

Skanska UK PLC Policies & Procedures

Section 22 – Appendix 4

Corporate Community Investment (CCI)

1. Introduction

1.1 Construction is a local activity; projects we win place us in many communities. Skanska is committed to being a responsible member of the communities where it does business. We do this to strengthen our relationships, build pride among our employees and attract new talent.

1.2 Being a responsible and appreciated community member is about how we execute projects for our customers as well as making a wider contribution to society. At community level we contribute our expertise to educate in Safety, Green, and Technical know-how. We also consider other community activities in line with our Code of Conduct.

1.3 The objective of this document is to provide Skanska UK's Operating Units (OUs) and Enabling Functions (EFs) with guidance on how we are implementing the Skanska AB Corporate Community Investment (CCI) Policies into our UK operations.

1.4 This document is drawn up in accordance with the Skanska AB CCI guidelines and Green Communications Strategy and definitions are based on those used by Partnering Against Corruption Initiative (PACI) of the World Economic Forum.

2. Policy

2.1 CCI is defined as the process of engaging people in a locality for mutual benefit. It forms part of the Social section of the Skanska Sustainability Agenda, in which we describe it by saying that “we help build communities”. Being part of the Sustainability Agenda will enable our community investment to be more visible and sharing across the entire company.

2.2 We want to ensure that our community investment activities involve more in-kind support focusing on education. This will be in three broad areas where we, by sharing our know-how and experience, can contribute to positive local social development and build our brand and reputation around the projects we deliver.

2.3 The three areas are:-

- Safety – to share our knowledge in the area of safety and to support safe workplace initiatives.
- Green construction – to support local green training initiatives in connection with the built environment.
- Technical know-how – to actively share technical know-how and to support technical education focused on the built environment.

2.4 We may also from time to time participate in other types of activities requested by local community groups, provided that education initiatives have first been offered but declined and that the rules and procedures in this document are followed.

2.5 In Skanska UK, community activities are coordinated by a CCI Steering Group supported by a Skanska group-wide network that will help to share best practice and collect success stories and data for annual reporting to stakeholders.

2.6 CCI, whether cash or in-kind, is not sponsorship.

3. Education areas

3.1 Safety

Our goal is zero accidents – the safety of our employees as well as our partners, subcontractors, suppliers and the general public should be ensured at and around our projects.

At community level we will:-

- Share our own safety knowledge
- Support activities aimed at improving safety

3.2 Green

Our ambition is to be the leading green contractor and developer.

At community level we will:-

- Support appropriate local green education initiatives, especially those linked to the built environment

3.3 Technical know-how

A greater awareness of our technical expertise can help to convince key local community stakeholders that we are a better partner than our competitors.

At community level we will:-

- Actively share technical knowledge that is not commercially sensitive
- Support all forms of technical education focused on the built environment

4. Other CCI activities

4.1 We will support CCI activity that does not fit under education when local communities value something different provided education has been offered first and declined.

The agreed CCI activity must comply with the Skanska Code of Conduct, Corporate Governance Rules and Financial Threshold Rules for both cash and/or in-kind contributions.

5. Charitable contributions

5.1 Charitable contributions are cash or in-kind payments made for the benefit of society and may be for charitable, educational, social welfare or similar purposes.

Such payments are to be made without demand or expectation of business return.

This category of activity includes participation in social investment programmes, which can involve important and valuable contributions to social and economic development.

These contributions are covered by this CCI Policy.

5.2 It is a requirement that, in all cases, the Director of Environment must be consulted before any donation for a charitable event is entered into. Appendix C1 should be used for this purpose. The form should be signed off by the OU EVP, unless it is the OU EVP's request, in which case it should be signed off by the BUP. Any such charitable donation is to be accounted for by the OU concerned.

5.3 Guidance on the types of charitable donations which are deemed acceptable under the Skanska Code of Conduct is set out below and practical examples can also be found on the Skanska UK Ethics Committee intranet pages.

5.4 All Skanska UK charitable donations should:

- 1) link to either:
 - one of Skanska UK's national charities,
 - a market sector in which Skanska UK operates;
 - or a local beneficiary connected with a geographic area of our work and.
- 2) be proportionate in terms of Skanska's financial commitment

5.5 Skanska UK staff are permitted to take part in events for charity, providing that any such event is approved or permitted under current Skanska AB and Skanska UK guidelines. Evidence must also be given that the event is purely a fund raising one and any associated hospitality is within the entertainment and hospitality policy requirements.

5.6 It is not acceptable for charitable donations to be made in circumstances where it may or may appear to be inducing a person to perform improperly a relevant function or activity.

6. Sponsorship

6.1 CCI is not Sponsorship. Sponsorship is a transaction where Skanska makes a payment, in cash or in-kind, to associate our name with an activity or other organization.

6.2 In consideration of the sponsorship fee, Skanska receives rights and benefits such as the use of the sponsored organization's name, advertising credits in events and publications, use of facilities and opportunities to promote Skanska's name, products and services.

6.3 Sponsorship is a business transaction and should be part of a promotion, marketing or advertising budget. It is covered in the Skanska UK [Policies and Procedures](#) Section 16 Corporate Communications.

7. Funding rules

7.1 CCI shall be subject to the same rules and procedures as any other form of expenditure in Skanska UK. The main difference is the fact that in the medium- to long-term much of our CCI expenditure will take the form of in-kind contributions such as time, materials and other non-cash donations.

7.2 Valuation of in-kind contributions. The following guidance shall be used to calculate the in-kind portion:

- Time - to be valued on a full overhead basis
- Materials and other physical items - to be valued on a fair market basis

7.3 Approvals and financial limits. All Skanska UK charitable donations must be approved, in advance, in accordance with the financial limits set out in the Skanska UK [Policies and Procedures](#) Delegation and Limits of Authority Schedule in Section 2, Appendix 5, Section B, part 21.

Details of all charitable donations should be passed to the Director of Environment so that a list of donations can be maintained.

It is the responsibility of Director of Environment to ensure that the Skanska UK annual donations ceiling is not exceeded.

7.4 Reference should be made to Procedural Rules for Skanska AB and the Skanska Group, Section 1.3 g or any rules that in the future replace it. Thresholds for CCI cash contributions are set at similar levels to those of Sponsorship. Therefore,

CCI cash thresholds requiring the **Skanska AB Board's** approval are:

- Commitment per occurrence > SEK 0.5 M
- Per Business Unit annually > SEK 5 M

Reference should be made to Procedural Rules for Skanska AB and the Skanska Group, Section 2.2 g or any rules that in the future replace it.

CCI cash thresholds requiring **SET** approval (alternatively responsible SET EVP):

- Commitment per occurrence > £49k
- Total annually > £490k

CCI cash thresholds requiring **BUP** approval are:

- Commitment per occurrence > £24k
- Total annually > £294k

CCI cash thresholds requiring **Ops EVP** approval are:

- Commitment per occurrence > £7.5k
- Total annually > £50k

CCI cash thresholds requiring **OU MD** approval are:

- Commitment per occurrence > £2.5k
- Total annually > £10k

8. Monitoring and reporting

8.1 All CCI work is to be monitored and evaluated so that our resources are effectively deployed to the maximum benefit of Skanska UK and the communities that are beneficiaries.

8.2 A quarterly report will be produced by the Director of Environment and sent to Skanska AB detailing the value of CCI in cash and in-kind investments and any notable events or participation.

8.3 Details may also be communicated externally from time to time, especially where requested by stakeholders.