

Corporate governance report

Good corporate governance ensures that Skanska is managed sustainably, responsibly and efficiently. The overall goal is to increase value for shareholders, and in doing so meet their expectations for invested capital. The purpose of corporate governance is also to ensure oversight by the Board of Directors (the “Board”) and management. By having a clearly defined governance structure as well as proper rules and processes, the Board can ensure that management and employees are focused on developing the business and thereby generating value for shareholders.

This corporate governance report for 2020 has been reviewed by Skanska’s external auditors in accordance with Chapter 9, Section 31 of the Swedish Companies Act. The report contains information as required by Chapter 6, Section 6 of the Annual Accounts Act.

Corporate governance principles

Skanska is one of the world’s leading construction and project development companies, focused on selected home markets in the Nordic region, Europe and the USA. Supported by strong trends in urbanization and demographics, and by aiming to be in the forefront of sustainability, Skanska offers competitive solutions for both simple and complex assignments. Driven by Skanska’s values and business model, Skanska helps create sustainable futures for customers and communities as well as create value for shareholders. The parent company of the Group is Skanska AB (the “Company”), with a registered office in Stockholm, Sweden.

As a Swedish public limited company with shares listed on Nasdaq Stockholm, Skanska is subject to a variety of external rules that affect its corporate governance. In addition, to ensure compliance with legal and regulatory requirements and the high standards that Skanska sets for itself, Skanska has adopted internal rules to govern the Group as well as processes for monitoring compliance with the external and internal rules by all business units and functions in the Group. Skanska’s ethical and sustainability endeavors are an integral part of the business, and the Board discusses these issues on a regular basis.

Skanska has no deviations from the Swedish Corporate Governance Code (the “Code”) to report for the financial year 2020. Nor has Skanska been subject to any rulings by Nasdaq Stockholm’s Disciplinary Committee or decisions on breach of good practices in the stock market by the Swedish Securities Council in 2020.

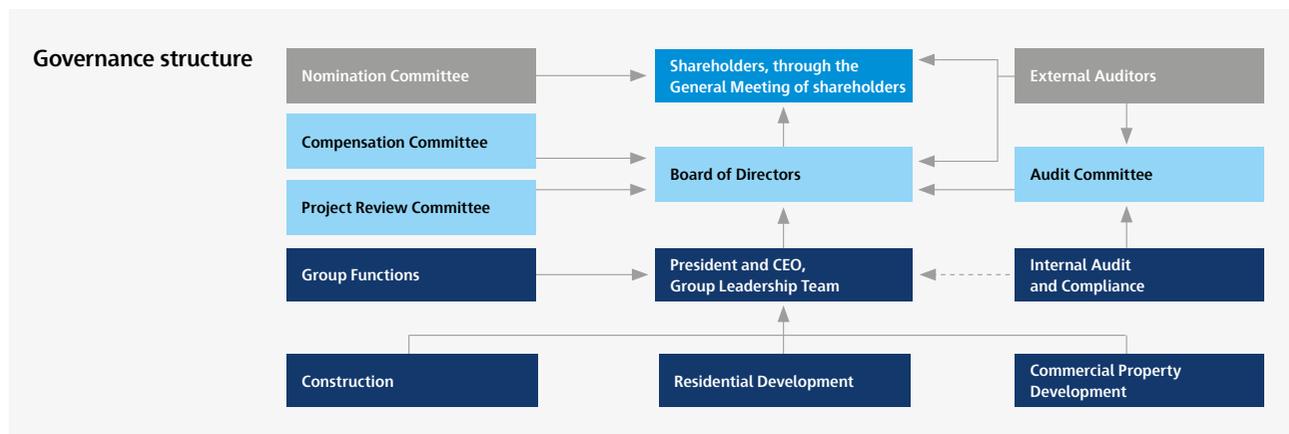
Further information is available on the Group’s website: group.skanska.com/corporate-governance/.

Key external governing documents

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

Key internal governing documents

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



Shares and shareholders

Skanska's Series B shares are listed on Nasdaq Stockholm in the Large Cap segment. The share capital at the end of 2020 amounted to SEK 1,259,709,216 consisting of a total of 419,903,072 shares, of which 19,684,564 were Series A shares and 400,218,508 were Series B shares. Series A shares entitle the holders to ten votes per share and Series B shares entitle the holders to one vote per share. Series A and Series B shares carry the same right to share in the Company's assets and entitle the holder to the same dividend. There are no restrictions in the Articles of Association on the number of votes each shareholder may cast at a General Meeting.

At the end of 2020, Skanska had a total of 103,936 shareholders, according to statistics from Euroclear Sweden AB. The ten largest shareholders held 55.9 percent of the votes and 39.4 percent of the capital. AB Industrivärden's holding amounted to 24.3 percent of the votes and Lundberg Group's holding to 13.1 percent.

More information about the Skanska share and shareholders is available on page 10.

General Meetings of shareholders

The General Meeting is Skanska's highest decision-making body and it is where shareholders exercise their decision-making rights. At the Annual General Meeting ("AGM"), the shareholders decide on key issues, such as adoption of income statements and balance sheets; the dividend; the composition of the Board; discharging the members of the Board and the President and CEO from liability; and election of external auditors. Skanska's financial year is from January 1 to December 31, and the AGM is to be held within six months of the end of the financial year. The date and venue for the AGM is communicated no later than the publishing of the third quarter interim report on the Group's website. The notice convening the meeting is published in Post- och Inrikes Tidningar

(the Official Swedish Gazette) and on the Group's website. An announcement of the notice convening the meeting is published in Dagens Nyheter and in at least one more Swedish daily newspaper. All documents relating to the AGM are published on the Group's website in both Swedish and English. Shareholders listed in the register of shareholders on the record date and who notify the Company of their intention to participate in the meeting are entitled to attend it either personally or by proxy through a representative. Shareholders have the right to have matters addressed at the AGM if they have submitted a request to the Board no later than seven weeks before the AGM.

