

# Sweco Annual and Sustainability Report

# 2021



Transforming  
society  
together

SWECO 

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## Financial Calendar

12 May 2022	Interim report January–March 2022
15 July 2022	Interim report January–June 2022
27 October 2022	Interim report January–September 2022
9 February 2023	Year-end report 2022

## Sustainability Report

Sweco's Sustainability Report is presented on pages 18–65 and comprises Sweco's statutory Sustainability Report in accordance with the Swedish Annual Accounts Act. The Sustainability Report has been prepared with inspiration from the guidelines of the Global Reporting Initiative.

## Digital news

Visit [www.swecogroup.com/ir](http://www.swecogroup.com/ir) to subscribe to press releases and reports from Sweco. Select the information you want to receive and it will be sent to your email address on the date of publication. Fast, easy and eco-friendly.

## Cover image

Sweco is involved in developing and designing a new district in Ørestad, south of Copenhagen. The project applies a unique approach to sustainability and will set new standards for sustainable construction. UN17 Village will be one of the first projects to translate all of the UN's 17 sustainable development goals into concrete actions in one building project. UN17 Village has been developed by NREP in collaboration with Sweco Architects, Lendager, MØE and CG Jensen.

Sweco has always brought together different types of experts to solve the great societal challenges of our time – a task that is now more relevant, challenging and inspiring than ever.

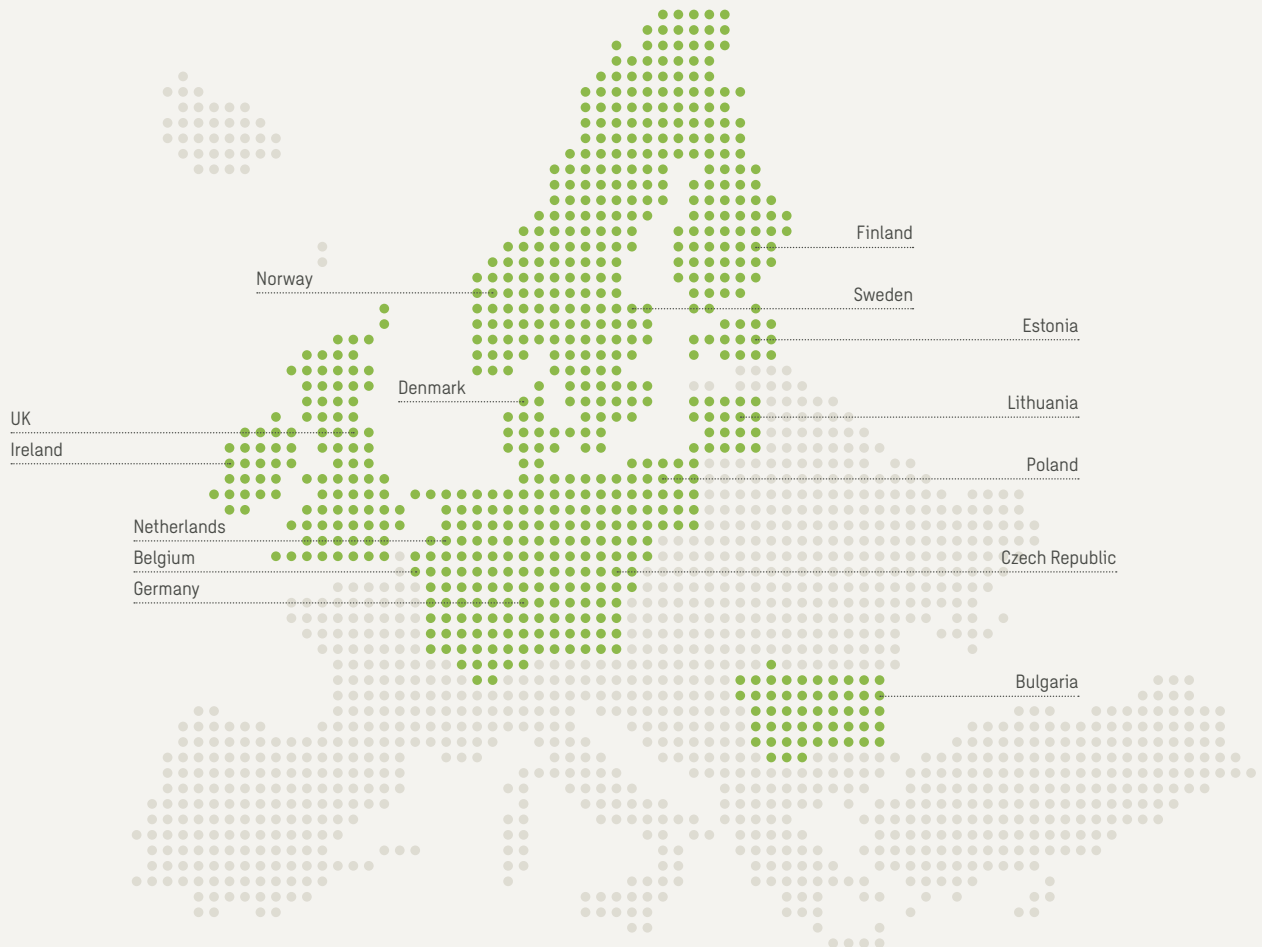
Together with our clients, our 18,000 architects, engineers and other specialists develop solutions to manage urbanisation, take best advantage of digitalisation opportunities and make future societies more sustainable.

Our work method enables us to offer our clients a combination of global expertise and local presence and understanding, adapted to their business and reality. Our ambition is to be our clients' most relevant partner, working together to help them solve their challenges.

Sweco – Transforming society together

# Europe's leading architecture and engineering consultancy

Sweco plans and designs the sustainable communities and cities of the future. We operate our business in eight geographical business areas in Europe, covering a total of 14 countries. We also conduct project exports to some 70 countries worldwide each year.



#1

On the European market.

#1

Industry leader in gender equality according to Allbright.

#1

Nordic region's most attractive employer for engineering students.

Top 5

One the world's five largest architecture firms.

# 2021 in brief

Net sales 2021,  
SEK billion

21.8

EBITA 2021,  
SEK billion

2.0

EBITA margin 2021,  
per cent

9.2

CO<sub>2</sub>e reduction per full-  
time equivalent, per cent

-21

## Profit and key ratios, Sweco Group

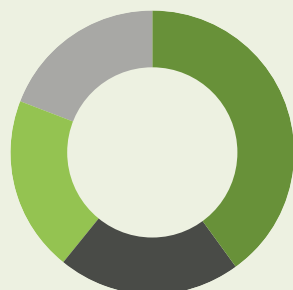
	2021	2020
Net sales, SEK M	21,792	20,858
EBITA excl. items affecting comparability (IAC), SEK M	2,070	2,056
EBITA margin excl. IAC, %	9.5	9.7
EBITA, SEK M	2,014	1,766
EBITA margin, %	9.2	8.5
Profit before tax, SEK M	1,897	1,608
Billing ratio, %	74.1	74.3
Net debt/EBITDA, x	0.4	0.5
Earnings per share, SEK	4.18	3.64
Equity per share, SEK <sup>1</sup>	24.04	21.25
Dividend to shareholders, per share, SEK	2.45 <sup>2</sup>	2.20
Number of full-year employees	17,802	17,328

1) Refers to portion attributable to Parent Company shareholders.

2) Proposed dividend.

## Clients

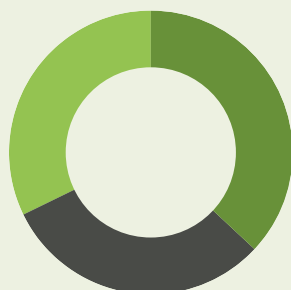
Net sales by client category  
in 2021, %



■ Public sector, 40 (44)  
 ■ Industrial companies, 21 (16)  
 ■ Other private sector companies, 20 (23)  
 ■ Housing, real estate and construction, 19 (17)

## Services

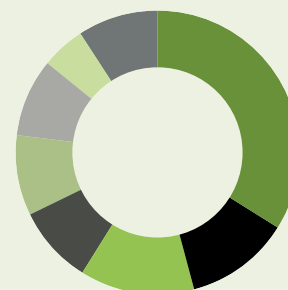
Share of consolidated net sales  
in 2021, %



■ Buildings and urban areas, 37 (37)  
 ■ Water, energy and industry, 31 (30)  
 ■ Transportation infrastructure, 32 (33)

## Net sales by business area

Share of consolidated sales  
in 2021, %



■ Sweco Sweden, 34 (36)  
 ■ Sweco Norway, 12 (11)  
 ■ Sweco Finland, 13 (13)  
 ■ Sweco Denmark, 9 (9)  
 ■ Sweco Netherlands, 9 (10)  
 ■ Sweco Belgium, 9 (8)  
 ■ Sweco UK, 5 (6)  
 ■ Sweco Germany and Central Europe, 9 (7)

# We enable the sustainable transition

During 2021 we continued to develop our position as Europe's leading architecture and engineering consultancy. Our 18,000 experts worked with some 100,000 projects throughout Europe and the world. The common factor is that we enable our clients' transition efforts, linked primarily to sustainability and digitalisation.

In 2021 there was greater demand for sustainable transition solutions, driven by increasingly stringent legislation and focused political priorities, including larger investments and more demand for projects with sustainable profiles. The year closed with the COP26 climate summit, where political leaders, organisations and companies concluded agreements to phase out and replace the fossil economy.

Taken together, this means that in coming years and decades we need to move from words to action to an extent rarely seen before. This in turn creates substantial long-term demand for Sweco's services. With our broad-based and integrated expertise in engineering, environment and architecture, we can be instrumental in developing solutions in many areas.

## Advisor in transformative projects

Sweco holds a strong position as a sought-after advisor in complex, transformative projects. During the year we played a key role in many groundbreaking undertakings. On the industrial side, this includes our involvement in the establishment of innovative large-scale battery manufacturing and fossil-free steel production. The hydrogen economy is the cornerstone of future energy production, offering society the opportunity to switch to clean energy, and we have several projects throughout Europe.

In numerous projects we are involved as technical adviser for "energy islands", which will be capable of producing renewable energy for many Europeans. We have also been active in many of our markets in creating sustainable transport solutions, in the form of new and upgraded railways and electrification of transport infrastructure.

Simply put, I can say with certainty that Sweco's experts are working with many of the most exciting projects of our time.

## Continued profitable growth

Sales for full-year 2021 totalled SEK 21.8 billion, a year-on-year increase of four per cent. EBITA increased to SEK 2.1 billion and the EBITA margin was 9.5 per cent adjusted for items affecting comparability. The fact that we continue to deliver profitable growth is a testament to the strength of our business model and our offering.

Demand for Sweco's services remained robust in most segments and geographies, with some exceptions due to negative pandemic-related effects. We are seeing growing demand for sustainability and digitalisation services, and we strengthened our order book during the year.

In Sweden we continued to deliver margins in excess of our profitability target of 12 per cent. We also exceeded our profitability target in Belgium while maintaining good growth. In Norway and Finland we had good growth supported by acquisitions, although with somewhat lower year-on-year margins. Our improvement work in Denmark and the Netherlands has produced results, including improved profitability. In the UK the combination of the pandemic and Brexit has continued to present challenges, resulting in a slight downturn in sales and earnings. Despite this, we see good long-term prospects in the UK market. In Germany and Central Europe focus remains on turning around the German operations, where we achieved positive results towards the end of the year. The long-term growth opportunities are very good here as well.

During the year we continued to deliver on our strategy of profitable growth and continued implementation of our operational model. We have also maintained a strong financial position with low leverage, which means we can act on interesting acquisition opportunities.

## Active acquisition agenda

Since Sweco's listing, we have completed over 130 acquisitions. This is a key element of our growth strategy and is instrumental in strengthening our presence, leading-edge expertise and our offering throughout Europe. We conducted another eight acquisitions in 2021, welcoming some 400 more employees to Sweco.

With a strong brand and an attractive decentralised model, we continue to see good acquisition opportunities in growth areas that strengthen our offering on local markets.

## Well positioned for growth

We offer a broad spectrum of expert competencies for clients in a wide range of areas. Our balance between different segments, and between public and private clients, is a strength.

Within sustainability we are seeing great demand in areas such as circular solutions that create a circular economy in, for example, city districts and industries. In the area of digitalisation, we are exploring ways that AI, automation and big data analytics can be used to generate climate savings, efficiencies and more intelligent solutions. Within

Recapping 2021, I can confirm an increased demand for our services and a growing need to move from words to action in managing the climate crisis and adapting to a more sustainable future society.



urban construction there is a great need to prevent and manage climate change. According to one of our Urban Insight reports, only one in four European cities have a climate plan. This presents excellent opportunities for us at Sweco to serve as advisors.

In keeping with our decentralised model, innovation takes place on the front line. We can rapidly scale up whatever clients ask for, throughout Sweco. With our ability to work with client-driven innovation and across borders and disciplines, we offer our clients a unique combination of local presence and global expertise.

**Attractive employer for talent and future leaders**

Our success rests on our proven ability to attract, develop and retain the industry's leading talents. We are one of the

industry's most attractive employers and we place great focus on development, so it is gratifying that we once again scored highly in this year's employee survey. Eighty per cent of our employees say they are proud to work at Sweco.

We also attach great importance to developing our leaders, not least during the pandemic in order to ensure motivation and involvement. We scored highly here as well, with 90 per cent of our leaders considered excellent managers in the 2021 employee survey.

We are doing well, but it is important that we continue to develop. Recruiting the right employees and ensuring that our employees develop are two of our most important strategic areas. They are also our biggest challenges, as there is great demand for many of the specialised skills we need.

**Sweco's sustainability work**

For us, it is also important to be a forerunner in terms of our own operations. Our goal is to be climate neutral by 2040. In 2021 we reduced our carbon emissions by 10 per cent compared with 2020 levels, our base year. We also aim to be a forerunner in each home market. Several of our business areas have established more stringent targets and action plans, including Sweco Finland, which has set 2030, rather than 2035, as its target date for climate neutrality.

In the area of business ethics, our Code of Conduct is a key policy instrument that applies to our employees as well as our business partners. A high percentage of our employees have signed the Code of Conduct and the number of reported incidents remains low.

For our employees, we focus on offering a stimulating, safe and gender-equal workplace. We are pleased and honoured that the European Women on Boards (EWOB) 2021 Gender Diversity Index ranked Sweco first in Sweden and sixth in Europe in a field of 668 companies. We also remain at the top of Allbright's green list of gender-equal listed companies. This is an essential component of being attractive to all employees.

We have renewed our commitment to the Global Compact's ten principles, and this year we also signed the UN's Global Compact.

We are also running a project with the World Business Council for Sustainable Development (WBCSD), aimed at developing a method for calculating the climate impact of our client projects.

**Great opportunities as the transition gains momentum**

At the time of writing, the world is going through a very uncertain time and we do not yet know what the final outcome will be. But in recapping 2021, I can confirm an increased demand for our services and a growing need to move from words to action in managing the climate crisis and adapting to a more sustainable future society. At Sweco, we are well positioned and stand ready to help our clients.

I would like to end by thanking all our employees, clients, shareholders and other partners for the great work done and productive collaboration this year.

Together, we enable the transition to a sustainable society.

Stockholm, March 2022

Åsa Bergman  
President and CEO

Sweco has identified sustainability and digitalisation as the megatrends that have the most impact on our clients' business operations. We plan and design tomorrow's communities and cities, with sustainability as a key component.

# Megatrends drive demand for our services

With population growth and increased prosperity, there is greater demand for solutions to plan and develop cities and urban areas, resource-efficient industrial facilities, efficient transportation infrastructure and reliable energy solutions. Efforts to prevent and manage climate change and promote sustainable urban development run through Sweco's entire service offering.

Digitalisation continues to affect our entire society and set high standards for solutions to develop smart cities, industries and infrastructure. With digital processes, the various stages of planning are more transparent and create more opportunities for dialogue. And with digital solutions, we can streamline everything from transport and energy usage to lighting and water flows. This means that even existing buildings and infrastructure can be used in a more optimal and sustainable way.

Powerful driving forces are increasing demand for our services. We continuously develop our offering through insights drawn from our comprehensive project activity. This makes us well positioned to be our clients' top choice. Sweco's employees are experts across a range of areas, and we have the right offering for our clients and the complex challenges they face in a changing world.

## **Sweco is stable despite the continued impact of the pandemic**

The Corona pandemic continues to alter conditions for our external environment and our operations. Although we are an international company active in numerous countries, our decentralised approach and strong local presence has enabled us to swiftly adapt as conditions in the market and for our clients have changed.

The degree of digitalisation in our operations and in the wider world has continued to accelerate due to the pandemic. With our digital maturity and the hybrid working models developed during the pandemic, we have successfully implemented hybrid and remote work options while essentially maintaining full effectiveness. Many of our projects also serve important societal functions, and their implementation has therefore been prioritised despite the pandemic.

At the same time, the pandemic has negatively affected us in several different areas. Demand decreased during the year, mainly in parts of the industry segment and within residential homes and properties. Periodic tightening of restrictions also restrained growth, as the pandemic made it more difficult to recruit employees at the desired rate.

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Digitalisation is a strategically prioritised area for Sweco. During the year Sigurd Løvfall was appointed Chief Digital Officer to lead Sweco's digitalisation work and the development of new services and business models.

"For us, digitalisation is about working continuously with digital innovation and transformation that create added value for our clients while also improving our internal efficiency. Digitalisation plays a key role in sustainable urban development across the entire value chain – from planning and design to construction and structural engineering."





Sweco has a comprehensive offering to meet our clients' sustainability and digitalisation challenges.

**Buildings and urban areas**

Urban development and digitalisation create increased demand for smart and sustainable solutions in the planning, design and development of cities and buildings.

**Water, energy and industry**

To address the challenges associated with climate change and urbanisation, Sweco offers technological solutions that ensure access to clean water, a reliable energy supply and resource-efficient industrial facilities.

**Transportation infrastructure**

As cities grow and expand, greater demands are placed on transportation infrastructure that is efficient and sustainable. Countries also need to ensure that their transportation networks between regions and cities are efficient and sustainable.

**Architecture**

Architecture is deeply rooted in Sweco's history. Integrating architectural and engineering expertise is more relevant than ever for addressing climate change, urbanisation and digitalisation. Today, Sweco is among the world's five largest architecture firms, and our thousands of architects work every day to plan and design tomorrow's sustainable communities and cities.

In Sweden, Sweco's architects supported Eskilstuna Municipality in producing a development plan for the city's southwestern area. The development plan provides opportunities for sustainable growth, with space to create 3,000 new homes and several new public venues such as plazas, parks, sports grounds and schools.



# Our success is based on a clear and simple strategy

Sweco is the leading engineering and architecture consultancy in Europe, with a history of stable and profitable growth. We continue to see good opportunities to grow faster than the market. We will achieve this by applying a clear strategy based on our offering (what), our geographical presence (where) and our operating model (how).

## **A diversified offering with a focus on sustainability**

The combination of architecture and engineering services has long been a key to success. Today, we offer qualified consulting services in three segments: buildings and urban areas; water, energy and industry; and transportation infrastructure. Architecture and sustainable urban development cut through all aspects of our offering.

We operate across much of the world, but our focus is on northern Europe where we are active in 14 markets. With our decentralised approach, we have strong local roots and work closely with our clients to identify the best solutions.



Sweco's growth strategy is based on organic and acquired growth focused on eight geographical business areas.

# Focus on profitable growth in Europe

### Good growth opportunities in fragmented markets

The European architecture and consulting engineering sector is fragmented and characterised by consolidation. This presents good growth opportunities and enables us to broaden our presence and our offering. Sweco has a strong local presence while also benefitting from the collective expertise of our 18,000 employees.

### Market-leading positions

Sweco's ambition is to develop leading market positions in our eight geographical business areas. Sweco is currently top three in five of these areas. Holding a leading position is crucial to our capacity to attract the best employees and offer our clients the best solutions to address their needs and challenges.

### Acquisitions are part of the strategy

Since its listing, Sweco has conducted more than 130 acquisitions. This is a natural part of business operations and a key element in our strategy for continued growth. Through acquisitions, we strengthen our geographical presence, our service offering and our expertise across Europe.







Acquisitions are made in two main, overlapping categories:

- 1) to strengthen and establish market-leading positions in our geographical business areas
- 2) to develop our offering with complementary, niche or specialised businesses

Our decentralised model integrates great personal responsibility in keeping with our successful Sweco model, while also benefitting from access to central functions, knowledge sharing and cross-border, cross-functional collaborations. The ambition is to take a leading position in all our markets.

## Selection of acquisitions completed during the year

We completed several acquisitions during the year, strengthening our position and our offering in areas including digital services, architecture and sustainability and welcoming a total of more than 400 new employees to Sweco.

Company	 Part of Sweco	 PART OF SWECO		 Part of Sweco	 Part of Sweco	 Part of Sweco
Business area	Belgium	Finland	Finland	Belgium	Sweden	Netherlands
Operations	Climate adaptation, urban planning and landscape architecture	Strategic sustainability guidance	Architecture Experts in the design of educational facilities, commercial facilities and housing	Structural engineering Experts in the design of sustainable buildings with net-zero emissions	Methodology and management in IT development	Urban planning with a focus on residential and office areas, shopping centres and recreational facilities
Number of employees	65 <sup>1)</sup>	60	60	140	30	30
Strategic fit	Strengthens our offering in the design of sustainable communities and cities	Gives Sweco a leading position in sustainability in Finland	Strengthens Sweco's position in the Finnish architecture market	Gives Sweco a market-leading position in building design and engineering expertise in the Belgium market	Improves our leading offering in digital services	Strengthens our offering in urban planning and strategic advising

1) Whereof 63 self-employed.

Local complementary acquisitions: Wendelbo Landskap AS (Norway), Arcade Concept Engineering (Belgium), Mark & Pieler Ingenieure (Germany).

# The Sweco model is our strength

Sweco's success is largely based on our way of working together within the company and with our clients. Our operational model – the Sweco model – is based on four fundamental pillars that are still our core values.



## Client focus

To distinguish ourselves from our competitors, we need to thoroughly understand and deliver on our clients' expectations and needs. Our studies show that clients want to work with consultants who offer top expertise along with a high level of service and commitment. Our client promise is to be the most approachable and committed partner, with recognised expertise. This is integrated throughout our processes – from recruitment through project implementation and evaluation. We measure our client satisfaction on a regular basis, and we have maintained the same high level as last year.

**8.7/10 (8.7/10)**

Average score from Sweco's 2021 client satisfaction surveys.

## Best people

Employees are our most important resource, and our aim is to always recruit, develop and retain the industry's top talent. We have a thorough process to ensure that we recruit the right employees. Candidates are required to meet our high quality standards regarding conduct, approach and expertise. To retain our people Sweco continuously works to offer the best development opportunities, while actively managing performance to optimise the contribution of all employees.

**81% (83)**

would recommend others to apply for a job at Sweco.

Strategy



The Sweco model



### Internal efficiency

We are here to provide service to our clients, so we need to invest as much time as possible in client projects. To manage this we need to have high internal efficiency, which Sweco achieves with our straightforward and efficient processes, working practices and systems. We also have a flat organisational structure with a minimum of management layers. At Sweco we value simplicity and always focus on avoiding bureaucracy.

**74.1% (74.3)**

Sweco's billing ratio in 2021.



### Decentralised organisation

Our decentralised organisational structure is essential to our business. Sweco is comprised of more than 1,600 small independent teams, with a team manager personally responsible for client relationships, projects and employees. This model creates clarity, accountability and commitment throughout the organisation. This has been the key to our success for many years and has enabled us to maintain a strong client focus with a high degree of efficiency and commitment, even during the pandemic.

**> 1,600 teams**

Empowered teams working closely with clients.

# Well positioned for future growth



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Olof Stålnacke,  
CFO Sweco

“An investment in Sweco is an investment in Europe’s leading architecture and engineering consultancy. We have delivered long-term growth, both organically and through acquisitions, driven by global megatrends such as sustainability and digitalisation as well as by an ongoing consolidation. Our acquisition strategy allows us to continually strengthen our total offering and our position in interesting growth segments. With our operational approach, what we call the Sweco model, we improve our margin over time. The Sweco model is based on attracting the best employees, who work close to our clients effectively in a decentralised organisation. Our strong financial position, with stable operating cash flow and relatively low leverage, creates room for continued value-creating acquisitions and stable dividend growth.”

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**Platform and strategy for profitable growth**  
Read more about our strategy on pages 8–9

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**Well-proven business model**  
Read more about the Sweco model on pages 10–11

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**Market driven by sustainable urban development**  
Read more about sustainable urban development on pages 20–21

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**Stable, well-diversified business**  
Read more about our services on pages 34–39

# Financial targets and key ratios

## Profitability target

# 12%

Sweco's target is an EBITA margin of at least 12 per cent.

## Result 2021: 9.2%

The long-term profitability target is to achieve an EBITA margin on Group level of at least 12 per cent. All business areas have the potential to meet the margin target over time and, for those that do, the ambition is to further drive profitable growth. Acquisitions have a dilutive effect on the margin over a 1–2-year integration period.

## Financial strength

# <2 times

Sweco aims to maintain a net debt position over time. Sweco's net debt should not exceed 2.0 times EBITDA.

## Result 2021: 0.4 times

With a low debt/equity ratio, Sweco is well positioned to act on acquisition opportunities and play an active part in market consolidation. Since its listing in 1998, Sweco has completed more than 130 acquisitions ranging from small and mid-sized companies to platform acquisitions.

## Dividend policy

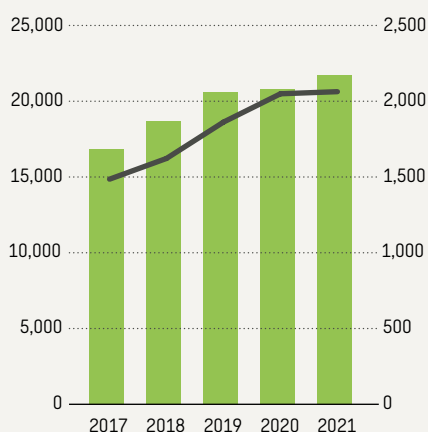
# At least half

Sweco's dividend policy is to distribute at least half of profit after tax to the shareholders while maintaining a capital structure that permits development of and investments in the company's core business.

## Result 2021: 59% of profit after tax

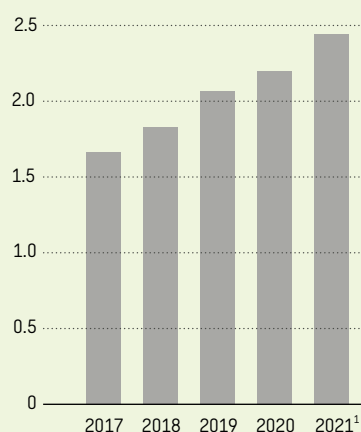
Sweco aims to generate stable dividend growth over time. The proposed dividend amounts to SEK 2.45 per share.

Consolidated net sales and EBITA, SEK M



■ Consolidated net sales  
— EBITA, excl. items affecting comparability (IAC)

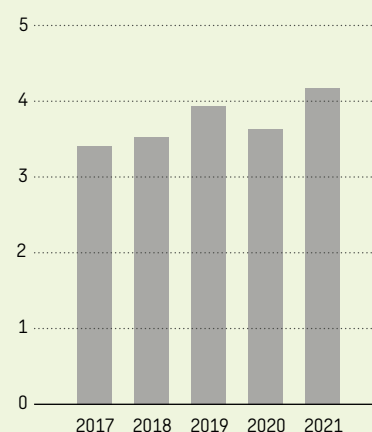
Dividend per share, SEK



1) Proposed dividend of SEK 2.45 per share.

Due to the share split conducted during fourth quarter 2020, historical share data have been restated in accordance with IAS 33.

Earnings per share, SEK



# Increased sales in five of eight business areas



Växjö's station building and town hall



Double track line through Stange Municipality

## Sweden

### Good margin that surpassed the financial target

Demand in the Swedish market was relatively good, with variations between different segments. Net sales were in line with last year, with profitability surpassing the financial target. Adjusted for calendar effects, organic growth was negatively affected, mainly by lower revenue from subconsultants, while higher average fees contributed positively. Sustainability and digitalisation are important for a growing number of Sweco's clients. During the year we worked on strengthening this offering, including by acquiring businesses specialised in IT management and digitalisation consulting. Notable projects in 2021 include a plan for sustainable urban development in Eskilstuna and assisting H2 Green Steel with environmental permits, power supply and process integration for a large-scale fossil-free steel production facility in Norrbotten County.

Business Area President:	Ann-Louise Lökhölm-Klasson
Net sales:	SEK M 7,398
EBITA margin:	12.4%
Market position:	#2
Number of full-time employees:	5,796

## Norway

### Improved sales despite challenging market

Demand was robust during the year in several sectors but was unable to offset a continued weak commercial property market, project delays and pandemic-related effects. Net sales improved year-on-year, positively affected by the acquisition of TAG Arkitekter in 2020, while the EBITA margin weakened, due mainly to lower billing ratio and absences. Examples of projects in 2021 include project management for a new airport in Mo i Rana, for Avinor, as well as planning and project support for a double track rail line through Stange Municipality, for Bane NOR.

Business Area President:	Grete Aspelund
Net sales:	SEK M 2,622
EBITA margin:	7.7%
Market position:	#3
Number of full-time employees:	1,749



Sweco is divided into eight geographically based business areas, with the goal of holding a market-leading position in all markets and segments in which we operate.



Wooden apartment buildings for Kontio

Finland

Strategic acquisitions within sustainability and architecture

Sweco Finland showed continued growth and increased sales during the year. Gaia Consulting, Finland’s leading sustainability consultancy, and architecture firm Linja Arkkitehdit were acquired in April. Sweco holds a strong market position and was commissioned during the year to work on several major projects to promote a sustainable society, including emission-free hydrogen plant projects for P2X Solutions and Hycamite TCD Technologies. Sweco was also commissioned to work with sustainable battery production for Keliber as part of Finland’s national battery strategy, and to support Northvolt in establishing one of Europe’s largest battery factories, based in Skellefteå, Sweden. For Kontio, Sweco worked in collaboration with Lukkaroinen Architects and Profin to develop a new concept for building wooden apartment buildings.

Business Area President:	Markku Varis
Net sales:	SEK M 2,947
EBITA margin:	10.9%
Market position:	#1
Number of full-time employees:	2,746



Urban development in Odense

Denmark

Improved margin and increased demand for climate-related services

The Danish market delivered positive margin development and net sales during the year, with satisfactory and stable demand in the water and environmental segments and increased demand for climate-related services in the larger cities. The improvement in sales and the EBITA margin is mainly due to higher average fees, higher billing ratios and an increase in the number of employees. Sweco was commissioned to provide engineering services for Denmark’s first public housing scheme constructed in accordance with circular economy principles. Sweco was also selected by the Danish Energy Board as technical adviser in the establishment of the world’s first energy island, which will be a major contribution to the conversion to green energy in Denmark and Europe.

Business Area President:	Dariusz Rezai
Net sales:	SEK M 1,905
EBITA margin:	9.6%
Market position:	#4
Number of full-time employees:	1,285

Our strategy is focused on profitable growth and a business model centred on clients, internal efficiency and engaged employees through decentralised responsibility.



Flood protection between Tiel and Waardenburg



Upgrading the Bossuit-Kortrijk Canal

Netherlands

Successful implementation of the Sweco model

The Dutch market was relatively good during the year, with some impact from the pandemic in some segments. Sweco delivered sales on a par with last year as well as a significant margin improvement. The energy market showed strong demand for renewables in the form of solar and wind energy, and greater interest in hydrogen. Bureau Stedelijke Planning, specialised in urban planning with a focus on residential and office areas, shopping centres and recreational facilities, was acquired during the third quarter. Sweco was also commissioned during the year by railway company ProRail to develop, manage and maintain the software required to support the measurement process for collecting railway track data. This is the first construction contract in this segment in which sustainability aspects, such as CO<sub>2</sub> emissions, are included as quality criteria.

Business Area President:	Eugene Grüter
Net sales:	SEK M 2,024
EBITA margin:	9.9%
Market position:	#4
Number of full-time employees:	1,376

Belgium

Continued strong profitable growth with margins surpassing the financial target

Demand was robust in most segments, with strong demand in public infrastructure driven by a complete energy transition in Belgium focused on reducing CO<sub>2</sub> emissions within the transport, construction and industrial sectors and on an energy production conversion. BUUR, specialised in urban planning and landscape architecture, and Boydens Engineering, well-known for design of sustainable, net-zero-emission buildings, were acquired during the year. Projects awarded include new development of the iconic Vynckier building in Ghent for property developer Revive, supporting ENOUGH (formerly 3FBIO) in construction of a new meat substitute production plant, and electrification of bus depots for transport company De Lijn.

Business Area President:	Erwin Malcorps
Net sales:	SEK M 1,907
EBITA margin:	12.1%
Market position:	#3
Number of full-time employees:	1,276



Data centre in the outskirts of London

UK

## A challenging year

The UK was the Sweco market most affected by pandemic-related restrictions and lockdowns. The construction sector was also negatively impacted by Brexit-related supply and cost pressures, which resulted in some projects being postponed, particularly public infrastructure projects. New projects include the development of a data centre in London, where Sweco is responsible for design as well as providing construction, civil and structural engineering, architecture and sustainability consulting services. When completed, the data centre will be among the largest in the UK. Sweco was also awarded a contract to deliver innovative and sustainable expertise in the design of a new office space located in the heart of London.

Business Area President:	Max Joy
Net sales:	SEK M 1,199
EBITA margin:	4.6%
Market position:	#15
Number of full-time employees:	1,182



Extension of the Portal Clinic in Munich

Germany and Central Europe

## New management and long-term turnaround plan

During the year there was a change in management in Germany, focused on turning the business around, fully implementing the Sweco model and ensuring sustainable, profitable growth over the long term. The market was negatively affected by Covid-19 restrictions and by ongoing supply chain challenges. This was offset by increased investments in the public sector and energy conversion projects, which continued as planned. Sweco's projects during the year include the planning and design of six new stations on existing rail lines in southern Germany's Memmingen area to create an attractive local transport network. Sweco in the Czech Republic was commissioned to provide technical and project planning services for the reconstruction of the water treatment plant in Bílý Potok, which will improve water quality and ensure a safe supply of drinking water in the area.

