

SKANSKA

Skanska UK

Driving for Better Business case Study

Business Sector

Project development and construction group with expertise in building, facilities management, utilities, civil engineering, and mechanical and electrical engineering.

Fleet Size (on 22/06/2023)

Up to 3.5t – 236

Over 3.5t – 6 (not road going)

Bus - 3

Commercial Cars - 4

Company Cars - 1110

Grey Fleet (registered for expenses) - 578



Introduction

Skanska, established in 1887, is one of the world's leading project development and construction groups. Operating around the world in selected markets in Europe and the US, Skanska is listed on the Stockholm stock exchange and headquartered in Sweden's capital city.

The UK operation is one of the country's top construction and development companies. It is an inclusive and responsible business that is helping to build for a better society. Its work today includes:

- Connecting communities across the UK, with major highways improvement schemes including A428 and M42 Junction 6
- Improving the rail network by building a low-carbon, high-capacity railway that increases reliability and enables faster journeys, with the London tunnels section of the UK's new high-speed railway, HS2

Drawing on its Scandinavian heritage, Skanska is green, innovative and progressive. It brings together people and technology, as part of its objective to make construction a safer and more collaborative industry.

In all its markets, Skanska is well positioned to deliver the sustainable solutions that customers and societies need, today and in the future. It takes an active role in developing society, working with customers, politicians and other stakeholders to continually improve standards in safety, green, ethics, diversity and inclusion, and community investment.

Through its Journey to Deep Green™, Skanska's aim is for all its projects to have a near-zero impact on the environment.

Our Values

Skanska is committed to building for a better society by acting ethically and transparently and focussing particularly on its Care for Life values. IFE (injury free environment) is a company-wide initiative giving all employees a voice when it comes to health and safety – road safety included. Skanska also has regular ‘stand-ups’ to discuss safety and well-being related subjects.

The safety of all employees and the public is a priority in all that Skanska does.

- Care for Life
 - To care for the lives of people and the environment
 - To work safely, or not at all
 - To never walk by if someone notices unsafe actions
 - To support health and wellbeing
 - To promote green solutions and run all operations in a green way
 - To be accountable to future generations
- Act Ethically & Transparently
 - To do business with a high degree of integrity and transparency
 - To live by a Code of Conduct, never accepting shortcuts
 - To foster a working climate where everyone can speak their mind



Sustainability

The Skanska Color Palette™ was introduced in 2009 as a strategic framework for green construction and development. The palette ranges from Vanilla (basic compliance with laws and standards) to Deep Green (near zero environmental impact through construction and past hand-over).

The key Care for Life value also encompasses reducing impact on the environment (before, during, and after projects are completed).

Skanska was an early adopter of HVO (hydrogenated vegetable oil) as a low-carbon alternative to diesel. A trial was conducted in 2019, with a supplier framework put in-place to make the green bio fuel available across the business. In vehicles utilising HVO, Skanska has reduced its carbon emissions by 90%, particulates by c.85% and NOx by c.30%.

A new ‘Low Carbon Roadmap’ was released in 2019 which culminated in the publishing of a plan to be net-zero by 2045. From a fleet perspective this involves a target for all non-4x4 commercial vehicles being net-zero by 2027, while company car orders are already limited to EVs and hybrid vehicles.

Nature of Operation and Driving Activities

The Skanska fleet primarily consists of light commercial vehicles (4x4s, vans and tippers) and cars.

The predominant use of the vehicles is for transportation of workforce and equipment to work sites, while 4x4s are used on our infrastructure projects for site transport prior to tarmac being laid.

Work Related Road Safety Policy and Procedures

The Skanska fleet is managed across two teams – Commercial Transport & Logistics and Car Fleet; though the management of occupational road risk is managed as a single, whole-fleet unit. We currently have the following policies and procedures in-place to manage this (this list is not exhaustive):

- DVLA licence checks through our central fleet management system
- Online risk assessments with e-modules, currently seeking a new supplier
- All traffic incidents are reported through a single management system
- Commercial vehicles undergo daily walkaround check via a smartphone app
- Occupational Road Risk Policy
- Commercial Driver's Handbook (reviewed and re-issued annually)
- Company Car and Driver Manual
- Car Drivers Driving at Work Policy
- Telematics Policy (ensuring the data is properly managed and utilised)

Works Related Road Safety Guidance for Drivers

The documentation detailed above has been produced to provide both policy and guidance in relation to all driving activities including road safety. All employees who drive on Skanska business are inducted in-line with the relevant driver manuals, themselves aligned to industry best practice or external accreditation requirements.