Annual General Meeting 2020

The AGM 2020 was held on March 26, 2020, in Stockholm. A total of 770 shareholders, representing around 58.2 percent of the total number of votes, were represented at the AGM. Among other matters, the meeting voted to re-elect Hans Biörck, Pär Boman, Jan Gurander, Fredrik Lundberg, Catherine Marcus and Jayne McGivern as members of the Board and to elect Åsa Söderström Winberg as new member of the Board. Hans Biörck was re-elected as Chairman of the Board. The employees were represented on the Board by Ola Fält, Richard Hörstedt and Yvonne Stenman as members, with Pär-Olov Johansson¹ and Anders Rättgård as deputy members. Due to precautionary measures relating to Covid-19, the scope of the AGM was reduced to focus on legal requirements only. Since the Chairman of the Board could not participate at the AGM due to Covid-19, the Board appointed the board member Pär Boman as the Board's representative. The AGM was attended in person also by the President and CEO, a limited number of members of the Group Leadership Team, the Chairman of the Nomination Committee and Skanska's external auditor.

The AGM re-elected Ernst & Young AB as external auditor. On March 24, 2020, the Board announced that, due to the prevailing

Annual General Meeting 2021

Skanska's AGM 2021 will be carried out on March 30, 2021, through advance voting (so-called postal voting) pursuant to temporary legislation. No meeting with the possibility to attend physically, in person or by proxy, will take place.



¹ Until July 1, 2020.

uncertainty caused by Covid-19, it had decided to withdraw the dividend proposal to the AGM of SEK 6.25 per share. The Board also announced its ambition to convene an Extraordinary General Meeting in the autumn to decide on the dividend if the circumstances so permit. The AGM resolved, in accordance with the Board's proposal, that no dividend be paid to the shareholders. The AGM also decided to adopt guidelines for salary and other remuneration to senior executives. The Board was authorized to, during the period up to the AGM 2021, resolve on acquisitions of not more than 1,200,000 Series B shares in Skanska on Nasdaq Stockholm to secure delivery of shares to participants in the Skanska employee ownership program resolved by the AGM on March 28, 2019 (Seop 5). Complete information on the AGM 2020 and the minutes of the meeting are available on the Group's website: group.skanska.com/corporate-governance/shareholders-meeting/.

Extraordinary General Meeting 2020

The Extraordinary General Meeting ("EGM") was held on October 22, 2020. Due to the risk of the spread of Covid-19 and the authorities' regulations and advice, the EGM was carried out in accordance with sections 20 and 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations, allowing shareholders to exercise their voting rights at the EGM only by voting in advance, so-called postal voting.

A total of 768 shareholders, representing around 55.6 percent of the total number of votes, were represented at the EGM. The EGM resolved, in accordance with the Board's proposal, to pay a dividend to the shareholders of SEK 3.25 per share and to set October 26, 2020, as the record date for receiving dividend. Complete information on the EGM 2020 and the minutes of the meeting are available on the Group's website: group.skanska.com/corporate-governance/shareholders-meeting/.

The Nomination Committee

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

The Nomination Committee's mandate includes:

- Evaluating the composition of the Board and its work
- Preparing proposals to submit to the AGM regarding the election of board members and the Chairman of the Board
- Working with the Board's Audit Committee to prepare proposals to submit to the AGM regarding the election of auditors
- Preparing a proposal to submit to the AGM on fees to the non-employee members of the Board, to be divided between the Chairman and the other non-employee members, and any compensation for committee work and fees to the auditors

- Preparing a proposal to submit to the AGM regarding a Chairman for the AGM
- When applicable, preparing a proposal on changes to the principles for appointing the next Nomination Committee.

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

Nomination Committee 2021

The Nomination Committee for the AGM 2021 has the following composition:

- Helena Stjernholm, AB Industrivärden (24.3 percent of votes¹), Chairman of the Nomination Committee
- Mats Guldbrand, Lundberg Group (13.0 percent of votes¹)
- Dick Bergqvist, AMF (3.3 percent of votes¹)
- Jan Andersson, Swedbank Robur Funds (2.3 percent of votes¹)
- Hans Björck, Chairman of the Board, Skanska AB.

This information was announced on the Group's website and published in a press release on September 28, 2020. According to the Code, the majority of the Nomination Committee's members are to be independent in relation to the Company and its senior executives and at least one member is also to be independent in relation to the largest shareholders in the Company in terms of voting rights. All of the appointed members are independent in relation to the Company and its senior executives and three are independent in relation to the largest shareholders in the Company in terms of voting rights.

In preparation for the AGM 2021, the Nomination Committee held four meetings at which minutes were kept. No fees have been paid out for Nomination Committee duties. To perform its work, the Nomination Committee has taken part of the internal evaluation of the Board's work, the Chairman's account of board duties and the Company's strategy. The Committee has also interviewed individual members of the Board. Furthermore, Skanska's President and CEO and CFO have attended a meeting for presentation of the Company's operations and strategies.

For the composition of the Board, the Nomination Committee has applied the rules on the composition of the Board that are found in the Code. The Nomination Committee has applied rule 4.1 of the Code as diversity policy. The objectives of the diversity policy is that the Board is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances, that the board members elected by the General Meeting are collectively to exhibit diversity and breadth of qualifications, experience, background and need for renewal, and that a gender balance on the Board is to be strived for. The Nomination Committee considers that such a diversity and breadth is represented among the proposed board members. Three out of seven of the proposed board members are women. The gender balance is therefore 43 percent women and 57 percent men, which, in the opinion of the Nomination Committee, is consistent with the gender balance requirement. The Nomination Committee further assess that those fields of competence and experience considered important to Skanska are

¹ Based on shareholding as of August 31, 2020.

well represented in the proposed Board and that the composition and size of the proposed Board is appropriate to meet Skanska's needs. The Nomination Committee has also assessed that the proposed board members will be able to devote the necessary time required to fulfil their tasks as board members in Skanska. The Nomination Committee has assessed that the proposed Board meets the requirements in the Code relating to board members' independence.