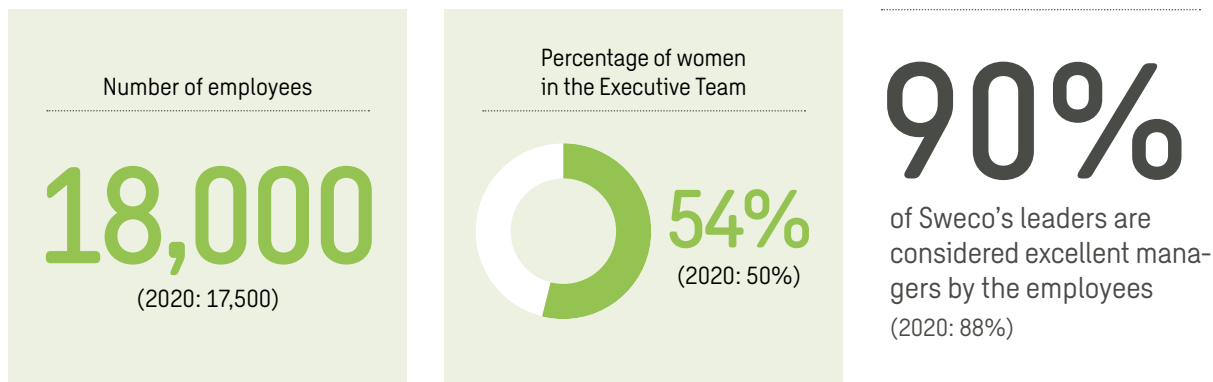
Business Area President:	Julia Zantke
Net sales:	SEK M 2,015
EBITA margin:	-1.4%
Market position:	#2
Number of full-time employees:	2,342

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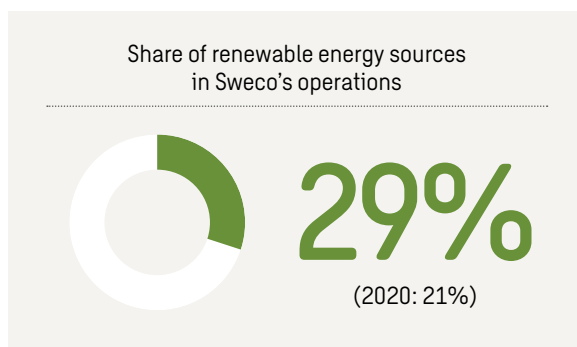
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# Sustainability Report

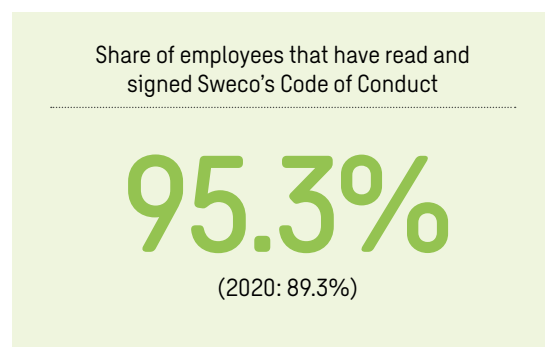
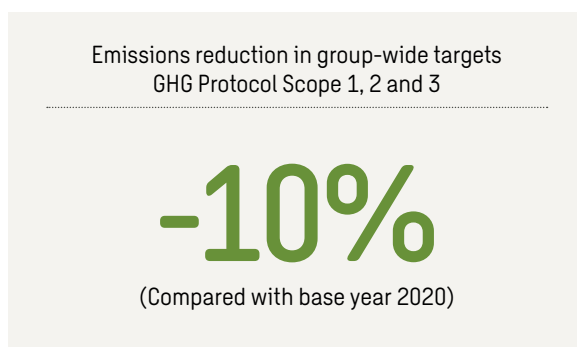
# Progress 2021



Sweco's group-wide goal is to have **climate neutral operations by 2040** and to halve emissions by 2030, compared with 2020.

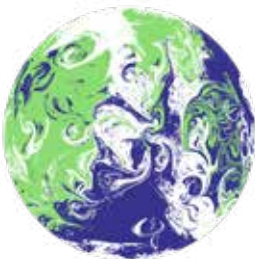


**Zero**  
confirmed cases of corruption during 2021 and 2020



# Five transformative trends driving development

The communities and cities of tomorrow are facing major changes. As Europe's leading engineering and architecture consultancy, Sweco has great responsibility – and great opportunities – to actively support a sustainable transformation. We combine market monitoring with the experience from our extensive project operations to identify new business opportunities, assess potential risks and ensure that we have the right expertise.



#### From “ambition gap” to “implementation gap”

The progress made at COP26, the UN's climate conference in Glasgow in November 2021, provides the potential to limit global warming to below 2°C if commitments are translated into climate action. The most important results include completion of the Paris Rulebook, increased funding for developing countries, more detailed mechanisms for emissions trading and a higher level of ambition for climate work. The substantial amount of funding required to achieve the Paris Agreement's goals is facilitated by

the fact that more and more capital is being directed in a sustainable direction. In Glasgow, USD 130 trillion was pledged for climate adaptation by representatives of 450 banks, insurance companies and investors. We are entering a new phase of climate work, with countries turning promises into action. To move from formulation of ambitions to immediate emissions reductions, the necessary climate measures need to be implemented without delay.

### Accelerated transformation

The UN's Global Goals for Sustainable Development (Agenda 2030) and the Paris Agreement have secured international support and are focused on accelerating the transition towards sustainable societies and fossil-free economies. The world now needs to shift from agreement to implementation of solutions in the areas of energy, industry, mobility, buildings and infrastructure. Mitigation and adaptation prompted by climate change will be major transformation drivers in coming decades. This creates great business opportunities, but also challenges in the form of structural market adjustments, energy price volatility and goal conflicts regarding environmental impact and permit processes.

### Renewable energy and electrification

The EU's Renewable Energy Directive was tightened in 2021, raising the renewable energy target to 40, rather than 32, per cent by 2030. The binding targets for reduced energy consumption were also tightened. Among other things, the public sector is required to renovate buildings with a focus on reduced energy consumption and lower costs. The phase-out of fossil fuels alongside the electrification of transport and industry is driving investments in renewable energy production, electricity grid expansion and energy storage initiatives. Fossil-free hydrogen in particular is expected to play a key role in future sustainable energy systems.

### Circular economy

The industry, property and infrastructure sectors are increasingly interested in circularity due to rising raw material prices, stricter climate goals and more proactive policies on the part of the EU and its member states. Industrial symbiosis is emerging, with co-located operations that make efficient use of waste streams and are part of integrated energy flows. New buildings are designed for future re-use of materials and products. Retrofitting improves performance and extends the life of existing buildings. This creates new business models, partnerships and the need for large amounts of data from the entire life cycle.

### Welfare and social sustainability

Focus is on social sustainability when urban development is pressured by the political unrest, alienation and economic uncertainty that are exacerbated by the pandemic. Government investments in public welfare, in the form of stimulus packages and restart budgets, have explicit sustainability and climate transition requirements. Designed as a post-disaster recovery, "Building Back Better" has influenced European politics and is considered as the way forward after the pandemic. A rapid climate transition also raises social challenges as the labour market shifts away from the fossil fuel economy and high energy prices put pressure on both businesses and households.

### Europe tightens its steering

The EU is to be climate neutral by 2050 and to reduce its climate impact 55 per cent by 2030 compared with 1990 levels. In 2021, the European Commission presented an action plan for financing sustainable growth that will set the course for climate neutrality. Measures include an expanded emissions trading system, reduced subsidies for fossil fuels and a system for carbon tariffs. Another major area under development is the EU's taxonomy for sustainable investments that aims to enable the identification and comparison of environmentally sustainable economic activities. While major uncertainties remain as to how the taxonomy will be applied, extensive work has begun to map activities in relation to the taxonomy's definitions.

### Impact on society and our business

Transformative sustainability trends impact society at large and our clients' operations. They represent significant drivers that surge the demand for Sweco's expertise and services with the potential to contribute to transforming society, for example through planning and designing the sustainable communities and cities

of the future, efficient transportation infrastructure and sustainable energy solutions. Through active business strategy development, Sweco analyses the impact of external factors, addresses potential risks at an early stage and develops its operations in the direction required by both client demands and changes in the business environment in all the markets we operate in.

# Sweco's approach to sustainability

Sustainability is an integral part of our business. Together with our clients and employees, we shape the sustainable development of tomorrow's communities and cities. It is in our client projects where we can identify the most innovative solutions and make the greatest difference. We also attach importance to being a forerunner within our own business operations.

Solving the greatest societal challenges of our time is more relevant, demanding and inspiring than ever before. It is also an important reason why our employees choose to work with us. At Sweco, experts with different perspectives and knowledge gather to take advantage of innovation and technology development and, together with our clients, contribute to the best solutions from all dimensions – environmentally, socially and economically.

## **The UN's global goals permeate Sweco's operations and client projects**

Sweco's approach to sustainability is based on the UN's 17 Global Goals for Sustainable Development, SDGs, which are to be achieved by 2030. We work with the goals linked to the specific challenges that exist in each client project and in the transformation of our own operations. Collaboration between our different areas of expertise means that we can evaluate different factors and implement the most sustainable solution.

## **Integrating sustainability enables long-term growth**

Sweco's stakeholders expect stable and long-term growth through sustainable development of our business and operations. At Sweco, we are convinced that the greatest growth potential for the company is created by integrating the sustainability perspective into our own strategy and operations as well as into client projects. By ensuring that we have the expertise that is in demand in the market, we enable our business to grow while clients and the society at large are gearing on a sustainable path. Integrated sustainability work is the prerequisite for us to deliver on our strategy over time, strengthen our position in the market and at the same time live up to our basic values.

## **Greatest impact opportunity in client projects**

The climate transition and investments in emissions reduction will intensify in the future. At Sweco, we have an important role to play in the transformation. Our broad expertise in architecture, building construction, urban planning, energy, industry and transport is further strengthened by the accelerating digitalisation and technological development. With 18,000 experts performing 100,000 assignments in many places around the world, it is in our client projects that we have the greatest opportunity to influence and contribute to a more sustainable societal development.

As consultants, we do not own the projects we are hired for. Although the climate impact from the projects we are involved in falls outside our formal climate responsibility, it is self-evident for us to take on responsibility for actively integrating sustainability into the projects. Measuring our sustainability impact in client projects is a prerequisite for delivering data-driven sustainability management to our clients and for optimising sustainability performance. It is also one of our biggest challenges due to the great complexity of measurability.

The projects we carry out each year have varying client requirements and conditions for what sustainability is and how we as consultants best contribute. To further explore how we best quantify sustainability in client projects, we have initiated several collaborations where we, together with established players, develop measurement methods for the sustainability impact in the projects. Examples of this are our collaborations with the World Business Council for Sustainable Development (WBCSD) and the Federation of Swedish Innovation Companies.



## Sustainability at Sweco

Sweco actively pursues sustainability work internally, concentrating on three focus areas: a sustainable workplace, reduced climate impact and strict business ethics.

### Employees

Sweco is an international workplace with an inclusive culture rooted in collaboration. Our goal is to have the industry's most capable employees and be an attractive employer for current and prospective employees.

*Read more about Sweco as a workplace and our employees on pages 42–47.*



### Climate and environment

Sweco supports the Paris Agreement, and we aim to achieve climate neutrality group-wide by 2040 and halve emissions by 2030 compared with 2020 levels. We have also initiated the process of having our climate targets validated and approved by the Science Based Targets initiative, in line with scientific models for achieving the targets of the Paris Agreement. With our 2040 group-wide target set as the minimum level, each business area can develop even more ambitious emissions reduction targets and action plans for achieving these targets. Sweco's climate targets cover direct, indirect and other indirect emissions according to all three scopes in the Greenhouse Gas Protocol, GHG.

*Read more about Sweco's climate work on pages 48–50.*



### Ethics

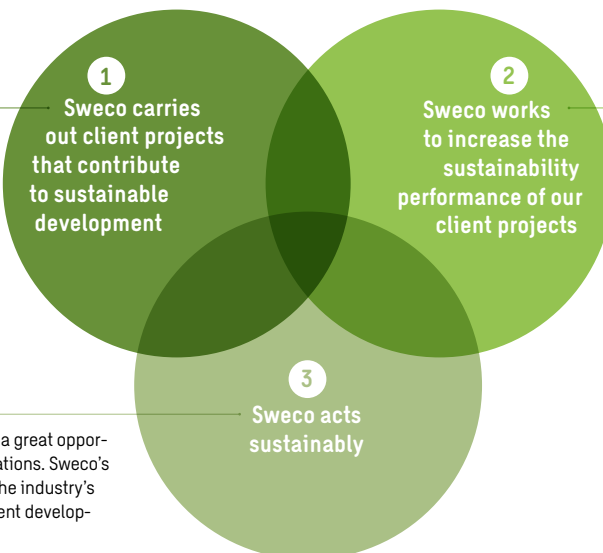
Sweco's credibility in society is invaluable to us. We set high standards in our business ethics framework to ensure that our employees and business partners deliver value according to the same principles. This is detailed in our Code of Conduct, which employees and business partners commit to comply with.

*Read more about Sweco's business ethics and compliance on pages 52–54.*



## Three perspectives on sustainability

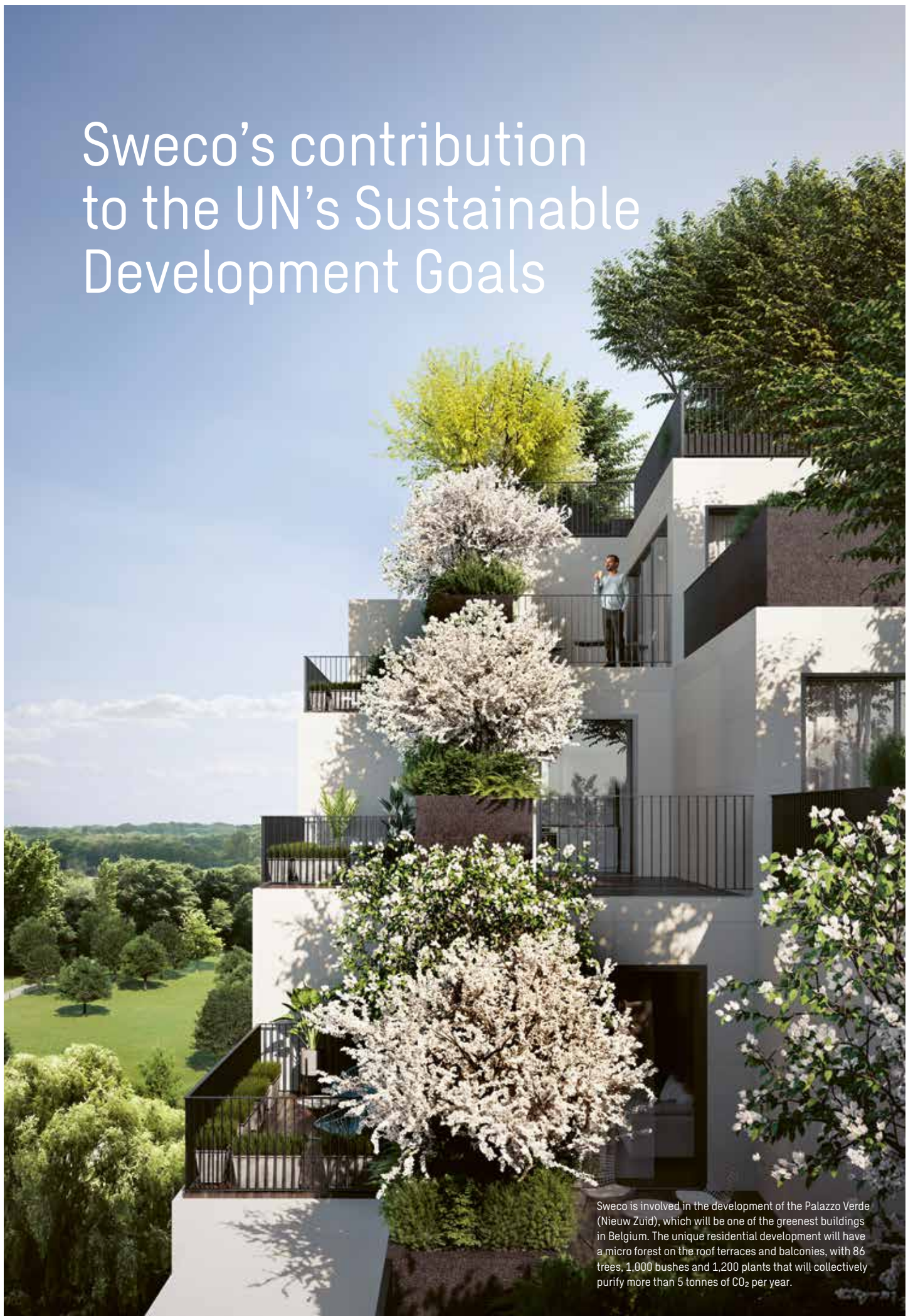
We contribute to a sustainable transformation by, for example, ensuring access to clean water, designing resource-efficient and resilient buildings, reducing climate impact from cities and industries, developing renewable energy solutions and preserving biodiversity.



Our ambition is to always do a little more than what the client requests and contribute with our expert consultants to enhance business and sustainable solutions in client projects. We ensure that our consultants have the right skills and tools to optimise the projects' sustainability performance.

As experts in sustainable transformation, we also have a great opportunity to act sustainably within our own business operations. Sweco's goal is to be climate neutral by 2040 and always have the industry's most competent employees with high standards for talent development and business ethics.

# Sweco's contribution to the UN's Sustainable Development Goals



Sweco is involved in the development of the Palazzo Verde (Nieuw Zuid), which will be one of the greenest buildings in Belgium. The unique residential development will have a micro forest on the roof terraces and balconies, with 86 trees, 1,000 bushes and 1,200 plants that will collectively purify more than 5 tonnes of CO<sub>2</sub> per year.

At the UN summit in September 2015, world leaders agreed to 17 global goals designed to be a blueprint for countries around the world to stimulate and achieve sustainable transformation by 2030. Sweco works actively with the 17 goals for sustainable development, and in client projects we contribute our expertise to most of the agenda's 169 targets. This is confirmed by the results from Sweco sustainability training sessions conducted in 2021 where 3,850 employees assessed that all the 17 global goals, to various extent, are relevant for their work at Sweco and in client projects.

We have identified five goals as the most business-critical to our operations and those we as experts have the greatest opportunity to influence, in creating a more sustainable future together with our clients.



**BUILDINGS AND URBAN AREAS**



Sweco offers a holistic planning and design approach for tomorrow's buildings and landscapes. Social sustainability is an essential element of our approach, with the goal of creating a more equal society with the citizens as the focus point. We also offer solutions to reduce cities' climate impact, create circular flows and adapt to climate change. We endorse biodiversity by planning ecosystem services in our cities, working with green and blue infrastructure, conducting environmental analyses and protecting nature against invasive alien species.

**WATER, ENERGY AND INDUSTRY**



The transformative drivers for sustainable development are leading to an increased demand for modern technical solutions. With our combined expertise, Sweco contributes to living environments that are not harmful to man and nature. Sweco's experts work in projects including the transition to more renewable and efficient energy systems, smart electricity grids, transforming industry to meet future needs as well as reducing hazardous emissions, recycling waste and ensuring access to clean water.

**TRANSPORTATION INFRASTRUCTURE**



In this segment, Sweco works with solving cities' and regions' future transportation needs. Sweco's experts work on projects that include the planning and construction of new railways and tramlines and the design of public transport and pedestrian and bicycle paths. Sweco also works with digital mobility services such as MaaS (Mobility as a Service) and LaaS (Logistics as a Service) and helps the EU coordinate and plan new infrastructure.

# Materiality analysis and stakeholder dialogue

Sweco works proactively with the sustainability topics that are most material for our business operations and our stakeholders. These topics are evaluated and selected on an ongoing basis from an economic, environmental and societal perspective.

In 2021, Sweco conducted a new materiality analysis that provides insights into the topics and long-term targets that we should prioritise and implement. The analysis is based on continuous stakeholder dialogue, online surveys, observations from strategic analyses, and Sweco's strategy and business plans. The sustainability topics included in the assessment were taken from Sweco's Code of Conduct, internal strategies and the UN's 17 Global Sustainable Development Goals.

The results show that Sweco's strategic focus areas regarding sustainability remain aligned with stakeholder expectations as well as the areas where we have the greatest opportunity for positive impact. The following sustaina-

bility topics were given highest priority: climate change mitigation and adaptation, waste and circularity, and urban planning. Climate change mitigation and adaptation in particular is considered a prioritised sustainability topic, one that impacts the external environment and is expected to drive demand for Sweco's services and expertise.

Compared with last year's analysis, waste and circularity, digitalisation, and transport and mobility were given somewhat higher priority. Within social sustainability, recruitment and talent development were identified as prioritised sustainability topics along with health and safety and diversity and gender equality.

## Most relevant sustainability topics



### Stakeholder dialogue

Stakeholder engagement is a prioritised area for Sweco. The ability to plan and design tomorrow's sustainable communities together with our clients, employees and business partners is based on long-term, open dialogue. As a decentralised organisation, stakeholder dialogue is conducted on many levels – from Group level to project level.

Stakeholder dialogue is carried out in various ways and includes the Annual General Meeting and analyst meetings with owners and investors, performance reviews with employees, and collaborations with clients, suppliers and trade associations.

	Key sustainability topics for stakeholders	Forums for dialogue
Investors and owners	<ul style="list-style-type: none"> <li>• Ability to implement solutions for a sustainable transformation in society</li> <li>• Identify and analyse sustainable investments (EU Green Deal and the EU taxonomy)</li> <li>• Ethics and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Quarterly reports and annual report</li> <li>• Investor and analyst meetings</li> <li>• Stakeholder surveys</li> <li>• Press releases</li> <li>• Sweco's website</li> </ul>
Clients	<ul style="list-style-type: none"> <li>• Integration of sustainability into company's business model</li> <li>• Climate change mitigation and adaptation</li> <li>• Energy production, consumption and emissions</li> <li>• Leverage potential for circular economy</li> <li>• Digitalisation and technological progress are essential for delivering sustainable solutions</li> <li>• Social sustainability in client projects</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing dialogue in client projects</li> <li>• Seminars, client events</li> <li>• Client and stakeholder surveys</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Sweco as sustainability forerunner in its own operations and in client projects</li> <li>• Sustainability as a key dimension in talent acquisition and retention</li> <li>• Diversity and gender equality</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Close dialogue with managers</li> <li>• Performance review</li> <li>• Internal training</li> <li>• Skills development through client projects</li> <li>• Employee surveys</li> <li>• Communication via intranet</li> <li>• Office meetings, seminars and conferences</li> </ul>
Trade associations	<ul style="list-style-type: none"> <li>• Sustainability is increasingly regarded as industry-critical in the transport, energy, construction, property and manufacturing industries</li> <li>• Cross-industry sustainability initiatives and knowledge transfer to promote sustainability</li> <li>• Increased awareness of climate adaptation and how this is integrated with climate change mitigation</li> <li>• Tightened EU requirements and directives accelerate sustainable transformation</li> </ul>	<ul style="list-style-type: none"> <li>• Membership and involvement in various trade associations</li> <li>• Participation in networks and working groups</li> <li>• Stakeholder surveys</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Adaptation of procurement processes to environmental, economic and ethical requirements</li> <li>• Climate change mitigation and adaptation</li> <li>• Sustainability requirements and compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing dialogue</li> <li>• Sweco's Code of Conduct</li> <li>• Supplier evaluations</li> <li>• Stakeholder surveys</li> </ul>
Government authorities	<ul style="list-style-type: none"> <li>• Legislation, targets, procurement criteria and requirements are key drivers for delivering from a sustainability perspective</li> <li>• Permit processes are essential for sustainable transformation in many industries</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings with authorities, researchers and politicians</li> <li>• Participation in working groups, seminars and lectures</li> </ul>

# Sustainability governance

Sweco's sustainability work is integrated into our business operations. All employees are responsible for this work and make an important contribution to it, internally as well in client projects. Governance and monitoring of sustainability work is adapted to the decentralised organisation and follows the same structure as other Sweco group-wide operations.

## Decentralised sustainability work

Sweco's President and CEO holds overall responsibility for Sweco's work with sustainability and has delegated the management to the business area presidents who are responsible for implementing and monitoring sustainability strategy, targets and governance locally. An example of this is our group-wide target to achieve climate neutral operations by 2040. In accordance with our decentralised model, each individual Sweco market has set its own targets, with the requirement to serve as a forerunner in that country and meet or surpass each country's national targets.

At Group level, sustainability work is managed by the Chief Sustainability Officer (strategy development), General Counsel (business ethics and compliance) and Chief HR Officer (employees, health and safety). Sweco has established a Sustainability Council, headed by the Chief Sustainability Officer, to coordinate the management and governance of sustainability-related issues in the Group. Group organisation was enhanced in 2021 with the addition of a Head of Sustainability Communications.



### Audit and monitoring

Audit and evaluation of sustainability work is aligned with Sweco's internal control and audit procedures and is conducted on the business area level along with monitoring of other business targets. The outcome is aggregated at the Group level. The Board of Directors is updated quarterly on sustainability issues, and sustainability is part of the Board's annual strategy days.

### Sustainability training

Sweco's outlook is that our decentralised business model supports employees and clients in ambitiously developing their sustainability work in line with the Paris Agreement and the UN's 17 Sustainable Development Goals. Our employees have direct contact with our clients in their daily work, and therefore have maximum understanding of the project and the authority to take on responsibility and drive change.

Our goal is to always have the industry's most capable and committed employees. Sustainability skills are continuously developed in projects and through internal training, seminars and conferences. E-learning on sustainability, diversity and business ethics is offered by most business areas as part of the introduction programme for new Sweco employees as well as the general training development.

### Regulations and policies

Sweco's Code of Conduct is a central steering document for the company's work with sustainability. It specifies Sweco's basic outlook on our responsibilities in society to ensure responsible conduct by Sweco employees and business partners. The Code encompasses climate and environment, business ethics, privacy, employee development, communication and information security, human rights and labour rights. The Board of Directors adopts the Code of Conduct annually and each business area is responsible for the implementation and monitoring of compliance.

All Sweco employees are responsible for complying with the Code of Conduct and are encouraged to report any deviations or violations. Compliance with the Code of Conduct is monitored monthly with all business areas and annually through performance reviews, employee surveys and internal and external audits.

Sweco reports on its sustainability work in accordance with the Swedish Accounts Act based on the EU Non-Financial Reporting Directive. Sweco also has a number of policies in place with internal guidelines and management systems that ensure systematic work with sustainability.

In 2021, business areas transitioned to the ISO 45001 business management system for health and safety, which replaces OHSAS 18001.



# Risk management

Climate change and the transition to a decarbonised economy involve risks as well as opportunities for Sweco. We work continuously and in a structured way to identify, assess and manage climate-related risks as an integral part of Sweco's overall risk management.

Sweco's 2021 risk report is presented on pages 130–131 and includes risk assessments with regard to sustainability. Sweco is also reporting climate risks pursuant to Task Force on Climate-related Financial Disclosures, TCFD, recommendations. This work is ongoing and will entail in 2022, among things, testing the resilience of our strategy in relation to various climate-related scenarios based on scientific reports from the IPCC and in accordance with TCFD recommendations.

In addition to its long-term ambition to support global climate targets and achieve climate neutrality by 2040, Sweco has an opportunity

and a responsibility as an architecture and consulting engineering company to reduce climate risks and actively support climate mitigation and adaptation in our client projects.

What is described as a risk may therefore also present an opportunity, based on the climate transition solutions our consultants contribute in client projects.

Pursuant to TCFD recommendations, our climate-related risks are divided into two categories: risks related to the transition to a fossil-free economy (transition risks) and risks related to the physical impact of climate change (physical risks).

Transition risks	Risks	Opportunities
<p><b>Regulatory</b> Global challenges drive changes in policy and legislation and can result in new laws and regulations that may affect Sweco's business. In general, regulatory sustainability requirements for Sweco's operations are increasing.</p>	<p>Inability to deliver due to rapid and far-reaching changes in policy and legislation may result in Sweco losing tenders and contracts, incurring higher costs or suffering reputational damage. Furthermore, insufficient competence or inadequate knowledge-sharing can have a negative impact on Sweco's competitiveness and client deliveries.</p>	<p>Increased demand for consulting services regarding, e.g., environmental regulations, permit processes, emissions reporting, analysis of climate risks, taxonomy and climate effects.</p>
<p><b>Technological</b> Many risks associated with the climate pertain to the transformation of carbon-intensive technologies, such as extraction of coal, oil and gas, traditional steel production, all forms of traffic and transport, vehicle manufacturing, buildings and properties.</p>	<p>Technological climate risks are deemed to be low for Sweco. However, the digital transformation is a key element in our business development, which is compatible with operational and financial risks if we fail to implement digitalisation internally and in client projects.</p>	<p>Sustainable transformation drives technical development and consulting demand within wind power, hydrogen and other renewables, smart grids, energy storage, mobility, transportation infrastructure, fossil-free steel production and circularity.</p>
<p><b>Market-related</b> Sudden and unexpected changes in the market and economy affect our business and that of our clients.</p>	<p>Higher and more volatile energy prices, increased emissions costs and changes in the valuation of assets can, in combination with other macroeconomic factors, impact the pace and scope of clients' sustainable transformation.</p>	<p>Market-related risks are generally associated with opportunities, with sustainable transformation requirements driving demand for Sweco's expertise within climate change mitigation and adaptation.</p>
<p><b>Reputational</b> In addition to its main goal of reducing our impact on climate change, Sweco's climate work is designed to strengthen Sweco's position as a forerunner in transforming society. This creates high expectations for our sustainability work and results.</p>	<p>Failure in meeting established climate targets for our operations is a reputational risk and may impair our ability to attract clients, employees and capital. Accelerated climate change, different degrees of sustainability maturity in our markets and the inability to quickly calibrate the business to meet the market requirements for sustainability expertise and services, can have a negative impact on Sweco's position as a forerunner in the sustainable transformation.</p>	<p>With a forward-looking approach, Sweco can be a forerunner in the sustainable transformation by taking responsibility for the way we run our business, securing needed expertise and strengthening the climate benefits of our consulting in client projects.</p>
Physical risks	Risks	Opportunities
<p><b>Acute risks</b> Unforeseen and extreme weather events</p>	<p>Direct physical climate risks are deemed to be low for Sweco. Indirect effects may be a stress on clients' businesses and tangible assets, which affects ongoing and planned client projects.</p>	<p>Sweco helps improve understanding of the way climate change can affect clients' businesses and the concrete measures that should be prioritised in projects to strengthen resilience.</p>
<p><b>Chronic risks</b> Changes in precipitation patterns Rising average temperatures Rising water and sea levels</p>		



# Sweco and the EU taxonomy for sustainable investments

Sweco is covered by the EU taxonomy regulation that is part of the EU's Action Plan for Sustainable Finance and the Green Deal. The taxonomy entails a classification system for environmentally sustainable activities, financial products and services within the EU and aims to ensure that the financial sector receives common guidelines for identifying and comparing sustainable activities and investments.

## The EU taxonomy

In order for an activity to be classified as sustainable, it must make a significant contribution to one or more of the EU's six established environmental objectives, do no significant harm to any of the other five environmental objectives, and comply with the minimum social safeguards. Of the six environmental objectives included in the taxonomy, there are currently only technical screening criteria for the first two environmental objectives on climate change. As of 2022, the European Commission will adopt delegated acts for the other environmental objectives.

The EU taxonomy includes the following environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For 2021, companies need to report the proportion of net sales, capital expenditure (CapEx) and operating costs (OpEx) that are eligible according to the EU taxonomy in relation to the environmental goals on climate change mitigation and adaptation. From 2022, companies will need to assess whether or not their economic activities are taxonomy-aligned, if they meet the technical screening criteria for environmentally sustainable activities.

### Outcome 2021

Sweco has identified taxonomy-eligible activities according to Delegated Act for Climate Change. These activities are primarily within transportation infrastructure, building service systems and energy performance of buildings, as well as services related to data solutions and programming.

About 35 per cent of Sweco's total 2021 net sales are eligible economic activities according to the EU taxonomy, where about 20 per cent is within infrastructure for road, public and water transport and about 9 per cent within infrastructure for rail. During 2021, around 42 per cent of the total CapEx are eligi-

ble activities according to the EU taxonomy and of that, about 31 per cent relates to acquisition of new offices and 10 per cent relates to investments in fossil-free car fleet. About 34 per cent of the OpEx are eligible activities according to the EU taxonomy, including primarily activities related to internal projects in research, technical development, innovation and sustainability activities in Sweco Sweden.

### The EU taxonomy and Sweco's client projects

In a large number of areas, Sweco is helping our clients in projects related to climate change mitigation or adaptation in sectors such as water, energy and industry. However, not all of Sweco's services are included and are therefore not considered taxonomy-eligible activities in EU taxonomy regulation. Only our client's activities are included in the way the taxonomy has defined some of the activities. For example, the production of fossil-free steel is taxonomy-eligible, while Sweco's services providing design and engineering consultancy services for that steel plant are not considered to be taxonomy-eligible.

Around 65 per cent of total net sales during

2021 are non-eligible activities. This includes net sales within energy, industry and manufacturing, water and waste management activities as well as design and engineering services within buildings and urban areas. There are also economic activities that Sweco provides services within but that are not (yet) covered by the EU taxonomy, such as agriculture, manufacture of pulp and paper, manufacture of food and beverages.

Around 58 per cent of the total CapEx are non-eligible activities. This includes all other investments, mainly IT equipment and other office equipment, and additions to assets through acquisitions.

For detailed information, see pages 60–61.

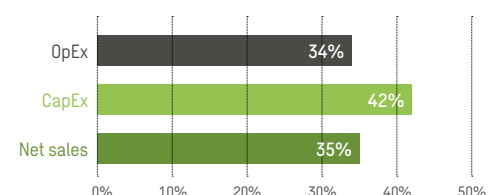
### Increased demand for consultancy services

Sweco's consultants are seeing an increased demand for mapping and climate risk analysis of clients' operations and economic activities in relation to EU taxonomy. Requested services comprise implementation of reporting formats and processes as well as assessments for adaptation of operations to better meet the criteria for taxonomy-eligible activities.

## Eligible and non-eligible activities (net sales)



## Eligible activities





Transforming  
society together  
with our clients

By combining our experts' perspectives, we can plan and design a more sustainable future together with our clients. Our dedicated focus and expert knowledge in sustainability is a long-term growth driver.



# Buildings and urban areas

Innovative and sustainable urban development is essential to tackle climate change and extreme weather conditions, while also improving cities' mobility, social inclusion and economic development.

Climate change increases the risk of extreme weather. In 2021, several European countries were battered by heat waves, forest fires and severe rainfall. Despite this, three-quarters of European cities have no action plan for managing climate change, according to the Urban Insight report "Planning for Climate Adaptation" released by Sweco. So there is great need for Sweco's expertise in urban planning, structural engineering, digitalisation and circularity.

## Data-driven approach

Sweco's consultants use digital tools in their complex calculations and visualisations of climate-related risks and costs for new construction projects as well as existing buildings. With our self-developed Carbon Cost Management service, we manage climate and cost as equivalent parameters in construction and infrastructure projects. Making a road one metre narrower or expanding the use of environmentally friendly concrete or wood are examples of measures for reducing a project's climate impact. On the whole, our working method often reduces material and energy consumption, producing direct climate benefits and reducing costs.

## Carbon Cost Management – climate impact and cost in one analysis

Sweco's service for Carbon Cost Management aims to reduce the climate impact in construction and infrastructure projects at a minimal cost through an integrated climate and cost analysis, studies, planning and recommendations. The service targets project managers and decision-makers in all private and public contexts where projects are decided. Carbon Cost Management counteracts down-prioritisation of climate issues and makes it clear that there is no conflict between climate and costs.

## Sustainable design

Sweco's architects and engineers design buildings and city districts that are aesthetically pleasing and permeated throughout with sustainability. Using meticulous life cycle analyses and sustainable design, we break through linear thinking processes and apply circular material flows with regard to the way construction materials are produced, recycled and re-used in construction as well as renovation and demolition.

Because we work with clients throughout the world, we are able to draw unique insights and share these across the company to the benefit of our clients. Our global knowledge bank, combined with local presence and proximity to clients, is a key to success.

### Architecture

Sweco's architects design buildings and environments for people to live, work and thrive in.

Examples of services:

- General architecture
- Landscape architecture
- Interior architecture

### Building Service Systems

Sweco's building service systems consultants create comfortable indoor climates in buildings and facilities.

Examples of services:

- Energy analysis and environmental certification
- Design of electrical, telecom and security systems
- Fire safety engineering and risk analysis
- HVAC and sanitation

### Structural Engineering

Sweco's structural engineers create buildings with a focus on safety and functionality, with loadbearing structures that harmonise with the design, the indoor environment and the client's business.

