

SKANSKA

Strategic Risk Taking

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Head of Risk



“We build for a better society”

1. Background
2. Emerging Opportunities
3. Strategic Risk → Active Risk
4. Proactive Risk Management
5. ERM



Background

Civil Engineer with majors in Construction Management, Data Analytics and Regulatory Compliance

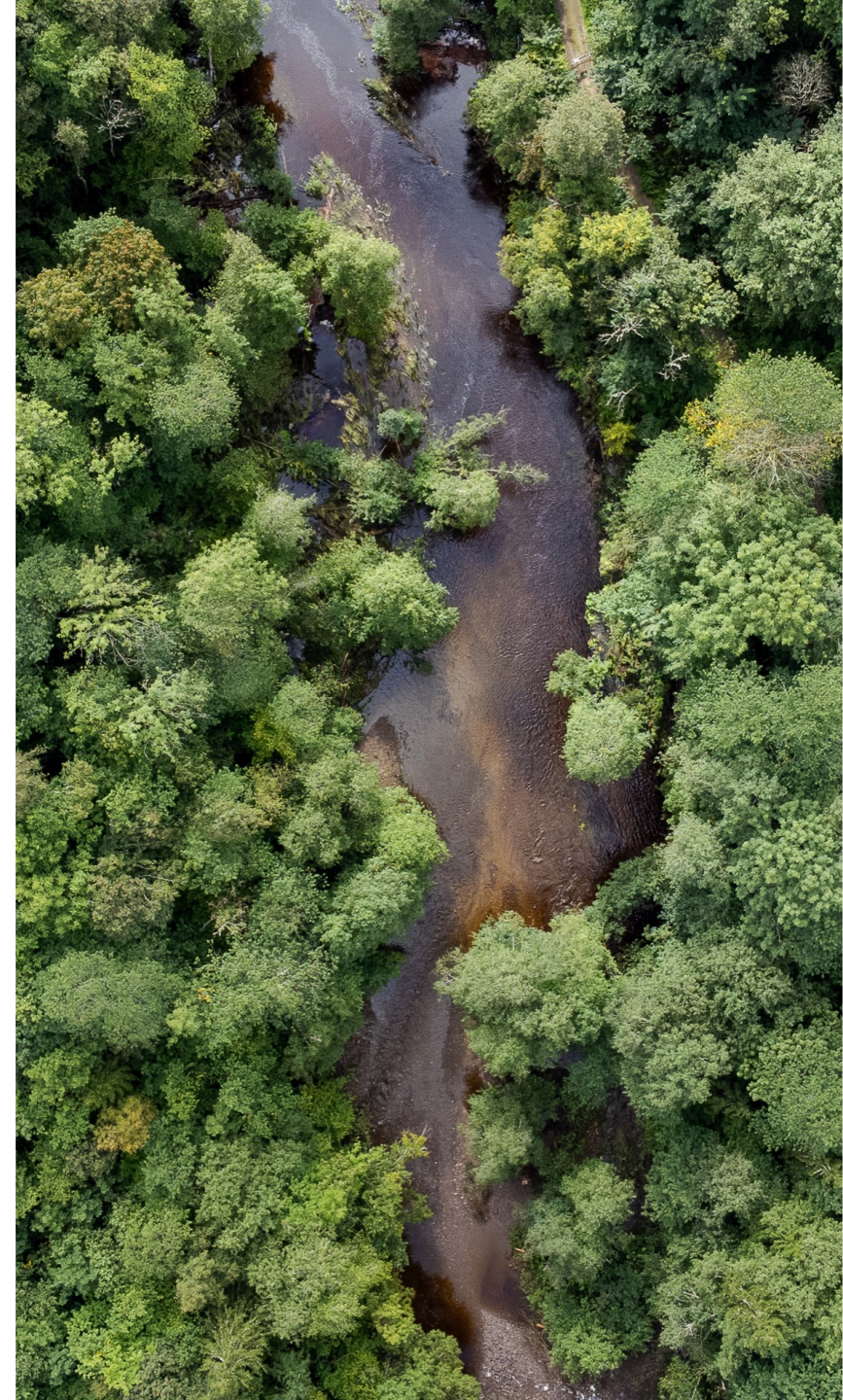
15 years' experience on energy and construction megaprojects, both from client and contractor perspectives

Spent 7 years as EMEA benchmarking partner analyst with all major Oil & Gas operators in the region

Interests include ERM and Risk Management implementation, to improve Portfolio and Project planning and predictability