The Nomination Committee's proposals, work report and information on proposed board members are published on the Group's website in connection with the notice convening the AGM.

Board of Directors

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

In 2020, the Board consisted of seven members elected by the AGM, without deputies, plus three members and two deputy members appointed by the trade unions. According to the Code, the majority of the Board's AGM-elected members are to be independent in relation to the Company and its senior executives,

and at least two members are to also be independent in relation to the largest shareholders in the Company. All of the board members elected by the AGM 2020 are independent in relation to the Company and its senior executives. Of these, five members are also independent in relation to the Company's largest shareholders. The composition of the Board and an assessment of the independence of each member are presented in more detail on pages 42–43.

The work of the Board in 2020

The work of the Board follows an annual agenda established in the Board's Procedural Rules. In preparation for each board meeting, the Board receives reports and documentation compiled according to established procedures. The purpose of this is to ensure that the Board has the relevant information and documentation on which to base decisions. In 2020 the Board held nine meetings, including its statutory meeting. The more important issues dealt with by the Board during the year included monitoring operations, review and approval of the interim reports and year-end report, strategic review of Skanska, withdrawal of dividend proposal to the AGM 2020 in light of Covid-19, decision on dividend proposal and to convene an EGM, as well as internal control, risk management and compliance matters.

Evaluation of the work of the Board

The work of the Board is evaluated annually through a structured process aimed at improving work processes, efficiency and collective expertise, and to assess any need for change. The Chairman of the Board is responsible for the evaluation and for presenting the findings to the Board and the Nomination Committee. In 2020 an evaluation was carried out in the form of individual conversations between the Chairman and each member of the Board, but also through discussion during board meetings. The Chairman

The members and the deputy members of the Board

Member	Position	Elected, year	Audit Committee	Compensation Committee	Project Review Committee	Independent in relation to the Company and GLT	Independent in relation to major shareholders
Hans Biörck	Chairman	2016	■	■	■	Yes	Yes
Pär Boman ¹	Member	2015	■	■	■	Yes	No
Jan Gurander	Member	2019	■		■	Yes	Yes
Fredrik Lundberg	Member	2011			■	Yes	No
Catherine Marcus	Member	2017			■	Yes	Yes
Jayne McGivern	Member	2015		■	■	Yes	Yes
Charlotte Strömberg ²	Member	2010	■		■	Yes	Yes
Åsa Söderström Winberg ³	Member	2020	■		■	Yes	Yes
Ola Fält	Employee Representative	2018				–	–
Richard Hörstedt ⁴	Employee Representative	2007			■	–	–
Yvonne Stenman	Employee Representative	2018				–	–
Pär-Olow Johansson ⁵	Employee Representative (Deputy)	2014				–	–
Hans Reinholdsson ⁶	Employee Representative (Deputy)	2020					
Anders Rättgård ⁷	Employee Representative (Deputy)	2017			■	–	–

■ = Chairman ■ = Member

¹ Chairman of the Audit Committee from April 27, 2020.

² Until March 26, 2020.

³ From March 26, 2020.

⁴ Member of the Project Review Committee until March 26, 2020, and deputy member for Anders Rättgård from March 26, 2020.

⁵ Until July 1, 2020.

⁶ From December 16, 2020.

⁷ Member of the Project Review Committee from March 26, 2020.

was also evaluated through a discussion with the Board without the Chairman present; the board meeting on this occasion was chaired by another member appointed for the purpose. The outcome of the 2020 evaluation was that the work of the Board was deemed to be functioning well.

Fees to the Board

The AGM 2020 resolved in accordance with the Nomination Committee's proposal on unchanged fees to the Chairman of the Board and to the other board members as well as unchanged fees for work in the committees of the Board compared to 2019. Total fees to the AGM-elected board members not employed by Skanska were thus approved by the AGM 2020 in the amount of SEK 8,815,000. The Chairman of the Board received SEK 2,100,000 and the other board members not employed by Skanska received SEK 700,000 each. In addition, the Chairman of the Audit Committee received SEK 230,000 and the other members of the committee SEK 165,000 each, the Chairman of the Compensation Committee received SEK 110,000 and the other members of the committee SEK 105,000 each, and the Chairman of the Project Review Committee and the other members of the committee received SEK 210,000 each. For more detailed information, see Note 37, Remuneration to senior executives and board members.

The Board's committees

The Board is ultimately responsible for the organization of Skanska and the management of Skanska's operations. The overall responsibility of the Board cannot be delegated, but the Board may appoint committees to do preparatory work and explore certain issues in preparation for decisions by the Board. The Board has formed three committees to provide structure, improve efficiency

and ensure the quality of its work: (i) Audit Committee, (ii) Compensation Committee and (iii) Project Review Committee. The members of the committees are appointed annually at the statutory meeting of the Board. The Board's Procedural Rules specify which duties and decision-making powers have been delegated. The Chairman of each committee reports orally to the Board at each board meeting and all minutes from the committee meetings are submitted to the Board.

Audit Committee

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

In 2020 the Audit Committee consisted of Pär Boman (Chairman)¹, Charlotte Strömberg (Chairman)², Hans Biörck, Jan Gurander and Åsa Söderström Winberg³.

The Committee held five meetings in 2020. Important matters addressed during the year included capital allocation, financing, pension reporting, external reporting, impairment testing, write-downs in construction projects, larger disputes, review of the interim reports and year-end report, internal control, risk management and compliance matters.