Examples of services:

- Steel, timber and glass structures design
- Building construction design
- Industrial structures design
- Construction economics

### Urban Planning

Sweco's urban planning experts harness the possibilities of tomorrow, providing everything from analyses and forecasts to completed master plans for new sustainable city districts.

Examples of services:

- Statistics and forecasts
- Analysis and strategy
- Studies
- Planning and design

### Project Management

Sweco's project managers are the link between the client's vision and the tangible implementation of complex urban development projects.

Examples of services:

- Project and design management
- Property development and management
- Site supervision

### IT

Sweco's IT experts manage and process data, to streamline everything from transportation to water flows.

Examples of services:

- Systems development and big data
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support



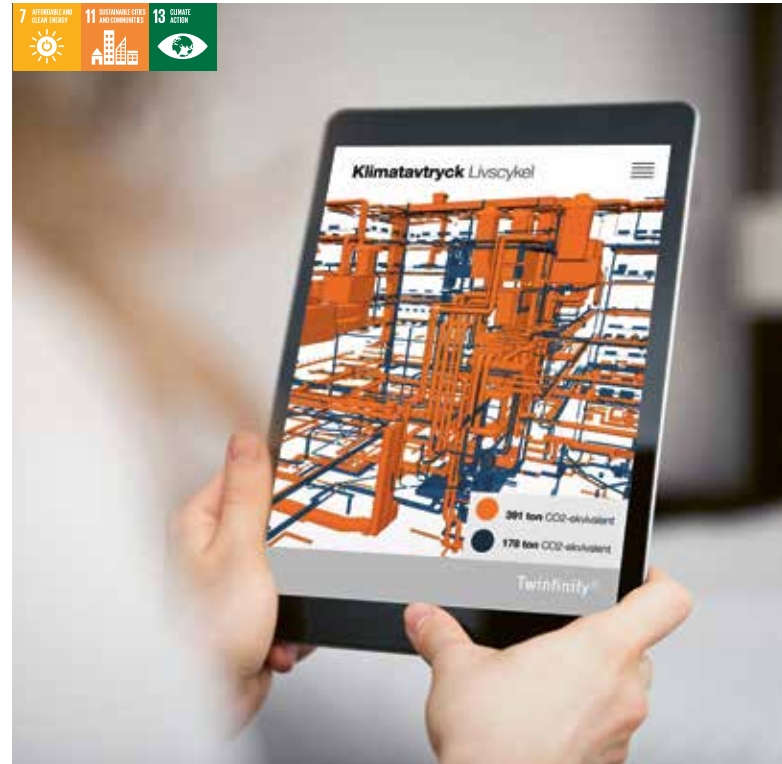
### Innovative tool calculates sustainability risks

Climate change and increased incidents of extreme weather have a major impact on buildings. This was on display in the major flooding that occurred in the Netherlands during 2021. For property owners, this creates the need to understand and the ability to calculate the risks imposed by climate change when they invest in, develop or lease properties.

Working with property investor Vesteda, Sweco developed KIM, a software tool that specifies the risk of flooding and heat waves for the company's entire property portfolio, along with initiatives that can be taken to reduce these risks.

This solution gives Vesteda a deeper understanding of and the capacity to deal with sustainability-related risks to all of its properties.

Client: Vesteda  
Country: Netherlands



### Digitalisation of Vasakronan's buildings

Using Sweco's Twinfinity® platform, Vasakronan created digital twins of all of its 170 buildings. The platform connects property data to a 3D model that visualises and analyses the data to determine how the building is constructed, how it functions and how it feels.

By gaining full control and an overview of all data, operation and management can be optimised, climate impact can be reduced, and work methods and service offerings can be smarter and more flexible.

As an example, the platform enables circular management by mapping all material that can be recycled and specifying its location. It is also possible to visualise carbon footprint, indoor climate and supporting data for sustainability certification.

Client: Vasakronan  
Country: Sweden



### Lidl's first wooden store in Finland

Lidl is constantly working to reduce its climate impact. With its pilot store in Riihimäki, wooden construction is being explored as a way to create more sustainable store buildings.

Sweco was responsible for overall design of the pilot store. Entirely new construction solutions were required due to the unusually large proportion of wood to be used. The result is a store built on a unique wooden structure run entirely on green energy, with a circular heating system and its own renewable energy from 270 solar panels located on the store roof.

The wooden construction reduces the building's climate impact 25 per cent as compared with steel and cement. The solar panels provide around ten per cent of the store's electricity requirements and help further reduce its climate impact by nearly 10 tonnes CO<sub>2</sub> annually.

Client: Lidl Finland  
Country: Finland

# Water, energy and industry

Sweco develops modern technical solutions that ensure access to clean water, a reliable energy supply and resource-efficient industrial facilities, in close collaboration with our clients.

With intense rainfall and flooding, our cities are focused on water supply and water infrastructure. In the Urban Insight report “Healthy Water Cities: From Sewer to Health Booster” from October 2021, Sweco proposes three water strategies to ensure a healthy future and prevent system failures. The first deals with managing cities’ health challenges, the second with giving more space to nature, and the third with reducing water consumption and increasing wastewater re-use and purification. These three strategies are highly relevant and a reflection of Sweco’s work with water projects across the globe.

### From fossil fuels to renewable energy

Our energy experts work, often in combination, with the transition from fossil fuels to renewable energy, reliable and efficient power distribution, and infrastructure expansion for new fuels such as electricity and hydrogen. Several pro-

jects, for example, involve harvesting as well as storing solar and wind energy, while also reducing consumption by using energy more smartly. Our consultants also actively support the accelerated expansion of hydrogen in the overall energy supply in multiple markets.

### Transformation of industry

Sweco’s engineers and industrial experts contribute to the sustainable transformation of industry by delivering resource-efficient plant design, designing electricity and automation systems for the future, and streamlining warehouse, hospital and distribution logistics flows. Our expertise is used in areas including the transformation of the steel industry. Sweco is advisor to H2 Green Steel and Hybrit in Norrbotten, Sweden, which plan to achieve full-scale fossil-free processes for steel production by 2030 and 2035, respectively.

#### Water

Sweco’s experts manage water for a variety of situations, ranging from providing access to clean water to protecting societies from flooding.

Examples of services:

- Water and wastewater engineering services
- Water resource planning
- Urban water management
- Design of flood protection structures

#### Environment

Sweco’s environmental specialists create habitable environments that are not harmful to man or nature through measures including reducing the presence of toxins and effective waste management.

Examples of services:

- Waste management planning and advice on remediation of contaminated areas
- Environmental studies and impact assessments
- Services related to chemical substances and associated legislation

#### IT

Sweco’s IT experts manage and process data produced by the city to streamline everything from transportation to water flows.

Examples of services:

- Systems development and big data
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support

#### Energy

Sweco’s energy experts know how energy is produced, distributed where it’s needed and consumed as efficiently as possible.

Examples of services:

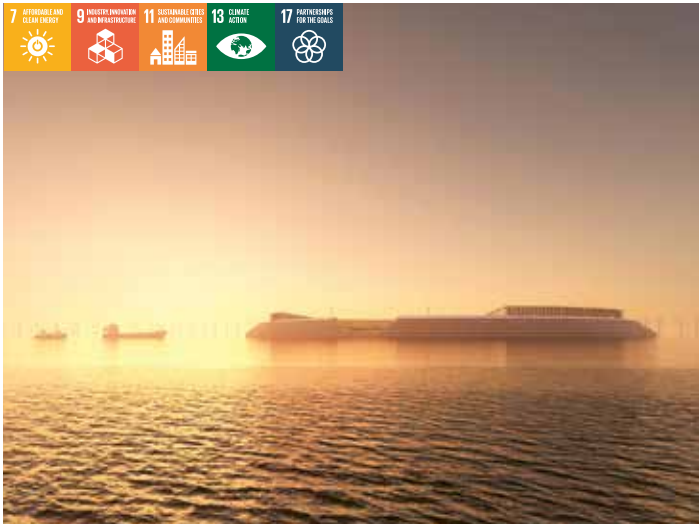
- Energy production studies
- Transmission and distribution planning
- Energy market analysis
- Energy optimisation advice

#### Industry

Sweco’s industrial consultants improve effective and resource-efficient production in all industrial operations.

Examples of services:

- Process engineering services
- Plant design (electricity, automation, mechanics, piping)
- Logistics planning and project management



### World's first energy island

Sweco is involved in the historic work of building an artificial energy island about 100 km off the west coast of Denmark. The energy island is being constructed for the large-scale production of offshore wind power and will produce enough renewable energy to meet the needs of around three million households. The Danish Energy Agency commissioned Sweco as the project's technical advisor, including preparation of tender documents and evaluation of bidders. The project, which covers functional and technical design, has involved a broad group of Sweco experts.

The project marks the shift from fossil to renewable energy in Denmark, while also demonstrating the great potential of offshore wind power. With the contribution from the energy island, Denmark will produce more renewable energy than it consumes, and the surplus can support the energy transition of other countries.

Client: Danish Energy Agency  
Country: Denmark



### Visualising climate impact for water project

Working with Anglian Water, Welsh Water and Skanska, Sweco has developed a ground-breaking model for visualising project carbon and financial costs. Data, visualised in real time, will allow engineers to optimise design solutions. Sweco contributed its expertise in climate calculations to the project.

The model will be integrated into Anglian Water's working procedures and then made available to the entire UK water sector and its value chain. It will enable the UK water industry to visualise carbon and cost impacts over the life-cycle of a project and make truly sustainable solutions for residents, society and the environment.

Client: Anglian Water  
Country: UK



### First large-scale green hydrogen plant in the Benelux

Hydrogen is expected to be a building block in tomorrow's energy mix and the ongoing energy transition. But a large share of today's hydrogen is currently produced using natural gas. On behalf of VoltH2, Sweco's expert teams in Belgium and the Netherlands managed the design, planning and permit process for two large-scale hydrogen plants, which will use wind power to produce green natural gas.

Initially, the plant will be able to produce 3,500 tonnes of hydrogen per year and be scaled up to 14,000 tonnes.

For context, one kilo of hydrogen is enough to drive a car 100 km. The production plant can be connected to the "European Hydrogen Backbone", a new European infrastructure for hydrogen. Sweco has several experts in the international hydrogen group, tackling all aspects of hydrogen's value chain, and is involved in several projects in Europe.

Client: VoltH2  
Countries: Belgium, Netherlands

# Transportation infrastructure

In an accessible society, people and goods move safely and efficiently. Modern technology creates good opportunities for an accessible future. Sweco's experts design transport systems that enable tomorrow's cities to cope with a growing population as well as increasing requirements for sustainable transport solutions.

Transportation infrastructure is a socially critical function that most of us use daily. At the same time, transport contributes to environmental and climate impact, air pollution and noise. Within the framework of the EU's new climate package presented in July 2021, the targets for reducing emissions from road transport will be tightened, while the resilience of railways and the connections between different national systems are expected to be strengthened.

### Leading position in Europe

Sweco today has a leading position in Europe in track and rail design with over 1,200 experts in the field. Client projects range from national trunk lines to growing cities' public transport networks, often linked to local or national climate goals.

Our experts use Sweco's combined expertise in technology, architecture and the environment to plan and design pedestrian and cycle paths, roads, bridges, tunnels, ports and rail infrastructure with a well-thought-out priority given to safety, accessibility, sustainability and cost efficiency. Through digitalisation in the form of information coordination, sensor technology and interactive visualisations, we handle large amounts of multidimensional data, which we then apply to the projects to improve traffic flows, reduce emissions and optimise maintenance.

### Transformation and electrification

Sweco contributes to the complex transition to modern infrastructure for mobility, electrified transport, EV charging and traffic planning. Shipping is an infrastructure area that has become increasingly important to transform. About 80 per cent of world trade is done by water transport and every year more than 400 million ship passengers pass through European ports, which has a significant environmental impact. A rapid transition to alternative fuels, energy storage and shore-side electricity supply is needed to reduce pollution and greenhouse gas emissions. Ports also need to be future-proofed against rising sea levels resulting from global warming.

### Social sustainability

The development towards more sustainable infrastructure drives the demand for urban environments that increasingly promote quality of life and put social and cultural sustainability in focus. In collaboration with municipalities, business, researchers and other actors, we design societies where large-scale and technical infrastructure lives side by side with the more vulnerable and sensitive parts of human culture – equality, accessibility and sustainability.

#### Civil engineering

Sweco's civil engineering specialists plan and design everything from roads and tunnels to bridges and ports for an even more accessible society.

Examples of services:

- Road and land use planning
- Rock excavation design and geotechnical engineering
- Bridge design
- Port master planning
- Surveying

#### Railways

Sweco's experts have technical expertise in areas ranging from studies and plans for new tracks and railways to operation and maintenance of those already in place.

Examples of services:

- Tracks
- Electricity
- Signalling
- Telecoms
- Operation and maintenance

#### Traffic planning

Sweco's traffic planners are involved in planning and strategies at an early stage for everything from public transportation to freight traffic, to ensure smooth and safe travel for all road and rail users.

Examples of services:

- Capacity planning
- Accessibility planning
- Strategic planning
- Intelligent transportation systems (ITS)

#### Project management

Sweco's project managers are the link between the client's vision and the actual implementation of complex construction projects.

Examples of services:

- Project and design management
- Property and development management
- Site supervision

#### IT

Sweco's IT experts manage and process data produced by the city to streamline everything from transportation to water flows.

Examples of services:

- Systems development and big data
- Data coordination and BIM
- 3D visualisation and geographical analyses
- Strategy and operational support



**Sweco plans portions of North Bothnia Line**

The North Bothnia Line will run between Umeå and Luleå, with 270 km of new railway along northern Sweden’s coastline. Sweco has been commissioned by the Swedish Transport Administration to plan the new railway that will run between Norra Tuva and central Skellefteå, a project expected to continue through 2031.

Sweco is responsible for producing the master plan and construction documents and will then serve as advisor during the construction process. The planning work needs to be innovative, as project planning for the railway is being done in an urban environment. In addition to managing the complexity this entails, the project is also hallmarked by sustainability. Social and economic aspects must be taken into consideration and the railway must be built with the minimum possible climate impact.

Client: Swedish Transport Administration  
Country: Sweden



**Electrification of Norwegian ports**

In Norway, some goods transport will be shifted from road to sea to reduce pressure on the roads and utilise the country’s long coastline and multiple ports. One challenge is that ships use a lot of fuel during loading and unloading, generating emissions of carbon dioxide and other harmful particles.

Port electrification is therefore a key factor in shipping’s transition. Major investments are needed to electrify ports, particularly small ports. For Nordfjord, Vågan and Harstad, Sweco analysed options for creating plug-in solutions based on existing electricity grid capacity and investment grants from the Norwegian Environment and Climate Agency. The project developed a solution to electrify the three ports by 2023, saving an estimated 1,500+ tonnes CO<sub>2</sub> annually.

Client: Ports of Nordfjord, Vågan and Harstad  
Country: Norway

**New transport network in southern Germany**

Rail-bound traffic plays an important role in meeting people’s travel needs and reducing the transport sector’s climate footprint. In southern Germany, Sweco has been working with a project to create a local tram network based on existing rail lines. Memmingen station is a regional hub with tracks running past several nearby towns where no trains have stopped. Sweco was tasked with exploring options for creating an attractive local transport network using existing rails.

In the project, Sweco managed all design and planning work for six new stations in the greater Memmingen area, scheduled to open in December 2025. This is an important step in the region’s pursuit of sustainable mobility and will make travel easier for residents.

Client: SWU Verkehr GmbH  
Country: Germany





# Transforming Sweco together with our employees

Sweco is the sum of our people. We nourish a culture of collaboration, personal development, equal opportunities – and continued learning, where people are motivated by each other and the impact they have in society.



# People are our most valuable resource

To be best at solving our clients' challenges, we need to have the industry's most competent employees. At Sweco, people are our most valuable resource, and we attach great importance to being an attractive employer for both current and future talent and leaders.

## Shared values in a decentralised organisation

### Goal

To inspire and motivate every employee to take personal responsibility and collaborate closely with clients and colleagues.

Offering an attractive and challenging workplace is essential for attracting the talent of the future. Our work in shaping tomorrow's sustainable communities and cities creates an environment where we contribute to meaningful results. As urban developers, we make a lasting impression on society and influence the future.

In 2021, Sweco was comprised of 1,600 small independent teams led by team managers. By gathering experts with different expertise, experience and knowledge, who are authorised to make their own decisions, take responsibility and drive change together with our clients, we create results in our projects and a sense of pride and commitment among our employees. Our successful model has once again been validated in this year's employee surveys. We received a score of 4.2 on a 5-point scale in employees' responses to the statement "I am proud to work at Sweco", and a score of 4.3 in response to the statement "I have the opportunity to influence my own work".

**80%** of our employees are proud to work at Sweco (2020: 81%)

## Approachable and committed employees

### Goal

To be the most approachable and committed partner, with recognised expertise.

Sweco's strong client focus is the foundation for our successful model. This is reflected in our client promise: to be the most approachable and committed partner, with recognised expertise. Our daily work is distinguished by close collaboration with our clients in exciting and challenging projects, making us an attractive employer locally and globally.

In this year's employee survey we received a score of 4.3 in response to the statement "In our team we build long-term relationships with our clients". An updated training programme on our client promise was launched in 2021, designed to place clients more clearly in focus based on their client journey.

### Sweco Core Behaviours

Proactive, Working with People, Accessible and Collaborative, Attentive and Committed, Adapting and Responding to Change

“In 2021, Sweco saved over 100,000 working hours with the help of AI and automation. Despite that, we have so far only scratched the surface.”

David Hunter  
Head of AI & Automation

## AI central to digital transformation

**In what way does Sweco use AI and automation?**

We use it to streamline our own work and to create even more benefit in our client projects. During the year, we saved 100,000 working hours by automating simple work steps. This makes employees' everyday lives more enjoyable and client deliveries even more high-quality. As a knowledge company, it makes us more competitive.

**What is the benefit and value for Sweco's clients?**

Our consultants spend more time on skilled work and use AI to be able to do even more advanced calculations and simulations. When we plan traffic flows in a city, for example, we can use AI to bring in lots of parameters and simulate different future scenarios that make our solutions even more accurate.

**What role does this type of technology play in sustainability?**

Data and AI will play a key role in accelerating the transformation. Technology makes it possible to identify patterns and insights that lead us to the right decision and help us design the right solutions. We have so far only scratched the surface for all the possibilities of technology.

## Competence sourcing, development and leadership

### Goal

To offer the best expertise for our clients' needs.

Sweco works with expertise, knowledge sharing and leadership to offer good development opportunities and an engaging work culture. We have a special focus on individual development, which takes place in client projects as well as internal skills and development initiatives. Most training is developed and conducted at the business area level based on local market requirements. At Group level, our joint trainings are offered through Sweco Academy and cover everything from new employee onboarding sessions to management training. Several business areas offer trainings in sustainability.

Sweco recruited 3,252 new employees in 2021, a year-on-year increase of 34 per cent. Sweco Core Behaviours were integrated into our recruitment process during the year to ensure a structured and measurable approach, with interview guides and psychometric tests. We also launched an updated process for our employee performance reviews,

aimed at strengthening and improving personal development and employee-manager dialogue. Our employees gave a score of 4.2 on a 5-point scale in response to the statement "I am satisfied with the performance review process".

Sweco has a common leadership framework to develop the leaders of tomorrow. This covers the three dimensions that distinguish Sweco's managers: building relationships, promoting performance and driving development. At Group level we run the LEAD programme for managers who have the potential to take on more senior positions.

According to the 2021 employee survey, 90 per cent of our leaders are considered excellent managers. Universum's career barometer ranked Sweco as Sweden's most attractive employer in 2021 among young civil engineers, followed by companies such as IKEA, Volvo and Spotify.

**90%**

of our leaders are considered excellent managers in our employee survey (2020: 88%)

## Equality, diversity and inclusion

### Goals

- A work environment free from discrimination, harassment and retaliation.
- No unjustifiable salary disparities based on gender, age or background.
- Equal access to professional development.

Gender equality is a fundamental priority in Sweco's Code of Conduct and sustainability work, with a focus on the UN's fifth Sustainable Development Goal. The gender balance is equal within the Sweco Group, and the gender distribution of the Board and among top executives has improved or remains even. In 2021, Sweco advanced to 11<sup>th</sup> place on Swedish foundation Allbright's green list of gender equal companies. Sweco is among the top 100 global and top 10 Swedish companies in Equileap's 2021 global equality survey. Sweco is also ranked 6<sup>th</sup> out of 668 companies in the European Women on Boards 2021 Gender Diversity Index.

Sweco is an international workplace with a supportive

culture rooted in collaboration. We view diversity and inclusion as essential to creating an innovative and inspiring working environment, and actively promote equal rights and opportunities in the workplace regardless of gender, ethnic origin, nationality, religious belief, functional variations, sexual orientation or age.

All employees are given equal opportunities for professional development in their existing fields or in new areas. Sweco has policies focused on eliminating salary disparities for identical or equivalent work. Efforts have been made to develop an equal treatment plan covering various areas, including the recruitment process. Several business areas also include goals linked to workplace diversity and inclusion in their business plans. As an example, Sweco UK measures the share of women, BAME (Black, Asian, Minority Ethnic), and functional variations and long-term conditions covered by the 2010 Equality Act.

The 2021 employee survey validates Sweco's sustainability work in equality, diversity and inclusion. We received a score of 4.5 on a 5-point scale in response to the statement "Everyone in our team has equal opportunities".



Percentage of women on the Board

**57%** (57%)



Percentage of women in the Executive Team

**54%** (50%)



Percentage of women in the Group

**34%** (33%)





“We need to take immediate climate action. That is why Sweco Germany is aiming to halve its CO<sub>2</sub> emissions by 2030 compared to 2020. To achieve this, we have launched a Sustainability Task Force, with a network of 20 sustainability ambassadors across Germany.”

Martina Thiessies  
Head of Sustainability  
Part of Sweco Germany since 2018



“I am inspired by Sweco’s sustainability vision. We are forward-looking and aligned with the latest developments. The same goes for our work. Once one important project is closed, we hurry to the next important task.”

Arend van Woerden  
Expert Water and Air Quality Consultant  
Part of Sweco Netherlands since 2014



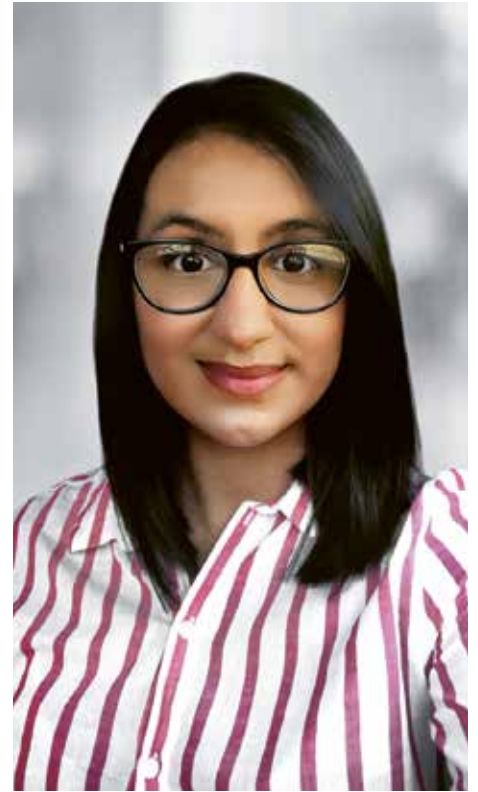
“We work in core teams with the exact mix of competences needed for the job. We place a great deal of effort into knowing each other and the client. Our willingness to get to know and learn from each other is significant for Sweco.”

Joakim Severinsson  
Power Distribution Management,  
Energy and Industry  
Part of Sweco Sweden since 2017  
and 2013–2015



“Being part of a team that takes climate action is a great motivation. Our IT team and IT solutions play an important part by contributing to creating more efficient and sustainable processes.”

Per Ingemann  
Head of Technology Solutions & Services  
Part of Sweco Denmark since 2020



“At Sweco I’ve worked with designing and implementing a clean air plan for the city of Liverpool. It involves improvements to road infrastructure and looking at active travel to reduce air pollution. It’s an important part of the city’s journey towards Net Zero.”

Aayesha Akram  
Senior Air Quality Consultant  
Part of Sweco UK since 2019



## Health and safety

### Goals

- No workplace accidents (Zero-Incident Vision).
- Ensure systematic information, guidelines and training on health and safety.

Sweco has a zero-incident vision, with responsibility being shared between Sweco as an employer and Sweco's managers and employees. Sweco's standard for work environment management systems is ISO 45001 certified. At the business area level, Sweco works systematically to investigate, conduct and monitor operations to prevent illness, incidents and accidents, and to continuously improve the

work environment. We encourage all employees to report any incidents that occur. The annual performance reviews and employee surveys are key follow-up tools.

Sickness absence remains stable despite the impact of the Covid-19 pandemic during 2021. We are continuously working on reducing sickness absence by taking action where needed.

# 3.1%

Outcome for sickness absence remains stable during 2021. (2020: 3.1%)

## Covid-19 and gradual return to the office

The Covid-19 pandemic has involved new operational conditions for Sweco's business. Along with our clients and employees, we have become better at using digital tools and identifying innovative new ways to utilise the advantages of digitalisation in our projects. Motivation among our employees decreased somewhat in our February 2021 surveys, likely due to fewer physical interactions between colleagues. In some of our countries, offices were closed entirely during certain periods. On average, 60 per cent of employees worked from home during 2021. A new employee survey from November 2021 indicates that motivation levels are increasing once again among our employees.

Our employees have become even more satisfied with management during the pandemic. We view this as acknowledgement of the excellent quality of our managers and confirmation that digital leadership also works well,

even though motivation is affected by the lack of physical meetings. Employee turnover was 10 per cent during the first half of the year and 13 per cent during the second half.

There has been a gradual return to office work during the second half of the year. Sweco applies a hybrid model, with each manager collaborating with employees to determine the need for physical meetings and interactions based on individual projects and client needs. We are committed to maximising the climate benefits gained through reduced travel, while also taking care to arrange physical meetings when innovation and problem-solving in client projects are needed. Hybrid-model management puts new demands on leadership. Sweco continuously develops our managers to ensure that we draw full advantage from new operational conditions without sacrificing effectiveness or motivation.

### Outlook 2022

New virus variants, lockdowns and reintroduced restrictions at the end of 2021 indicate that the Covid-19 pandemic is not over. 2022 will most likely be characterised by periodically increased remote work and continued recovery thanks to vaccines and new medicine. At Sweco, 2022 will be defined by continued focus on organic and acquired growth. Integrating newly acquired companies into Sweco's operations and company cul-

ture will be a key focus area during the year. We will also increase our recruiting efforts and focus on new employee onboarding activities. We see great business opportunities within sustainability and digitalisation, which will involve initiatives including expanding and adapting the range of sustainability-related training for employees based on job roles and requirements.

# Climate neutral by 2040

Sweco has set a group-wide goal to have climate neutral operations by 2040. The path to achieving this is based on business area targets that enable us to act forcefully in all markets where we operate.

## Halving emissions by 2030

Sweco's group-wide sustainability goal is to achieve climate neutrality by 2040. Sweco's base year for climate reporting is 2020, with all emissions reductions being measured against 2020 levels. For the initial 10-year period Sweco is following the Carbon Law, developed by the Stockholm Resilience Centre, which involves halving our emissions by 2030, after which we will advance more rapidly.

## Climate targets in line with SBTi

In 2020, Sweco undertook to develop climate targets for validation and approval of the Science Based Targets initiative, SBTi, a method for having our climate targets scientifically analysed and validated in line with the Paris Agreement and the ambition to limit temperature increases to 1.5°C. Sweco's climate neu-



## End years for climate neutrality and 2021 key actions

### SWEDEN

As part of its work to be climate positive by 2030, Sweco's Swedish operations have set the goal of having an entirely fossil-free passenger car fleet by 2023, as defined by Fossil Free Sweden, and fossil-free office operations by 2030.

During 2021 the percentage of fossil-free vehicles in the fleet was increased from 62 to 73 per cent. The offices have implemented efforts aligned with Sweco's Sustainability Sun, a tool used to demonstrate the extent to which a project supports the UN's Sustainable Development Goals.

### UK

Green energy contracts for the office operations are to be implemented by 2023. As from 2022, our British consultants will no longer travel domestically by air. The vehicle fleet will be fully electrified by 2025.

Initiatives conducted during 2021 include calculating the climate impact of remote work.

### NETHERLANDS

By 2035, Sweco in the Netherlands will be 100 per cent climate neutral and 100 per cent circular. By 2025, waste and emissions from our offices will be cut 50 per cent and half of our cars will be electric.

Sweco's new office in Rotterdam was awarded Energy Class A certification in 2021 and 40 per cent of the vehicle fleet is now fully electrified.



### BELGIUM

Fossil fuel heating systems are to be phased out by 2030 and all offices to be supplied with renewable energy by 2022.

Following intensification of the target during 2021, Belgium will have a fully electrified vehicle fleet by 2026, rather than by 2028. Using ground-breaking new technology, the office in Zelzate was transformed into a flagship zero-emissions office during the year.

### FINLAND

In 2021 Sweco in Finland decided to alter its long-term target and become climate neutral by 2030, rather than by 2035. The operation's energy supply will be provided under green contracts by 2025.

Employee benefits were updated in 2021 to encourage the increased use of electric bicycles and electric cars.

trality is to be achieved primarily through emissions reductions in our own operations, with no more than 15 per cent to be achieved through carbon sinks, emissions offsets, or climate compensation through established and third-party verified mechanisms.

**Emissions disclosure according to the GHG Protocol**

Sweco's 2040 climate neutrality goal includes emissions in all Greenhouse Gas (GHG) Protocol scopes (1, 2 and 3). Sweco's operations are largely comprised of consultancy services, where we can make a significant contribution to reducing carbon emissions in our client projects. These client project emissions are not included in Sweco's climate goals or in the GHG Protocol emissions we are disclosing, but are rather part of our clients' climate goals.

Together with the World Business Council for Sustainable Development, WBCSD, we have taken the initiative to develop a methodology for measuring climate impact in client projects as well.

**Forerunner in our markets**

Added to the group-wide goal is the ambition to act as forerunner in all markets where we operate. This involves each market formulating a roadmap to achieve climate neutrality ahead of the specific country's official target. In this way, we take every country's individual circumstances into account and ensure that we act ambitiously based on those circumstances. In several markets, the journey to climate neutrality has been proceeding for quite a while. Sweco's operations in the Czech Republic, for example, have been measuring their climate

impact since 2007 and halved their emissions between 2008 and 2019.

**Intensified ambitions in 2021**

Sweco's business areas Sweden, UK and Belgium have all set targets to achieve climate neutrality by 2030. During the year, Sweco Finland also set 2030 as its target, bringing it forward five years from 2035. Sweco Belgium set the target of having an entirely electrified vehicle fleet by 2026, rather than by 2028. Several major advances were made during 2021, including Sweco Sweden's expansion of its fossil-free vehicle fleet, Sweco Belgium's creation of a zero-emissions office, and Sweco Norway's mapping of emissions at the slightest levels to encourage everyday improvements.



**NORWAY**

Our Norwegian operations will be entirely climate neutral by 2036 with a minimum of 55 per cent emissions reduction by 2030.

To support improvement measures on all levels, a tool was developed during 2021 that shows Sweco Norway's total emissions down to the smallest business unit.

**LITHUANIA**

Sweco in Lithuania has undertaken to progressively increase the share of renewable energy, with a major focus on locally produced solar energy. By 2030, 80 per cent of electricity consumed will come from renewable energy production and 30 per cent of the vehicle fleet will be electric cars.

During 2021 the office in Vilnius switched to renewable energy and electric car charging stations were installed.

**CZECH REPUBLIC**

The goal is to be climate neutral by 2040 and the plan includes electrifying 50 per cent of the vehicle fleet by 2030 and switching to green energy contracts by 2025.

Two offices in Brno moved to more energy-efficient buildings in 2021 and negotiations were initiated to switch to green energy for the office in Prague.

**POLAND**

By 2022 all offices in Poland will switch to green electricity contracts wherever possible. We will reduce our paper consumption by at least 50 per cent by 2025.

Single-use plastic items were banned in the Polish offices in 2021. A process was initiated to relocate the Warsaw office from an older office building to a new BREEAM-certified building.

2036

2040

**GERMANY**

In Germany, Sweco's goal is to reduce business travel emissions by 50 per cent by 2030 through measures including development of a modern mobility concept. German offices will have switched to green electricity contracts by 2022.

A new travel policy introduced in 2021 advises substituting cars with rail-bound transport and using electric cars for all travel distances less than 200 km.

**BULGARIA**

The goal for Sweco in Bulgaria is to have only electric vehicles by 2030 and to reduce travel to the head office by holding more digital meetings.

Sweco Bulgaria discontinued using air travel for business trips in 2021.

**DENMARK**

Sweco's Danish operations have introduced a series of measures with a goal to cut emissions by 60 per cent by 2030. Sweco Denmark's vehicle fleet will be entirely fossil free by 2028 and emissions from commuting will be reduced 60 per cent by 2030.

In 2021 Sweco Denmark introduced a car policy requiring the use of zero-emissions vehicles as from 2025.

# Climate footprint 2021

## Adjusted actual outcome for base year 2020

Climate data for base year 2020 has been adjusted with actual outcome in connection with this year’s reporting. The adjustment is due to the fact that the scope of climate data for 2020 has been corrected to better take into account the emissions from remote work. The purpose is to provide a more comprehensive overview of the indirect emissions from our operations. Furthermore, emission data have been added that were not available at the time the sustainability report for 2020 was completed. Variations in data availability are due to the fact that Sweco operates in countries with different standards for reporting periods.

## Reduced GHG emissions across Sweco’s operations

The Sweco climate footprint in 2021 is estimated to be 29,927 tonnes CO<sub>2</sub>e, a decrease of 10 per cent in absolute terms compared with base year 2020. During 2021, we saw

significant progress in the areas impacting Scope 1 and 2 emissions. Increased percentage of renewable energy in Sweco’s offices and measures to decarbonise mobility are the main drivers for reduced GHG emissions.

Sweco is committed to having a comprehensive and transparent accounting and reporting of our emissions as a prerequisite to sustained mitigation efforts to reach climate neutrality by 2040. In addition to mandatory Scope 3 emissions, Sweco’s business areas also report additional Scope 3 emissions based on targets for achieving fore-runner status in their market. During 2021, more business areas added additional Scope 3 categories to their targets which was reflected in a slight increase in reported emissions. The Scope 3 emissions that increased most during 2021 were related to employee commuting. Two new business areas started reporting on this category during 2021.

## Group greenhouse gas (GHG) emissions, tonnes CO<sub>2</sub>e

Scope	2021	Base year 2020	Share of total emissions 2021, %	Progress 2021 vs. 2020, %
Scope 1	5,472	8,016	18	-32
Scope 2	9,149	10,340	31	-12
Scope 3 (mandatory)	4,325	4,776	14	-9
Scope 3 (additional)	10,981	10,316	37	6
<b>Total</b>	<b>29,927</b>	<b>33,448</b>	<b>100</b>	<b>-10</b>

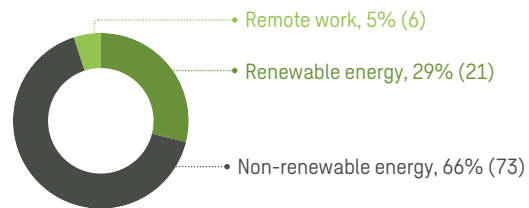
The GHG Protocol has defined a global standardised framework to measure and manage greenhouse gas (GHG) emissions within three scopes. Scope 1 and 2 emissions are a mandatory part of reporting and relate to direct emissions from sources that are owned or controlled by Sweco, such as company cars, and indirect emissions from the generation of purchased electricity, heating and cooling consumed by Sweco. Scope 3 covers other indirect emissions, mandatory and voluntary, that are not included in Scope 2 and occur in Sweco’s value chain, e.g., employee commuting, purchased goods and services, upstream transportation and distribution, and waste generated in the operations.