Emerging Opportunities

- Global mega trends have a positive impact on our business
 - Urbanisation
 - Digitalisation
 - Demand for climate-smart solutions
- Large investments in infrastructure, healthcare, housing, offices and education bring opportunities to create shareholder value
- Partnering for innovation to drive business forward
- Current financial environment from low interest to hyperinflation



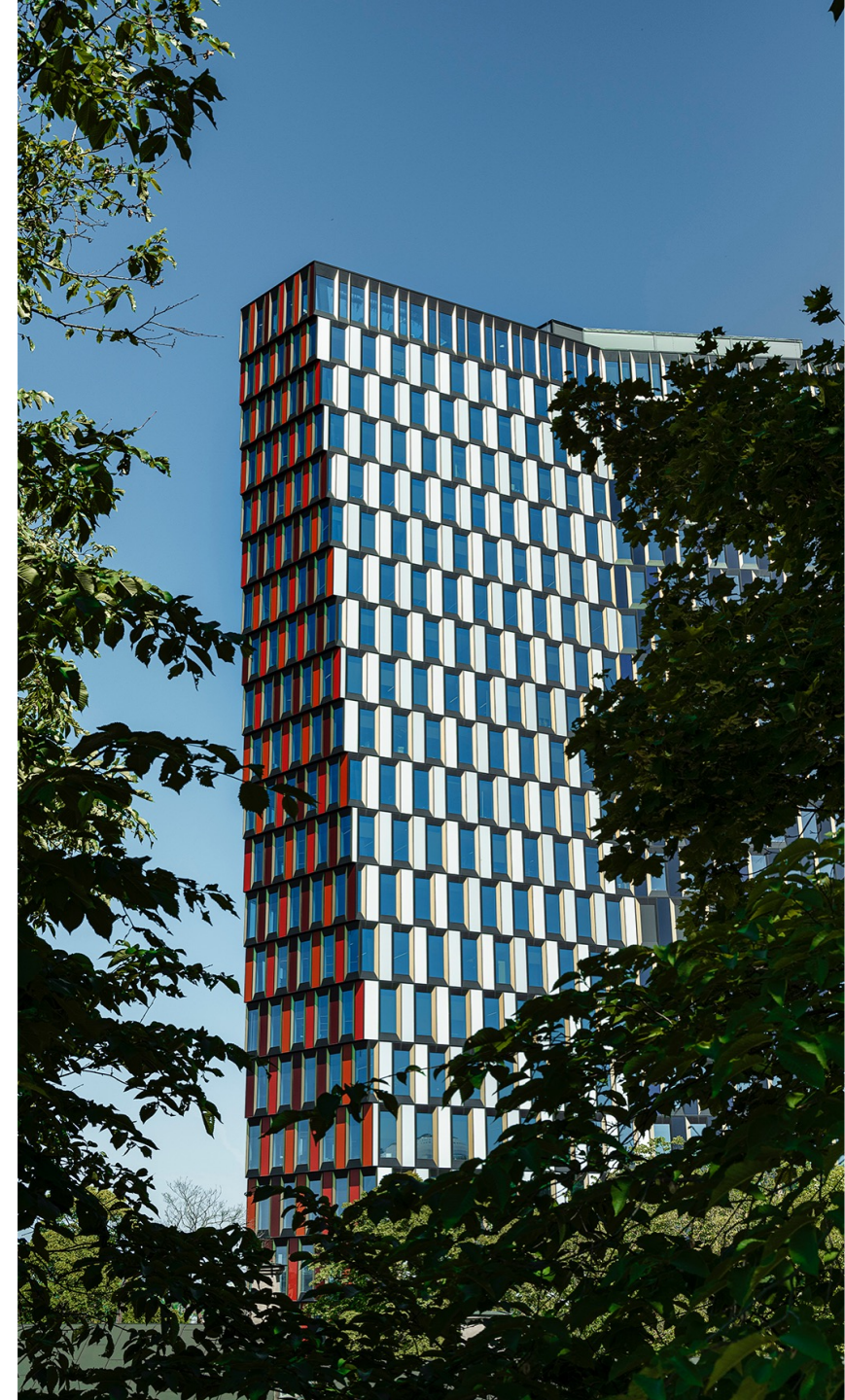
Strategic Risk Taking

Back to basics

- From Business Aims to Project Portfolio Management
 - Selective bidding
 - Strong commercial focus
 - Improved profitability
 - Responsible growth
- Project aim, definition and scope is aligned to business strategy (and hence the emerging Opportunities to the business)
 - Type of projects
 - Preferred clients and supply chain partners
 - Customised contracting strategy



