

Update on Skanska's Terms and Conditions 19.3.2021 – what changed?

Skanska has updated the Skanska's standard contract terms. The updated procurement documents were introduced on March 19, 2021. The updates apply to all of Skanska's standard contract terms and Skanska's occupational safety, environmental, product and logistics requirements.

The changes / additions include, among other things, clarifications to the requirements related to the Contractor's Liability Act, dealing with negligence and consequences, correcting warranty period faults and insurances. Occupational safety and logistics requirements have been updated regarding e.g. driver safety induction to the site.

The documents are found on Skanska's external website:

In English: <https://www.skanska.fi/tietoa-skanskasta/yhteistyokumppaneille/for-our-international-suppliers/>

In Finnish: <https://www.skanska.fi/tietoa-skanskasta/yhteistyokumppaneille/sopimusasiakirjat-ja-ohjeistukset/>

Changes to all documents are compiled here:

Changes in Skanska's Standard Terms and Conditions for Subcontracting:

3.1.3 Restrictions and requirements concerning use of the Contractor's employees and subcontractors

- Clarification regarding providing the Contractor's Liability Act required documents: "The Contractor must deliver the above-mentioned statements regardless of the duration of the work."
- Change of text order under section Employees related other requirements and addition if requested "information about official ID card that proves the nationality" should be provided
- Addition in paragraph Clarification of unclear issues related to the employment contract terms: "Negligence related to payment of wages are considered as severe contract violations."
- Addition in paragraph Personal ID: "When taking the site induction, the worker must show official ID card that proves the nationality."

3.1.5 Dealing with negligence and consequences

- Addition in first step of sanctions: "e. failure to participate in contractor meetings and other joint work site meetings or negligence of management responsibilities"
- Addition in third step of sanctions: "c. starting to work without Client's approval or safety planning;" and "d. failure to report an accident resulting absence;"
- And replaced with **or** "€5,000 for neglect of investigation **or** corrective measures after each occupational accident resulting at least one day of absence for Contractor's employee."

7.4 Correcting warranty period faults

- Addition, new paragraph: "If the faults are not repaired in the agreed schedule, the Contractor shall pay to the Client a contractual fine, 1000 €, for each beginning week. These contractual fines do not restrict the Contractor's other liability for damages or the Client's rights."

9.1 Contractor's insurances

- Addition about subcontractor's insurance: "The Contractor shall ensure that the insurance protection covers also all works performed by the subcontractors used by the Contractor **or the subcontractor has to have their own equivalent operational liability insurance.**"

9.2 Payment of the own contribution of the building and installation work insurance

- Addition, new paragraph: "The Contractor who has caused the damage, shall pay the own contribution of the building and installation work insurance."

10.1 Payment of contract price

- Addition/clarification: regarding when the last instalment or invoice is payable "...the final settlement of accounts has been held..."

Skanska's Standard Terms and Conditions for Material Procurement:

2.2 Requirements concerning occupational safety, work site arrangements, materials, the environment, and co-operation

- Addition in first step of sanctions: "e. failure to participate in contractor meetings and other joint work site meetings or negligence of management responsibilities"
- Addition in third step of sanctions: "c. starting to work without Purchaser's approval or safety planning;" and "d. failure to report an accident resulting absence;"
- And replaced with or: "€5,000 for neglect of investigation or corrective measures after each occupational accident resulting at least one day of absence for Contractor's employee."

11. Warranty

- Clarification, Sellers warranty always at least 36 months: "The Seller's warranty period does not end before the warranty period granted by the Purchaser to its contractual partner with respect to the Seller's goods has ended and is always at least **36 months**"
- Addition, new paragraph: If the faults are not repaired in the agreed schedule, the Seller shall pay to the Purchaser a contractual fine, 1000 €, for each beginning week. These contractual fines do not restrict the Seller's other liability for damages or the Purchaser's rights.

Skanska's Standard Terms and Conditions for Consultancy Assignment:

3.2 Hierarchy of contract documentation

- Removed from the list Skanska Environmental Policy (Principles stated in Skanska's Occupational Safety, Environment and Product Requirements for Consultancy Assignment)

4. Design schedule and responsibility for the assignment

- Change of the headline of the section (was earlier "Design schedule")

Skanska's Occupational Safety, Environment, Product and Logistics Requirements for Subcontracting:

1.6 Working at heights, the risk of falling and lifting works

- Clarification regarding the lifting hook: "A lifting hook must always be used, when lifting loads using ropes, chains or straps. Loads that might slip can not be lifted with the forklift's / plant's fork."

1.9 Introduction and maintenance inspections

- Addition, word tanks: "The Contractor has to perform introduction and maintenance inspections of all machines, devices, **tanks**, scaffoldings, etc. in his use, in accordance with applicable regulations and standards, as well as to deliver the relevant inspection records to the Client."

1.10 Reversing alarms, mirrors, warning flashers and fuel tanks

- Addition regarding working during twilight and dark: "Haulage trucks, dumper trucks, wheel loaders, and rumbling vehicles weighing over seven metric tons must be equipped with an operational reversing alarm. **When working during twilight or dark, must reversing safety of all the vehicles be secured by using operational reversing alarms, taillights that operate while reversing and/or cameras, accordingly what is practical in each vehicle.** When working in road and street areas, the vehicles should have the correct work lights and warning flashers."

2. Requirements for products and materials used

- Addition regarding product information: "The Contractor commits to use the electronic system for collecting product information and enter the data regarding materials delivered, in case the electronic system is in use in the project."

- Addition, new paragraph: "If criteria regarding low-carbon have been set for the project, the Contractor shall commit to comply with these instructions e.g. in procurement and possible machine and fuel choices. If so requested, the Contractor must also submit the information and reports that prove the criteria have been fulfilled."

3.2 Arrival to work site and induction

- Addition regarding site induction, driver who is participating in the work: "The driver must report to the construction site office before driving to the site. The driver participating in the work is entered to the site employees' register and they must not commence unloading until they have received the induction. The induction consists of taking the Ready for Work – Work Site Induction online course in Skanska's Induction Portal and at site induction to safe unloading at that particular site. The online course has to be taken before site arrival. Address <http://elearning.skanska.fi/> "
- Addition regarding site induction, driver who is not participating in the work: "The driver not participating in the work, must familiarize oneself with safety of delivery and unloading by watching the video ""Valmiina toimittamaan turvallisesti Skanskan työmaalle". The link to the video is available at Skanska's website: <https://www.skanska.fi/tietoa-skanskasta/yhteistyokumppaneille/> " (available in Finnish at the moment)

Skanska's Occupational Safety, Environment, Product and Logistics Requirements for Material Procurement:

1. Requirements for products and materials

- Addition regarding product information: "The Contractor commits to use the electronic system for collecting product information and enter the data regarding materials delivered, in case the electronic system is in use in the project."

2.2 Arrival to work site and induction

- Addition regarding site induction, driver who is participating in the work: "The driver must report to the construction site office before driving to the site. The driver participating in the work is entered to the site employees' register and they must not commence unloading until they have received the induction. The induction consists of taking the Ready for Work – Work Site Induction online course in Skanska's Induction Portal and at site induction to safe unloading at that particular site. The online course has to be taken before site arrival. Address <http://elearning.skanska.fi/> "
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Skanska's Occupational Safety, Environment, and Product Requirements for Consultancy Assignment:

2. Requirements for the environment, products and materials used

- Addition, new sentence: "If criteria regarding low-carbon have been set for the project, the Consultant must assist to achieving them through the design solutions and by the selection of equipment, products, and materials."