## Accelerated transition to renewable energy

Compared with base year 2020, we see significant progress in the use of renewable energy sources in Sweco’s operations during 2021 – increasing from 21 per cent to 29 per cent. This had an immediate effect on reducing emissions from electricity, heating and cooling. The preliminary total energy consumption did increase, however, mainly due to improved EV charging infrastructure and gradual return to office work during the pandemic.

See further disclosures on GHG emissions on pages 58–59.

## Energy sources 2021



## Outlook 2022

The 2021 outcome shows that we are on track towards halving our emissions by 2030. We recognise, however, that the journey towards becoming climate neutral continues and more remains to be done. During 2022, Sweco’s business areas will continue to revisit climate

targets and roadmaps so that our efforts to decarbonise our operations further intensify. We will also evaluate internal processes and systems for climate data accounting and reporting with the goal to improve the transparency, efficiency and accuracy of performance reporting.



## Pioneering innovations in sustainability

### Client challenge

For the redevelopment of 105 Victoria Street in London, the client presented Sweco with the challenge to define a holistic sustainability approach including operational energy, embodied carbon, potable water use, circular economy, biophilic design, wellbeing, and much more.

### Sweco's solution

Led by Sweco, BGO undertook a rigorous sustainability assessment, which showed that the whole-life sustainability benefits of new build on the site far outweighed that of retrofitting the energy inefficient building from the 1970s. The new future-facing building was then designed to actively enable retrofit, repurposing and recycling at the end of its own lifespan, demonstrating a fully comprehensive approach to whole-life carbon in real estate.

### Sustainability impact

Creative design and use of materials will help manage heat gains, whilst maximising natural ventilation to lower energy use by 30 per cent when compared with a traditional office building. This will create 182.5 days of self-sufficient cooling per year.

Predicted savings for operational and construction embodied carbon against respective baselines are equivalent to the amount of carbon it takes 339,200 trees to sequester over 60 years before offsetting or purchasing of green energy towards becoming net-zero carbon.

Living green walls and a considerable green roof assists with reducing air pollution and increasing the biodiversity of the urban space. The on-site urban farming will provide fresh food and a means of local composting of biodegradable waste from within the building.

The building will provide nourishing spaces that enhance wellbeing, including a 200m 'walk and talk' track with impressive views across London designed to encourage office workers to be active and collaborative.

Powered by renewable energy both during construction and when in operation, the building will not only meet and/or surpass BREEAM 'Outstanding', EPC A, and WELL 'Platinum' certification, but also exceed RIBA 2030 sustainability targets.

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**"I thought the sustainability meeting that we had was a great start to achieving our specific goals with 105 Victoria Street. We clearly have a great opportunity with the team's global knowledge on the subject to use this as a case study for our business on the way we should consider the impacts the built environment has on carbon and energy."**

Alexander Morris  
Director BentallGreenOak

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Client: BentallGreenOak (BGO), Welput  
Location: 105 Victoria Street, London  
Type: Retail, Office, Community Use  
Size: 43,660 sqm

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### Sweco Buildings services

MEP Engineering  
Vertical Transportation  
Building Automation  
Fire Engineering

### Sweco Sustainability services

Performance design/NADERS rating  
Natural Ventilation Design  
Biophilic and Ecology  
Thermal Modelling and Façade Optimisation  
Computational Fluid Dynamics  
BREEAM Certification  
WELL Standard Certification  
Embodied Carbon Analysis  
Circular Economy Design

# Responsibility on all levels

At Sweco, business ethics is about taking responsibility for our projects and the way we conduct our business. This is fundamental for our long-term success.

Sweco's decentralised approach, with all employees responsible for their own business relationships, places high demands for individual awareness of business ethics. Every Sweco employee is responsible for complying with laws, regulations and our own business ethics guidelines. The same applies to our business partners.

#### Goals

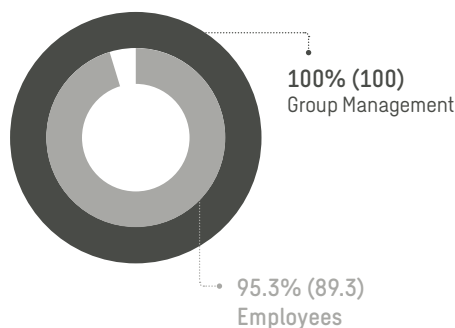
- Zero cases of bribery, corruption, fraud or other types of non-compliance with our Code of Conduct.
- Zero cases of human rights violations in our own operations or client projects.
- All employees sign our Code of Conduct and complete mandatory business ethics training.

#### Code of Conduct and other policies

With 18,000 employees carrying out projects in many locations throughout the world, we need to ensure that our employees and business partners always conduct business based on the same principles. The Sweco Code of Conduct forms the basis for Sweco's work with sustainability and accountability. It details our responsibility in society and covers the environment, business ethics, employee development, human rights, labour law, data protection and personal data management. In 2021, 95.3 per cent (89.3) of Sweco's employees read and signed our Code of Conduct.

All employees and managers receive regular training in business ethics to obtain a solid understanding and generate internal dialogue. At Sweco, we have an extremely well-functioning system for digital training. A new business ethics training programme was launched in 2021, aimed at further developing ethical proficiency among senior managers and key employees.

Share of employees who read and signed Sweco Code of Conduct in 2021



#### Careful selection of business partners and projects

In addition to requiring our business partners to comply with Sweco's Code of Conduct, we also have a special Business Partner Programme for evaluating our partners. Training and policies on anti-corruption, gifts, etc. are included in the programme. Our employees and partners participate together in the training sessions, to review various scenarios and dilemmas that can potentially arise in the business.

For projects outside our home markets, we have a process for risk assessment of projects and business partners. The Transparency International Corruption Perceptions Index (CPI) is one parameter used in this assessment. Other criteria, such as a partner's former actions, would also be applied. The higher risk a project is deemed to have, the stricter the assessment.



## Sweco's business ethics framework

### Code of Conduct

Sweco's Code of Conduct presents our overall requirements covering Sweco employees and our business partners.

### Policies

We also have central policies in place regarding anti-bribery and corruption, gifts, hospitality and entertainment, privacy, crisis management, authorisation, finance, tax, sponsorship and information security. Local policies in the business areas cover e.g. procurement and travel.

### Business Partner Programme

Our Business Partner Programme ensures that current and prospective partners comply with our business ethics requirements.

### Ethics Line

The Sweco Ethics Line is a whistleblowing function that enables anonymous reporting of suspected business ethics misconduct.

### Risk management

Sweco also has risk management procedures in place to identify and manage operational and sustainability-related risks and opportunities.

### Suppliers and procurement

Sweco's supply chain is limited, and the most significant impact lies in client projects and collaborations with other parties. We expect all our suppliers to comply with the group-wide principles in Sweco's Code of Conduct regarding environmental management and sustainability, business ethics, compliance, health and safety, human rights and workers' rights. For example, we require our sub-contractors to sign our Code of Conduct. Furthermore, management and evaluation of supplier relations and procurement take place at business area level based on local policies and routines. Our goal is to continuously improve the management of our supply chain and establish processes and tools to further develop sustainability performance.

### Human rights

Sweco supports and respects human rights, as defined by the UN in the Universal Declaration of Human Rights and the Global Compact. We have zero tolerance for human rights violations, child labour and inhumane working conditions. Sweco also does not permit discrimination or denial of employees' collective bargaining rights. We actively promote equal rights and opportunities in the workplace for employees irrespective of gender, transgender identity or expression, ethnic origin, religious belief, functional variations, sexual orientation or age, within Sweco and in our contacts with clients and other stakeholders.

The risk of human rights violations within Sweco's own operations is deemed to be relatively minor. Human rights violations are mainly of concern in our export projects conducted outside of Europe, with the risk of violation varying based on e.g. type of project, geographic location and the business partners Sweco works with. Human rights criteria are included in the tender review process for screening

major Sweco projects, in the assessment of potential business partners and in the merger and acquisition process.

Sweco employees are required to report suspected human rights violations. In 2021, a report on suspected violations of human rights was submitted via the whistleblower function. The investigation that was carried out concluded that no violations had occurred.

### Reporting and compliance

Business ethics is a standing item in monthly reviews with Sweco's business areas to ensure compliance with our Code of Conduct and other sustainability-related policies. Sustainability-related risks are reported to Sweco's Board of Directors on a quarterly basis. Sweco employees are required to report any violations of business ethics that arise in their course of work, even in cases where Sweco is not directly involved in or party to the event in question.

Sweco has a zero-tolerance policy with regard to non-compliance with business ethics and violation of human rights. We focus on enforcing this policy by proactively providing training and information, and by reactively picking up on and managing incidents. Our whistleblowing function – the Sweco Ethics Line – is operated by an external provider and enables anonymous reporting of suspected incidents. The Sweco Ethics Line is available for employees as well as external parties.

Compliance Week was introduced in November 2021. During the week extra focus was placed on business ethics and providing information to employees in all Sweco countries. An in-depth risk assessment of business ethics and human rights was conducted during the year. To enable structured evaluation and implementation of Sweco's sustainability-related policies, our business ethics work is regularly audited based on identified risks.

# 94.1%

of Sweco's employees have completed internal business ethics training (2020: 87%)

### Incidents 2021

In 2021, 6 incidents were reported through Sweco's whistleblowing function (2020: 7). Incidents related to business ethics and employees were investigated during 2021 and necessary actions have been taken as a result of the incidents. Incident management of confirmed violations also includes evaluation of measures required to prevent similar incidents in the future.

### Outlook 2022

It has always been essential for Sweco to be an ethical company. As the business grows and we operate in a world with political instability in several markets, it is increasingly important to remain vigilant to violations of business ethics. In accordance with our Code of Conduct, we will continue to strive to achieve zero cases of bribery, corruption, fraud and other types of non-compliance, such as human rights violations. Due to the pandemic and the increase in remote work, parts of the training – in addition to the e-training already being done by all employees – will continue to be held digitally.





## Urban Insight thematic reports

Planning and designing tomorrow's sustainable communities and cities requires data, facts and insights to find the most innovative solutions. Urban Insight is a knowledge platform where Sweco invites experts to jointly develop innovative solutions within the scope of an annual theme. Since its launch in 2018, Sweco has published 24 reports in areas such as sustainable transport, energy transition, climate change and health and wellbeing.

In 2021, the overarching theme was health and wellbeing in urban areas, which, among other things, provided insights into how cities can prepare for climate change and take measures to improve the quality of life for residents through the development of healthier urban areas, environments, mobility and buildings.

An example of Sweco's work in the latter area is shown the picture above. Olivia Garden is an 8,720 m<sup>3</sup> green area in the middle of an office complex in Gdansk, Poland. The indoor garden contains 150 species and almost 3,000 plants, as well as work zones and recreation zones for visitors.

The theme for 2022 is Towards Circularity and the reports produced during the year will highlight how a circular economy can contribute to reducing climate impact and loss of biodiversity while meeting economic and social needs.

Read more at [www.swecourbaninsight.com](http://www.swecourbaninsight.com).

# Collaboration for sustainable development

Collaboration is crucial for achieving positive impact in transforming society. Sweco's decentralised organisation is committed to delivering what is best for our clients in their local context. Consequently, most of our collaborations with various sustainability partners take place at the business area or national level.

Sweco Finland is part of the alliance group that will construct the three new Crown Bridges and a 10 km tramline in Helsinki. Sweco is responsible for building plans and assessments for almost all engineering elements within the project. When completed in 2026, the combined length of 1,200 m will make Crown Bridges the longest in Finland.

At Group level, Sweco chooses to participate in initiatives that reflect our commitment to sustainability leadership, where we can share and develop best practices with other leading businesses, develop synergies between various sustainability dimensions, and ensure our representation in international forums for negotiations on sustainability.



**World Business Council for Sustainable Development (WBCSD)**

Sweco has been a member of WBCSD since 2013. The organisation is a global business forum that works for sustainable business and to accelerate the system transformations needed for a sustainable future. For Sweco, WBCSD represents a platform to collaborate and discuss current sustainability issues with business peers. By participating in the conversation, we understand where the business community is heading, and which sustainability issues will be prioritised. This external monitoring gives us the opportunity to secure the future of our own competencies and provide our clients with better services. With our experience of sustainable transformation, we can contribute to the WBCSD's agenda and various projects, while membership gives us access to UN platforms and the opportunity to participate as a representative of the business community in the negotiations of, for example, the annual climate summits.



**United Nations Global Compact (UNGC)**

Launched in 2000, the UNGC is a principle-based framework for companies. It includes ten universal principles based on established international conventions within four core areas: human rights, labour, environment and anti-corruption. Sweco became a Global Compact signatory company in early 2021 and is part of a global network of over 9,500 companies that have committed to complying with the ten principles.

For us, this signifies that we work proactively to integrate the principles into our company culture and daily operations. We take measures to ensure openness and transparency and, as a member company, we have undertaken to prepare and submit our progress report – “Communication on Progress” (CoP) – on an annual basis. This report serves as Sweco's CoP for 2021. Sweco has also signed the Business Ambition for 1.5°C – an open letter from the UN's Global Compact and its “Business Ambition for 1.5°C – Our Only Future” initiative.



**Global Reporting Initiative (GRI)**

GRI is an independent international standardisation body that has developed a common global taxonomy for accounting for and reporting sustainability information. Sweco's sustainability report has been prepared in accordance with GRI Standards, Core level.



**Greenhouse Gas Protocol (GHGP)**

GHGP is the most recognized global standard for calculating and reporting greenhouse gas emissions. The GHGP is a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Sweco reports its greenhouse gas emissions in accordance with the GHG protocol.



**Science Based Targets initiative (SBTi)**

SBTi is a collaboration between the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wildlife Fund (WWF) and the UN's Global Compact (UNGC). The initiative invites companies to demonstrate climate leadership through publicly committing to science-based greenhouse gas reduction targets which the initiative independently assesses and validates. Sweco adheres to the Science Based Targets initiative and has set targets aligned with the Paris Agreement and the goal to limit temperature increases to below 1.5°C.



**Task Force on Climate-related Financial Disclosures (TCFD)**

TCFD was initiated by the Financial Stability Board, a G20 entity, to improve and expand climate-related financial reporting with regard to the risks and opportunities of climate adaptation. The TCFD has developed recommendations for reporting structured around governance, strategy, risk management, metrics and targets. Sweco's climate-related risks are assessed in accordance with the TCFD recommendations.



**Equal by 2030 Initiative**

The Equal by 2030 Initiative promotes equal pay, equal leadership and equal opportunities in the energy industry by 2030. The initiative, launched by the Clean Energy Ministerial, urges companies to endorse its principles and take concrete action to accelerate gender equality in the energy sector.



**Carbon Disclosure Project (CDP)**

Sweco reports its greenhouse gas emissions through CDP, an independent, non-profit global organisation that coordinates collection of companies' self-reported climate data. CDP aspires to have companies use disclosed data to analyse their climate impact and proactively reduce direct and indirect emissions.

**International principles**

Sweco adheres to international principles related to sustainability topics. The following principles have been mentioned in the Annual Report:

- The FIDIC Code of Ethics, International Federation of Consulting Engineers
- The ILO Declaration on Fundamental Principles and Rights at Work, International Labour Organisation
- The Universal Declaration on Human Rights, United Nations
- The Paris Agreement under the United Nations Framework Convention on Climate Change
- Sustainable Development Goals, United Nations

# Sustainability Notes

## About the Sustainability Report

Sweco's sustainability report follows the financial year and is published annually. The previous sustainability report covering financial year 2020 was published in March 2021. Sweco's sustainability report for 2021 meets the requirements of the Swedish Annual Accounts Act as well as the expectations of Sweco's stakeholders, mainly owners, investors, analysts, employees and clients. Sweco has carried out a materiality analysis to determine the most relevant sustainability topics in our value chain.

The sustainability report has been prepared in accordance with the GRI Standards: Core option. The GRI index is presented on pages 63–65. Climate-related risks are assessed in accordance with TCFD recommendations. Sweco's ambition is to integrate sustainability into all operations and its sustainability reporting is therefore included in the structure of the annual report. This report also serves as our United Nations Global Compact, UNGC, Communication on Progress for 2021.

The statistics pertaining to climate and the environment were collected by experts in each business area and have been compiled by a data coordinator at Sweco Group. Collected data pertains in general to 2021. Data was estimated in cases where data was not available at the time of the report's publication.

The statistics pertaining to employees were compiled by the HR function and refer to figures as of 31 December 2021 for all companies in the Group, unless otherwise stated.

The statistics pertaining to business ethics were compiled by Group Legal Affairs and pertain to figures as of year-end 2021 for all companies in the Group, unless otherwise stated.

For information about sustainability at Sweco, contact Chief Sustainability Officer Andreas Gyllenhammar at [andreas.gyllenhammar@sweco.se](mailto:andreas.gyllenhammar@sweco.se). For information regarding our sustainability report, contact Group Head of Sustainability Communications Monica Welander at [monica.welander@sweco.se](mailto:monica.welander@sweco.se).

## Climate and environment

### Group greenhouse gas (GHG) emissions and Energy

	2021	Base year 2020 updated	Base year 2020 reported	Comments
<b>Scope 1 (direct emissions) – tonnes CO<sub>2</sub>e</b>	<b>5,472</b>	<b>8,016</b>	<b>7,346</b>	
Electricity	9	5	5	Own facilities
Heating and cooling	637	613	601	Own facilities
Mobility	4,826	7,398	6,740	Own vehicles
<b>Scope 2 (indirect emissions) – tonnes CO<sub>2</sub>e</b>	<b>9,149</b>	<b>10,340</b>	<b>7,515</b>	
Electricity	6,330	7,510	4,976	Purchased electricity
Heating and cooling	2,250	2,216	2,196	Purchased heating and cooling
Mobility	569	614	343	Electric vehicle charging at Sweco's premises
<b>Scope 3 (other indirect emissions) – tonnes CO<sub>2</sub>e</b>	<b>4,325</b>	<b>4,776</b>	<b>3,393</b>	Mandatory reporting for all Sweco's Business Areas (BA)
Mobility	3,422	3,816	3,388	Vehicles (rented, leasing)
Remote work electricity	898	955	N/A	Electricity remote work
Outsourced IT	5	5	5	Server halls etc.
<b>Scope 3 (additional indirect emissions) – tonnes CO<sub>2</sub>e</b>	<b>10,981</b>	<b>10,316</b>	<b>12,782</b>	Non-mandatory reporting for Sweco's Business Areas (BA)
Employee commuting	6,220	4,685	5,639	8 of 12 BA year 2021 (6 of 12)
Business travel (limited to hotel stays)	182	214	193	5 of 12 BA year 2021 (5 of 12)
Purchased goods and services	2,776	2,374	2,320	7 of 12 BA year 2021 (7 of 12)
of which, food and beverages	454	607	605	4 of 12 BA year 2021 (3 of 12)
Upstream transportation and distribution	98	86	75	3 of 12 BA year 2021 (3 of 12)
Waste generated in operations	273	308	221	6 of 12 BA year 2021 (5 of 12)
Fuel- and energy-related activities not included in Scope 1 or 2 (limited to well-to-tank)	1,152	1,426	3,121	4 of 12 BA year 2021 (2 of 12)
Investments	76	69	60	1 of 12 BA year 2021 (1 of 12)
Other	204	1,154	1,154	2 of 12 BA year 2021 (2 of 12)
<b>Mobility – tonnes CO<sub>2</sub>e</b>	<b>8,818</b>	<b>11,828</b>	<b>10,471</b>	
Aviation Scope 3	1,168	1,601	1,601	
Train Scope 3	53	71	71	
Public transport Scope 3	6	6	6	
Cars and vehicles Scope 1, 2 and 3	7,409	9,900	8,543	Cars, lorries and other vehicles
Maritime Scope 3	7	8	8	
Short-term vehicles services Scope 3	175	242	242	
<b>Office – tonnes CO<sub>2</sub>e</b>	<b>9,227</b>	<b>10,344</b>	<b>7,778</b>	Including Scope 1 and 2
Electricity	6,340	7,515	4,981	
Heating and cooling	2,887	2,829	2,797	
<b>Energy – MWh</b>	<b>50,160</b>	<b>45,810</b>	<b>51,462</b>	
<b>Electricity</b>	<b>27,452</b>	<b>30,777</b>	<b>28,801</b>	Including Scope 1 and 2
Renewable sources	9,497	8,490	13,128	
Non-renewable sources	15,336	19,495	15,673	All unknown energy sources accounted as fossil
Remote work electricity	2,619	2,792	0	
<b>Heating and cooling</b>	<b>22,708</b>	<b>15,033</b>	<b>22,661</b>	Including Scope 1 and 2
Renewable sources	4,861	1,091	1,240	
Non-renewable sources	17,847	13,942	21,421	All unknown energy sources accounted as fossil
Share of renewable energy, %	29	21	28	Electricity, heating and cooling
<b>Emission and energy intensity – FTE, SEK M</b>				
<i>Emission intensity</i>				
kg CO <sub>2</sub> e/ FTE	1,014	1,280	1,053	
kg CO <sub>2</sub> e/ SEK M	828	1,559	875	
<i>Energy intensity</i>				
kWh/ FTE	2,818	2,644	2,970	
kWh/ SEK M	2,302	2,196	2,467	

Remote work is defined as work that takes place outside of the office, with the exception of our clients' offices. Scope 2 has been calculated with the "market-based method" in accordance with the GHG protocol.

## Cont. Climate and environment

## Greenhouse gas (GHG) emissions per Business Area

	Emissions tonnes CO <sub>2</sub> e excl. remote work <sup>1</sup>			End year for climate neutrality
	2021	Base year 2020 updated	Base year 2020 reported	
<b>Sweco Business Area</b>				
Sweden	5,090	7,297	4,718	2030
Norway	1,951	2,479	2,479	2036
Finland	1,456	1,876	1,876	2030
Denmark	501	818	833	2040
Netherlands	2,161	2,257	2,721	2035
Belgium	1,054	938	938	2030
United Kingdom	426	812	812	2030
Germany and Central Europe	3,281	3,264	3,301	
Germany	1,763	1,924	1,913	2040
Czech Republic	299	259	307	2040
Poland	925	690	690	2040
Lithuania	210	293	293	2040
Bulgaria	84	98	98	2040
Group	92	572	572	2040
<b>Total</b>	<b>16,012</b>	<b>20,313</b>	<b>18,249</b>	

1) Includes emissions from mobility and office. Emissions from remote work are not included here due to the fact that Sweco does not control these emissions.

## Employees

## Sweco Group employees

Result	2021	2020	2019	2018
Total number of employees	19,129	18,552	18,148	16,422
Total full-time equivalents	17,802	17,328	16,412	15,306
<b>Employee turnover</b>				
Number of new employees (organic)	3,252	2,420	3,053	3,179
Number of new employees (acquisition)	339	498	1,234	391
Organic growth, %	1.4	-0.5	3.3	3.2
Acquisition growth, %	1.7	2.7	6.5	2.2
Total growth, %	3.1	2.2	10.5	5.4
Number of terminations on request	-2,445	-1,854	-1,952	-1,973
Voluntary employee turnover, %	13	10.1	11.3	12.3

## Employees by Business Area

Result	Total number	Women, %	Average age
Sweco Sweden	6,204	37	41
Sweco Norway	1,865	34	41
Sweco Finland	2,873	29	41
Sweco Denmark	1,376	31	44
Sweco Netherlands	1,529	23	42
Sweco Belgium	1,530	31	38
Sweco UK	1,214	30	40
Sweco Germany and Central Europe	2,487	44	42
Group	51	57	46
<b>Total Group</b>	<b>19,129</b>	<b>34</b>	<b>41</b>

## Employment length of employees

Result, %	2021	2020	2019	2018
<1 year	14	11	14	16
1–3 years	29	33	32	30
4–9 years	29	28	26	24
>10 years	27	28	28	30

## Employee breakdown by age

Result, %	2021	2020	2019	2018
<30 years	21	22	24	23
31–40 years	33	33	31	30
41–50 years	23	22	22	23
>50 years	23	23	23	24

## Health and safety

Result, %	2021	2020	2019	2018
Sickness absence	3.1	3.1	3.1	3.1

## Diversity of governance bodies and employees

Result, %	2021	2020	2019	2018
Females on Board of Directors, %	57	57	63	63
Females on Executive Team, %	54	50	43	42
Female employees, group-wide, %	34	33	33	32
Average age, group-wide, years	41	41	41	41

## Incidents of discrimination and corrective actions taken

Result employee survey	2021	2020	2019	2018
Number of employees responding Yes to the employee survey question, "Have you been harassed or bullied by a colleague/manager at work during the last 12 months?"	246 employees (1.8% of respondents)	321 employees (2.2% of respondents)	295 employees (2.2% of respondents)	N/A

In Sweco's 2021 employee survey, 246 employees or 1.8 per cent of respondents reported that they had experienced harassment or discrimination, a decrease of 30 per cent compared with 2020. Systematic assessments are conducted to ensure that necessary actions are taken continuously to strive for our zero vision, while encouraging our employees to report incidents.

## Performance evaluation and career development

Result, %	2021	2020	2019	2018
Percentage of employees receiving regular performance and career development reviews (Sweco Talk)	84.9	85.4	88.2	88.1

All employees are offered regular career development talks as part of Sweco Talk. Reported result refers to the percentage of employees who indicated in the employee survey that they had completed the 2021 performance review.

## Equal opportunities

Result, scale 1 to 5	2021	2020	2019	2018
In our working group, employees have equal opportunities regardless of differences (gender, age, etc.)	4.5	4.5	4.5	4.5
Colleagues in my working group show mutual respect for one another regardless of their differences	4.6	4.6	4.6	4.5
I can influence my own development	4.2	4.2	4.2	4.2
My manager supports my personal development by providing opportunities, challenges and coaching	4.2	4.1	4.2	4.1

Result based on Sweco's employee survey for 2021 on a scale from 1 (strongly disagree) to 5 (strongly agree).

## Ethics

Result, %	2021	2020	2019	2018
<b>Code of Conduct</b> per cent of Sweco employees confirming they have read and understood Sweco's Code of Conduct	95.3	89.3	90.0	94.1
<b>Internal Business Ethics training</b> per cent of Sweco employees required to complete internal business ethics training who have done so	94.1	87.0	86.0	92.6
<b>Ethics Line</b> number of compliance incidents reported through Sweco's Ethics Line	6	7	5	2

In 2021, six incidents were reported through Sweco's whistleblowing function. Incidents related to business ethics and employees were investigated during 2021 and necessary actions have been taken as a result of the incidents. Incident management of confirmed violations also includes evaluation of measures required to prevent similar incidents in the future.

# The EU taxonomy

## Reporting requirements for 2021

For the financial year 2021, EU taxonomy<sup>1</sup> reporting requirements are limited. As follows from the EU taxonomy regulation and the Disclosures Delegated Act,<sup>2</sup> companies, that fall under the Non-Financial Reporting Directive<sup>3</sup> and in relation to the Climate Delegated Act,<sup>4</sup> should disclose the following:

- share of turnover that is associated with taxonomy-eligible activities
- share of capital expenditures (CapEx)<sup>5</sup> that is associated with taxonomy-eligible activities and
- share of operational expenditures (OpEx)<sup>6</sup> that is associated with taxonomy-eligible activities.

For 2021, it is not yet required to do an assessment whether economic activities comply with the technical screening criteria and are, therefore, environmentally sustainable or taxonomy aligned. For this first limited reporting, the approach has been to develop instructions and reporting templates to be able to conduct the reporting of taxonomy-eligible activities at the business area level.

## Approach

Sweco has carefully reviewed the recommendations and reports from the Platform for Sustainable Finance, EU taxonomy regulation and the Climate Delegated Act in order to identify eligible economic activities for Sweco. The review has encompassed an analysis of the descriptions of the economic activities included in the Climate Delegated Act as well as an analysis of the accompanying NACE codes, M71<sup>7</sup> and J62-63.<sup>8</sup> However, there are also economic activities in the Climate Delegated Acts that are not directly covered by NACE codes. The review concluded that four main groups of eligible activities are relevant for Sweco Group, these being:

- Transport and infrastructure
- Construction and real estate, only economic activities related to building service systems, maintenance and repair activities and acquisition and ownership of buildings
- Information and communication
- Professional, scientific and technical activities

## Method and data collection

Since only eligible activities are to be reported for this first reporting period, no distinction was made between the two Delegated Acts of Climate Change Mitigation and Adaptation. Furthermore, it is mandatory in 2021 to report the share of net sales that is taxonomy-eligible, but it is not mandatory to report the breakdown of the share of taxonomy-eligible net sales per economic activity. However, Sweco has chosen to voluntarily disclose its net sales per

economic activity as far as currently possible. Some of the economic activities were combined into one group of activities, since it would have involved considerable difficulties in disaggregating some of the turnover figures within the existing timeframe as some revenue data would have to be analysed on project-by-project level.

Sweco delivers engineering and architecture services through projects within three areas: buildings and urban areas; water, energy and industry; and transportation infrastructure. In order to map its project revenues to the economic activities detailed in the EU taxonomy regulation, Sweco has analysed its revenue by different types of parameters such as project object and project competence delivered, client type and business units.

For Sweco, one of the major parts of CapEx related to eligible activities is acquisition and ownership of new offices and facilities. In addition, Sweco can disclose CapEx<sup>9</sup> or OpEx<sup>10</sup> related to Sweco Group's 2040 climate neutrality targets, which include low carbon targets, such as fossil-free office operations and electrified car fleet.

## Analysis and results

About 35 per cent of Sweco's total 2021 net sales are eligible economic activities according to the EU taxonomy, where 20 per cent is within infrastructure for road, public and water transport and 9 per cent within infrastructure for rail. See table 1 for share of net sales per economic activity. This is reasonable and in line with Sweco's expectations, since 32 per cent of Sweco's net sales are within the transportation infrastructure service.

A small share of net sales within the building and urban areas sector is taxonomy-eligible. The reason for that is that only activities covering building service systems, maintenance and repair of energy efficiency equipment, instruments and devices for measuring, regulation and controlling energy performance of buildings are eligible for reporting. Sales related to activities such as design and structural engineering, project management, etc. are not eligible for Sweco.

It is worth noting that net sales that relate to economic activities such as market research, development and innovation, research and development for direct air capture of CO<sub>2</sub> and engineering activities dedicated to adaptation to climate change, have been difficult to extract. These types of net sales are often integrated into the other services that Sweco provides to its clients and therefore difficult to extract separately.

Around 65 per cent of total net sales during 2021 are non-eligible activities. This includes net sales within energy, industry and manufacturing; water and waste management activities; and design and engineering services within buildings and urban areas, etc. There are also economic activities that Sweco provides services within but that are not (yet) covered by the EU taxonomy, such as agriculture, manufacture of pulp and paper, manufacture of food and beverages.

**Table 1. Proportion of net sales per eligible activity during 2021 (SEK M)**

	Code(s)	Absolute net sales, SEK M	Share of net sales, %
<b>A. Net sales (taxonomy-eligible activities)</b>			
Infrastructure for rail transport	6.14	1,899	8.7
Infrastructure enabling road transport, public transport and water transport	6.15, 6.16	4,319	19.8
Installation, maintenance and repair of energy efficiency equipment, instruments and devices for measuring, regulation and controlling energy performance of buildings	7.3, 7.4	273	1.3
Installation, maintenance and repair of renewable energy technologies such as solar panels, charging stations for electric vehicles in buildings, etc.	7.5, 7.6	181	0.8
Energy performance of buildings	9.3	158	0.7
Data processing, hosting and data-driven solutions for GHG emissions reductions	8.1, 8.2	418	1.9
Market research, development and innovation	9.1, 9.2	19	0.1
Research and development for direct air capture of CO <sub>2</sub>	9.2	4	0.0
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	266	1.2
<b>Total</b>		<b>7,535</b>	<b>34.6</b>
<b>B. Net sales (taxonomy non-eligible activities)</b>			
Net sales		14,257	65.4
<b>TOTAL (A + B)</b>		<b>21,792</b>	<b>100</b>

Sweco also reports on eligible activities that relate to capital expenditures (CapEx) and operational expenditures (OpEx) that in different ways relate to investments Sweco has made in measurements towards climate neutrality at the company. This includes activities related to improvements and measurements in Sweco offices and assets as well as in acquisition and ownership of new offices and facilities.

During 2021, around 42 per cent of the total CapEx are eligible activities according to the

EU taxonomy and of that, about 31 per cent relates to acquisition of new offices and 10 per cent<sup>11</sup> relates to investments in fossil-free car fleet.

Around 58 per cent of the total CapEx are non-eligible activities. This includes all other investments, mainly IT equipment and other office equipment, and additions to assets through acquisitions.

**Table 2. CapEx of EU taxonomy-eligible activities during 2021 (SEK M)**

A. CapEx (taxonomy-eligible activities)	Code(s)	Absolute CapEx, SEK M	Share of CapEx, %
Installation, maintenance and repair of energy efficiency equipment, instruments and devices for measuring, regulation and controlling energy performance of buildings	7.3, 7.4	2	0.1
Installation, maintenance and repair of renewable energy technologies such as solar panels, electric vehicles in buildings, etc.	7.5, 7.6	0	0.0
Investments in fossil-free car fleet	Voluntary	116	9.9
Other activities of relevance	Voluntary	6	0.5
Acquisition and ownership of buildings	7.7	366	31.3
<b>Total (taxonomy-eligible activities)</b>		<b>489</b>	<b>41.9</b>
<b>B. CapEx (taxonomy non-eligible activities)</b>			
CapEx		679	58.1
<b>TOTAL CAPEX (A + B)</b>		<b>1,168</b>	<b>100</b>

For 2021, Sweco has reported SEK 48 million of OpEx that fall within the definition of OpEx according to the Disclosure Delegated Act. This amount includes short-term leases, maintenance and repair costs and R&D costs. Around 34 per cent of the OpEx are eligible activities

according to the EU taxonomy; see table 3. This includes primary activities related to internal projects in research, technical development, innovation and sustainability activities in Sweco Sweden.

**Table 3. OpEx of EU taxonomy-eligible activities during 2021 (SEK M)**

A. OpEx (taxonomy-eligible activities)	Code(s)	Absolute OpEx, SEK M	Share of OpEx, %
Installation, maintenance and repair of energy efficiency equipment, instruments and devices for measuring, regulation and controlling energy performance of buildings	7.3, 7.4	0	0.2
Installation, maintenance and repair of renewable energy technologies such as solar panels, electric vehicles in buildings, etc.	7.5, 7.6	0	0.4
Other activities of relevance	Voluntary	16	33.3
<b>Total (taxonomy-eligible activities)</b>		<b>16</b>	<b>33.9</b>
<b>B. OpEx (taxonomy non-eligible activities)</b>			
OpEx		31	66.1
<b>TOTAL OPEX (A + B)</b>		<b>48</b>	<b>100</b>

1) European Commission, EU Taxonomy Regulation 2020/852, 2020.

2) European Commission, Commission Delegated Regulation 2021/2178, 2021.

3) European Commission, Non-financial Reporting Directive (NFRD) 2014/95/EU, 2014. This directive amends the Accounting Directive 2013/34/EU.

4) European Commission, Commission Delegated Regulation 2021/2139, 2021.

5) CapEx are costs included in capital expenditures related to environmental objectives as well as target activities to become low carbon or to lead to greenhouse gas reductions.