Active Risk Taking



Active Risk Taking

- Strong balance sheet provides room to invest in new development projects and engage with opportunities that arise during a business cycle
- Bidding process alignment with business aims to stick to sectors and clients delivering on the sweet spots of:
 - >3% operating margin – construction
 - >10% on return on capital employed (save to fail)
- Contracting strategy skills (reimbursable) addressing assumptions and exclusions generated from project, estimate and programme development differ from those skills for lump sum contracts
- Integrated customer approach for transparency to address issues early and for an efficient change control process



Proactive Risk Management

- Keep training your risk team and your project team on risk practices
- Monitor and control risks to business, not just to project
- Avoid risk transfer illusion
- Resource efficiency maximisation by sharing knowledge and expertise across functions and operational units
- Maintain core expertise on the business despite market fluctuations
- Beyond P50's and P80's reporting, use quantitative modelling to improve current programme and to identify required mitigations for Threats and enhancement actions for Opportunities



Why do we need
Enterprise Risk
Management
(ERM) center
and interfaces
with functions

Definition/
mindset/
framework

All about the money!
Business opportunities
through:
Safety
Reputation
Quality
Predictability
Consistency

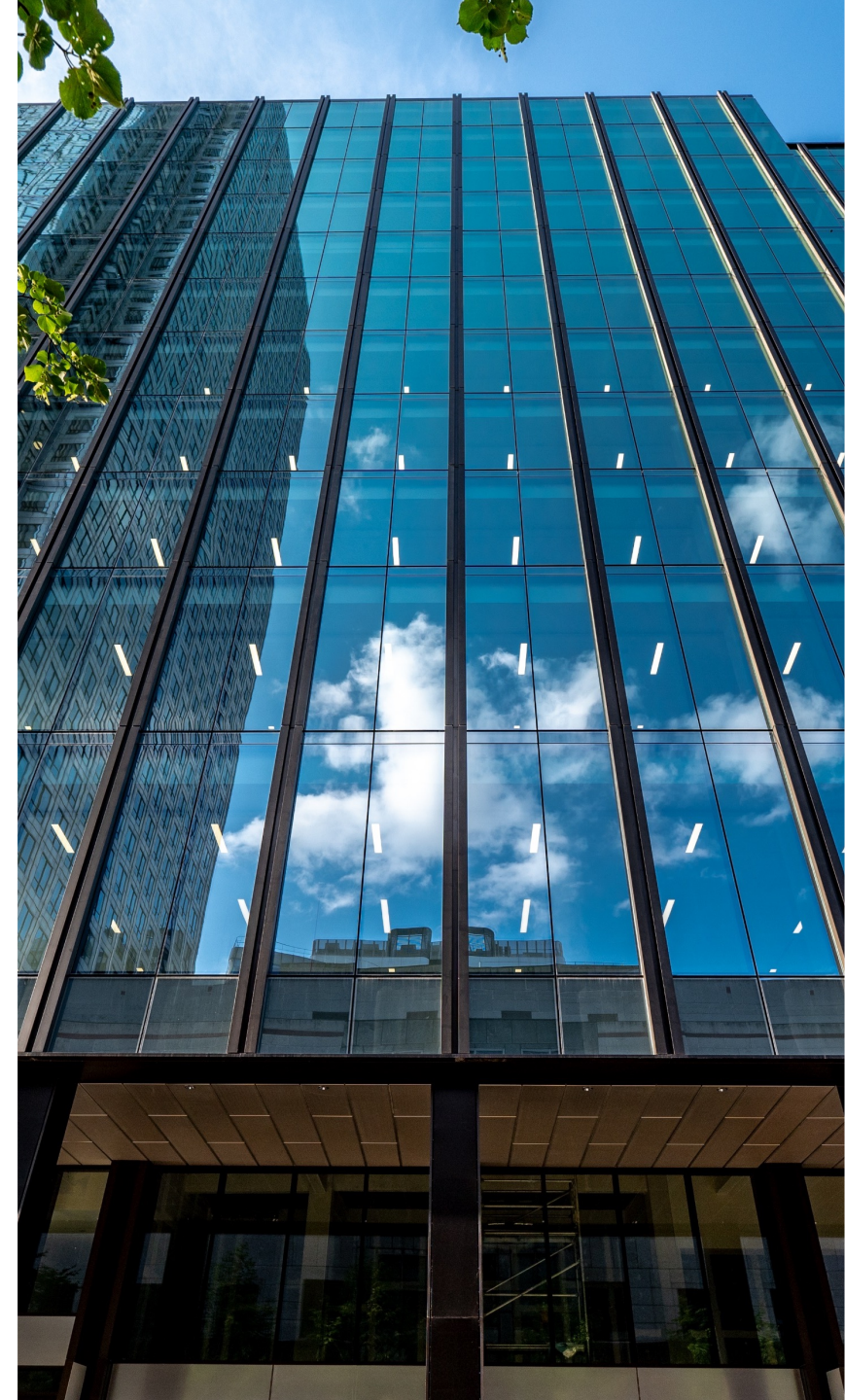


Enterprise Risk Management

Skanska uses a Group-wide procedure for identifying and managing risks associated with construction contracts and project development.