Attendance at Board and Committee meetings

	Board meetings	Audit Committee	Compensation Committee	Project Review Committee
Number of meetings	9	5	5	12
Member				
Hans Biörck	7	5	5	10
Pär Boman ¹	9	5	5	12
Jan Gurander	9	5		12
Fredrik Lundberg	9			12
Catherine Marcus	9			12
Jayne McGivern	8		5	12
Charlotte Strömberg ²	2	1		2
Åsa Söderström Winberg ³	7	4		10
Ola Fält	9			
Richard Hörstedt ⁴	9			2
Yvonne Stenman	9			
Pär-Olow Johansson ⁵	4			
Hans Reinholdsson ⁶				
Anders Rättgård ⁷	9			10

¹ Chairman of the Audit Committee from April 27, 2020.

² Until March 26, 2020.

³ From March 26, 2020.

⁴ Member of the Project Review Committee until March 26, 2020, and deputy member for Anders Rättgård from March 26, 2020.

⁵ Until July 1, 2020.

⁶ From December 16, 2020.

⁷ Member of the Project Review Committee from March 26, 2020.

Compensation Committee

The main task of the Compensation Committee is to prepare recommendations for decisions by the Board on the appointment or dismissal of the President and CEO, including salary and other remuneration, and the other Group Leadership Team members. The committee prepares recommendations for decisions by the Board on incentive programs and examines the outcomes of variable remuneration components.

In 2020 the Compensation Committee consisted of Hans Biörck (Chairman), Pär Boman and Jayne McGivern. The Code requirements regarding independence, according to which the Chairman of the Board is permitted to be the Chairman of the Compensation Committee and other AGM-elected members are to be independent in relation to the Company and its senior executives, have therefore been met.

The committee held five meetings in 2020. Important matters addressed during the year were review of Skanska's variable remuneration programs for the senior executives, review and evaluation of the application of the guidelines for salary and other remuneration to senior executives as well as the existing remuneration structures and levels in the Company and review of senior executives' other assignments. The committee further reviewed and prepared a remuneration report for resolution by the Board and subsequent referral to the AGM 2021 for approval.

Project Review Committee

The Project Review Committee takes decisions on individual projects within the Construction, Residential Development and Commercial Property Development business streams and on certain project financing packages. Projects above a certain monetary threshold or that involve especially high or unusual risks or other special circumstances may be referred to the Board for a decision. The committee consists of all AGM-elected board members and employee representative Anders Rättgård, with employee representative Richard Hörstedt as deputy member for Anders Rättgård. The committee held twelve meetings in 2020.

External auditors

According to the Articles of Association, the Company shall have one or two authorized auditors and no more than two deputy auditors. A registered accounting firm may be appointed as the Company's external auditor. At the AGM 2020, Ernst & Young AB was re-elected as external auditor, until the close of the AGM 2021. Authorized Public Accountant Hamish Mabon is the auditor in charge. The external auditor has attended two board meetings to report on the auditing process of Ernst & Young AB for Skanska and to provide the members of the Board with an opportunity to ask questions without senior executives being present. The external auditor has also attended five meetings of the Board's Audit Committee. For information on fees and other remuneration to the external auditor for audit-related and other services, see Note 38, Fees and other remuneration to auditors.

Operational management and internal governance

Skanska operates with a decentralized governance model that recognizes the local characteristics of the construction and development markets, empowering the business units to develop their business and deliver according to plan, while retaining the profit and loss responsibility. The Group Headquarters ("Group HQ") sets the Group strategy and targets, ensures effective financial capacity, and conducts proper follow-up on business unit performance and compliance. In the decentralized governance structure operated, as a rule, the Group HQ establishes what is required, while the business units are responsible for how requirements are met. Each business unit is headed by a President and has its own administrative functions and other resources to conduct its operations effectively. Aside from day-to-day operations managing projects, the business units deal with matters such as their strategic development, business plans, investments, divestments and organization.

The President and CEO and the Group Leadership Team

The President and CEO is appointed by the Board and runs the Company and the Group in accordance with the instructions adopted by the Board. The President and CEO is responsible for the day-to-day management of the operations of the Company and the Group and is supported by the other members of the Group Leadership Team. The work of the President and CEO is evaluated at one board meeting each year at which no senior executives are present. The President and CEO has no business dealings of any significance with the Company or its Group companies. Information on the President and CEO and the other members of the Group Leadership Team can be found on pages 44–45.

Core corporate functions and Group functions

Core corporate functions and Group functions are based at the Group HQ in Stockholm. The Core corporate functions and Group functions assist the President and CEO and the Group Leadership Team on matters relating to corporate functions, coordination and oversight. They also provide support to the business units. The head of each Group function reports directly to a member of the Group Leadership Team. The head of the Internal Audit and Compliance reports directly to the Board by way of the Audit Committee. A presentation of the Core corporate functions and Group functions can be found on page 39.

Remuneration to senior executives

The AGM 2020 approved the Board's proposal for guidelines for salary and other remuneration to senior executives. The guidelines and information about salary and other remuneration to senior executives, as well as outstanding share award and share-related incentive programs, are found in Note 37, Remuneration to senior executives and board members. Senior executives include the President and CEO and the other members of the Group Leadership Team.

Purpose and values

While creating shareholder value, Skanska’s purpose is to build for a better society. This reflects the Group’s role in society, a position that enables Skanska to create shareholder value. Fundamental to Skanska’s success are four values; Care for Life; Act Ethically and Transparently; Be Better – Together; and Commit to Customers. They serve as a moral foundation and compass, and Skanska constantly drives the need for every employee to strongly live these values in all they do.

Skanska provides innovative and sustainable solutions to create a sustainable future for its employees, customers, shareholders and communities. This is reinforced by continued commitment to the sustainability focus areas Health and Safety, Ethics, Green, Community Investment as well as Diversity and Inclusion. Sustainability at Skanska is grounded in the Group’s purpose and values. Skanska’s sustainability report can be found on pages 58–86.