6) OpEx are operating costs related to purchase of output from individual measures enabling the target activities to become low carbon or to lead to greenhouse gas reductions as well as individual building renovation measures.

7) M71 covering economic activities such as architectural and engineering activities and related technical consultancy, including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like.

8) J62-63 describing consulting services relating to data programming, processing and management.

9) The CapEx amount, according to the Disclosure Delegated Annex 1, should be calculated as follows. Total CapEx (in the denominator of the CapEx KPI) shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations. For companies applying international financial reporting standards (IFRS) as adopted by Regulation (EC) 1126/2008, CapEx shall cover costs that are accounted based on: IFRS 16 Leases, paragraph 53, point (h), which refers to the additions to right-of-use assets. Leases that do not lead to the recognition of a right-of-use over the asset shall not be counted as CapEx.

10) The OpEx amount (to be used in the denominator of the OpEx KPI) shall cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Companies that apply national GAAP and are not capitalising right-of-use assets shall include lease costs in the OpEx in addition to the costs listed in the first subparagraph of point 1.1.3.1. of this Annex. This means that the OpEx amount does not cover all the operating expenses of Sweco Group; only a very small portion will fall into the above-mentioned categories.

11) Including all CapEx activities related to cars during 2021.

# Task Force on Climate-related Financial Disclosures



The Task Force on Climate-related Financial Disclosures, TCFD, is a market-driven initiative aimed at developing recommendations for reporting climate-related risks and opportunities. Reporting according to TCFD is voluntary. For the second year, Sweco has prepared the company's reporting in accordance with the recommendations in the TCFD framework to describe how we work strategically with climate-related risks

and opportunities. The table below describes the scope of the reporting with regard to governance, strategy, risk management, metrics and targets based on TCFD's guidelines. Page references are made to each area in the sustainability report. In 2021, Sweco continued to assess climate-related risk and opportunities, which are presented on page 30.

TCFD's Recommended and Supporting Recommended Disclosures	Page	Comment
<b>GOVERNANCE</b>		
Describe the board's oversight of climate-related risks and opportunities.	28–29	
Describe management's role in assessing and managing climate-related risks and opportunities.	28–29	
<b>STRATEGY</b>		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	30	
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	30	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		Sweco has not yet tested the resilience of our strategy in relation to different climate-related scenarios based on science-based reports from IPCC and others.
<b>RISK MANAGEMENT</b>		
Describe the organisation's processes for identifying and assessing climate-related risks.	28–30	
Describe the organisation's processes for managing climate-related risks.	28–30	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	28–30, 130–131	
<b>METRICS AND TARGETS</b>		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	48–49	
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	50, 58–59	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	50, 58–59	



# Global Reporting Initiative Content Index

Focus areas and material topics	Sweco Group's value creation chain				
	Supplier	Sweco	Business partners	Clients	Society
<b>CLIMATE AND EXTERNAL ENVIRONMENT</b>					
Climate mitigation and adaption	✓	✓		✓	✓
Biodiversity	✓			✓	✓
Energy efficiency, sources and systems	✓	✓		✓	✓
Water				✓	✓
Waste and circularity	✓	✓		✓	✓
Air quality				✓	✓
<b>EMPLOYEES</b>					
Diversity and equality		✓			
Health and safety		✓			
<b>BUSINESS ETHICS</b>					
Human rights	✓	✓	✓	✓	
Business ethics	✓	✓	✓	✓	
Supply chain management	✓	✓			

GRI Standard	Disclosure	Page	Comment
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
<b>ORGANISATIONAL PROFILE</b>			
102-1	Name of the organisation	66	
102-2	Activities, brands, products, and services	14–17, 34–39, 105–107	
102-3	Location of headquarters	66	
102-4	Location of operations	66	
102-5	Ownership and legal form	72, 125	
102-6	Markets served	2, 14–17	
102-7	Scale of the organisation, including total number of employees, operations, net sales, and capitalisation	66–67	
102-8	Information on employees and other workers	42–47, 59, 95	Most of Sweco's employees are employed permanently and full-time. Part-time employment is usually associated with parental leave. Regional differences may occur due to national legislation.
102-9	Supply chain	54	Sweco has a limited supply chain. Our main impact is made in client projects and collaborations with other parties.
102-10	Significant changes to the organisation and its supply chain	9, 54, 105–106	No significant changes to the organisation's size, structure, ownership, or supply chain have occurred during the year.
102-11	Precautionary Principle or approach	57	Sweco is a signatory to the UN Global Compact whose environmental risks include the precautionary principle.
102-12	External initiatives	57	
102-13	Membership of associations	57	
<b>STRATEGY AND ANALYSIS</b>			
102-14	Statement from senior decision-maker	4–5, 12	
102-15	Key impacts, risks, and opportunities	22–23, 30, 75–76, 130–131	
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behaviour	10–11, 28–29, 52–54	
102-17	Mechanisms for advice and concerns about ethics	52–54	

GRI Standard	Disclosure	Page	Comment
<b>GOVERNANCE</b>			
102-18	Governance structure	72–77	
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	27	
102-41	Collective bargaining agreements	54	Sweco has collective bargaining agreements.
102-42	Identifying and selecting stakeholders	27	
102-43	Approach to stakeholder engagement	27	
102-44	Key topics and concerns raised	26–27	
<b>REPORTING METHODOLOGY</b>			
102-45	Entities included in the consolidated financial statement	66–67	
102-46	Defining report content and topic boundaries	58	Report is based on Sweco operations and the boundaries of the report have been established with the help of the GRI principles for reporting and quality.
102-47	List of material topics	26	
102-48	Restatements of information	50, 58–59	Climate emissions for base year 2020 have been updated in this year's report.
102-49	Changes in reporting	26, 58–61	No significant changes from previous reporting periods in the list of material topics and topic boundaries. Our reporting is also more comprehensive than previous years; for example, in relation to our GHG reporting, employees and EU taxonomy.
102-50	Reporting period	58	
102-51	Date of most recent report	58	
102-52	Reporting cycle	58	
102-53	Contact point for questions regarding the report	58	
102-54	Claims of reporting in accordance with the GRI Standards	58	
102-55	GRI content index	63–65	
102-56	External assurance	65	This report has not been audited by an external party. In accordance with requirements of the Swedish Annual Accounts Act our auditors confirm that we have prepared a statutory sustainability report.

### GRI 103: MANAGEMENT APPROACH

#### GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundary	26	
103-2	The management approach and its components	28–29	
103-3	Evaluation of the management approach	28–29	

### SPECIFIC DISCLOSURE GRI 200: ECONOMIC TOPICS

#### GRI 205: ANTI-CORRUPTION 2016

205-1	Operations assessed for risks related to corruption	52–54	
205-2	Communication and training about anti-corruption policies and procedures	52–54	
205-3	Confirmed incidents of corruption and actions taken	52–54, 59	We have no confirmed cases of corruption in 2021.

#### GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016

206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	52–54	We have no known cases in 2021.
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GRI Standard	Disclosure	Page	Comment
<b>SPECIFIC DISCLOSURE GRI 300: ENVIRONMENTAL TOPICS</b>			
<b>GRI 302: ENERGY 2016</b>			
302-1	Energy consumption within the organisation	58	
302-3	Energy intensity	58	
<b>GRI 305: EMISSIONS 2016</b>			
305-1	Direct (Scope 1) GHG emissions	58	
305-2	Indirect (Scope 2) GHG emissions	58	
305-3	Other indirect (Scope 3) GHG emissions	58	
305-4	GHG emission intensity	58	
<b>SPECIFIC DISCLOSURE GRI 400: SOCIAL TOPICS</b>			
<b>GRI 401: EMPLOYMENT 2016</b>			
401-1	New employee hires and employee turnover	59, 95	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>			
403-9	Work-related injuries	59	For Sweco the most important topic is sickness, which is measured in sickness absence.
<b>GRI 404: TRAINING AND EDUCATION 2016</b>			
404-1	Average hours of training per year per employee	42–47	Sweco is not reporting on average number of training hours, but reports that training is offered to all our people from day one.
404-2	Programmes for upgrading employee skills and transition assistance programs	42–47	
404-3	Percentage of employees receiving regular performance and career development reviews	59	As part of Sweco Talk all employees are offered continuous employee performance reviews.
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>			
405-1	Diversity of governance bodies and employees	42–47, 59	
<b>GRI 406: INCIDENTS AND DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	42–47, 59	
<b>GRI 412: HUMAN RIGHTS ASSESSMENT 2016</b>			
412-1	Operations that have been subject to human rights reviews or impact assessments	42–47	
412-2	Employee training on human rights policies or procedures	42–47, 59	Training in human rights is included as part of Sweco's training in business ethics issues.

# Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Sweco AB (publ), corporate identity number 556542-9841

## Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2021 on pages 18–65 and that it has been prepared in accordance with the Annual Accounts Act.

## The scope of the audit

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 substantially different and 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.

## Opinion

A statutory sustainability report has been prepared.

Stockholm, 18 March 2022  
PricewaterhouseCoopers AB

Aleksander Lyckow  
Authorised Public Accountant

## Board of Directors' Report

The Board of Directors and the President and CEO of Sweco AB (publ) hereby submit the Annual and Sustainability Report and consolidated financial statements for financial year 2021.

Sweco AB, corporate identity number 556542-9841, is headquartered in Stockholm, Sweden and is the Sweco Group's parent company. The company's engineers, architects and environmental experts work together to plan and design the sustainable communities and cities of the future. Sweco delivers qualified consulting services with high knowledge content throughout the client's entire project chain: from feasibility studies, analyses and strategic planning through construction, design and project management. With approximately 18,000 employees, Sweco is the largest engineering and architecture consultancy in the European market. Sweco operates its business in eight business areas and conducts project exports to some 70 countries worldwide.

### SWECO GROUP

Sweco has an efficient, client-focused organisation. With Sweco Group's decentralised, profitable growth-driven business model, all effort is focused on the business and the client's project. The parent company is responsible for group-wide functions. The business is organised in eight business areas:

Sweco Sweden  
Sweco Norway  
Sweco Finland: Finland and Estonia  
Sweco Denmark  
Sweco Netherlands  
Sweco Belgium  
Sweco UK  
Sweco Germany & Central Europe: Germany, Poland, Lithuania, Czech Republic and Bulgaria

Sweco is well positioned for profitable growth. The Group holds market-leading positions in Sweden, Norway, Finland, Denmark, the Netherlands, Belgium and Germany. Sweco's home markets generally have higher GDP growth and stronger public finances than the European average. With industry-leading profitability, Sweco is able to grow faster than the market average – both organically and through acquisitions.

Overall, the underlying market for Sweco's services remained somewhat weak during 2021, due to the continued negative impact from the Covid-19 pandemic. Essentially all Business Areas experienced a relatively good market for Sweco's services in the infrastructure, water, environment and energy segments. Demand for services in the building and real estate segment remained weak. The industry market remained weak during the first half of the year, but gradually recovered during the third and fourth quarters.

The urban development sector is currently characterised by three major megatrends: urbanisation, digitalisation and sustainability. To a large extent, these trends define Sweco's market and demand for our services. Urbanisation fuels a need for redesigning and expanding cities and for linking countries and cities with new infrastructure, while digitalisation lays the groundwork for smart cities, industries and infrastructure. Efforts to prevent and manage climate change and promote sustainable urban development cut through all aspects of our business. These trends are often closely linked, considering that we need to build more sustainable communities and that sustainable technical solutions can, in many cases, be used for just this purpose.

### PROFIT AND OPERATIONS

Overall, performance in the year 2021 steadily improved with a stable inflow of new orders despite continued impact from effects of the Covid-19 pandemic. Continued pandemic-related lockdowns and restrictions still had a negative impact on growth in certain segments. Restrictions and market uncertainty also adversely affected recruiting and FTE growth. At the same time, the pandemic accelerated digitalisation and sustainability remained at the top of the agenda, resulting in continued investments within Sweco's core areas of expertise.

During the year, Sweco quickly adapted to the changing circumstances of either stricter government measures or opening up of society throughout the pandemic waves. Sweco at times had a majority of its employees working from home.

With a new leadership, Sweco Germany took important steps in the turnaround plan to profitable growth. This included implementing efficient work processes focused on the right type of projects, underpinned by strict project governance and control. In the third quarter, it was decided to close down underperforming parts of the German architecture business which resulted in provisions of SEK 56 million related to the execution of the turnaround and reported as IAC. Focus going forward in Germany is to secure profitable growth based on the right leadership, offering and project portfolio.

Net sales in 2021 increased 4 per cent to SEK 21,792 million (20,858). Organic growth amounted to approximately 3 per cent after adjustment for calendar effects. Acquired growth amounted to 3 per cent. Currency effects were -1 per cent. Excluding items affecting comparability (IAC), organic growth amounted to approximately 2 per cent after adjustment for calendar effects. Items affecting comparability encompassed the write-down of working capital of SEK 290 million in the German operations last year and SEK 56 million concerning close down of an underperforming part of the architecture business in Germany in 2021.

EBITA increased to SEK 2,014 million (1,766) and the EBITA margin increased to 9.2 per cent (8.5). EBITA excluding IAC increased to SEK 2,070 million (2,056) and the EBITA margin excluding IAC amounted

### NET SALES, EBITA, EBITA MARGIN AND NUMBER OF FULL-TIME EMPLOYEES, JANUARY–DECEMBER

Business area	Net sales, SEK M		EBITA, SEK M		EBITA margin, %		Number of full-time employees	
	2021	2020	2021	2020	2021	2020	2021	2020
Sweco Sweden	7,398	7,481	920	954	12.4	12.8	5,796	5,828
Sweco Norway	2,622	2,414	201	209	7.7	8.6	1,749	1,660
Sweco Finland	2,947	2,777	320	369	10.9	13.3	2,746	2,493
Sweco Denmark	1,905	1,846	182	143	9.6	7.8	1,285	1,230
Sweco Netherlands	2,024	2,066	201	172	9.9	8.3	1,376	1,390
Sweco Belgium	1,907	1,655	230	189	12.1	11.4	1,276	1,071
Sweco UK	1,199	1,247	55	75	4.6	6.0	1,182	1,236
Sweco Germany & Central Europe	2,015	1,657	-29	-299	-1.4	-18.1	2,342	2,375
Group-wide, eliminations, etc.	-227	-285	-67	-47	-	-	50	45
<b>TOTAL GROUP</b>	<b>21,792</b>	<b>20,858</b>	<b>2,014</b>	<b>1,766</b>	<b>9.2</b>	<b>8.5</b>	<b>17,802</b>	<b>17,328</b>

to 9.5 per cent (9.7), which is 0.2 percentage units below last year. EBITA excluding IAC improved approximately 0 per cent or SEK 8 million year-on-year after adjustment for calendar effects. Overall for the Group, higher average fees, lower project adjustments and contributions from acquisitions were the main improvement drivers, while higher operating expenses and a lower billing ratio impacted negatively. The year had one less working hour compared to last year. Due to mix effects, the effect in SEK was a positive year-on-year impact of approximately SEK 5 million on net sales and EBITA.

Earnings per share increased to SEK 4.18 per share (3.64).

Key ratios	2021	2020
Net sales, SEK M	21,792	20,858
Organic growth, %	3	-1
Acquisition-related growth, %	3	4
Currency, %	-1	-2
Total growth, %	4	1
Organic growth adjusted for calendar, %	3	-2
Organic growth adjusted for calendar & IAC, %	2	-1
EBITA excl. IAC, SEK M	2,070	2,056
Margin, %	9.5	9.7
EBITA, SEK M	2,014	1,766
Margin, %	9.2	8.5
Profit after tax, SEK M	1,492	1,293
Earnings per share, SEK	4.18	3.64
Number of full-time employees	17,802	17,328
Billing ratio, %	74.1	74.3
Normal working hours	1,973	1,974
Net debt/EBITDA, x	0.4	0.5

## OUTLOOK

The Covid-19 pandemic continues to create significant uncertainty regarding future market development. Demand for Sweco's services normally follows the general macro-economic trend in Sweco's markets, with some time lag. Some remaining impact on demand can therefore be expected from the economic effects of Covid-19. However, this impact will most likely be partly mitigated by increased public spending.

The war in Ukraine and its potential impact on the general economy currently creates significant uncertainty regarding future development.

Sweco does not provide forecasts.

## ACQUISITIONS AND DIVESTMENTS

In 2021, Sweco acquired nine companies and businesses generating annual net sales of approximately SEK 380 million and EBITA of around SEK 26 million. Through the acquisitions more than 400 employees were added, including 63 self-employed staff in BUUR. The largest acquisitions were the acquisitions of BUUR and Boydens Engineering in Belgium, Gaia Consulting and Linja Arkkitehdit in Finland, AdviceU in Sweden and Bureau Stedelijke Planning in the Netherlands.

In January, Sweco acquired BUUR, a Belgian consulting company with 65 experts, whereof 63 self-employed. BUUR has a strong reputation in the Belgian market with expertise focusing on urban planning, landscape architecture, infrastructure design and mobility studies.

In April, Sweco acquired two companies in Finland, Gaia Consulting and Linja Arkkitehdit. Gaia Consulting has around 60 employees and is the largest sustainability consultancy in Finland. Linja Arkkitehdit also has around 60 employees and these are located in Oulu, Helsinki and Jyväskylä. The company offers architectural services in the design of educational, residential and business premises.

In June, Sweco acquired Belgian consultancy Boydens Engineering. The company employs 140 specialists and is specialised in sustainable building projects in the public and private sectors.

In September, Sweco acquired AdviceU, a consultancy in Sweden specialised in renewal of IT systems and IT management. The company has around 30 employees.

In September, Sweco acquired Bureau Stedelijke Planning in the Netherlands. The company is mainly involved in the early planning phase

of urban development, specialised in residential and workspace areas, shopping districts and leisure facilities. Bureau Stedelijke Planning employs 31 professionals, with an additional 20 self-employed consultants associated with the company.

## SIGNIFICANT EVENTS DURING THE YEAR

On 29 April, dividends totalling SEK 782 (732) million were distributed to Sweco AB shareholders.

## CASH FLOW AND FINANCIAL POSITION

Group cash flow from operating activities totalled SEK 2,199 million (3,249) during the year. Net debt decreased to SEK 913 million (943). The net debt/EBITDA ratio was 0.4 x (0.5). Available cash and cash equivalents, including unutilised credit lines, totalled SEK 4,166 million (3,898) at the end of the year.

Purchase considerations paid to acquire companies and operations totalled SEK 392 million (596) and had an impact of SEK -363 million (-535) on Group cash and cash equivalents. Purchase considerations received on the divestment of companies and operations totalled SEK 17 million (-) and had an impact of SEK 17 million (-) on the Group's cash and cash equivalents.

No repurchases of Sweco shares were made during the period or the same period last year.

Dividends totalling SEK 782 million (732) were distributed to Sweco AB shareholders during the period.

## EMPLOYEES

The number of employees at the end of the period was 19,129 (18,552), an increase of 577. During the year 3,252 employees (2,420) were hired, 3,000 (2,514) ended their employment, 14 (-) ended their employment in conjunction with the divestment of companies and 339 (509) were added via acquired companies. Personnel turnover increased to 16 per cent (14). The Group had a total of 17,802 full-time employees (17,328).

## SELECTED PROJECTS

The projects presented below have been selected to demonstrate the breadth of Sweco's project portfolio.

Sweco was commissioned by VoltH2 to design the two first green hydrogen plants in the North Sea Port area in Belgium. The hydrogen plants will generate green hydrogen using electricity from wind energy within a few years. Using an international team of Belgian and Dutch specialists, Sweco is responsible for the complete design, as well as the necessary permits and subsidies.

Sweco was chosen by the Danish Energy Agency as technical adviser to establish the world's first energy island. The energy island will be a major contribution in the transition to green energy, both in Denmark and Europe.

Sweco was awarded engineering services in connection with the 6-lane expansion of the B1 road by 8.3 km to the A40, the section between Dortmund-Ost and the Interchange Dortmund/Unna. The assignment involves site management and property management for traffic facilities, as well as engineering structures connected to the construction.

Sweco is part of the alliance group that will construct the three new Crown Bridges and a 10 km tramline in Helsinki. When completed in 2026, the combined length of 1,200 m will make Crown Bridges the longest in Finland. Sweco is responsible for building plans and assessments for almost all engineering elements within the project. The design of the new tramway is strongly driven by the principle of sustainable development.

Sweco was assigned a data centre development in West London. Once built, this site will be one of the largest data centre developments in the UK and represents a significant investment in the UK market. Sweco is the Design Manager and is providing civil, structural and architectural (CSA) services as well as sustainability consultancy to the client's global build programme reviewing LEAD, biodiversity, and embodied carbon.

Sweco was awarded a contract to perform project management in connection with the construction of a new airport in Mo i Rana, by the state-owned company Avinor, under the Norwegian Ministry of Transport

and Communications. The assignment includes management of contracts, partnering for a turnkey contract that covers construction through to completion, testing and delivery.

Sweco was assigned to be responsible for electrical and automation design for the renovation and expansion of the water treatment plant Görvälnverket in Stockholm. The assignment involves both updating the existing plant and expanding a complementary plant, as well as construction design. The plant supplies northern Greater Stockholm with drinking water.

In the Netherlands, railway management company ProRail has contracted Sweco to develop, manage and maintain the software required for supporting the measurement process for collecting railway track data. A ProRail ambition is to enable 30 per cent more rail traffic by 2030 and so the company is moving from corrective to preventive maintenance to keep the quality of the rail network at an optimal level. Sweco will assist ProRail in developing software to help monitor the status of the company's assets.

#### BUSINESS AREA – SWECO SWEDEN

Net sales decreased 1 per cent to SEK 7,398 million (7,481). Organic growth was -1 per cent adjusted for calendar effects. EBITA decreased SEK 34 million to SEK 920 million (954) and the EBITA margin decreased to 12.4 per cent (12.8). The decline was mainly attributable to lower billing ratio and higher operating expenses, while higher average fees contributed positively.

The Swedish market remained relatively good but there were variations between the different segments. Demand for infrastructure services remained strong, backed by major public investments. The markets for industrial investments, water and environmental services were good. In the real estate market, there was good demand within public buildings and demand related to residential construction improved somewhat, with larger cities continuing to provide better conditions. The market for power transmission services was strong, while demand in energy generation remained challenging.

Net sales and profit	2021	2020
Net sales, SEK M	7,398	7,481
Organic growth, %	-1	0
Acquisition-related growth, %	0	0
Currency, %	0	0
Total growth, %	-1	0
Organic growth adjusted for calendar, %	-1	-1
EBITA, SEK M	920	954
EBITA margin, %	12.4	12.8
Number of full-time employees	5,796	5,828

#### BUSINESS AREA – SWECO NORWAY

Net sales increased 9 per cent to SEK 2,622 million (2,414). Acquired growth contributed 5 per cent and was related to the acquisition of TAG Arkitekter in 2020. Organic growth was 2 per cent adjusted for calendar effects. EBITA decreased SEK 8 million to SEK 201 million (209) and the EBITA margin decreased to 7.7 per cent (8.6). The decline was mainly driven by higher operating expenses, while lower project adjustments and higher average fees impacted positively.

The increased Covid-19 restrictions imposed during the first quarter had a cooling effect on the market. The commercial building sector was affected by postponement or cancellation of new projects. The national infrastructure and energy markets remained good and stable, while local public markets were affected by delayed decision making. On 25 September almost all Covid-19 restrictions were lifted, raising the market expectations. Despite new Covid-19 restrictions implemented in December, the commercial building market gradually improved during the fourth quarter.

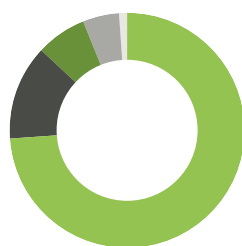
Net sales and profit	2021	2020
Net sales, SEK M	2,622	2,414
Organic growth, %	2	1
Acquisition-related growth, %	5	1
Currency, %	2	-9
Total growth, %	9	-7
Organic growth adjusted for calendar, %	2	0
EBITA, SEK M	201	209
EBITA margin, %	7.7	8.6
Number of full-time employees	1,749	1,660

#### BUSINESS AREA – SWECO FINLAND

Net sales increased 6 per cent to SEK 2,947 million (2,777). Acquired growth contributed 10 per cent and was related to several acquisitions. Organic growth was 0 per cent and currency effect -3 per cent. EBITA decreased SEK 49 million to SEK 320 million (369) and the EBITA margin decreased to 10.9 per cent (13.3). The decline was mainly attributable to lower billing ratio and higher operating expenses, while contribution from acquisitions and higher average fees impacted positively.

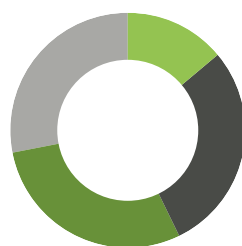
Overall, the Finnish market was relatively good with slight differences between segments. Demand within the building and real estate segments was relatively good but there were variations between subsegments. The renovation, maintenance and improvement market was stable. The market for industrial services was good, as was the market for infrastructure-related services.

#### COST STRUCTURE (EBITA), %



- Personnel costs, 74 (72)
- Subsconsultants and expenses, 13 (14)
- Overhead expenses, 7 (7)
- Cost for premises, 5 (5)
- Amortisation/depreciation, 1 (2)

#### TERM OF EMPLOYMENT, %



- <1 year, 14 (11)
- 1–3 years, 29 (33)
- 4–9 years, 29 (28)
- >10 years, 28 (28)

#### AGE STRUCTURE, %



- <30 years, 21 (22)
- 31–40 years, 33 (33)
- 41–50 years, 23 (22)
- >50 years, 23 (23)

Net sales and profit	2021	2020
Net sales, SEK M	2,947	2,777
Organic growth, %	0	3
Acquisition-related growth, %	10	15
Currency, %	-3	-1
Total growth, %	6	16
Organic growth adjusted for calendar, %	0	3
EBITA, SEK M	320	369
EBITA margin, %	10.9	13.3
Number of full-time employees	2,746	2,493

#### BUSINESS AREA – SWECO DENMARK

Net sales increased 3 per cent to SEK 1,905 million (1,846). Organic growth was 5 per cent adjusted for calendar effects and currency effect was -3 per cent. EBITA increased SEK 39 million to SEK 182 million (143) and the EBITA margin improved to 9.6 per cent (7.8). The increase was mainly driven by higher average fees and FTE growth.

Overall, the Danish market was relatively stable, with slight differences between segments. Demand in the water and environmental sectors remained stable, driven by climate-related services in the larger cities. The infrastructure market was fairly stable in the municipal market, whereas conditions in the state-financed road, rail and public infrastructure market improved during the year on the back of finalisation of the national infrastructure investment plan. The market for building services and the residential market were relatively stable.

Net sales and profit	2021	2020
Net sales, SEK M	1,905	1,846
Organic growth, %	5	-1
Acquisition-related growth, %	1	5
Currency, %	-3	-1
Total growth, %	3	3
Organic growth adjusted for calendar, %	5	-2
EBITA, SEK M	182	143
EBITA margin, %	9.6	7.8
Number of full-time employees	1,285	1,230

#### BUSINESS AREA – SWECO NETHERLANDS

Net sales decreased 2 per cent to SEK 2,024 million (2,066) mainly due to a weaker euro. Organic growth was 0 per cent and currency effect was -3 per cent. EBITA increased SEK 29 million to SEK 201 million (172) and EBITA margin increased to 9.9 per cent (8.3). The increase was mainly attributable to higher billing ratio.

Despite the Covid-19 situation, the Dutch market remained relatively good, albeit with differences between segments. Demand for infrastructure services was good, backed by major public investments. Demand within the residential building segment remained high due to the continued shortage of residential homes. In addition, the market for building services systems was good. The market for industrial services was diversified, in the sense that the food sector was stable and the chemical sector improved. Within the energy market there was a substantial demand to increase the infrastructure to facilitate green energy like solar- and windfarms.

Net sales and profit	2021	2020
Net sales, SEK M	2,024	2,066
Organic growth, %	0	1
Acquisition-related growth, %	1	0
Currency, %	-3	-1
Total growth, %	-2	1
Organic growth adjusted for calendar, %	0	1
EBITA, SEK M	201	172
EBITA margin, %	9.9	8.3
Number of full-time employees	1,376	1,390

#### BUSINESS AREA – SWECO BELGIUM

Net sales increased 15 per cent to SEK 1,907 million (1,655). Both organic growth adjusted for calendar and acquired growth were 9 per cent while currency effect was -3 per cent. EBITA increased SEK 41 million to SEK 230 million (189) and the EBITA margin improved to 12.1 per cent (11.4). The increase was mainly driven by FTE growth, higher billing ratio and contribution from acquisitions.

The market in Belgium was good within most segments. The public sector building market remained stable and the private building market stabilised after the first quarter. The public infrastructure market was strong. The pharma industry was running at full speed, while the more traditional industry markets impacted by Covid-19 during 2020 slowly picked up and were fully recovered in the second half of the year.

Net sales and profit	2021	2020
Net sales, SEK M	1,907	1,655
Organic growth, %	9	6
Acquisition-related growth, %	9	13
Currency, %	-3	-1
Total growth, %	15	19
Organic growth adjusted for calendar, %	9	6
EBITA, SEK M	230	189
EBITA margin, %	12.1	11.4
Number of full-time employees	1,276	1,071

#### BUSINESS AREA – SWECO UK

Net sales decreased 4 per cent to SEK 1,199 million (1,247) with organic growth of -4 per cent adjusted for calendar effects. EBITA decreased SEK 20 million to SEK 55 million (75) and the EBITA margin decreased to 4.6 per cent (6.0). The decline was mainly attributable to lower average fees and fewer FTEs.

The UK market remained challenging due to Covid-19 and the government's temporary furlough scheme continued until the end of September 2021. Demand in the buildings market improved somewhat. The energy, environment and water markets remained stable. The transportation infrastructure market was challenging, as it was the market most impacted by Covid-19. In the second half of the year, materials and labour shortages as well as cost increases reduced activity on the construction market. Some construction projects were postponed due to higher materials costs. Public sector infrastructure projects were at particular risk of facing these challenges.

Net sales and profit	2021	2020
Net sales, SEK M	1,199	1,247
Organic growth, %	-4	-7
Acquisition-related growth, %	0	16
Currency, %	0	-2
Total growth, %	-4	7
Organic growth adjusted for calendar, %	-4	-7
EBITA, SEK M	55	75
EBITA margin, %	4.6	6.0
Number of full-time employees	1,182	1,236

**BUSINESS AREA – SWECO GERMANY & CENTRAL EUROPE**

Net sales increased 22 per cent to SEK 2,015 million (1,657). Organic growth was 7 per cent adjusted for calendar effects and items affecting comparability. EBITA amounted to SEK -29 million (-299). Items affecting comparability (IAC) encompassed the write-down of working capital of SEK 290 million in the German operations last year and SEK 56 million concerning close down of an underperforming part of the architecture business in Germany this year. EBITA excluding IAC improved to SEK 27 million (-9) and was driven by positive project adjustments and improving underlying performance in Germany.

Overall, the German market remained relatively stable during the year despite Covid-19. However, private investors continued to slow down or stop projects and tenders in the real estate market. The German publicly funded sector remained good and energy transition projects continued as planned. In the fourth quarter, supply chain challenges were impacting the German economy.

Net sales and profit	2021	2020
Net sales, SEK M	2,015	1,657
Organic growth, %	25	-20
Acquisition-related growth, %	0	7
Currency, %	-4	-2
Total growth, %	22	-15
Organic growth adjusted for calendar, %	25	-21
Organic growth adjusted for calendar & IAC, %	7	-6
EBITA excl. IAC, SEK M	27	-9
EBITA margin excl. IAC, %	1.3	-0.5
EBITA, SEK M	-29	-299
EBITA margin, %	-1.4	-18.1
Number of full-time employees	2,342	2,375

**OTHER INFORMATION****Investments**

Investments in equipment totalled SEK 176 million (187) and were primarily attributable to IT investments. Depreciation of equipment totalled SEK 215 million (226) and amortisation of intangible assets totalled SEK 154 million (136).

**Parent Company**

Parent Company net sales totalled SEK 946 million (874) and were attributable to intra-group services. Profit after net financial items totalled SEK 817 million (1,036). Investments in equipment totalled SEK 42 million (32). Cash and cash equivalents at the end of the year totalled SEK 335 million (1,387).

**The Sweco share**

Sweco is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 170.20 at the end of the year, representing a 13 per cent year-on-year increase. Nasdaq Stockholm OMXSPI increased by 35 per cent over the same period.

The total number of shares at the end of the period was 363,251,457: 31,086,598 Class A shares and 332,164,859 Class B shares. The total number of outstanding shares at the end of the period was 357,485,070: 31,086,598 Class A shares and 326,398,472 Class B shares. As of 31 December 2021, Sweco held a total of 5,766,387 treasury shares, all of which are Class B shares, representing 1.6 per cent of share capital. The quota value of these treasury shares is SEK 0.33 and the average acquisition value is SEK 66.21, which corresponds to a total of SEK 382 million. Sweco's treasury shares do not carry voting rights.

**Incentive schemes**

In accordance with the conditions of the company's incentive schemes, 2,287,599 treasury shares (representing approximately 0.6 per cent of the share capital) were transferred, without consideration, to Sweco employees in 2021. The quota value of these shares was at the time of the transfer SEK 0.33 per share and the value of the shares at the time of the transfer was SEK 337 million.

**Share Savings Schemes**

The 2021 Annual General Meeting (AGM) resolved to implement a long-term share savings scheme directed at senior executives and other key personnel within the Sweco Group (the Share Savings Scheme 2021). Through the scheme, 59 senior executives and other key personnel have acquired some 39,000 Class B shares. Pursuant to IFRS provisions, the cost of the Share Savings Scheme 2021 is estimated at approximately SEK 9 million (including social fees) and will be expensed on a straight-line basis over the retention period. Sweco transferred 141,130 Class B treasury shares to participants in the 2017 Share Savings Scheme during the period.

Resolutions were made by the 2018, 2019 and 2020 AGMs on corresponding schemes, under which slightly more than 78,000, 48,000 and 44,000 shares were acquired, respectively. Under the 2018–2021 Share Savings Schemes, a total of approximately 591,000 shares may be issued if established targets are met based on participants still employed as at year end.

**Share Bonus Scheme**

The 2021 AGM resolved to implement the Share Bonus Scheme 2021, under which bonuses are paid to employees in Sweden, who are covered by the scheme, in the form of Sweco Class B shares. The Share Bonus Scheme 2021 apply for the financial year 2021 and allotment of shares in Sweco shall take place during the first half of 2022. Sweco transferred 2,146,469 Class B treasury shares to participants in Share Bonus Scheme 2020 during the period.

**CURRENT GUIDELINES FOR SALARY AND OTHER REMUNERATION TO SENIOR EXECUTIVE WITHIN THE SWECO GROUP**

The current guidelines for salary and other remuneration to senior executive within the Sweco Group was adopted by the 2020 AGM. The guidelines are found in Note 6 on page 96.

**BOARD PROPOSALS FOR AGM 2022****Proposed appropriation of profits**

The Board of Directors and the President & CEO propose that profit carried forward and non-restricted reserves	3,724 SEK M
along with net profit for the year	639 SEK M
or, in aggregate,	4,363 SEK M
be appropriated for the distribution of a dividend	
to the shareholders of SEK 2.45 per share	890 SEK M <sup>1</sup>
and that the remaining amount be carried forward.	3,473 SEK M

1) The dividend amount will be a maximum of SEK 890 million, calculated by the number of shares outstanding at 18 March 2022 including shares held in treasury. The dividend amount will change in the event the Board exercises the authority granted by the 2021 AGM to buy back additional shares or to transfer treasury shares.