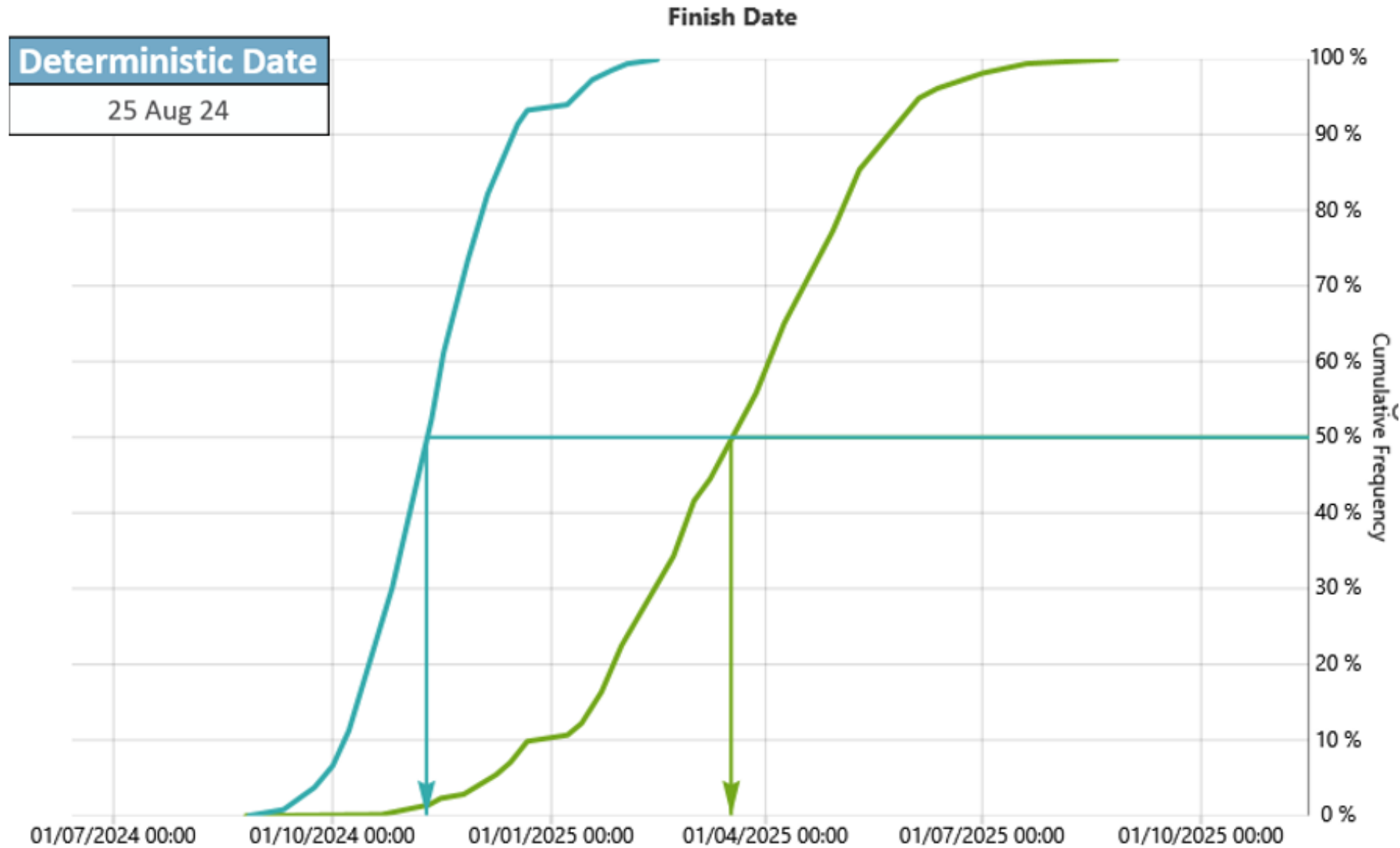
A specialized group unit, the Skanska Risk Team, examines and analyses proposals for tenders in construction and land investments.

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



..and Yes!

We are using Safran on our current top projects



QUESTIONS??