Code of Conduct

Skanska’s Code of Conduct is based on the Skanska values and sets the standard for the daily behavior of employees and how Skanska does business. It is reviewed regularly by the Group Leadership Team and updates are approved by the Board. It defines Skanska’s commitments at the workplace, in the marketplace and to society.

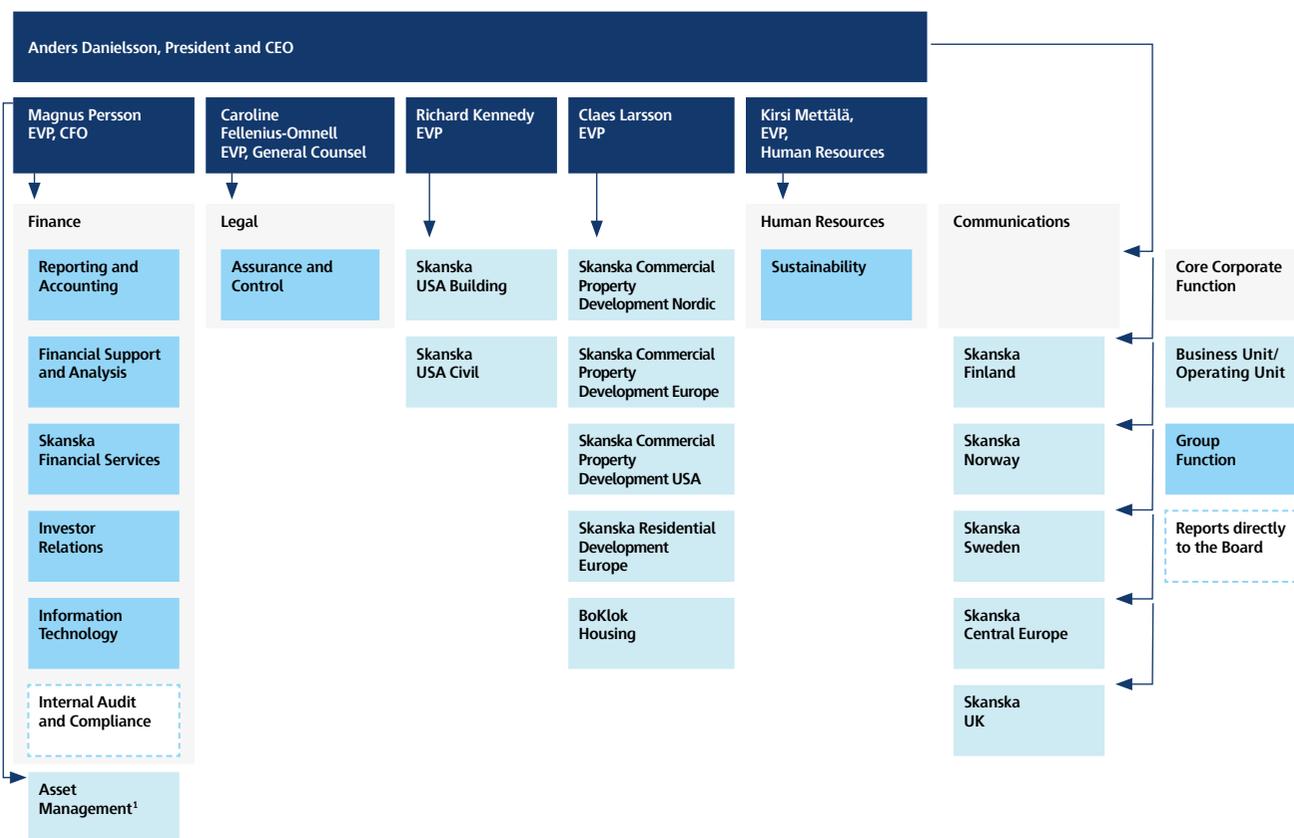
It covers such topics as health and safety; diversity and inclusion; data protection; environment; confidentiality; conflicts of interest; fraud; fair competition; anti-corruption and anti-bribery; and insider information and market abuse. All Skanska employees are required to uphold the principles and requirements contained in the Code of Conduct. All employees receive Code of Conduct training every two years, and new employees are trained within one month of starting with Skanska. This requirement applies equally to members of the Board.

The Code of Conduct is supplemented by the Supplier Code of Conduct which must be adhered to by all subcontractors, suppliers, consultants, intermediaries and agents. The Supplier Code of Conduct is included in agreements with these parties and outlines the expectations that Skanska put on those Skanska does business with. The Supplier Code of Conduct covers topics such as fair working conditions; discrimination and harassment; anti-corruption and anti-bribery; and fair competition.

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

Skanska’s management structure

Group Leadership Team



¹ Portfolio of PPP assets.

Skanska's reporting structure

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

■ = Operating unit □ = External reporting

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

Governance framework

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

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

The business units are required to establish and maintain a robust and well-functioning system of governance within their operations. Business units' governance systems, such as business units' policies and management systems, should complement and

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

The Procedural Rules for the Board and its Committees state which items of business will be decided upon by the Board, by the President and CEO, by the Group Leadership Team, or at the business unit level.

In addition to the Board's Procedural Rules, and Skanska's Code of Conduct and Supplier Code of Conduct, Skanska's Group policies include:

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

Group policies

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

Group standards or Group procedures

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

Group guidelines

A non-binding document containing guidance for the organization.

Internal control

This description includes the most important elements of Skanska's internal control and risk management systems in connection with financial reporting.

Control environment

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

The Group Function Assurance and Control supports the Group Leadership Team in monitoring the system of internal control.