The estimated record date for dividend distribution is 25 April 2022.

The income statements and balance sheets of the Group and the Parent Company will be submitted to the Annual General Meeting for adoption on 21 April 2022.

Sweco's dividend policy specifies that at least half of profit after tax shall be distributed to the shareholders, while also requiring that the company maintains a capital structure that provides scope to develop and make investments in the company's core business. Pursuant to



Sweco's financial targets, net debt shall not exceed 2.0 times EBITDA. In view of the Board's proposed dividend (above), the Board has made an assessment in accordance with Chapter 18, Paragraph 4 and Chapter 19, Paragraph 22 of the Swedish Companies Act. The Board holds the opinion that the proposed dividend distribution to the shareholders does not prevent the company to meet its obligations in the short or long term, while the company's financial standing enables it to continue to invest and expand.

In light of the above, and also taking into account uncertainties about the impact of Covid-19 indicated in Note 37, the Board deems that the proposed dividend distribution to the shareholders are reasonable considering the demands posed by the nature, scope and risks of the operations with respect to the size of the equity, as well as the company's and the Group's consolidation needs, liquidity and overall general standing.

#### **Share Savings Scheme 2022**

The Board of Directors proposes that the 2022 AGM resolves to implement a long-term share savings scheme for up to 100 senior executives and other key employees within the Sweco Group. The proposed terms and conditions essentially corresponds to those applicable in last year's proposal.

#### **Share Bonus Scheme 2022**

The Board of Directors also proposes that the 2022 AGM resolves to implement a share-based incentive scheme for employees in Sweden. The proposal principally corresponds to the terms in last year's proposal.

#### **ANNUAL GENERAL MEETING 2022**

The Annual General Meeting will be held at 3:00 PM on Thursday, 21 April 2022 in Stockholm.

# Corporate Governance Report

## SWECO AB IN GENERAL

Sweco AB is a public limited liability company with registered office in Stockholm, Sweden. Sweco's corporate governance is based on the Swedish Companies Act, Sweco AB's Articles of Association, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code, other applicable laws and regulations and its own policies, procedures and guidelines. Sweco's Board of Directors (the "Board") and management live up to the requirements of the shareholders, other stakeholders and Nasdaq Stockholm regarding sound and effective corporate governance. In accordance with the Swedish Companies Act and the company's Articles of Association, Sweco's governance, management and control are divided between the shareholders at the Shareholders' Meeting, the Board and the President & CEO. This Corporate Governance Report has been prepared in compliance with the Swedish Corporate Governance Code and the Swedish Annual Accounts Act and has been examined by the statutory auditors.

## BUSINESS MODEL AND PROJECT MANAGEMENT

Sweco operates according to a business model with a strong client focus, the best people in the industry, internal efficiency and a decentralised organisation. In Sweco's decentralised organisation, teams of consultants form the basic building blocks of the business. As each and every consultant is responsible for generating business, the company's operations must be permeated by a strong entrepreneurial attitude and approach. Sweco's client promise is to be the most approachable and committed partner with recognised expertise.

Sweco's activities are carried out as projects. The project teams vary depending on project size, location and complexity. Each project is headed by a responsible project manager whose day-to-day work is facilitated by Sweco's group-wide business system. All operating countries are certified in accordance with ISO 9001 and most are also certified in accordance with ISO 14001 and ISO 45001. These certifications regard management systems. The certifications help Sweco to comply with legislation, improve projects' environmental aspects, identify potential risks and measure and improve client satisfaction. The Group's business system and its usage are audited every year by an independent quality assurance organisation. The system is also monitored internally on a continuous basis.

The responsibility of the Sweco consultant is to deliver sustainable and client-adapted solutions that have a high knowledge content, are of the appropriate quality and benefit the client's business. The Group's business system includes guidelines, policies and procedures focused on project results and is accessible to the consultants at all times. Sweco works continuously with improvement measures to develop working methods, promote sustainability and support the employees. Strategic skills development programmes are used to meet the consultants' need for ongoing education and training. The knowledge and experience gained by the consultants in their projects is preserved and developed for future use.

## SUSTAINABILITY AND COMPLIANCE

Sweco's contribution to society is achieved through our client projects, but also through how we operate and act as a company. Long-term profitability and growth are driven by solutions that promote the sustainable development of society from an ecological, social and economic perspective. As consultants, Sweco's employees are often deeply involved in client projects, frequently in an early stage where there is great opportunity to exert an influence. This places high demands for individual awareness of business ethics and Sweco's procedures.

Sweco complies with the laws, regulations and other requirements applicable to operations in countries where the Group is active. In some cases, Sweco's standards and requirements exceed legal requirements. We support and respect human rights, as defined by the UN in the Universal Declaration of Human Rights. Sweco follows the Code of Ethics formulated by the International Federation of Consulting Engineers

(FIDIC) and, as a signatory, the to the UN's Global Compact Sweco works actively to uphold its principles.

Sweco's Code of Conduct establishes Sweco's and its employees' view on the company's social responsibilities, covering business ethics, employee development, human rights, equality and diversity, and occupational health and safety. Sweco's Code of Conduct gathers the ethical guidelines designed to enable corporate responsibility on the part of Sweco's employees and partners. Additionally, Sweco has a Business Partner Programme to enable that existing and prospective partners meet corporate responsibility requirements. Sweco also has group-wide policies on anti-corruption, gifts and business entertainment and sponsorship. Local regulations specify areas of responsibilities in more detail.

The President & CEO is ultimately responsible for the Code of Conduct and other Sweco policies and their implementation, and every employee working at Sweco is expected to live up to these. Compliance is a matter for the executive management of the Group, and for managers at all levels in the Group down to the individual employee. All managers are responsible for ensuring that their employees have everything they need to comply with Sweco's policies and guidelines. All employees are obligated to familiarise themselves with the contents of the policies and guidelines, accept and follow them as well as to encourage external partners to comply with applicable policies. Employees who suspect business ethics improprieties or a violation of human rights are obligated to report this either to their managers, manager's manager, HR department, Legal Counsel or other appointed contact person, and, in cases where anonymity is called for, via Sweco's external whistle-blower function called Ethics Line. The President & CEO holds the ultimate responsibility for ensuring that the policies are monitored, e.g., through internal and external audits, internal statistics and line manager reviews.

Sweco views diversity as essential in creating an innovative and inspiring working environment and actively promotes equal rights and opportunities in the workplace regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. This is set forth in Sweco's Code of Conduct.

The Nomination Committee has applied Section 4.1 in the Swedish Corporate Governance Code as a policy for diversity of the members in the Board. Diversity is an important element in the nomination process. The Nomination Committee has continuously strived for an equal representation with regard to gender and diversity as to competencies, experience and background, which is reflected in the current composition of the Board.

See pages 18–65 for Sweco's Sustainability Report.

## ORGANISATION

### SHAREHOLDER GOVERNANCE THROUGH SHAREHOLDERS' MEETINGS

The Shareholders' Meeting is Sweco's highest decision-making body, where all shareholders are jointly entitled to make decisions on Sweco AB's affairs. Shareholders who are recorded in the share register on the record day and who provided notification of their participation on time are entitled to participate in the Annual General Meeting (AGM) and vote for all of their shares. AGM or Extraordinary General Meeting (EGM) resolutions are generally made by simple majority. However, in certain cases, the provisions of the Swedish Companies Act stipulate a qualified level of attendance to achieve a quorum or a specific majority of votes.

The AGM must be held in Stockholm within six months following the close of the financial year. Resolutions made by the AGM include, among others, adoption of Sweco AB and Group income statements and balance sheets, approval of dividends, discharge from liability for the members of the Board and CEO, determination of fees for the Board and statutory auditors, election of Board members, Chair of the Board and statutory auditor, decisions regarding the Nominating Committee and other matters as required by the Swedish Companies Act. At Sweco AB's AGM, each shareholder has the opportunity to ask questions about the com-

pany and its performance during the past year. The Board, Executive Team and statutory auditors are present to answer these questions.

### 2021 Annual General Meeting

The 2021 AGM was held on 22 April in Stockholm and was attended by 314 shareholders, representing 83.48 per cent of the votes and 74.93 per cent of the share capital. Johan Nordström was elected Chair of the AGM. Due to Covid-19, the AGM was held without physical presence of shareholders and participation was carried out through so called postal voting. A speech was published on the company's webpage where the President & CEO Åsa Bergman commented on Sweco's performance in 2020, Sweco's development in recent years and the outlook for 2021.

The submitted income statements and balance sheets were adopted and the Board and CEO were discharged from liability for the financial year 2020. The AGM approved an ordinary dividend of SEK 2.20 per share.

The AGM resolved, in accordance with the Nominating Committee's proposal, to elect the Board members, the Chair of the Board and the statutory auditors and the fees for the Board members, members of the Audit Committee and the Remuneration Committee and the statutory auditors.

According to the Board's proposal, the AGM resolved to implement the Share Bonus Scheme 2021 on terms and conditions that generally corresponds to those of Share Bonus Scheme 2020 and stipulates that bonuses are paid in shares rather than cash. The resolution included decisions to implement the Share Bonus Scheme 2021 per se and to authorise the Board to transfer Class B treasury shares to secure obligations under the Share Bonus Scheme 2021 and to sell Class B treasury shares to secure payment of social security contributions.

The Share Bonus Scheme comprises a maximum of 3,100,000 Sweco Class B shares (no more than 2,325,000 for delivery to participants and no more than 775,000 to cover social security contributions). The AGM resolved to authorise the Board to transfer no more than 2,325,000 Class B treasury shares to employees under the Share Bonus Scheme 2021 and to sell no more than 775,000 Class B shares to cover social security contributions. The number of shares to be received by each employee corresponds to the employee's earned bonus for financial year 2021 divided by a base share price (corresponding to the average volume-weighted price paid for the Sweco Class B share during the period 15–26 March 2021) less the amount corresponding to the dividend per share for the financial year 2020. The base share price is restated in accordance with usual terms and conditions if events occur that affect the value of the share, including but not limited to any decision on share splits, bonus issues, redemptions and the like during the scheme's duration. Bonus per employee is based on the participating business units' EBITA per employee. Shares will be allocated to employees free-of-charge during the first six months of 2022 premised upon continued employment.

The AGM approved a long-term share savings scheme (the Share Savings Scheme 2021) for Sweco Group senior executives. The scheme comprises a maximum of 233,847 Sweco Class B shares (no more than 185,593 for delivery to participants and no more than 48,254 to cover social security contributions). The AGM approved the free-of-charge transfer of no more than 185,593 Class B treasury shares to participants in the Share Savings Scheme 2021 during the period they are entitled to receive Matching and Performance Shares.

The AGM authorised the Board to decide on acquisitions and transfers of treasury shares in order to deliver shares under the Share Bonus Scheme 2021 and the Share Savings Scheme 2021 and to cover thereto related costs for social security contributions, as well as to give the Board greater freedom of action in working to optimise Sweco's capital structure, including to enable Sweco to use treasury shares as consideration in, or otherwise finance, potential future company or business acquisitions. The authorisation may be used on one or several occasions up until the next Annual General Meeting. The number of acquired Sweco Class B shares may, together with Sweco shares otherwise acquired and

held by Sweco, at any given time not exceed ten (10) percent of all issued shares in Sweco. Up to 3,100,000 Class B shares may be required to ensure Sweco's obligations under the Share Bonus Scheme 2021. In order to implement the Share Savings Scheme 2021, a maximum of 233,847 Class B shares are required.

Finally, the AGM authorised the Board to decide on the sale of Class B treasury shares on the stock exchange under the Share Bonus Scheme 2020 and the 2018 Share Savings Scheme. This authority, which may be exercised on one or more occasions during the period preceding the 2022 AGM, applies to the number of Class B shares required to cover social fees under the 2020 Share Bonus Scheme (not to exceed 825,000 shares) and the 2018 Share Savings Scheme (not to exceed 109,200 shares).

The Board resolved at the statutory Board meeting to exercise its authority as granted by the AGM (as regard to the repurchase of shares: up to 36,000,000 Class B treasury shares).

### NOMINATING COMMITTEE

The Nominating Committee is the AGM's body for preparing resolutions related to appointments and is tasked with preparing material to assist the AGM with these matters. Apart from proposing the composition of the Board, the Nominating Committee submits recommendations on Chair of the AGM, Board members, Chair of the Board, Board fees (broken down per Chair, other Board members and committee membership) and election and remuneration of auditors.

During 2021 the Nominating Committee focused primarily on:

- monitoring and evaluation of the Board and its performance,
- discussion and analysis of the Board's competency requirements based on Sweco's operations, and
- proposals for Board composition and compensation matters ahead of the upcoming AGM.

The current instructions for the Nominating Committee specify that the Chair of the Board shall convene a Nominating Committee comprised of three or four representatives – one representative from each of Sweco AB's three largest shareholders and the Chair of the Board if he/she is not a member in his/her capacity of shareholder representative. The names of the Committee members, together with the names of the shareholders they represent, were published on Sweco's website on 8 October 2021 and were based on the known number of votes held by the three largest owners of the company as of the last business day in August 2021.

The Nominating Committee held five meetings in 2021. Ahead of the 2022 AGM the Nominating Committee consists of Eric Douglas representing Investment AB Latour, Birgitta Resvik representing the J. Gust. Richert Memorial Foundation and Chair of the Board Johan Nordström representing the Nordström family. The Nominating Committee is chaired by Johan Nordström.

### BOARD OF DIRECTORS

The Board is responsible for the company's organisation and management of the company's affairs. The Board shall continuously monitor the financial situation of the company and the Group and shall ensure that the company is organised in such a way that its accounting, cash management and other financial circumstances can be adequately controlled. The Board shall also ensure that its performance is evaluated on an annual basis through a systematic and structured process.

The Board's rules of procedures, including instructions for the division of responsibilities between the Board and the President & CEO, are updated and adopted annually. The rules of procedure regulate the Board's obligations, the division of responsibilities within the Board, the minimum number of Board meetings, the annual agenda and main topic of each meeting, instructions for preparing the agenda and background documentation for decisions.

The Chair of the Board supervises the work of the Board and is responsible for ensuring that the Board carries out its responsibilities in an organised and efficient manner. The Chair of the Board continuously monitors the Group's development through ongoing contact with the President & CEO. The Chair of the Board represents the company in matters related to ownership structure. In accordance with Sweco's Articles of Association, the Board is comprised of at least three and not more than nine members.

### Composition of the Board

Following 2021 AGM, the Board consists of seven ordinary members elected by the AGM and three employee representatives, with three union-appointed deputies. Until the conclusion of the 2021 AGM, the Board consisted of seven ordinary members. The AGM-elected Board members serve for a one-year period through the conclusion of next year's AGM. With the exception of the President & CEO (Åsa Bergman), none of the AGM-elected Board members have an operational role in the company. Five of the AGM-elected Board members are of Swedish nationality, one of German nationality and one of Swedish and American nationality. There are four female and three male AGM-elected Board members. With the exception of the President & CEO Åsa Bergman, all AGM-elected Board members are independent in relation to Sweco. With the exception of Gunnel Duveblad, Johan Hjertonsson and Johan Nordström, the AGM-elected Board members are independent in relation to the major shareholders.

The 2021 AGM re-elected Johan Nordström as Chair of the Board. The other ordinary Board members, which all were re-elected by the 2021 AGM, are Åsa Bergman, Gunnel Duveblad, Elaine Grunewald, Alf Göransson, Johan Hjertonsson and Christine Wolff. The employee representatives are Görgen Edenhagen, Maria Ekh and Anna Leonsson with Peter Rothstein, Charlotte Berglund and Nicole Corrodi, succeeded by Patrick Sandoval as per 15 December 2021, as deputies.

See pages 132–133 for further information on members of the Board.

### Work of the Board

Apart from the statutory Board meeting held immediately following the AGM, the Board meets at least six times per year. In 2021 the Board held nine meetings, four of which were held in conjunction with publication of interim reports. Board meetings were held both physically and digitally, with all documentation distributed in advance. In conjunction with the September meeting in Antwerp, Belgium, the Board visited the Oosterweel, the project designing the way mobility in Antwerp will be organised in the near future. This includes large infrastructure projects

with motorways and a tunnel, kilometres of bicycle lanes, investments in public transport and the landscape of new city areas.

In addition to reporting on the development of Sweco's operations and finances, the Board meetings in 2021 devoted considerable attention to organic and acquisition-driven growth, the company's strategic focus, management and HR matters, sustainability, Code of Conduct, risk management, internal control matters and other matters for which decision responsibility is assigned to the Board by the rules of procedure. Executive Team members other than the President & CEO participate in Board meetings to present reports when necessary. The Board Secretary is the company's General Counsel. The company's statutory auditor takes part in at least one Board meeting per year. Attendance at Board, Audit Committee and Remuneration Committee meetings in 2021 is presented in the following table.

	Board meetings	Audit Committee	Remuneration Committee
<b>Number of meetings</b>	9	5	7
Johan Nordström	9	–	7
Åsa Bergman	9	–	–
Gunnel Duveblad	9	5	–
Elaine Grunewald	9	–	6
Alf Göransson	8	5	–
Johan Hjertonsson	8	–	7
Christine Wolff	9	5	–
Görgen Edenhagen	9	–	–
Maria Ekh	9	–	–
Anna Leonsson	9	–	–
Peter Rothstein	9	–	–
Charlotte Berglund	–	–	–
Nicole Corrodi <sup>1</sup>	–	–	–
Patrick Sandoval <sup>2</sup>	–	–	–

1) Resigned as deputy employee representative as of December 2021

2) Appointed as deputy employee representative as of 15 December 2021

### Evaluation of Board performance and its members

An annual self-assessment evaluation is conducted of the Board and its members to ensure that the Board meets the requisite performance criteria. Such an evaluation was also conducted in 2021. The results of the evaluation are discussed by the Board and reported to the Nominating Committee. The performance of the President & CEO and Executive Team is also regularly evaluated and is discussed during at least one Board meeting during which the relevant person is not present.

### Board composition and fees<sup>1</sup>

	Position	Year of birth	Nationality	Elected in	Independent larger shareholders	Board and committee fees, SEK <sup>2</sup>
Johan Nordström	Chair of the Board, Chair of the Remuneration Committee	1966	Swedish	2012	no	1,130,000
Åsa Bergman	Board member, President & CEO	1967	Swedish	2018	yes	–
Gunnel Duveblad	Board member, Chair of the Audit Committee	1955	Swedish	2008	no	690,000
Elaine Grunewald	Board member, member of the Remuneration Committee	1967	American / Swedish	2017	yes	590,000
Alf Göransson	Board member, member of the Audit Committee	1957	Swedish	2018	yes	610,000
Johan Hjertonsson	Board member, member of the Remuneration Committee	1968	Swedish	2015	no	590,000
Christine Wolff	Board member, member of the Audit Committee	1960	German	2016	yes	610,000
Görgen Edenhagen	Employee representative	1964	Swedish	2011	–	–
Maria Ekh	Employee representative	1974	Swedish	2016	–	–
Anna Leonsson	Employee representative	1971	Swedish	2005	–	–
Peter Rothstein	Deputy employee representative with right of attendance	1959	Swedish	2017	–	–
Charlotte Berglund	Deputy employee representative	1973	Swedish	2019	–	–
Patrick Sandoval	Deputy employee representative	1978	Swedish	2021	–	–

1) For the period from the 2021 AGM through the 2022 AGM.

2) Fees for work on the Board and the Audit and Remuneration Committees pursuant to the resolution of the 2021 AGM. Fees refer to remuneration paid during the period from the 2021 AGM through the 2022 AGM.

For fees expensed during 2021, see Note 6 on page 97.

## BOARD COMMITTEES

### Remuneration Committee

The statutory meeting of the Board appoints the Remuneration Committee. The members of the Committee are Johan Nordström (chair), Elaine Grunewald and Johan Hjertonsson. The tasks of the Remuneration Committee include drafting proposals for guidelines for remuneration, terms of employment, pension benefits and bonus systems for the President & CEO and other senior executives and presentation of these proposals to the Board for decision. The Remuneration Committee meets at least twice per year and held seven meetings in 2021.

### Audit Committee

The statutory meeting of the Board appoints the Audit Committee. The Audit Committee members are Gunnel Duveblad (chair), Alf Göransson and Christine Wolff. The tasks of the Audit Committee include, among others, supporting the work of the Board to ensure the quality of the company's financial reporting, oversight of the internal audit function and reporting, meeting regularly with the company's statutory auditor, assisting the Board in preparing a report on internal control and risk management, monitoring compliance status and incidents reported, monitoring significant disputes and damage claims, establishing guidelines on the non-auditing services the company may procure from its statutory auditor and evaluating the statutory auditor's performance. The Audit Committee meets at least four times per year. In 2021 the Audit Committee held five meetings. The statutory auditor attended all five committee meetings.

## REMUNERATION FOR THE BOARD AND SENIOR EXECUTIVES

### Remuneration for the Board

Board remuneration is determined by the AGM. Board fees for 2021/22 were set at SEK 4,220,000, of which SEK 1,000,000 is payable to the Chair of the Board and SEK 500,000 to each of the five AGM-elected Board members not employed in the Group. No Board fees are paid to the President & CEO or the employee representatives and deputies. Board fees are paid in two instalments during each period.

The Chair of the Remuneration Committee is paid an additional fee of SEK 130,000 and the other members of the Remuneration Committee each receive an additional fee of SEK 90,000. The Chair of the Audit Committee is paid an additional fee of SEK 190,000 and the other members of the Audit Committee each receive an additional fee of SEK 110,000.

### Remuneration for senior executives

The guidelines for salary and other remuneration to senior executives within the Sweco Group, adopted at the 2020 AGM, are shown in Note 6 on pages 95–97.

## STATUTORY AUDIT

The statutory auditor is appointed annually by the AGM. The task of the statutory auditor is to examine, on behalf of the shareholders, the company's accounting records and annual report and the administration of the company by the Board and the President & CEO.

The auditing firm PricewaterhouseCoopers AB (PwC) was re-elected by the 2021 AGM to serve as the company's statutory auditor through the conclusion of the 2022 AGM. Authorised Public Accountant Aleksander Lyckow was by the auditing firm appointed chief statutory auditor for financial year 2021. For the financial year 2021, fees for audit services totalled SEK 15 million (15) and fees for non-audit services totalled SEK 5 million (2). The non-audit services in 2021 primarily relate to assistance in relation to acquisitions and tax compliance matters. The amount of fees paid to all accounting firms is shown in Note 4 on page 95.

## PRESIDENT & CEO AND EXECUTIVE TEAM

The Board has delegated to the President & CEO the responsibility for day-to-day business operations of the company and the Group. The President & CEO supervises the business operations within the framework determined by the Board. The Board has also established instructions governing the division of responsibilities between the Board and the President & CEO, which are updated and adopted annually.

During 2021, Sweco's Executive Team comprised of the President & CEO, the CFO, the eight Business Area Presidents, the General Counsel, the Chief HR Officer, the Chief Communication Officer and, until 30 September 2021, the Chief Strategy & M&A Officer.

For more information on the Executive Team, see pages 134–135.

## BUSINESS AREAS

Sweco Group's business activities are organised in eight business areas: Sweco Sweden, Sweco Norway, Sweco Finland, Sweco Denmark, Sweco Netherlands, Sweco Belgium, Sweco UK and Sweco Germany & Central Europe. Each business area is headed by a Business Area President ("BA President") and a Business Area Finance Director ("BA Finance Director").

At least three business area management meetings are held per year for each business area. Sweco's President & CEO and CFO monitor the business areas by participating in business area management meetings with the respective BA President and BA Finance Director, as well as through ongoing contact. The President & CEO is also chair of the business areas' boards of directors. All business areas are subject to the Sweco Group rules for division of responsibilities between business area's board of directors and its BA President. Each business area consists of one or more business divisions that are organised by area of expertise. Each division may be organised by region, department or group, depending on the number of employees.

## CONSULTANTS AND LEADERSHIP

Sweco has a client-driven organisation distinguished by far-reaching decentralisation, with a high degree of autonomy for each unit. Under the Group's business model, business momentum is generated by the entire organisation and all employees take part in working with clients. With Sweco's policies and guidelines as a framework, managers at every level in the Group have explicit responsibility and authority to make autonomous decisions and develop their respective operations in line with client needs.

Sweco's size and international breadth place rigorous demands on leadership. Employee dedication and development are critical for Sweco's growth. All employee development is focused on performance, client understanding and knowledge sharing. This work is supported by the annual Sweco Talk performance review. Sweco's continued success relies on strong leaders at all levels and in all of the Group's operating and administrative areas. Sweco invests in management development to ensure strong leadership. Our skilled and committed managers help our clients achieve success and conduct good business and enable our employees to develop. Effective management succession is supported through Talent Review, a process and programme for continuous identification and development of good leaders.

## INTERNAL CONTROL, RISK MANAGEMENT AND MONITORING

### Control environment

The internal control (over financial reporting and in general) is based on the overall control environment established by the Board and the Executive Team which includes, among others, the culture and values that the Board and management communicates and operates from. Key components are the organisational structure, management philosophy and style, and responsibilities and powers that are clearly defined and communicated to all levels in the organisation.

Every year, the Board updates and adopts the rules of procedure, instructions to the President & CEO, decision making procedure and authorisation policy and a finance policy and reviews the Group's other policy documents. Rules of procedure for the local boards and instructions to the local presidents are in place in every Group company and are based on the same principles as those that apply to Sweco AB's Board. Sweco also has policies for finance, CSR information, corporate communication, information security, crisis management, data privacy, HR and quality and environment. These policies are the foundation for good internal control.

Sweco's decision making procedure and authorisation policy clearly regulates the allocation of powers at every level, from the individual consultant to the Board of Sweco AB. The areas covered include tenders, investments, rental and lease agreements, expenditures and guarantees.

The Audit Committee monitors policies and procedures on financial reporting and reporting to the Board to ensure that internal control activities focused on these matters are functioning properly. Internal controls are reviewed by Group Internal Audit, as well as the statutory auditor. The outcomes are reported to the Audit Committee.

### Risk management

The goal of Sweco's risk management is to secure the Group's long-term earnings growth and guarantee that Sweco's operations in the various business units are able to achieve their objectives.

The company's Board and senior management are ultimately responsible for risk management. Sweco's risk management covers all business areas, companies/divisions and processes in the Group. Each manager is responsible for risk management activities in his/her respective area.

Sweco's goals, which are expressed in the company's business plan and strategy, provide a foundation for the company's risk management. Risk management is based on a group-wide risk analysis. This inventory of risks is aimed at identifying the most significant risks that the Group is exposed to, the probability that these will occur and the potential impact on Sweco's goals. At the same time, the effectiveness of existing controls and risk mitigation measures are assessed. The results of the overall risk analysis have been gathered in a risk map that reflects Sweco's estimate of its risk exposure.

A report on risk management and internal control within the Group was discussed by the Board, the Audit Committee and the Executive Team. Risk management is a standing item on the agenda for each business area management meeting.

### Monitoring

Each business area has a BA Finance Director responsible for ensuring compliance with policies, and routines for financial reporting. The BA Finance Directors are also responsible for ensuring the accuracy and completeness of the reported financial information. To further enhance internal control of financial reporting, a renewed internal control framework was implemented during 2021. The Internal Control Framework is validated to track the effectiveness of significant internal controls related to the company's financial reporting as well as other key areas.

The Group's business system includes a number of functions for financial management, control and monitoring. There are project reporting systems where project managers can continuously monitor their projects and track monthly earnings and key ratios. This can also be monitored on a group, region, division and business area level. Operationally relevant key ratios can be followed up weekly on all of these levels. A group-wide consolidation is carried out every month to measure actual results against budgets and internal forecasts.

Communication about financial reporting also takes place in connection with business area management meetings, which are held regularly. An information policy defines the responsibilities and rules for communication with external parties.

### Internal audit

Sweco has a dedicated internal audit function, whose roles and responsibilities are defined in the audit charter. Group Internal Audit consists of the head of internal audit, two group internal auditors and a team of qualified (business) auditors. Business auditors are experienced financial professionals that rotate into Group Internal Audit as part of their management development.

Internal audit work is governed by the annual audit plan, which reflects risk assessment relative to the realisation of business objectives (risk-based approach). The audit plan is approved by the Audit Committee, with detailed audit assignments defined on a quarterly basis.

Audits were conducted in multiple business areas in 2021, mainly focusing on:

- (Financial) project management
- Revenue recognition
- Project governance
- Compliance to GDPR guidelines
- Compliance to internal regulations

A summary of audit findings is reported to the Audit Committee on a quarterly basis.

Read more about Sweco's risks and risk management on pages 130–131.

### INFORMATION TO THE CAPITAL MARKET

Sweco strives to provide shareholders, financial analysts, investors, the media and other interested parties with simultaneous, timely, clear and consistent information about the Group's operations, financial position and development. Sweco has an information policy that is part of the internal control environment and ensures that Sweco meets the requirements imposed on listed companies.

Sweco regularly provides the market with financial information in the form of:

- Interim and annual reports published in Swedish and English
- Press releases in Swedish and English on news and events
- Teleconferences and presentations for shareholders, financial analysts, investors and the media in connection with the publication of interim and annual reports
- Capital Market Days
- Regular meetings (both digital and physical) with the media, investors and analysts are held worldwide throughout the year.

When interim reports, annual reports and press releases are published in printed form, the material is simultaneously published on the corporate website [www.swecogroup.com](http://www.swecogroup.com), which also contains a large volume of other information that is updated on a regular basis.

## THE SWECO SHARE

Sweco AB's shares have been traded on Nasdaq Stockholm since 21 September 1998. Sweco AB's total market capitalisation at 31 December 2021 was SEK 61 billion. Share capital totalled SEK 121.1 million. The share capital is divided between 31,086,598 Class A shares and 332,164,859 Class B shares, representing 64,303,083.9 votes in the company. There are no Class C shares issued. The Class A and Class B shares are listed. Class A shares carry one vote and Class B shares carry 1/10 of one vote. Class A and Class B shares carry entitlement to dividends. Sweco's Articles of Association grant shareholders the right to convert Class A shares to Class B shares. 70,541 Class A shares were converted to Class B shares during financial year 2021 pursuant to the conversion clause in the Articles of Association. As of 31 December 2021, Sweco held a total of 5,766,387 treasury shares, all of which are Class B shares. Sweco's treasury shares do not carry voting rights.

Sweco AB had 23,749 shareholders at year-end 2021. The largest shareholders are the Nordström family (with 13.9 per cent of the share capital and 33.8 per cent of the votes), Investment AB Latour (with 26.9 per cent of the share capital and 21 per cent of the votes) and the J. Gust. Richert Memorial Foundation (with 1.7 per cent of the share capital and 9.3 per cent of the votes). Foreign investors held 23.3 per cent of the share capital and 13.2 per cent of the votes. Together, the ten largest shareholders control the equivalent of 69 per cent of the share capital and 79.1 per cent of the votes. There are no statutory restrictions and the company is not aware of any agreements between shareholders that could lead to limitations in the right to transfer shares in the company.

Sweco's dividend policy specifies that at least half of profit after tax shall be distributed to the shareholders, while also requiring that the company maintain a capital structure that provides scope to develop and make investments in the company's core business.

## DEVIATIONS FROM THE SWEDISH CORPORATE GOVERNANCE CODE

The Chair of the Board also chairs the Nominating Committee. The principal shareholders represented on the Nominating Committee in accordance with the committee's instructions deem it desirable that the committee be chaired by the representative for the largest shareholder in terms of voting power.

## Consolidated income statement

SEK M	Note	2021	2020
Net sales	2, 3, 34	21,792	20,858
Other operating income		11	7
Other external expenses	4, 5, 34	-4,234	-4,180
Personnel costs	6, 28	-14,477	-13,859
Amortisation/depreciation and impairment losses, tangible and intangible fixed assets <sup>1</sup>	3, 7	-280	-278
Depreciation and impairments, right-of-use assets	7	-733	-708
Acquisition-related items <sup>2</sup>	7	-104	-135
<b>Operating profit (EBIT)</b>	<b>3</b>	<b>1,974</b>	<b>1,706</b>
Net financial items	8, 34	-36	-46
Interest cost of leasing	8, 34	-46	-54
Other financial items	8, 34	5	2
<b>Total net financial items</b>	<b>8</b>	<b>-77</b>	<b>-98</b>
<b>Profit before tax</b>		<b>1,897</b>	<b>1,608</b>
Income tax expense	10	-405	-316
<b>PROFIT FOR THE YEAR</b>		<b>1,492</b>	<b>1,293</b>
<b>Profit for the year attributable to:</b>			
Owners of the Parent Company		1,492	1,292
Non-controlling interests		0	1
<b>Earnings per share attributable to owners of the Parent Company</b>			
	11		
Basic earnings per share, SEK		4.18	3.64
Diluted earnings per share, SEK		4.17	3.58

1) Includes tangible assets and intangible assets that are not acquisition-related.

2) Acquisition-related items consist of amortisation and impairment of goodwill and acquisition-related intangible assets; revaluation of purchase price; profits and losses on the divestment of companies, operations, land and buildings; as well as expensed cost for future service.

## Consolidated statement of comprehensive income

SEK M	Note	2021	2020
<b>Profit for the year</b>		<b>1,492</b>	<b>1,293</b>
<b>Items that will not be reversed to profit or loss</b>			
Revaluation of defined benefit pensions, net after tax	10	4	-34
<b>Total items that will not be reversed to profit or loss</b>		<b>4</b>	<b>-34</b>
<b>Items that may subsequently be reversed to profit or loss</b>			
Exchange difference on translation of foreign operations		198	-366
Hedge of net investment in subsidiary, net after tax	10	-18	52
<b>Total items that may subsequently be reversed to profit or loss</b>		<b>180</b>	<b>-314</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,676</b>	<b>945</b>
<b>Comprehensive income attributable to:</b>			
Owners of the Parent Company		1,676	945
Non-controlling interests		0	0



# Consolidated balance sheet

SEK M	Note	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>	3, 33		
<b>Non-current assets</b>			
Goodwill	13	8,143	7,593
Other intangible assets	13	284	340
Property, plant and equipment	14	510	519
Right-of-use assets	15	2,508	2,705
Investments in associates	17	2	2
Investments in joint ventures	18	0	1
Financial investments	19	10	10
Deferred tax assets	10	228	279
Other non-current receivables	22	107	100
<b>Total non-current assets</b>		<b>11,792</b>	<b>11,549</b>
<b>Current assets</b>			
Trade receivables	34	3,306	3,558
Work in progress less progress billings	23	2,643	1,891
Inventories		2	3
Current tax assets		114	10
Other current receivables	24	448	421
Prepaid expenses and accrued income	24	456	430
Cash and cash equivalents	25	896	2,088
<b>Total current assets</b>		<b>7,865</b>	<b>8,400</b>
<b>TOTAL ASSETS</b>		<b>19,657</b>	<b>19,948</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	26		
Share capital		121	121
Other contributed capital		3,088	3,088
Reserves		75	-105
Retained earnings, including profit for the year		5,311	4,445
<b>Equity attributable to owners of the Parent Company</b>		<b>8,594</b>	<b>7,548</b>
Non-controlling interests		10	10
<b>Total equity</b>		<b>8,604</b>	<b>7,557</b>
<b>Liabilities</b>	3, 33		
<b>Non-current liabilities</b>			
Non-current lease liabilities	30	1,884	2,135
Non-current interest-bearing liabilities	27	1,805	2,996
Provisions for pensions	28	158	163
Other non-current provisions	29	81	79
Deferred tax liabilities	10	544	484
Other non-current liabilities		90	105
<b>Total non-current liabilities</b>		<b>4,562</b>	<b>5,963</b>
<b>Current liabilities</b>			
Current lease liabilities	30	727	706
Current interest-bearing liabilities	27	4	34
Provisions for pensions	28	5	5
Other current provisions	29	162	100
Progress billings in excess of work in progress	23	1,557	1,592
Trade payables	34	662	461
Current tax liabilities		139	161
Other current liabilities	31	1,122	1,229
Accrued expenses and prepaid income	31	2,112	2,142
<b>Total current liabilities</b>		<b>6,490</b>	<b>6,428</b>
<b>Total liabilities</b>		<b>11,053</b>	<b>12,391</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,657</b>	<b>19,948</b>

For information about the Group's pledged assets and contingent liabilities, see Note 32.