All commercial drivers are electronically issued with an updated and reviewed handbook on an annual basis and asked to confirm receipt and acceptance. There are a number of safety briefings and toolbox talks available on the intranet for drivers and managers to refer to or present to drivers.

Road safety awareness sessions are also offered across the business to departments and projects who wish their employees to learn more about the risks associated with driving and preventative measures for these. These interactive sessions are conducted as and when requested, often align with the 6-part Brake Pledge, and tend to be car-driver focussed – often the forgotten drivers in a construction company.



Auditing and Review

Skanska holds a number of external accreditations, covering all aspects of the organisation's operations, and as such is subject to rigorous audit from its internal audit team and third-party auditors.

FORS is the main fleet accreditation and Skanska is a member of their IAFA programme (internal audit fleet accreditation) which means that it has internally trained auditors that conduct the FORS audits against Skanska's own FORS-compliant policies and procedures. This has enabled more efficient audits, with five projects audited each year.

The centralised fleet teams (car and commercial) are responsible for monitoring and auditing the compliance data held centrally; ensuring that all relevant on-boarding and training requirements are met by each driver. From a commercial transport perspective this process utilises a network of nominated 'Transport Leads' across the project, each responsible for their project's drivers and vehicles.

Performance Measures

Skanska collects data points from a number of supply chain partners (telematics providers, accident management company, fuel card supplier, walkaround check app supplier, vehicle suppliers) to enable analysis of a variety of performance measures including but not limited to:

- Collision frequency
- Incident damage costs
- Defect information & trends
- Driver compliance and training metrics
- Telematics information (speeding events, harsh driving events...)
- Fuel consumption

The digital revolution within fleet management has in the past had a tendency to require managers to access multiple different systems in order to understand their overall fleet performance, which can sometimes lead to aspects being forgotten or ignored. The Commercial Transport & Logistics team is therefore currently working with its walkaround check app provider to combine their data with telematics information to better manage the completion of daily vehicle checks and to consolidate multiple commercial vehicle data points into a single system.

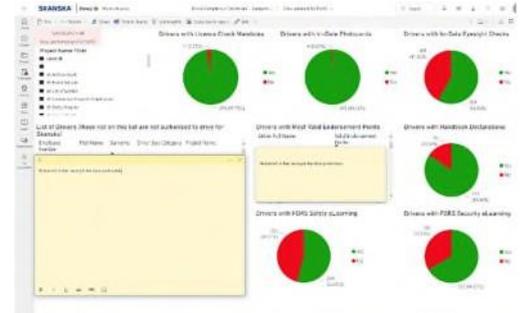
Power BI, a Microsoft program used to create dashboard reports from a wide range of data sources, is being utilised to provide easy to understand reports for use across the business. This has been particularly useful in giving individual projects an oversight of their driver compliance information, allowing for non-compliances to be rectified in good time.

Driver Compliance Dashboards

As mentioned above, Skanska has implemented a driver compliance dashboard giving project Transport Leads a quick and clear way of checking the compliance status of their driver population. This includes status info for:

- Licence check mandates
- Handbook declarations
- Eyesight checks
- Mandated e-learning

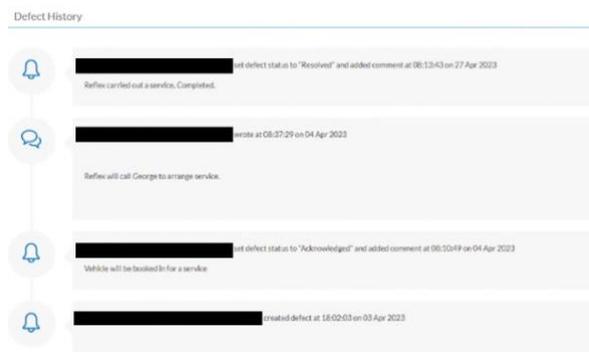
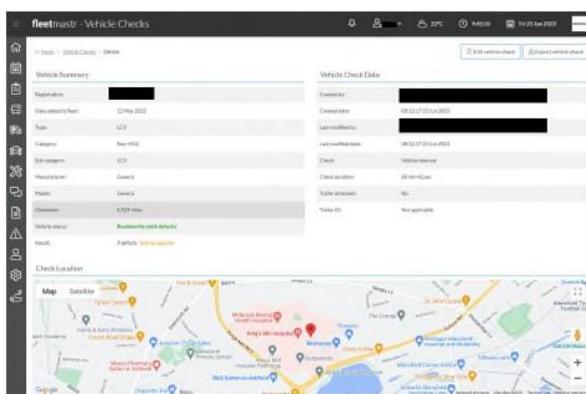
Users are able to 'drill-down' into the specific driver names for each non-compliance, while the dashboard is supplemented by regular exception reports sent directly to each Transport Lead email address.