Risk assessment and control activities

Skanska has identified the material risks in its operations that may, if not managed correctly, lead to errors in financial reporting and/or have an impact on the Company's performance results. The Group HQ has subsequently ensured that the Group has rules in place to guarantee that these risks are managed. The Group Leadership Team and the Group functions are responsible for managing general risks relating to strategy, macroeconomics and regulatory frameworks, while the main tasks relating to operational risk and opportunities are carried out at the local level within the business units. A detailed description of the identified enterprise risks and how they are managed is found on pages 51–56.

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

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

Information and communication

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

Monitoring

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

Internal Audit and Compliance

The Group function Internal Audit and Compliance is responsible for monitoring and evaluating risk management and internal control processes. The work is planned in consultation with the Audit Committee and reporting takes place directly to the Board through the committee. Matters relating to internal audit are also communicated on an ongoing basis to Skanska's external auditors. In 2020, Internal Audit and Compliance focused on reviewing the risks identified relating to the Group's projects, business-critical processes and key corporate functions. A total of 100 audits were conducted during the year within all business units. There was a particular focus on the business operations in USA and the UK. The audits were performed in accordance with a uniform audit method.

Board of Directors



Hans Biörck

Chairman



Pär Boman

Board member



Jan Gurander

Board member



Fredrik Lundberg

Board member

Position	Chairman	Board member	Board member	Board member
Born	Sweden, 1951	Sweden, 1961	Sweden, 1961	Sweden, 1951
Elected	2016	2015	2019	2011
Shareholding in Skanska, December 31, 2020	25,000 B shares through privately owned company	1,000 B shares	0 shares	6,032,000 A shares and 15,550,000 B shares through L E Lundbergföretagen AB (publ) 1,150,000 B shares through privately owned company 5,376 A shares and 1,100,000 B shares privately
Other board assignments	<ul style="list-style-type: none"> – Chairman, Trelleborg AB – Board member, Handelsbanken AB 	<ul style="list-style-type: none"> – Chairman, Handelsbanken AB – Chairman, Essity AB – Chairman, Svenska Cellulosa Aktiebolaget SCA – Vice Chairman, AB Industrivärden 	<ul style="list-style-type: none"> – Board member, The Association of Swedish Engineering Industries 	<ul style="list-style-type: none"> – Chairman, AB Industrivärden – Chairman, Holmen AB – Chairman, Hufvudstaden AB – Vice Chairman, Handelsbanken AB – Board member, L E Lundbergföretagen AB
Education	<ul style="list-style-type: none"> – Master of Science in Business and Economics, Stockholm School of Economics 	<ul style="list-style-type: none"> – Degree in engineering and in economics 	<ul style="list-style-type: none"> – Master of Science in Business and Economics, Stockholm School of Economics 	<ul style="list-style-type: none"> – M.Sc. Engineering, Royal Institute of Technology, Stockholm – Master of Business Administration (M.B.A), Stockholm School of Economics – Dr. (Econ.) h.c., Stockholm School of Economics – Dr. (Eng.) h.c., Linköping University
Work experience	<ul style="list-style-type: none"> – Chief Financial Officer, Skanska AB – Chief Financial Officer, Autoliv AB – Chief Financial Officer, Esselte AB 	<ul style="list-style-type: none"> – President and CEO, Handelsbanken AB 	<ul style="list-style-type: none"> – Deputy CEO AB Volvo (since 2018) – Deputy CEO and CFO AB Volvo – CFO & Senior Vice President Finance Volvo Car Group – CFO MAN Diesel & Turbo SE – Group Vice President and CFO, Scania AB 	<ul style="list-style-type: none"> – President and CEO, L E Lundbergföretagen AB
Dependency relationship in accordance with the Swedish Corporate Governance Code	<ul style="list-style-type: none"> – Independent in relation to the company and its executive management – Independent in relation to major shareholders 	<ul style="list-style-type: none"> – Independent in relation to the company and its executive management – Dependent in relation to major shareholders 	<ul style="list-style-type: none"> – Independent in relation to the company and its executive management – Independent in relation to major shareholders 	<ul style="list-style-type: none"> – Independent in relation to the company and its executive management – Dependent in relation to major shareholders

Board members and deputies appointed by the trade unions¹



Ola Fält

Born: Sweden, 1966
Skanska Industrial Solutions; appointed by SEKO in 2018
Board member

Shareholding in Skanska 1,772 B shares



Richard Hörstedt

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

Shareholding in Skanska 0 shares



Hans Reinholdsson

Born: Sweden, 1972
Region Hus Göteborg; appointed by Byggnads in 2020
Deputy board member

Shareholding in Skanska 610 B shares

¹ Shareholding in Skanska as of December 31, 2020.



	Catherine Marcus	Jayne McGivern	Åsa Söderström Winberg
Position	Board member	Board member	Board member
Born	USA, 1965	United Kingdom, 1960	Sweden, 1957
Elected	2017	2015	2020
Shareholding in Skanska, December 31, 2020	0 shares	0 shares	2,500 B shares through privately owned company and 800 B shares through related person
Other board assignments	– Board member, NCREIF PREA Reporting Standards Board (Private)	– Board member, Cairn Homes plc	– Chairman, Scanmast AB – Board member, Vattenfall AB – Board member, OEM International AB – Board member, Delete Group Oyj – Board member, Fibo AS
Education	– M.S., Real Estate Investment and Development, New York University – B.S.E. Real Estate Finance and Entrepreneurial Management, Wharton School, University of Pennsylvania	– Harrogate Ladies College – Fellow of the Royal Institution of Chartered Surveyors	– B. Sc. Economics, Stockholm University
Work experience	– Global Chief Operating Officer, PGIM Real Estate – PGIM Real Estate – MBL Life Assurance Corporation	– President Development and Construction, Madison Square Garden Company Ltd – Red Grouse Properties – Chief Executive Officer, Multiplex plc (Europe) – Managing Director UK, Anschutz Entertainment Group	– CEO, Sweco Theorells AB – CEO, Ballast Väst AB – Marketing Manager, NCC Industry – Communications Manager, NCC Bygg AB
Dependency relationship in accordance with the Swedish Corporate Governance Code	– Independent in relation to the company and its executive management – Independent in relation to major shareholders	– Independent in relation to the company and its executive management – Independent in relation to major shareholders	– Independent in relation to the company and its executive management – Independent in relation to major shareholders