# Consolidated cash flow statement

SEK M	Note	2021	2020
<b>Operating activities</b>			
Profit before tax		1,897	1,608
<b>Adjustments for non-cash items</b>			
Amortisation/depreciation and impairment losses	3, 7	1,114	1,071
Capital gains/losses		-21	-12
Difference between pension premiums expensed and paid		-5	-57
Expensed interest		62	83
Revaluation of additional purchase price		-16	38
Share bonus scheme and share savings scheme		153	182
Items affecting comparability <sup>1</sup>		16	290
Other items		65	-20
<b>Total non-cash items</b>		<b>1,368</b>	<b>1,573</b>
Interest leasing		-46	-54
Interest paid		-20	-33
Interest received		4	5
Income taxes paid		-432	-337
<b>Cash flow from operating activities before changes in working capital</b>		<b>2,771</b>	<b>2,761</b>
<b>Changes in working capital</b>			
Change in current receivables		-346	221
Change in current liabilities		-226	266
<b>Cash flow from operating activities</b>		<b>2,199</b>	<b>3,249</b>
<b>Investing activities</b>			
Purchase of intangible assets		-44	-46
Disposal of intangible assets		8	0
Purchase of property, plant and equipment		-199	-187
Disposal of property, plant and equipment		6	13
Acquisition of subsidiaries and operations, net cash effect	12	-363	-535
Divestiture of subsidiaries and operations, net cash effect	12	17	-
Divestiture of associated companies		1	4
Acquisition of financial investments		0	0
Change in non-current receivables		-2	5
<b>Cash flow from investing activities</b>		<b>-578</b>	<b>-746</b>
<b>Financing activities</b>			
Capital distribution to owners of the Parent Company	26	-782	-732
Capital distribution to non-controlling interests		0	0
Borrowings		2,797	2,007
Repayment of borrowings		-4,113	-1,630
Principal elements of lease payments		-743	-700
<b>Cash flow from financing activities</b>	27	<b>-2,841</b>	<b>-1,056</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-1,220</b>	<b>1,447</b>
Cash and cash equivalents at beginning of year	25	2,088	660
Foreign exchange differences in cash and cash equivalents		28	-19
<b>Cash and cash equivalents at end of year</b>	25	<b>896</b>	<b>2,088</b>

1) Items affecting comparability refer to write-downs of work in progress less progress billings in Sweco's German operation.

## Consolidated statement of changes in equity

SEK M	Note	Share capital	Other contributed equity	Reserves	Retained earnings	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
<b>Equity at 1 January 2020</b>		121	3,088	209	3,736	7,154	10	7,164
Profit for the year		–	–	–	1,292	1,292	1	1,293
Other comprehensive income for the year		–	–	-314	-34	-348	0	-348
Comprehensive income for the year		–	–	-314	1,259	945	0	945
Capital distribution to the shareholders – dividend	26	–	–	–	-732	-732	0	-733
Share bonus scheme – value of employee service		–	–	–	177	177	–	177
Share savings scheme – value of employee service		–	–	–	5	5	–	5
<b>EQUITY AT 31 DECEMBER 2020</b>		121	3,088	-105	4,445	7,548	10	7,557
Profit for the year		–	–	–	1,492	1,492	0	1,492
Other comprehensive income for the year		–	–	180	4	184	0	184
Comprehensive income for the year		–	–	180	1,496	1,676	0	1,676
Capital distribution to the shareholders – dividend	26	–	–	–	-782	-782	0	-782
Share bonus scheme – value of employee service		–	–	–	146	146	–	146
Share savings scheme – value of employee service		–	–	–	6	6	–	6
<b>EQUITY AT 31 DECEMBER 2021</b>		121	3,088	75	5,311	8,594	10	8,604
<b>Proposed capital distribution to the shareholders</b>								
Dividend	26, 36				-890	-890		-890

## Parent Company income statement

SEK M	Note	2021	2020
Net sales	3, 34	946	874
<b>Total operating income</b>		<b>946</b>	<b>874</b>
Other external expenses	3, 4, 5, 34	-867	-766
Personnel costs	6	-108	-97
Amortisation/depreciation and impairment losses	3, 7	-43	-45
<b>Total operating expenses</b>		<b>-1,018</b>	<b>-909</b>
<b>Operating profit/loss</b>	<b>3</b>	<b>-72</b>	<b>-35</b>
Profit from investments in group companies	8	904	1,079
Financial income	8, 34	25	30
Financial expenses	8, 34	-40	-38
<b>Net financial items</b>	<b>8</b>	<b>889</b>	<b>1,071</b>
<b>Profit after net financial items</b>		<b>817</b>	<b>1,036</b>
Appropriations	9	-110	-180
<b>Profit before tax</b>		<b>707</b>	<b>856</b>
Income tax expense	10	-68	-117
<b>PROFIT FOR THE YEAR</b>		<b>639</b>	<b>739</b>

## Parent Company statement of comprehensive income

SEK M	2021	2020
Profit for the year	639	739
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>639</b>	<b>739</b>

# Parent Company balance sheet

SEK M	Note	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>	<b>3, 33</b>		
Intangible assets	13	19	24
Property, plant and equipment	14	70	60
<b>Financial assets</b>			
Investments in group companies	16	4,669	4,669
Receivables from group companies	21	1,833	1,832
Other non-current securities	20	1	1
Other non-current receivables		44	39
<b>Total financial assets</b>		<b>6,547</b>	<b>6,541</b>
<b>Total non-current assets</b>		<b>6,636</b>	<b>6,625</b>
<b>Current assets</b>			
Receivables from group companies	21	1,329	2,944
Current tax assets		54	8
Other receivables	24	23	7
Prepaid expenses and accrued income	24	257	246
Cash and bank	25	335	1,387
<b>Total current assets</b>		<b>1,998</b>	<b>4,593</b>
<b>TOTAL ASSETS</b>		<b>8,634</b>	<b>11,218</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>	26		
Share capital		121	121
Statutory reserve		188	188
Development expenditure fund		11	13
<b>Total restricted equity</b>		<b>320</b>	<b>322</b>
<i>Non-restricted equity</i>	26		
Share premium reserve		2,900	2,900
Retained earnings		824	712
Profit for the year		639	739
<b>Total non-restricted equity</b>		<b>4,363</b>	<b>4,351</b>
<b>Total equity</b>		<b>4,683</b>	<b>4,673</b>
<b>Untaxed reserves</b>	9	<b>764</b>	<b>654</b>
<b>LIABILITIES</b>	<b>3, 33</b>		
<b>Non-current liabilities</b>			
Liabilities to credit institutions	27	1,650	2,866
Other non-current liabilities	27	44	39
<b>Total non-current liabilities</b>		<b>1,694</b>	<b>2,906</b>
<b>Current liabilities</b>			
Trade payables		83	38
Liabilities to group companies		1,368	2,908
Other current liabilities	31	2	3
Accrued expenses and prepaid income	31	40	35
<b>Total current liabilities</b>		<b>1,493</b>	<b>2,985</b>
<b>Total liabilities</b>		<b>3,187</b>	<b>5,891</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,634</b>	<b>11,218</b>

For information about the Parent Company's pledged assets and contingent liabilities, see Note 32.

# Parent Company cash flow statement

SEK M	Note	2021	2020
<b>Operating activities</b>			
Profit after net financial items		817	1,036
<b>Adjustments for non-cash items</b>			
Amortisation/depreciation and impairment losses	7	43	45
Group contributions	8	-552	-765
Difference between interest recognised and received/paid	8	0	1
Other items		12	12
<b>Total non-cash items</b>		<b>320</b>	<b>328</b>
Income taxes paid		-114	-93
<b>Cash flow from operating activities before changes in working capital</b>		<b>206</b>	<b>235</b>
<b>Changes in working capital</b>			
Change in current receivables		1,566	303
Change in current liabilities		-1,490	487
<b>Cash flow from operating activities</b>		<b>282</b>	<b>1,025</b>
<b>Investing activities</b>			
Purchase of intangible assets	13	-6	-13
Purchase of property, plant and equipment	14	-42	-32
Acquisition of subsidiaries, net cash effect	16	-	17
Group contributions <sup>1</sup>		765	547
<b>Cash flow from investing activities</b>		<b>-48</b>	<b>-28</b>
<b>Financing activities</b>			
Capital distribution to owners of the Parent Company	26	-782	-732
Borrowings		2,796	1,962
Repayment of borrowings		-4,064	-1,571
<b>Cash flow from financing activities</b>		<b>-1,285</b>	<b>205</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-1,051</b>	<b>1,203</b>
Cash and cash equivalents at beginning of year	25	1,387	184
Cash and cash equivalents at end of year	25	335	1,387

1) Group contributions have been reclassified from financing activities to investing activities during the year and for the comparative year.

## Parent Company statement of changes in equity

SEK M	Note	Share capital	Statutory reserve	Development expenditure fund	Total restricted	Share premium reserve	Retained earnings	Total non-restricted	Total equity
<b>Equity at 1 January 2020</b>	26	121	188	24	333	2,900	1,247	4,147	4,480
Profit for the year		–	–	–	–	–	739	739	739
Comprehensive income for the year		–	–	–	–	–	739	739	739
Capital distribution to the shareholders – dividend		–	–	–	–	–	-732	-732	-732
Development expenditure fund		–	–	-11	-11	–	11	11	–
Share bonus scheme – value of employee service		–	–	–	–	–	177	177	177
Share savings scheme – value of employee service		–	–	–	–	–	9	9	9
<b>EQUITY AT 31 DECEMBER 2020</b>	26	121	188	13	322	2,900	1,451	4,351	4,673
Profit for the year		–	–	–	–	–	639	639	639
Comprehensive income for the year		–	–	–	–	–	639	639	639
Capital distribution to the shareholders – dividend		–	–	–	–	–	-782	-782	-782
Development expenditure fund		–	–	-3	-3	–	3	3	–
Share bonus scheme – value of employee service		–	–	–	–	–	147	147	147
Share savings scheme – value of employee service		–	–	–	–	–	6	6	6
<b>EQUITY AT 31 DECEMBER 2021</b>		121	188	11	320	2,900	1,463	4,363	4,683
<b>Proposed capital distribution to the shareholders</b>									
Dividend	26, 36						-890	-890	-890

# Notes

Amounts in SEK M unless otherwise specified.

## 1 SIGNIFICANT ACCOUNTING POLICIES

### Compliance with norms and laws

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Commission for application in the EU. The Annual Accounts Act and RFR 1, Supplementary Accounting Rules for Groups, have also been applied.

The Parent Company applies the same accounting policies as the Group, except in those cases described under "Parent Company accounting policies".

The annual report and consolidated financial statements were approved for publication by the Board of Directors on 18 March 2022. The income statements and balance sheets of the Parent Company and the Group will be presented to the Annual General Meeting for adoption on 21 April 2022.

Amounts in brackets refer to the corresponding period of the previous year. Because table items are individually rounded off, table figures do not always tally.

### Basis of preparation of the consolidated and Parent Company financial statements

Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are reported at fair value. Financial assets and liabilities reported at fair value consist of derivatives, financial assets classified as financial assets at fair value through profit and loss, and available-for-sale (AFS) financial assets.

### Functional currency and presentation currency

The functional currency of the Parent Company is Swedish kronor (SEK), which is also the presentation currency of the Group. The financial statements are therefore presented in SEK.

### Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires Sweco's senior management to make judgments, estimates and assumptions that affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assumptions.

Estimates and assumptions are evaluated on a regular basis. Changes in estimates are recognised during the period the change occurs (if the change affects only that period) or during the period the change occurs and subsequent periods (if the change affects both).

Note 37 provides details on the inputs and assessments used by Sweco's senior management that have a significant impact on the financial statements, as well as estimates that may result in significant adjustments to subsequent financial statements.

### Significant accounting policies applied

The stated accounting policies for the Group have been consistently applied in the periods presented in the consolidated financial statements, unless otherwise stated below. The Group's accounting policies have been consistently applied by all companies in the Group; when necessary, there is also alignment with Group policies on the part of associated companies.

### Changed accounting policies

#### *Changes in accounting policies resulting from new, revised or amended IFRS*

The Group applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2021: IFRS 16 – standard amended to provide rent relief due to Covid-19 – and IBOR reform, phase 2. The amendments listed did not have any significant impact on the consolidated financial statements.

#### *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published but are not mandatory for the reporting period ending 31 December 2022. These standards and interpretations have not been adopted in advance and are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions.

### Alternative Performance Measures

Alternative Performance Measures (APM) are measures of operating results and financial performance that are not specified or defined in IFRS. The presentation of non-IFRS financial measures is limited as an analytical tool and should not be used as a substitute for key ratios pursuant to IFRS. Sweco believes that the APMs will enhance investors' evaluation of ongoing operating results, aid in forecasting future periods and facilitate meaningful comparison of results between periods. The non-IFRS financial measures presented in this report may differ from similarly titled measures used by other companies. Below follows a more detailed description of the most important APMs. A complete list of all Sweco's definitions can be found on page 136.

- Organic growth adjusted for calendar – Organic growth adjusted for calendar is calculated as growth in net sales in local currency, excluding the impact of acquisitions and disposals and estimated calendar effect. The calendar effect constitutes an estimated difference in the number of normal working hours, based on a 12-month sales-weighted business mix between the years. Sweco considers organic growth adjusted for calendar a relevant measure for comparing and monitoring underlying growth in net sales.
- EBITA – EBITA is the Group's key metric of operational performance on Group and BA level. Sweco's EBITA measure is defined as earnings before interest, taxes and acquisition-related items. All leases are treated as operational leases, with the total cost of the lease affecting EBITA. Acquisition-related items are amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of purchase price and profit and loss on divestment of companies and operations, profit and loss on the divestment of buildings

and land, and expensed cost for future service. Acquisition-related items do not include transaction costs, integration costs or similar expenses, and these costs therefore impact EBITA. EBITA is considered a relevant measure since it facilitates equalised result comparisons between operational, cash-flow-generating business areas.

- Items affecting comparability – To assist in understanding its operations, Sweco believes that it is useful to consider certain measures and ratios exclusive of items affecting comparability. Items affecting comparability include items that are non-recurring, have a significant impact and are considered to be important for understanding operating performance when comparing results between periods. Items affecting comparability pertain to significant amounts related to restructuring and integration costs, acquisition and divestment costs, project write-downs and other one-off items. All measures and ratios have been disclosed, initially including items affecting comparability and subsequently, as a second measure when deemed appropriate, excluding items affecting comparability.
- Net debt/EBITDA – Net debt/EBITDA is Sweco's key metric for financial strength. The definition is materially in line with the covenant definitions in Sweco's bank financing agreements.
- Net debt – Net debt is defined as financial debt (almost exclusively comprised of interest-bearing bank debt), less cash and cash equivalents and short-term investments. Lease liabilities are excluded from net debt. Net debt is considered a relevant measure to understand Sweco's indebtedness.
- EBITDA – Just as with EBITA, EBITDA is calculated assuming all leases to be operational.

### Classifications

Non-current assets and non-current liabilities are essentially comprised of amounts expected to be recovered or settled later than 12 months after the balance sheet date. Current assets and current liabilities are essentially comprised of amounts that are expected to be recovered or settled within 12 months of the balance sheet date.

### Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Within Sweco, operating segments are defined by geography and reflect the operational structure, i.e. business areas of the Group. Business area results are reviewed regularly by the CEO. For additional information about the division into and presentation of operating segments, see Note 3.

### Basis of consolidation

#### *Subsidiaries*

Subsidiaries are all entities over which Sweco AB has a controlling interest, meaning that Sweco AB has influence over the investment object, is exposed to or has the right to variable return by virtue of its involvement, and can exert its control over the investment to influence returns. Potential share voting rights and the existence or nonexistence of de facto control are factors in determining whether controlling interest exists.

All subsidiaries are consolidated pursuant to the acquisition method of accounting, whereby the acquisition of a subsidiary is regarded as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. An acquisition analysis establishes the fair value of the identifiable assets acquired and liabilities assumed as at acquisition, as well as any non-controlling interest in the acquiree. Acquisition-related costs, except for those associated with the issue of equity or debt instruments, are recognised as other external expenses.

In business combinations where the fair value of consideration is transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree (during step-by-step acquisitions) exceeds the Group's share in the fair value of net identifiable assets acquired and liabilities assumed, the difference is recorded as goodwill. When the difference is negative, the resulting gain is recognised as a bargain purchase directly in profit and loss.

The consideration transferred for the acquisition of a subsidiary does not include amounts related to the settlement of pre-existing business relationships. Such amounts are recognised in profit and loss.

Any payable contingent purchase consideration is reported at fair value at the acquisition date. If the contingent consideration is classified as an equity instrument, it is not remeasured and settlement is recognised in equity. Otherwise, the fair value of contingent purchase consideration is remeasured at each reporting date and the change is recognised in profit and loss.

Non-controlling interest refers to acquisitions in which less than 100 per cent of the subsidiary is acquired. Non-controlling interests are reported either as a proportional share of net assets, or at fair value (signifying that the non-controlling interests have a share in goodwill). The choice between these two methods can be made on an acquisition-by-acquisition basis.

For step-by-step acquisitions, the amount of goodwill is determined on the date when control is obtained. Any previously held equity interests are reported at fair value and changes in value are recognised in profit and loss.

Partial divestments of subsidiaries that result in loss of control are reported at fair value and changes in value are recognised in profit and loss.

For acquisitions conducted between 1 January 2004 and 31 December 2009 in which the acquisition cost exceeded the fair value of identifiable assets and liabilities acquired, the difference was recognised as goodwill. Acquisition-related costs incurred by the Group in connection with business combinations were capitalised as part of the acquisition cost.

For acquisitions conducted prior to 1 January 2004, impairment-tested goodwill was recognised as acquisition cost corresponding to the carrying amount pursuant to previously applied accounting policies. As of 1 January 2004, in preparing the Group's opening balance in accordance with IFRS the classification and accounting treatment of business combinations prior to 1 January 2004 were not restated in accordance with IFRS 3.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.



Subsidiaries' accounting policies have been changed when necessary to align them with the policies adopted by the Group.

Losses attributable to non-controlling interests are allocated even in the event that doing so results in a deficit equity balance.

Acquisitions from non-controlling interests are recognised as equity transactions, i.e., transactions between owners of the Parent Company (retained earnings) and non-controlling interests. As a result, no goodwill arises in these transactions. Changes in non-controlling interests are based on their proportionate share in net assets.

A change in the ownership interest of a subsidiary, without loss of control, is reported as an equity transaction, i.e., a transaction between owners of the Parent Company and non-controlling interests. The difference between the consideration received and the non-controlling interests' proportionate share in acquired net assets is recognised in retained earnings.

#### *Associated companies*

Associated companies are entities over which the Group has significant, but not controlling, influence over operating and financial policies, normally through ownership of 20 to 50 per cent of the voting power. From the date on which the significant influence passes to the Group, investments in associates are reported according to the equity method of accounting, whereby the Group's carrying amount for the investment in an associate corresponds to the Group's share in the fair value of net assets of the associated company as well as goodwill and the effects of any fair value adjustments. In the consolidated income statement, shares in profit and loss attributable to Parent Company shareholders (adjusted for amortisation, impairment losses or reversals on goodwill or negative goodwill) are reported in other financial items. These shares in profit, less dividends received from associated companies, constitute the main change in the carrying amount of investments in associates. The Group's share in other comprehensive income of associates is reported on a separate line in the Group's comprehensive income.

Upon acquisition of the investment in an associate, any difference (whether positive or negative) between the acquisition cost and the investor's share of the fair value of the net identifiable assets, including contingent liabilities of the associated company, is reported in accordance with the same principles applied for the acquisition of subsidiaries.

Transaction costs, other than those attributable to the issue of equity or debt instruments, are reported as other external costs. When the Group's share in reported losses of an associated company exceeds the carrying amount of the Group's investment in the associated company, the value of the investment is reduced to zero. Losses are also deducted from long-term interests that, in substance, form part of the investor's net investment in the associated company. Additional losses are recognised to the extent the Group has furnished guarantees to cover associated company losses. The equity method is applied until the date on which the significant influence ceases.

#### *Joint arrangements*

Joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations of each investor. Sweco AB has evaluated its joint arrangements and determined that Sweco ÅF Healthcare Systems AB is classified as a joint operation and that the Group otherwise only has insignificant joint ventures. Joint ventures are reported under the equity method, while joint operations are reported using the Group's share of the operation's income, expenses, assets and liabilities. Under the equity method, joint ventures are initially reported at cost in the consolidated statement of financial position. The carrying amount is then increased or decreased to reflect the Group's share in the profit and other comprehensive income of its joint ventures after the acquisition date. The Group's share of profit is included in consolidated income and its share of other comprehensive income in other comprehensive income. The equity method is applied from the date on which joint control is obtained and until the date on which joint control ceases.

#### *Transactions eliminated on consolidation*

All intra-group receivables and liabilities, income or expenses, and unrealised gains or losses arising from intra-group transactions are eliminated in full in the presentation of the consolidated financial statements. Unrealised gains arising on transactions with associated companies and joint ventures are eliminated to the extent corresponding to the Group's interest in the company. Unrealised losses are similarly eliminated unless they provide evidence of impairment.

#### **Foreign currency**

##### *Transactions in foreign currency*

Transactions in foreign currencies are translated to the functional currency at the rate of exchange on the transaction date. The functional currency is the currency of the primary economic environment in which the company operates. Monetary assets and liabilities in foreign currency are translated to the functional currency at the closing day rate. Translation differences arising from translation are recognised in profit and loss.

##### *Financial statements of foreign operations*

Assets and liabilities in foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated from the foreign operation's functional currency to the Group's presentation currency (SEK) at the closing day rate of exchange. Income and expenses in foreign operations are translated to SEK at an average rate that is a reasonable approximation of actual rates on the respective transaction dates. Translation differences arising on translation of foreign operations are recognised in the statement of comprehensive income and accumulated as a separate component of equity (reserves). When a foreign operation is disposed of, the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated in the separate component of equity related to that foreign operation, is recognised in profit and loss when the gain or loss on disposal is recognised. Sweco has no group companies in countries with hyperinflationary economies.

The following exchange rates were used for translation of the most significant currencies:

	2021		2020	
	Closing	Average	Closing	Average
EUR	10.28	10.14	10.05	10.48
NOK	1.03	1.00	0.96	0.98
DKK	1.38	1.36	1.35	1.41
GBP	12.23	11.80	11.22	11.79

On consolidation, translation differences arising from the translation of net investments in foreign operations and other currency instruments designated as hedges of such investments are recognised in the statement of comprehensive income and accumulated in other reserves in equity, to the extent that the hedge is effective. The ineffective portion is recognised in the consolidated income statement. When a foreign operation is disposed of, the cumulative amount of the exchange differences related to that foreign operation, after deduction of any currency hedges, is reclassified from equity to profit and loss.

#### *Net investments in foreign operations*

Monetary non-current receivables from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, part of Sweco's net investment in the foreign operation. Exchange differences arising on monetary non-current items are recognised in other comprehensive income and accumulated in a separate component of equity (translation reserve). When a foreign operation is disposed of, the cumulative amount of the exchange differences attributable to monetary non-current items is included in the cumulative exchange differences that are reclassified from the translation reserve in equity to profit and loss.

#### **Revenue**

##### *Contracts*

Revenue can only be recognised if there is a contract with the client. Several criteria, such as terms of payment and services to be transferred, must be fulfilled in order for the contract to be enforceable.

##### *Performance obligations*

Work that has been promised to the client under the contract is referred to as a "performance obligation". Performance obligations are assessed and identified at contract inception. Sweco's obligations towards its clients are derived from the contracts, most of which include only one performance obligation.

For contracts that include multiple obligations, Sweco in some cases bundles these obligations into one performance obligation based on the level of integration between the obligations. Under the standard, it is acceptable to bundle together multiple obligations to form a new, distinct obligation if certain criteria are fulfilled. An obligation is distinct when the client can benefit from the service on its own, or when the service is separately identifiable. Factors Sweco then considers are the point in time at which the client can generate economic benefits, and the relationship and level of integration between the different services Sweco provides.

##### *Transaction price*

The transaction price is the price that is allocated to the performance obligations. The transaction price is the amount to which Sweco expects to be entitled in exchange for the transfer of goods or services; it may include fixed and/or variable amounts. Variable consideration can either increase or decrease the transaction price. If this is specified in the contract, it needs to be estimated and reflected in the transaction price and reassessed on a continuous basis. Variable consideration in Sweco's client contracts primarily includes incentives and performance bonuses, as well as penalties for delay.

##### *Allocation*

The transaction price is allocated to each performance obligation based on a relative stand-alone selling price. The stand-alone selling price is determined at contract inception and allocated based on each item's relative value to the total value of the goods/services. The stand-alone selling price is the price for that good or service when it is sold separately in similar circumstances to similar clients. Sweco uses one of the following methods if the good/service is not sold in a similar situation:

- Adjusted market assessment approach
- Expected cost plus a margin approach

##### *Recognition*

Revenue is recognised as performance obligations are satisfied and control has passed, either over time or at a point in time. Revenue can be recognised over time if Sweco's performance does not create an asset with an alternative use to the entity, and Sweco has an enforceable right to payment for performance completed to date. This is applicable to Sweco's consulting services.

The assessment of whether an asset has an alternative use is made at contract inception and is not reassessed. Sweco considers the ability to redirect a product that is partially completed to another client, considering both formal and practical limitations. A substantive contractual restriction that limits management's ability to redirect the asset indicates that the asset has no alternative use. Practical limitations, such as significant costs required to rework the asset so it can be directed to another client, indicate that the asset has no alternative use. The "no alternative use" requirement is met in Sweco's client contracts, as large parts of Sweco's services are unique and are adapted to our client's specific requirements.

A right to payment exists if Sweco is entitled to payment for performance completed to date in the event the client terminates the contract for reasons other than Sweco's non-

performance. Sweco's assessment of the enforceability of the right to payment includes consideration of the contract terms and any legal precedent. Sweco's right to payment needs to cover cost plus a reasonable profit margin, and not only compensation for costs incurred.

Since performance obligations are satisfied over time, Sweco must measure its progress towards completion to determine the timing of revenue recognition. The purpose of measuring progress toward completion of a performance obligation is to recognise revenue in a pattern that reflects the transfer of control of the promised good or service to the client. The progress evaluation is done per performance obligation and not per contract. Sweco uses the input method "cost incurred in relation to total estimated cost" to measure progress towards completion.

An anticipated loss on a contract is recognised immediately in the income statement.

#### *Contract modifications*

A contract modification is a change to an existing contract. A contract modification might change the contract's scope, price, or both. A contract modification exists when the parties to the contract approve the modification. An assessment is often needed to determine whether changes to existing rights and obligations should have been accounted for as part of the original contract, or as a separate contract. Contract modifications can be accounted for either as a separate contract, prospectively, or as a catch-up adjustment. The nature of the modification determines the way it is accounted for.

#### *Contract cost*

In projects, cost may be incurred before services are transferred to the client. These may include the incremental cost of obtaining a contract and the cost to fulfil a contract. The external costs incurred before transferring services to the client include sales commissions payable in the event Sweco wins the contract and specific guarantee costs for longer projects. If a project is planned to last more than 12 months, external contract costs will be capitalised as an asset and amortised during the project if the cost is expected to be recovered. Sweco applies the practical expedient, which means that contract costs will not be capitalised if the contract is shorter than 12 months.

#### *Contract assets and liabilities*

In the balance sheet, service contracts are recognised at the value of the work performed less confirmed losses and anticipated loss risks. Service contracts where the value of work in progress exceeds progress billings are reported among receivables as work in progress less progress billings, contract assets. Service contracts in which the value of progress billings exceeds the value of work in progress are reported among liabilities as progress billings in excess of work in progress, contract liabilities.

#### **Financial income and expenses**

Net financial items consist of interest expenses on credit facilities and other costs related to credit facilities less interest income on cash and cash equivalents and short-term investments.

Interest cost of leasing consists of the interest cost of leases.

Other financial items consist of profit from participations in associated companies, capital gain/loss from sale of participations in associated companies, dividends and fair value on financial assets at fair value, foreign exchange gains and losses on financial assets and liabilities, and other interest income and interest expenses.

Interest on financial instruments is calculated using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received between the parties to the contract, transaction costs and any other discounts and premiums. Dividend income is recognised when the right to payment has been established. Gains/losses on the sale of financial instruments are recognised when the risks and rewards of ownership of the instrument have been transferred to the buyer and the Group no longer has control over the instrument.

All borrowing costs are recognised in the income statement through the application of the effective interest method, regardless of how the borrowed funds were utilised. Exchange gains and losses are reported net. Exchange gains and losses arising on operating receivables and liabilities are recognised in operating profit, while those arising on financial assets and liabilities are recognised in other financial items or in other comprehensive income.

#### **Financial instruments**

Financial instruments recognised on the asset side of the balance sheet include cash and cash equivalents, loans and receivables, financial investments and derivatives. On the liability side, these include trade payables, borrowings and derivatives.

#### *Recognition and derecognition of assets and liabilities*

A financial asset or liability is recognised in the balance sheet when the company initially becomes a party to the contractual terms of the instrument. Trade receivables are recorded in the balance sheet when an invoice has been issued. Financial liabilities are recognised when the counterparty has performed applicable services and there is contractual obligation to pay, even if no invoice has been received. Trade payables are recorded when an invoice has been received.

A financial asset is derecognised from the balance sheet when the company's rights under the agreement are realised, expire, or the company has relinquished control of the asset. The same applies to a part of a financial asset. A financial liability is derecognised from the balance sheet when the obligation specified in the agreement is discharged or otherwise extinguished. The same applies to a part of financial liability.

A financial asset and a financial liability are set off and netted in the balance sheet only when a legal right of set-off exists and there is an intent and ability to set off and net these items, or to simultaneously realise the asset and settle the liability.

The purchase or sale of a financial asset is recognised on the trade date, which is the date on which the transaction takes place, except when the company acquires or sells listed securities, in which case settlement date accounting is applied.

The fair value of a listed financial asset corresponds to the asset's quoted market price on the balance sheet date.

#### *Classification and measurement*

The classification of financial instruments is based on the entity's business model for managing the financial instruments, and on the contractual cash flows that are characteristic of the financial asset.

There are three types of financial assets:

- Equity instruments – can be measured at fair value through profit and loss or fair value through other comprehensive income. Items reported at fair value through other comprehensive income cannot be reversed to profit and loss when the instrument is derecognised from the balance sheet.
- Derivatives – are measured at fair value through profit and loss.
- Debt instruments – are defined as all other financial instruments that are not equities or derivatives. Debt instruments can be measured at fair value through profit and loss, fair value through other comprehensive income, or at amortised cost. Debt instruments held for trading are measured at fair value through profit and loss. Debt instruments, where the entity may intend both to sell the financial asset and to collect contractual cash flows comprised solely of principal and interest payments, are measured at fair value through other comprehensive income. Debt instruments measured at amortised cost is used when the entity's business model is to hold and collect contractual cash flows comprised solely of principal and interest payments.

The entity's purpose for holding financial assets determines the business model classification:

- Hold to collect – generating value by collecting contractual cash flows. Measured at amortised cost.
- Hold to collect and sell – generating value by collecting contractual cash flows and, to some extent, selling the asset. Measured at fair value through other comprehensive income.
- Other – generating value through trading and market valuation. Measured at fair value through profit and loss.

#### *Financial investments*

Financial investments comprise either financial assets or short-term investments, depending on the period or intent of the holding. If the maturity or expected holding period is longer than one year, investments are recognised as financial assets; if less than a year, they are recognised as short-term investments. The business model is holding to collect and sell, and these shares are measured at fair value through other comprehensive income.

#### *Other non-current receivables*

Other non-current receivables are measured at amortised cost and comprised of lease receivables related to insurance reimbursement, employee cars, endowment insurance, deposits and other receivables.

#### *Current receivables and cash and cash equivalents*

Current receivables in Sweco consist mainly of trade receivables. Trade receivables arise when Sweco provides goods or services directly to a client. Cash and cash equivalents comprise cash, bank balances and other short-term investments with original maturities of less than three months. Highly liquid short-term investments are investments that are readily convertible to known amounts of cash and for which a buyer is not required for sale to be effectuated. Cash and cash equivalents are held solely to collect contractual cash flows. The business model for both trade receivables and cash is hold to collect, and these receivables are measured at amortised cost.

#### *Derivatives*

Sweco Group's derivative instruments are comprised of currency forward contracts that reduce the risk of exchange rate fluctuations. All derivatives are initially reported at fair value, signifying that transaction costs are charged to profit and loss for the current period. Derivatives are subsequently reported at fair value, and changes in fair value are recognised directly in the income statement within operating profit and loss when the criteria for hedge accounting have not been met.

#### *Financial liabilities*

In Sweco, financial liabilities consist of liabilities to credit institutions, other non-current liabilities and trade payables, and are measured at amortised cost with the exception of contingent consideration, which is measured at fair value through profit and loss.

The categories in which the Group's financial assets and liabilities are grouped are presented in Note 33, Financial Instruments by Category.

#### **Expected credit losses on contract assets**

A forward-looking model is used to recognise expected credit losses for contract assets and trade receivables. Sweco has chosen the standard's simplified approach with lifetime expected credit losses. Sweco uses a provision matrix that divides clients into two segments: the private sector and the public sector. When assessing the probability of default and clients' inability to pay Sweco's invoices in the future, consideration is taken of an anticipated change in the economic environment in each segment, given the location of Sweco's clients. Provisions for doubtful trade receivables stemming from previous major acquisitions are exempted from the expected credit loss provision. For more information, see Note 34.

## Hedge accounting

### Net investments in foreign companies

Hedge accounting is applied to investments made in Finland (mainly FMC Group) and the Netherlands (mainly Grontmij Group), and associated loan financing. Net investments in foreign operations are hedged by raising foreign currency loans that are reported at the rate of exchange on the balance sheet date. Translation differences in the foreign currency loan are recognised as hedges of the net investment in a subsidiary and are included in other comprehensive income. Through hedge accounting, the asset (net investment in a foreign operation) and liability (foreign currency loan) are linked to each other; accordingly, only net changes in value are recognised in other comprehensive income.

### Receivables and liabilities in foreign currency

Currency forward contracts are used to hedge assets and liabilities against currency risk. Hedge accounting is not used. The underlying asset or liability and the hedge instrument are both translated at the rate of exchange on the balance sheet date, and exchange gains and losses are recognised through profit and loss. Changes in the fair value of operating receivables and liabilities are recognised in operating profit, while changes in the fair value of financial assets and liabilities are recognised in other financial items.

## Intangible assets

### Goodwill

Goodwill represents the difference between the historical cost of the acquisition and the fair value of the Group's share of the acquired assets, assumed liabilities and contingent liabilities.

For goodwill arising from acquisitions conducted prior to 1 January 2004, the carrying amount is the Group's historical cost. Goodwill is recognised at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units and is not amortised; it is tested for impairment annually (see section on impairment). Goodwill arising on acquisition of associated companies is included in the carrying amount of the shares in the associated company.