Defect Management

The implementation of an electronic daily walkaround app has ensured that all Skanska's commercial vehicles undergo a daily first use check for each driver using any given vehicle. The digitalisation of the process has brought the following benefits:

- Trend analysis of defects based on vehicle make/model, informing future vehicle selection and supply
- The full defect process from initial record to rectification is within a single, auditable system
- Defects are recorded as soon as they occur meaning repair can be scheduled quickly, reducing cost increases caused by un-rectified damage
- Central management can monitor daily vehicle check completion rates, ensuring that they are happening at the required frequency
- An in-built messaging function has been used to distribute the annual driver handbook electronically, with drivers acknowledging receipt in-app with a full audit trail



Skanska is currently trialling the integration of telematics with the walkaround check information, primarily to provide notification of any time a vehicle moves prior to a check being completed. This integration will also auto-assign a driver to each telematics trip based on walkaround check

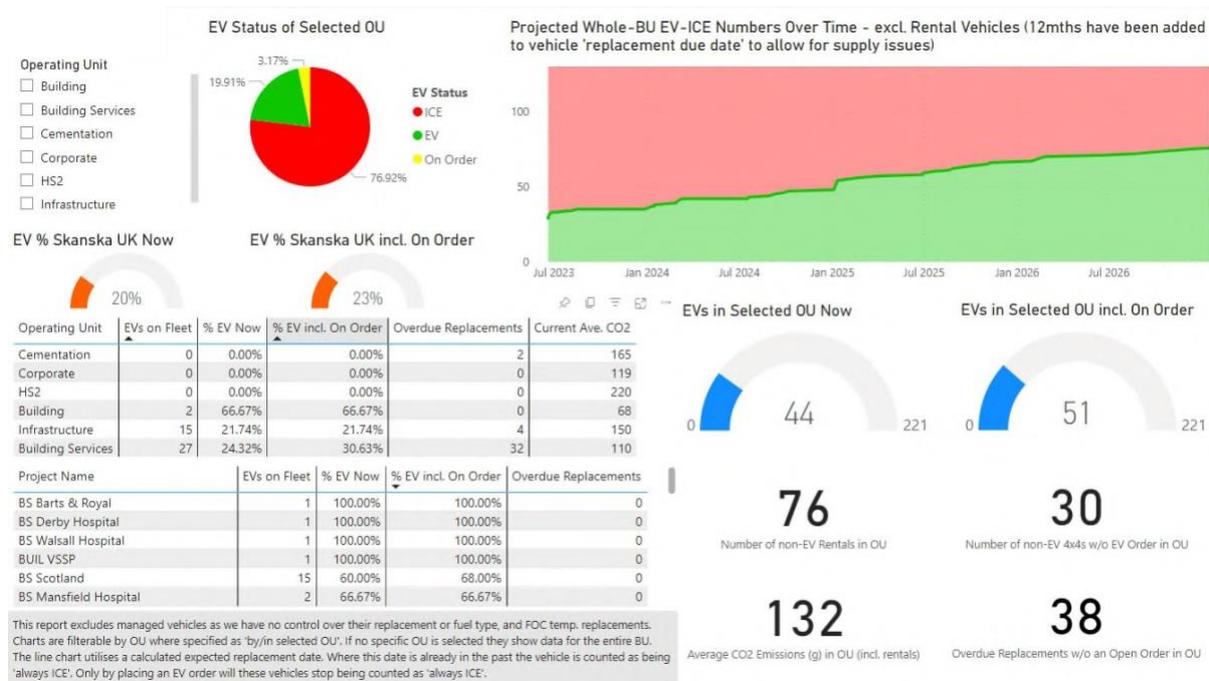
completion information, providing a more accurate and fail-safe way of monitoring driver behaviour through telematics.