Anders Rättgård
Born: Sweden, 1961
Region Hus Göteborg;
appointed by Unionen in 2017
Deputy Board member
Shareholding in Skanska
3,787 B shares



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

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

Group Leadership Team



Anders Danielsson

President and Chief Executive Officer (since 2018)

Responsible for business units/Core Corporate Function
 – Skanska Finland
 – Skanska Norway
 – Skanska Sweden
 – Skanska Central Europe
 – Skanska UK
 – Communications



Caroline Fellenius-Omnell

Executive Vice President, General Counsel (since 2017)

Responsible for Core Corporate Function/ Group Function
 – Legal
 – Assurance and Control



Richard Kennedy

Executive Vice President (since 2018)

Responsible for business units
 – Skanska USA Building
 – Skanska USA Civil

Position

Born

1966

1968

1966

Joined Skanska in

1991

2017

2004

Shareholding in Skanska December 31, 2020

136,186 B shares

10,955 B shares

26,007 B shares

Awarded but unvested share awards under Skanska's long-term share saving program (Seop), December 31, 2020¹

76,018 B shares

27,510 B shares

68,205 B shares

Board assignments

–

– Board member, The Swedish Association of Listed Companies

– Building Trades Employers Association, NY, USA

Education

– M.Sc. Engineering, Royal Institute of Technology, Stockholm
 – Advanced Management Program, Harvard, Boston MA

– Master of Laws, Stockholm University
 – Master of Laws, College of Europe, Bruges

– Bachelor of Arts, Rutgers College, Rutgers University
 – Juris Doctor, Seton Hall University School of Law
 – Master of Laws, London School of Economics and Political Science

Work experience

– Executive Vice President, Skanska AB
 – President, Skanska Sweden
 – President, Skanska Norway

– Group General Counsel, Tele2 AB
 – Group General Counsel, Sidel
 – General Counsel Europe, Tetra Pak AB
 – Corporate Counsel, AB Electrolux

– President and CEO, Skanska USA Building
 – Chief Operating Officer, Skanska USA Building
 – General Counsel, Skanska USA Building

Presidents of Business units

Gunnar Hagman

Skanska Sweden

Ståle Rød

Skanska Norway

Tuomas Särkilähti

Skanska Finland

Michal Jurka

Skanska Central Europe

Greg Craig

Skanska UK

Paul Hewins

Skanska USA Building

Don Fusco

Skanska USA Civil

Jonas Spangenberg

BoKlok Housing

Björn Matsson

Skanska Residential Development Europe

Jan Odelstam

Skanska Commercial Property Development Nordic

Katarzyna Zawodna

Skanska Commercial Property Development Europe

Robert Ward

Skanska Commercial Property Development USA

¹ Share awards awarded during 2018–2020. In order for the shares to vest, an additional three years of service from each award date are required. Share awards for 2020 are further preliminary. The Board will determine the outcome for 2020 in the first quarter of 2021 after reviewing operational performance.

**Claes Larsson**

Position
Executive Vice President
(since 2006)

Responsible for business units
– Skanska Commercial Property Development Nordic
– Skanska Commercial Property Development Europe
– Skanska Commercial Property Development USA
– Skanska Residential Development Europe
– BoKlok Housing

Born 1965

Joined Skanska in 1990

Shareholding in Skanska December 31, 2020 200,998 B shares

Awarded but unvested share awards under Skanska's long-term share saving program (Seop), December 31, 2020¹ 40,445 B shares

Board assignments
– Chairman, Handelsbanken's regional bank board of directors, western Sweden

Education
– M.Sc. Engineering, Chalmers University of Technology
– MBA, Chalmers University of Technology and University of Gothenburg

Work experience
– President, Skanska Commercial Property Development Nordic
– President, Skanska Fastigheter Göteborg

**Kirsi Mettälä**

Executive Vice President,
Human Resources (since 2018)

Responsible for Core Corporate Function/ Group Function
– Human Resources
– Sustainability

Born 1963

Joined Skanska in 1994

Shareholding in Skanska December 31, 2020 27,671 B shares

Awarded but unvested share awards under Skanska's long-term share saving program (Seop), December 31, 2020¹ 20,129 B shares

Board assignments
– Chairperson, Nomination Committee, FIBS (Finnish Business Society)
– Board member, Stockholm School of Economics, Advisory Board

Education
– Bachelor of Business Administration, Haaga-Helia University of Applied Sciences
– eMBA, Aalto Executive Education

Work experience
– Senior Vice President, HR and Communications, Skanska Finland
– Senior Vice President, HR Development, BU Skanska Finland
– HRD manager, Skanska Finland
– HR specialist, Skanska Finland

**Magnus Persson**

Executive Vice President,
Chief Financial Officer (since 2018)

Responsible for Core Corporate Function/ Group Functions/Operating unit
– Finance
– Reporting and Accounting
– Financial Support and Analysis
– Skanska Financial Services
– Investor Relations
– IT
– Internal Audit and Compliance
– Asset Management

Born 1976

Joined Skanska in 2006

Shareholding in Skanska December 31, 2020 20,984 B shares

Awarded but unvested share awards under Skanska's long-term share saving program (Seop), December 31, 2020¹ 27,644 B shares

Board assignments
– Ph.D. in Business Economics, Uppsala University
– Master of Science in Business Economics, Uppsala University

