proposed by Skanska will make commuting faster for people using public transport and private cars. The illustration shows a section of the combined road and subway tunnel proposed to link Stockholm City and Nacka.

The Saltsjö Tunnel as proposed by the officials.

The Saltsjö tunnel could remedy a pressing need in society. Today both motorists and people on public transport suffer from traffic congestion and long travel times to and from work. A new southeast link would improve quality of life and business.

The icing on the cake is that this PPP solution can be realized without incurring any direct costs to taxpayers.

The Tunnel, from Kungsträdgården in central Stockholm to Nacka in the southwest, would provide Nacka with a metro line and a new road tunnel. Building both structures in parallel would reduce the total cost, while tolls and a PPP solution would fund a significant part of the metro project.

The route is the missing link for Stockholm to eventually have something like an orbital expressway, which has been on some wish lists for decades.

Moreover, a PPP provides the funding that has been lacking for such a project.

“A PPP entails less financial risk for the public sector. User fees could finance the entire investment; there would be no burden on taxpayers,” writes Skanska’s President and CEO **Johan Karlström** in an opinion column together with representatives of the Stockholm Chamber of Commerce and property owners in Stockholm.

“This is just one example of how Skanska can help shape the future of our cities with better solutions. We

have extensive know-how and experience in project development, construction and funding that can be used to contribute for the public interest. When all of this comes into play, we are at our best,” says **Henrik Svanqvist**, Head of Public Affairs, Skanska AB.

“Our broad expertise is far too little known, and we can tap huge potential if we are more proactive towards these clients. Part of my job is to highlight the public benefit that we can contribute. We would expect this to generate new projects in the end, of course. Public procurement must follow competitive bidding procedures, but being at the forefront certainly gives us competitive advantage.”

The proposal has been well received by the public and media in Stockholm. “Skanska builds tunnel for free,” read one headline. The Swedish government and Stockholm County Council are currently considering Skanska’s proposal and have stated that they favor the idea as outlined.

The project fits into the Swedish government’s 2014–2018 infrastructure bill, which proposes coordinated project planning of the metro and road connection.

Catharina Elmsäter-Svärd, Minister for Infrastructure, was quoted in the Swedish daily *Dagens Nyheter* as saying, “It is an alternative that would almost certainly be more cost efficient.”

Henrik Svanqvist, Head of Public Affairs, Skanska AB, demonstrates how a market can be made by finding solutions to public needs in Sweden.

Win your **S** key ring



In this issue one particular word
is highlighted with the capital S logo.

What word is it?
How many times does it appear in this issue?

100 winners with the correct answers will
receive the new Skanska S key ring in heavy steel.

Send your answer to:
helena.jambrink@skanska.se

Good luck!



Then...

Smooth like marble – but affordable. Concrete floor tiles mimicking marble mosaic were an early Skanska product. These tiles, along with concrete pipes and decorative features for churches, were among the first Skanska successes.



The white building at Norra Vallgatan 98 in Malmö is the birth place of Skanska. It was here the company's founder R.F. Berg lived and in the basement experimented with reinforced concrete products such as floor tiles. Two rooms in the very same building were the first Skanska headquarters from 1887 through 1906.



The next big cool

Patented cooling technology uses 180 times less energy than traditional data center cooling equipment and reduces water usage by as much as 97 percent, compared with conventional systems. Skanska Mission Critical has teamed with Inertech, a U.S. green cooling company, to deploy its new mechanical technology.

Text **Alf Lindström** Photo **Skanska**

One of the first large commercial customers to implement the unique technology was Canadian telecommunications giant TELUS, at its Intelligent Internet Data Center designed and constructed by Skanska in Rimouski, Quebec. The center has been operational since September 2012.

Data centers consume notoriously large amounts of energy and water. Traditional systems take 90 kilowatts to cool a typical 300 watt server. By contrast, the chiller equivalent in the cooling platform uses a mere 500 watts.

The Inertech/Skanska partnership has developed a platform that also cuts water usage in standard building and power-production cooling by 80–97 percent.

“The system has the potential to make a real impact on resource use across the globe,” says **Jakob Carnemark**, Senior Vice President, Skanska USA Building.

The technology, called eOPTI-TRAX™, was recognized by the U.S. Patent & Trademark Office as a “green” energy technology.

The TELUS Intelligent Internet Data Center in Quebec, Canada, is 180 times more energy efficient than conventional data centers. It was designed and built by Skanska.