EV Roadmap

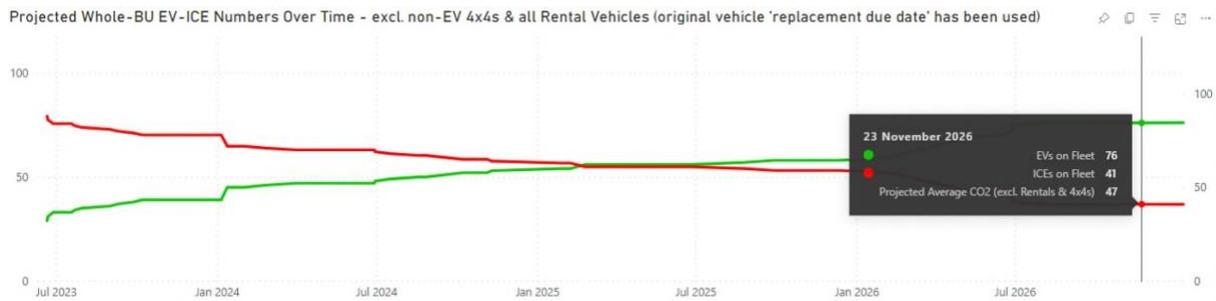
Skanska’s carbon net-zero targets require the commercial vehicle fleet to be net-zero by the end of 2026 (excl. 4x4s due to limited EV equivalents available). With vehicles being leased on 3-4yr contract terms, action must be taken in the next replacement cycle to ensure this target is met.



To help meet this target, and to track progress, a dashboard has been produced that auto-updates to show current and future EV figures based on lease end dates. The data is also visible according to each business operating unit and further broken down by project/contract, ensuring that potential hurdles are easily located.



A backlog of overdue replacement orders is currently skewing the data, but the projected EV tracker (below) shows that once this backlog has been overcome we are on track to meet the end of 2026 target. It will however be very important for orders to be placed in good time so to overcome current supply issues within the industry. The projected tracker above has a 1-yr delay built-in to cater for any additional supply issues, while the below tracker utilises actual replacement due dates.



Skanska is actively seeking both new methods of home charging and solutions to a patchy public charging network to ensure that projects implementing EVs are doing so confidently, without sacrificing performance from the client's perspective.

Lessons Learned

Skanska is not a haulage or transport business, so the management of vehicles and drivers is not, and will never be, the main focus of the business. Fleet management therefore has to be as efficient and simple as possible, while meeting all accreditation and industry best practice standards.

While digital solutions to traditionally paper-based processes (e.g. daily walkaround checks) are a positive move forward, too many different systems can be overwhelming and cause confusion. It is therefore more important than ever to seek ways to consolidate these systems as much as possible, and turn the raw data collected into visual, easy to understand representations of the most important information.

Skanska has learned this lesson as is now taking steps to consolidate and simplify its data sets and performance measures.

Current and Future Developments

Skanska's Commercial Transport & Logistics team is looking to consolidate a number of online systems into a single source for project-based information (telematics, vehicle daily walkaround checks, defect management etc.). Skanska is a construction company primarily, so to prevent too much disruption road safety and compliance needs to be accessible and easy to understand at a glance.

It is also looking at new online risk assessment suppliers to refresh the mandatory assessment and assigned e-modules, and to ensure that it adds value to Skanska's safety on the roads.

A new tender process has also been started to seek a new supplier for telematics and dash-cam/360degree camera hardware. Since the sale of Skanska's highway maintenance division in 2021 the majority of the commercial fleet is now made up of vans, meaning that the hardware requirements have changes and a newer, more appropriate solution is being sought.

Expectations for our Supply Chain

Skanska's supply chain is expected to meet or exceed Skanska's standards as set-out in its policies and procedures documentation. This includes stringent code of conduct and safety requirements.

Skanska founded the Supply Chain Sustainability School in 2012, which focussed on helping suppliers and sub-contractors to develop their sustainability knowledge and competence.

Additional Information

Skanska has a strong safety culture and holds numerous awards from ROSPA, British Safety Council and specific industry sectors.

Skanska holds the following fleet-associated accreditations:

- FORS Bronze (IAFA member)
- CLOCS Champion