Work experience
– Chief Financial Officer, Skanska Sverige AB
– Senior Vice President, Investor Relations, Skanska AB
– Group Manager, Corporate Finance, Skanska AB
– Head of Research & Analysis, Skanska Financial Services AB

**Senior Vice Presidents,
Core Corporate Functions/
Group Functions**

Katarina Bylund
Reporting and Accounting

Karolina Cederhage
Communications

Anders Göransson
Internal Audit and Compliance

Lena Hök
Sustainability

Mark Lemon
Assurance and Control

André Löfgren
Investor Relations

Therese Tegner
Skanska Financial Services

Anders Candell
Information Technology (IT)

Caroline Walméus²
Financial Support and Analysis

Sanna-Mari Pöyhtäri³
Financial Support and Analysis

¹ Share awards awarded during 2018–2020. In order for the shares to vest, an additional three years of service from each award date are required. Share awards for 2020 are further preliminary. The Board will determine the outcome for 2020 in the first quarter of 2021 after reviewing operational performance.

² Until February 6, 2021.
³ From February 8, 2021.

Auditor's report

This is a translation from the Swedish original.

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Skanska AB (publ) for the year 2020 except for the statutory sustainability report on pages 58–86. The annual accounts and consolidated accounts of the company are included on pages 33–45 and 51–193 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31st, 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31st, 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. Our opinions do not cover the statutory sustainability report on pages 58–86.

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

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

Basis for Opinions

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

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

Key audit matters

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

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

Revenue recognition over time in Construction contracts

Description	How our audit addressed this key audit matter
<p>The main portion of the company's income relates to construction contracts. For 2020 the revenues from construction contracts amount to MSEK 130,325. Usually a performance obligation is satisfied over time, which means that revenue should be recognized over time by measuring the progress towards complete satisfaction of that performance obligation. Revenue is recognized on the basis of the company's efforts to the satisfaction of a performance obligation relative to the total expected efforts. This requires the entity to be able to measure its progress towards complete satisfaction of the performance obligation and determine the transaction price. This in turn requires that the Group has effective, coordinated systems for cost estimation, forecasting and revenue/expense reporting. Also, a consistent process is required to assess the final outcome of the project, including analysis of differences compared with earlier assessment dates. This critical judgment is performed at least once per quarter.</p>	<p>Our audit procedures include, among others, analytical procedures of revenue and margins of material projects and data analytics of transactions. We have audited samples of revenue and costs in selected projects, which are of material size or represents a significant risk to the company. We have also had discussions with the company's controllers and responsible project managers about assessments, assumptions and estimates related to revenue recognition, profit margin and cost allocation.</p> <p>We have also audited material contracts to identify potential risks for penalties due to any delays in the projects, and we also have continuous meetings with the Company's internal legal representatives. We have audited provisions and other reserves related to projects within Construction based on underlying support and the Company's assessments.</p> <p>We have continuous meetings and discussions with responsible auditors in each country to identify and cover country-specific risks.</p> <p>We have assessed the historical accuracy of the company's estimates of the final outcomes of projects through discussions with Group Leadership Team and Audit Committee regarding the actual outcome.</p> <p>In addition, we have evaluated whether the valuation of revenue in the Company's accounting principles is reasonable and assessed the completeness of the disclosure requirements, which are found in Note 4 "Operating Segments" and Note 9 "Contract assets and contract liabilities".</p>

Valuation of investments in property project development

Description	How our audit addressed this key audit matter
<p>The book value of investments in property development projects, which constitute current asset properties, amounts to MSEK 44,947 as shown in note 22 "Current-asset properties/ Project development". As shown in note 22 the current-asset properties are carried at cost or net realizable value, whichever is lower. The company therefore makes calculations of the net realizable value. Potential impairment in development projects under construction and completed projects could have significant impact on the company's net income. Changes in the supply of similar projects, as well as changes in demand may materially affect both estimated market values and carrying amounts for each project. These projects vary in size and the investment cycle could be either short or long.</p>	<p>Our audit procedures include assessing budgets and financial projections and reviewing other financial input used to determine the value in use models. We have also audited work performed by external appraisers. We specifically focused on the sensitivity in the difference between the net realizable value/ estimated value and book values of the projects, where a reasonably possible change in assumptions could cause the carrying amount to exceed its estimated present value. We also assessed the historical accuracy of the company's estimates of the final outcomes of valuation through discussions with Group Leadership Team and the Audit Committee regarding the actual outcome.</p> <p>Finally, we evaluated the adequacy of the Company's disclosures included in Note 22.</p>

Claims and litigations

Description

The provision for legal disputes amounts to MSEK 1,786. As outlined in Note 29 "Provisions" of the Annual Report, the Company is exposed to potential claims and disputes in the Construction business stream for projects that have been completed. Claims and disputes including any provisions is a key audit matter to our audit because management judgement is required. The assessment process is complex and entails assessing future developments. In addition, some of the claims are in countries where the legal proceedings can stretch out over an extended period of time.

How our audit addressed this key audit matter

We have gained an understanding of the claims and litigations through discussions with the responsible persons within the Company, the Group Leadership Team and the Audit Committee. We have read the internal position papers prepared by the Company. We also obtained lawyers' letters to the extent considered necessary for our audit. For all potentially material claims we tested the underlying facts and circumstances considered relevant for the legal advisors to reach their conclusions and assessed the best estimate of outflows and associated provisions as determined by the Company.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–32, 46–50 and 194–211. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of

accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Skanska AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 58-86, and that it is prepared in accordance with the Annual Accounts Act.

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

A statutory sustainability report has been prepared.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Skanska AB by the general meeting of the shareholders on March 26, 2020 and has been the company's auditor since the 2016.

Stockholm March 8, 2021

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant

Anders Kriström
Authorized Public Accountant