### Capitalised development expenditures

Costs for research aimed at obtaining new scientific or technical knowledge are expensed when incurred.

Costs for development, where knowledge is used to achieve new or improved products or processes, are recognised as an asset in the balance sheet only when the technical and commercial feasibility of the product or process has been established, the Group has adequate resources to complete development, and the Group intends and is able to complete development of the intangible asset and either use it or sell it. It must also be possible to demonstrate how the asset will generate probable future economic benefits and to reliably measure expenditure attributable to the asset during its development. The carrying amount includes the costs of materials, direct employment costs and indirect costs that can be attributed to the asset in a reasonable and consistent manner. Other development expenditures are recognised as costs in the income statement as incurred. Capitalised development expenditures are carried at cost less any accumulated amortisation and impairment losses.

### Capitalisation of intangible assets in acquisitions

The value of order backlog, client relationships and brands/trademarks are recognised in conjunction with an acquisition. The capitalised order backlog refers to operating profit on fixed orders at the acquisition date. Client relationships and brands/trademarks are reported at fair value at acquisition date less accumulated depreciation.

### Subsequent expenditure

Subsequent expenditure on a capitalised intangible asset is recognised as an asset in the balance sheet only when the expenditure increases future economic benefits of the specific asset and the expense can be measured reliably.

### Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of "qualifying assets" are capitalised as part of the cost of the asset. A qualifying asset is an asset that takes a substantial period of time to prepare for its intended use or sale. The Group capitalises borrowing costs primarily on borrowings that are specific to the qualifying asset and, alternatively, on borrowing costs arising from general borrowings that are not specific to any other qualifying asset. The Group's centrally set internal interest rate is used to determine the interest rate for capitalised borrowing costs.

### Amortisation

Amortisation is recognised in profit and loss on a straight-line basis over the estimated useful life of the intangible asset for amortisable assets, with the exception of order backlog, for which the estimated useful life is not straight-lined; see below. Goodwill, which has an indefinite useful life, is not amortised but is rather impairment tested. Amortisable intangible assets are amortised from the date on which they become available for use. The estimated useful lives are:

– capitalised development expenditures	5 years
– licences	3–5 years
– client relationships	5–8 years
– trademarks	1–3 years
– order backlog	expensed based on estimated useful lives

## Property, plant and equipment

An item of property, plant and equipment is recognised as an asset in the balance sheet when it is probable that the economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses.

Historical cost includes the purchase price and all directly attributable costs necessary to bring the asset to its required working condition. Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial amount of time to prepare for its intended use or sale are included as part of the cost of that asset.

Items of property, plant and equipment consisting of identifiable parts with different useful lives are treated as separate components of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised in the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on sale arising from the disposal of an asset is the difference between any disposal proceeds and the carrying amount of the asset less direct sales costs and is recognised in the income statement either in other operating income/expenses or acquisition-related items, depending on type of asset. Capital gains or losses on the sale of land and buildings are recognised in acquisition-related items, while other asset types are recognised as other operating income/expenses.

### Subsequent expenditure

Subsequent expenditure is added to the recorded value of the asset or recognised as a separate asset when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably.

The decisive factor in determining whether a subsequent expenditure should be added to historical cost is whether the expenditure refers to the replacement of an identified component or part(s) thereof, in which case it is capitalised. In cases where a new component is created, the resulting expenditure is added to the historical cost. Any residual carrying amount of a replaced component or part(s) is retired and expensed in connection with replacement. Repairs and maintenance are expensed as incurred.

### Depreciation method

Assets are depreciated to residual value on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. The Group applies component depreciation, under which depreciation is based on the components' estimated useful life.

The estimated useful lives are:

– buildings, operating properties	50 years
– IT and computer equipment	3 years
– other equipment	5 years

The residual value and useful life of an asset are evaluated yearly.

## Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date for any indication of a write-down requirement. The asset's recoverable value is calculated if such a requirement is indicated. The carrying amounts of deferred tax assets are reviewed according to the applicable standards (see the section on taxes).

Goodwill and intangible assets not yet ready for use are impairment tested annually or when circumstances indicate that the asset has decreased in value.

If it is not possible to establish material independent cash flows for an individual asset, these assets are grouped at the lowest level at which it is possible to identify material independent cash flows (a "cash-generating unit"). When the carrying amount of an asset or cash-generating unit exceeds its recoverable value, an impairment loss is recognised in the income statement.

The impairment of assets attributable to a cash-generating unit (group of units) is allocated first to goodwill. A proportional impairment of other assets in the unit (group of units) is conducted thereafter. In Sweco, the cash-generating units are Sweco's eight business areas.

### Calculation of recoverable amount

The recoverable amount is the fair value less selling expenses or value in use, whichever is higher. In measuring value in use, future cash flows are discounted with a discounting factor that reflects risk-free rates and the risks specific to the asset.

### Reversal of impairment

Impairment losses are reversed when there is an indication that a write-down requirement no longer exists and that there has been a change in the assumptions on which the calculation of recoverable amount is based. The carrying amount is then increased to the recoverable amount, but cannot exceed what the reported value would have been if the impairment loss was not recognised. Reversal of impairment losses on goodwill is prohibited.

Impairment losses on trade receivables recognised at amortised cost is reversed if a later increase in the recoverable amount can be objectively attributed to an event occurring after the date of the impairment loss.

## Right-of-use asset and lease liability

A right-of-use asset is an asset that Sweco is entitled to use for a period of time in accordance with contractual terms in exchange for a consideration. To be considered a right-of-use asset for Sweco, the contract must convey the right to control the use of an identified asset from which Sweco obtains substantially all economic benefit, and the right to direct

the use of the identified asset (i.e., Sweco has the right to direct how and for what purpose the asset is used). Sweco does not have control of the asset if the supplier in practice is able to substitute an alternative asset throughout the period of use and gain economic benefit from exercising that right. The right-of-use period for Sweco is defined as the non-cancellable period.

Sweco has chosen to use the practical expedient for leases of low value and leases shorter than 12 months. Payments associated with these leases are expensed on a straight-line basis and are not recognised in the balance sheet.

#### *Lease term*

The lease term is defined as the non-cancellable period, during which a lessee has the right of use of an underlying asset, including:

- Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- Periods covered by an option to terminate the lease if the lessee is reasonably certain to exercise that option

Extension or termination options have a material effect on the lease liabilities mainly in contracts for premises. Such options have generally not been included for vehicles and other equipment, as these assets are in most cases returned after the original leasing period ends.

As a general rule, Sweco does not take extension options in contracts for premises into consideration when defining the lease term. For Sweco it is important to have the flexibility to change office locations when needed. The number of employees often changes due to acquisitions, organic growth and reorganisations. Since the business mainly consists of consultants, who are relatively easy to move to other locations, it is not reasonably certain at the start of a contract that an option to extend will be exercised.

A contract-specific assessment is conducted for large office contracts with extension options and an end date within three years. For these contracts it is possible to make a reasonably certain assessment, based on whether or not plans for possible change of location have been initiated.

Sweco also has open-ended (perpetual) premise leases where the end date needs to be based on estimation. Open-ended (perpetual) contracts generally include a termination option that needs to be identified in the contract, specifying whether the lessee or the lessor controls contract termination.

If Sweco controls the time of termination, lease term estimation is based on premises size, the importance of the premises to Sweco, and whether there are already plans to move to another location. For minor premise leases, in cases where there is no main contract or project controlling the end date, the practice is to set the estimated end date at two to three years in the future.

#### *Measurement of right-of-use asset and lease liability*

The right-of-use asset should be measured at cost and is comprised of the following:

- The initial lease liability measurement calculated at the present value of lease payments that are unpaid at that date. Lease payments are discounted by applying the implicit interest rate, or incremental borrowing rate.
- Any lease payments made on or before the commencement date.
- Any initial direct cost incurred by the lessee.
- An estimated cost to be incurred by the lessee for dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to a condition required in the contract.

The right-of-use asset is recognised in subsequent periods at cost less depreciation and any accumulated impairment.

The lease liability is remeasured when the lease terms are modified based on a change in future lease payments due to a change in an index or a rate, or based on a revised assessment of an option to purchase the underlying asset or a change in the amounts expected to be payable under a residual value guarantee.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

When calculating the initial lease liability Sweco use the implicit rate of each lease contract. When the implicit interest rate is not available, Sweco uses the incremental borrowing rate, which is estimated based on Sweco's interest rate margin, contract length and interest level in the country where the asset is leased.

#### *Lease receivables*

Sweco offers a car lease financing solution ("employee's cars") as a benefit to a number of employees in Sweden, under which Sweco serves as guarantor for the lease while the employee assumes the entire cost of the lease. These leases are reported equally as lease receivables and lease liabilities, with no profit and loss effect for Sweco.

#### *Subleasing*

Sweco has no material subleasing arrangements.

#### **Equity**

##### *Treasury shares*

Upon the repurchase of shares (treasury shares), the purchase sum is recognised as a reduction in equity. Proceeds from the sale of treasury shares are recognised as an increase in equity. Transaction costs are recognised directly in equity.

##### *Dividends*

Dividends are recognised as a liability when they have been approved by the Annual General Meeting.

#### **Earnings per share**

Earnings per share is calculated by dividing profit or loss attributable to owners of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by adjusting profit or loss and the average number of shares for the effects of dilutive potential ordinary shares.

#### **Employee benefits**

##### *Pension plans*

Pension plans are financed through payment of premiums to insurance companies or pension funds, according to periodic actuarial computations. A defined benefit plan is based on a formula indicating the exact amount of benefit to be received by the employee after retiring, normally based on one or more factors such as age, duration of employment or salary. In a defined contribution plan, the employer pays a fixed contribution to a separate legal entity (insurance company). Sweco has both defined contribution and defined benefit plans.

##### *Defined contribution plans*

A defined contribution plan is classified as a plan in which the company's obligation is limited to the amount that it agrees to contribute. The amount of the post-employment benefits received by the employee is thus determined by the amount of contributions paid by the company to the pension plan or to an insurance company, together with investment returns on the accumulated contributions. Consequently, it is the employee who bears both the actuarial risk (that the amount of benefits will be lower than anticipated) and the investment risk (that the invested assets will not be adequate to provide the anticipated benefits). For defined contribution plans, the expense to be recognised in the income statement for the period is the contribution payable in exchange for services rendered by employees during the period.

##### *Defined benefit plans*

Defined benefit plans are plans for post-employment benefits other than defined contribution plans. The Group's net obligation under defined benefit plans is determined separately for each plan by estimating expected future payments required to settle the obligation resulting from employee service in the current and prior periods. This obligation is discounted to a present value. The discount rate is the interest rate at the balance sheet date for high-quality corporate bonds, including mortgage bonds, with a maturity term corresponding to the Group's pension obligations. Calculations are done by a qualified actuary using the projected unit credit method. The fair value of plan assets is also calculated on the reporting date. The Group's net obligation consists of the present value of the obligation, reduced by the fair value of plan assets and adjusted for any asset ceiling.

All the components included in a period's cost for a defined benefit plan are recognised in operating profit and loss.

Revaluation effects are comprised of actuarial gains and losses, the difference between actual return on plan assets and the amount included in net interest income/expense, and any changes in the asset ceiling (excluding interest included in net interest income/expense). Revaluation effects are recognised in other comprehensive income.

When the calculation results in an asset for the Group, the recognised value of the asset is limited to the plan surplus or the asset ceiling (calculated by applying the discount rate), whichever is lower. The asset ceiling is the present value of future economic benefits in the form of lower future employer contributions or cash refunds. Minimum funding requirements are considered in calculating the present value of future refunds or contributions.

Changes or curtailments in a defined benefit plan are recognised at the earliest of the following dates: a) when a change in the plan or a curtailment occurs, or b) when the company recognises related restructuring costs and termination benefits. Changes/curtailments are recognised directly in profit and loss.

##### *Termination benefits*

An expense is recognised on the termination of employees only if the company is demonstrably obliged to terminate an employee or group of employees prior to the normal retirement date.

##### *Short-term employee benefits*

For short-term employee benefits, the undiscounted amount of benefits expected to be paid for services rendered by employees during a period is recognised in that period.

##### *Other long-term employee benefits*

Other long-term employee benefits such as jubilee benefits are valued at the current actuarial value. The discount rate used is the yield on high-quality corporate bonds with maturity terms corresponding to the Group's obligations. Actuarial gains and losses are recognised in the income statement during the period incurred.

##### *Share savings schemes*

The Annual General Meetings in 2018, 2019, 2020 and 2021 resolved to implement long-term share savings schemes for Sweco Group senior executives. Under the share savings schemes, participants use their own funds to acquire Class B shares in Sweco ("Savings Shares"). If the Savings Shares are held until the fourth business day after the announcement of the year-end report for the 2021 financial year for the 2018 share savings scheme, the 2022 financial year for the 2019 share savings scheme, the 2023 financial year for the 2020 share savings scheme and the 2024 financial year for the 2021 share savings scheme, (the "Retention Period") and the participant remains employed in his/her position or an equivalent or higher position in the Sweco Group throughout the Retention Period, then each Savings Share shall thereafter grant entitlement to one Class B share in Sweco without consideration ("Matching Share") if the absolute total shareholder return ("TSR") for the Class B share in Sweco is positive (the 2021 share savings scheme requires positive absolute TSR for the share as well as positive accumulated earnings per share ("EPS")) during the Retention Period and, provided that certain performance criteria have been met, to an additional

number of not more than one to four Class B shares in Sweco ("Performance Shares"). The granting of Performance Shares is conditional on a positive TSR for the Sweco B share during the retention period and is also dependent on the Sweco B share's TSR in relation to a group of benchmark companies. The cost is expensed on a straight-line basis over the Retention Period as a personnel cost, with a corresponding increase in equity. The granting of Performance Shares for the 2021 share savings scheme is dependent on achievement of certain targets set by the Board of Directors for Sweco's EPS and the Sweco B share's TSR (performance adjusted to take dividends into account) during the Retention Period. Up to 50 per cent of Performance Share allocation will depend on EPS performance, and up to 50 per cent on TSR Performance. Evaluation of TSR performance is based on a combination of the Sweco B share's TSR in relation to the TSR of a group of benchmark companies stipulated by the Board of Directors (so-called relative TSR) and the requirement that the Sweco B share's TSR must be positive during the Retention Period (so-called absolute TSR). Evaluation of EPS performance is based on a combination of Sweco's accumulated EPS in relation to EPS growth targets set by the Board of Directors (so-called ranged EPS growth) and the requirement that Sweco's accumulated EPS must be positive during the Retention Period (so-called absolute EPS). The cost of the Matching Share is based on the fair value of the share on the acquisition date; the cost of the Performance Share is based on the fair value of the share as calculated by an external party through a Monte Carlo simulation.

In connection with the grant, social fees are paid for the value of the employee benefit. Provisions for these estimated social fees are therefore made during the Retention Period.

Due to the share split (ratio 3:1) conducted during autumn 2020, the above-mentioned share savings schemes is recalculated in accordance with the schemes' respective terms.

#### *Share bonus scheme*

Sweco Group currently offers a share bonus scheme (the 2021 Share Bonus Scheme) under which bonuses are paid to employees in Sweden in the form of Sweco shares. Under this equity-managed scheme, the number of shares to be received by each employee is calculated based on a fixed base share price (corresponding to the average volume-weighted price paid for the Sweco Class B share during a specified period). The base share price is restated in accordance with standard terms in the event the Sweco General Meeting resolves to conduct a share split, preferential rights issue or similar during the duration of the scheme. Estimated bonuses are expensed on a straight-line basis during the vesting period as a personnel cost, with a corresponding increase in equity. The expense recognised corresponds to the fair value of the estimated number of shares expected to vest. This expense is adjusted in subsequent periods to reflect the actual number of vested shares.

Social fees related to share-based compensation to employees as payment for services rendered are expensed during the periods in which such services are rendered. Provisions for social fees are based on the fair value of the share at the reporting date.

Due to the share split (ratio 3:1) conducted during autumn 2020, the above-mentioned share bonus scheme will be recalculated in accordance with the scheme's terms.

#### **Provisions**

A provision is recognised in the balance sheet when the Group has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. It is also required that the amount can be estimated reliably. When the effect of the time value of payments is material, provisions are reported at discounted present value using a pre-tax discount rate. The Group's provisions consist of pension provisions, provisions for legal claims, restructuring provisions and other provisions.

#### *Legal claims*

The amount of the provision is the estimated future cost associated with disputes that have not been settled. As from 2020 the reported provision also includes disputes in which the estimated cost is covered by the company's insurance, with related insurance reimbursement reported as non-current other receivables and current other receivables.

#### *Restructuring*

A restructuring provision is recognised when a formal detailed restructuring plan is in place and restructuring has begun or been publicly announced. No provision is made for future operating costs.

#### *Other provisions*

Other provisions refer primarily to the restoration of office space.

#### **Taxes**

Income taxes are comprised of current tax and deferred tax. Income taxes are recognised in profit and loss.

Current tax refers to tax payable or receivable with respect to the year's profit and loss, with the application of the tax rates that have been enacted or substantively enacted as at the balance sheet date. This also includes adjustments in current tax from earlier periods.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between the carrying amount of an asset or liability and its tax base. The following temporary differences are not recognised: temporary differences arising on initial recognition of goodwill; the initial recognition of assets and liabilities that are not business combinations and at the time of the transaction effect neither reported nor taxable profit; and temporary differences attributable to investments in subsidiaries and associated companies not likely to be recovered in the foreseeable future and for which the Group can control the date for recovery. The measurement of deferred tax reflects the way the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is computed with the application of the rates/laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets for deductible temporary differences and tax loss carry-forwards are recognised to the extent it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

Any additional income tax arising from dividends from subsidiaries is recorded on the date the dividend is recognised as a liability.

#### **Contingent liabilities**

A contingent liability is recognised when an obligation may arise due to the occurrence of an uncertain future event, or which will arise only through the occurrence or non-occurrence of one or more uncertain future events, or when an obligation is not recognised as a liability or provision due to the remote nature of the possibility of an outflow of economic resources.

#### **Parent Company accounting policies**

The Parent Company's annual financial statements were prepared in accordance with the Swedish Annual Accounts Act (1995:1554); RFR 2, Accounting for Legal Entities; and rules for listed companies issued by the Swedish Accounting Standards Board's Urgent Issues Task Force. RFR 2 specifies that in the report for the legal entity, the Parent Company shall apply all EU-endorsed IFRS and interpretations as far as possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act, with respect to the connection between accounting and taxation. This recommendation defines exceptions to and additional disclosures to be made under IFRS provisions.

The differences between the accounting policies applied by the Group and those applied by the Parent Company are described below. The following accounting policies for the Parent Company have been applied consistently for all periods presented in the Parent Company financial statements.

#### *Changed accounting policies*

New standards and amendments have not had any significant impact on the Parent Company.

#### *Subsidiaries, associated companies and joint ventures*

In the Parent Company, investments in subsidiaries, associated companies and joint ventures are reported in accordance with the cost method of accounting. Accordingly, acquisition-related costs are included in the carrying amount of the investment in a subsidiary, associated company or joint venture. In the consolidated financial statements, acquisition-related costs are expensed as incurred.

The value of contingent purchase consideration is measured based on the probability that the consideration will be paid. Any changes in the provision/receivable are added to/reduce the historical cost. In the consolidated financial statements, contingent purchase consideration is reported at fair value with value changes through profit and loss.

A bargain purchase (negative goodwill) corresponding to anticipated future losses and expenses is recognised during the periods when the expected losses and expenses occur (asset acquisition). Negative goodwill arising for other reasons is recognised as a provision to the extent it does not exceed the aggregate fair value of acquired identifiable non-monetary assets. The portion exceeding this value is recognised directly in profit and loss. The portion that does not exceed the aggregate fair value of acquired identifiable non-monetary assets is recognised as income on a systematic basis over the remaining weighted average useful life of the acquired identifiable depreciable/amortisable assets. In the consolidated financial statements, bargain purchases are recognised directly in profit and loss.

#### *Sale of goods and performance of services*

In accordance with Chapter 2, Paragraph 4 of the Annual Accounts Act, the Parent Company recognises revenue from the sale of services when the performance of the service is completed. Work in progress is recognised at cost or at net realisable value, whichever is lower.

The Parent Company's invoicing of group-wide administration and other operations is recognised in net sales in the income statement.

#### *Dividends*

Dividends are recognised when the right to receive payment is deemed certain. This requirement also applies to subsidiaries. Any profits distributed by subsidiaries must be earned after Sweco's acquisition date. Dividends can also be anticipated if the decision to distribute the dividend has been taken or if Sweco AB can ensure distribution via its holding in the company.

#### *Work in progress*

In the balance sheet, work at a fixed price is reported at cost or fair value, whichever is lower.

#### *Development expenditure fund*

For capitalisation of internal development expenditures, the corresponding amount is transferred from unrestricted equity to the development expenditure fund in restricted equity. The fund is reduced as capitalised expenditures are depreciated or written off.

#### *Leasing*

The Parent Company's definition of a lease follows the IFRS 16 definition; an agreement that is classified as a lease under IFRS 16 is also classified as a lease in the Parent Company. Lease payments are expensed on a straight-line basis throughout the leasing period. No right-of-use asset or lease liability is recognised in the balance sheet.

#### *Defined benefit pension plans*

The Parent Company applies different bases for calculating defined benefit pension plans than those specified in IAS 19. The Parent Company complies with the provisions in the Pension Obligations Vesting Act and the regulations of the Swedish Financial Supervisory Authority, as doing so is a requirement for tax deductibility. The most significant differences

compared with IAS 19 are the way the discount rate is determined, the calculation of the defined benefit obligation based on current salary level with no assumption about future salary increases, and the recognition of actuarial gains and losses in the income statement for the period during which they arise.

**Taxes**

In the Parent Company, untaxed reserves are reported including deferred tax liabilities. In the consolidated financial statements, however, untaxed reserves are divided between a deferred tax liability and equity.

**Hedge accounting**

RFR 2, IAS 21, item 4, specifies that liabilities in foreign currency may be recognised at historical cost rather than being translated according to the exchange rate on the balance sheet date when the hedge is deemed effective. Historical cost may be used for liabilities that constitute hedging instruments to hedge net investments in subsidiaries. Accordingly, both the hedging instrument (the liability) and the hedged item (the investment) are translated at historical exchange rates.

In the Parent Company, loans raised to finance a net investment in a foreign operation are recognised at historical cost. In the Group, hedge accounting is applied and the foreign currency loan is translated at the closing day rate with translation effects in the statement of comprehensive income.

**Financial guarantees**

The Parent Company's financial guarantee contracts consist of guarantees issued on behalf of subsidiaries. A financial guarantee contract is a contract that requires the company to reimburse the holder for a loss it incurs due to a specified debtor's failure to make payment when due or as agreed. The Parent Company reports financial guarantee contracts in accordance with an optional exception to IFRS 9 permitted by the Swedish Financial Accounting Standards Council. This relief provision applies to financial guarantee contracts on behalf of subsidiaries, associated companies and joint ventures. The Parent Company reports financial guarantees as a provision in the balance sheet when there is an obligation for which it is probable that settlement will require an outflow of resources.

**Group and shareholder contributions for legal entities**

Shareholder contributions are recognised directly in equity by the recipient and are capitalised in investments in group companies by the giver, to the extent that no impairment charge is required. Group contributions received by the Parent Company from a subsidiary are recognised in the Parent Company in accordance with customary principles for dividend distributions from subsidiaries. Group contributions paid by the Parent Company to a subsidiary are recognised through profit and loss.

**2 NET SALES**

**NATURE OF GOODS AND SERVICES**

Sweco is a consulting company providing professional engineering and design services in three areas: buildings and urban areas; water, energy and industry; and transportation infrastructure. Sweco delivers consulting services throughout the client's entire project chain, from feasibility studies, analyses and strategic planning through construction, design and project management. Sweco delivers one type of service: professional consulting services. Below is a description of the nature and timing of Sweco's services in all operating segments.

<b>Nature of the service</b>	Sweco derives its revenue from contracts with clients and delivers its consulting services through projects. Fixed-price projects and time & material projects are the two most common project types across the Group. A third project type, percentage of construction cost, is also common in business areas Sweco Germany & Central Europe and Sweco Belgium. In fixed-price projects, the total consideration is fixed and is not dependent on the number of hours required by Sweco to perform its contractual duties. In time & material projects, the consideration is based on an hourly fee multiplied by the number of hours worked, while in percentage of construction projects, the total consideration is variable dependent on the construction cost. As described in Note 1, Sweco in most cases has only one performance obligation towards its clients. For information on the fulfilment of obligations and how this relates to revenue recognition, see the Revenue section in Note 1.			
<b>Contract asset and liabilities</b>	In the balance sheet, service contracts are recognised at the value of the work performed less confirmed losses and anticipated loss risks. Sweco's work in service contracts creates work in progress, which is the only contract asset recognised by Sweco in the balance sheet. Contract liabilities recognised in the balance sheet arise when invoices are sent in advance to the client (progress billings). In the balance sheet, service contracts are reported net, meaning if the value of work in progress exceeds progress billings, the contract is reported among current assets as "work in progress less progress billings". Service contracts in which the value of progress billings exceeds the value of work in progress are reported among current liabilities as "progress billings in excess of work in progress". For more information, see Note 23.			
<b>Timing of satisfaction of performance obligations</b>	Revenue is recognised as control is passed, which is over the lifetime of the project as services are rendered. The progress evaluation is done per performance obligation; for more information see the Revenue section in Note 1.			
<b>General invoice frequency and payment terms</b>	<b>Invoice frequency</b>	<b>Invoice frequency</b>	<b>Payment terms</b>	<b>Payment terms</b>
	<b>Fixed price</b>	<b>Time &amp; material</b>	<b>Fixed price</b>	<b>Time &amp; material</b>
Sweco Sweden	Predefined schedule in contract	On a monthly basis	30 days	30 days
Sweco Norway	Predefined schedule in contract	On a monthly basis	28 days	28 days
Sweco Finland	Milestones achieved	On a monthly basis	14 days (Estonia: 30 days)	14 days (Estonia: 21 days)
Sweco Denmark	Predefined schedule in contract	On a monthly basis	30 days	30 days
Sweco Netherlands	Milestones achieved	On a monthly basis	30 days	30 days
Sweco Belgium	Milestone achieved or predefined schedule in contract	On a monthly basis	50 days	30 days
Sweco UK	Milestones achieved	On a monthly basis	28 days	31 days
Sweco Germany & Central Europe	Monthly, milestones achieved or predefined schedule in contract	On a monthly basis	30 days (Lithuania: 60 days)	30 days

Variable consideration (e.g., performance bonuses, penalty fees for project delays) may occur in certain instances.

**Transaction price allocated to the remaining performance obligations**

Revenue from contracts with clients expected to be recognised in the future and related to performance obligations not yet fulfilled per 31 December 2021 amounts to approximately SEK 17,200 million (15,200). Management estimates that around 65 per cent (70) of this amount will be recognised as revenue during the next financial year, with the remainder recognised in subsequent financial years. The majority of Sweco's projects and performance obligations are performed and fulfilled within twelve months. For more information, see Note 37.

**REVENUE GROWTH**

During the year, net sales increased 4 per cent to SEK 21,792 million (20,858). Organic growth was approximately 2 per cent after adjustment for estimated calendar effects and items affecting comparability. The table below shows the calculation of organic growth excluding calendar effects and items affecting comparability; i.e., net sales growth adjusted for the impact of acquisitions and divestments as well as the effect of foreign currency fluctuations, calendar effects and items affecting comparability.

	Growth, %		
	2021	2020	2021 vs 2020
Reported net sales	21,792	20,858	4
Adjustment for currency effects		-276	-1
<b>Net sales, currency-adjusted</b>	<b>21,792</b>	<b>20,582</b>	<b>6</b>
Adjustment for acquisitions/divestments	-584	-7	3
<b>Comparable net sales, currency-adjusted</b>	<b>21,208</b>	<b>20,575</b>	<b>3</b>
Adjustment of calendar effects	-5		0
<b>COMPARABLE NET SALES, ADJUSTED FOR CURRENCY AND CALENDAR EFFECTS</b>	<b>21,202</b>	<b>20,575</b>	<b>3</b>
Adjustment of items affecting comparability	16	290	1
<b>COMPARABLE NET SALES, ADJUSTED FOR CURRENCY, CALENDAR EFFECTS AND ITEMS AFFECTING COMPARABILITY</b>	<b>21,218</b>	<b>20,865</b>	<b>2</b>

	Growth, %		
	2020	2019	2020 vs 2019
Reported net sales	20,858	20,629	1
Adjustment for currency effects		-372	-2
<b>Net sales, currency-adjusted</b>	<b>20,858</b>	<b>20,257</b>	<b>3</b>
Adjustment for acquisitions/divestments	-999	-103	4
<b>Comparable net sales, currency-adjusted</b>	<b>19,860</b>	<b>20,154</b>	<b>-1</b>
Adjustment of calendar effects	-102		0
<b>COMPARABLE NET SALES, ADJUSTED FOR CURRENCY AND CALENDAR EFFECTS</b>	<b>19,758</b>	<b>20,154</b>	<b>-2</b>
Adjustment of items affecting comparability	290		-1
<b>COMPARABLE NET SALES, ADJUSTED FOR CURRENCY, CALENDAR EFFECTS AND ITEMS AFFECTING COMPARABILITY</b>	<b>20,048</b>	<b>20,154</b>	<b>-1</b>

**3 SEGMENT REPORTING****OPERATING SEGMENTS – BUSINESS AREAS**

The Group's operations are divided into operating segments that are reviewed by the CEO. In the Group, the operating segments are defined as business areas. Each business area has a president who is responsible for day-to-day operations and the business area's financial performance. The business area presidents are members of the Group's Executive Team and report to the CEO.

EBITA is the Group's key metric of operational performance on Group and BA level. Sweco's EBITA measure is defined as earnings before interest, taxes and acquisition-related items. All leases are treated as operational leases, with the total cost of the lease affecting EBITA. EBITA is considered a relevant measure since it facilitates equalised result comparisons between operational, cash-flow-generating business areas. EBITA as reported below is the same performance metric as that which is monitored internally. Sweco operates with eight business areas to reflect the strategy on focusing on eight core markets in Northern Europe.

**Sweco is organised into eight geographically based business areas:**

Sweco Sweden	Sweco's operations in Sweden.
Sweco Norway	Sweco's operations in Norway.
Sweco Finland	Sweco's operations in Finland and Estonia.
Sweco Denmark	Sweco's operations in Denmark.
Sweco Netherlands	Sweco's operations in the Netherlands.
Sweco Belgium	Sweco's operations in Belgium.
Sweco UK	Sweco's operations in the UK.
Sweco Germany & Central Europe	Sweco's operations in Germany and, to a lesser extent, Lithuania, Bulgaria, Czech Republic and Poland.

In addition, group-wide staff functions, IT and other assets are reported as group-wide and eliminations.

**NET SALES PER OPERATING SEGMENT**

	External sales		Internal sales		Total sales	
	2021	2020	2021	2020	2021	2020
Sweco Sweden	7,361	7,417	37	64	7,398	7,481
Sweco Norway	2,617	2,400	5	14	2,622	2,414
Sweco Finland	2,904	2,711	43	66	2,947	2,777
Sweco Denmark	1,888	1,820	17	27	1,905	1,846
Sweco Netherlands	1,980	2,022	44	44	2,024	2,066
Sweco Belgium	1,894	1,646	14	9	1,907	1,655
Sweco UK	1,190	1,245	9	2	1,199	1,247
Sweco Germany & Central Europe	1,958	1,598	57	60	2,015	1,657
Group-wide and eliminations	0	0	-227	-285	-227	-285
<b>TOTAL GROUP</b>	<b>21,792</b>	<b>20,858</b>	<b>-</b>	<b>-</b>	<b>21,792</b>	<b>20,858</b>

**EBITA AND AMORTISATION PER OPERATING SEGMENT**

	EBITA		Amortisation/depreciation and impairments <sup>1</sup>	
	2021	2020	2021	2020
Sweco Sweden	920	954	-54	-61
Sweco Norway	201	209	-26	-23
Sweco Finland	320	369	-21	-17
Sweco Denmark	182	143	-23	-21
Sweco Netherlands	201	172	-35	-39
Sweco Belgium	230	189	-12	-10
Sweco UK	55	75	-18	-21
Sweco Germany & Central Europe	-29	-299	-48	-40
Group-wide and eliminations	-66	-46	-43	-45
<b>TOTAL GROUP</b>	<b>2,014</b>	<b>1,766</b>	<b>-280</b>	<b>-278</b>

1) Amortisation/depreciation and impairment included in EBITA.

## RECONCILIATION OF OPERATING PROFIT (EBIT) AND THE APMs EBITA AND EBITDA

	2021	2020
Operating profit (EBIT)	1,974	1,706
Acquisition-related items <sup>1</sup>	104	135
Lease expenses <sup>2</sup>	-797	-782
Depreciation and impairments, right-of-use assets	733	708
<b>EBITA<sup>3</sup></b>	<b>2,014</b>	<b>1,766</b>
Amortisation/depreciation and impairment of tangible and intangible assets	280	278
<b>EBITDA<sup>4</sup></b>	<b>2,294</b>	<b>2,044</b>

- 1) Acquisition-related items are defined as amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of purchase prices, and profit and loss on the divestment of companies, operations, buildings and land, as well as expensed cost for future service.
- 2) Lease expenses pertain to adjustments made in order to treat all leases as operating leases.
- 3) EBITA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITA.
- 4) EBITDA is an alternative performance measure (APM) defined as Earnings before Interest, Taxes, Depreciation & amortisation and Acquisition-related items, under which all leases are treated as operating leases and the total cost of the lease affects EBITDA.

## BALANCE SHEET AND INVESTMENT INFORMATION PER OPERATING SEGMENT

	Assets		Investments Property, plant and equipment		Investments Intangible assets		Liabilities	
	2021	2020	2021	2020	2021	2020	2021	2020
Sweco Sweden	5,600	5,639	38	58	32	-3	3,803	4,203
Sweco Norway	1,412	1,339	19	22	0	122	851	850
Sweco Finland	2,900	2,683	14	19	170	147	1,386	1,182
Sweco Denmark	2,382	2,405	22	12	2	159	1,435	1,528
Sweco Netherlands	1,417	1,299	11	14	61	1	671	588
Sweco Belgium	2,008	1,727	45	11	153	118	963	754
Sweco UK	1,409	1,368	4	6	0	0	817	777
Sweco Germany & Central Europe	2,142	2,096	13	25	12	23	1,155	1,117
Group-wide	13,774	15,680	42	32	6	13	8,332	10,754
Eliminations	-13,587	-14,535					-8,905	-9,848
Unallocated	199	246					544	484
<b>TOTAL GROUP</b>	<b>19,657</b>	<b>19,948</b>	<b>209</b>	<b>199</b>	<b>437</b>	<b>580</b>	<b>11,053</b>	<b>12,391</b>

The breakdown of intangible assets is shown in Note 13. Group-wide items include cash and cash equivalents of SEK 335 million (1,387).

The business areas' profits, assets and liabilities include directly attributable items and items that can be allocated to the business areas in a reasonable and reliable manner. The reported items in the operating segments' profits, assets and liabilities are in accordance with the profits, assets and liabilities regularly reviewed by the CED.

Transfer prices between the Group's various operating segments are set according to the "arm's length" principle (i.e., market-based prices).

Unallocated assets and liabilities are comprised of right-of-use assets, lease liabilities, deferred tax assets and deferred tax liabilities.

## NET SALES FROM EXTERNAL CLIENTS BY SERVICE SEGMENT

	2021	2020
Buildings and urban areas	8,138	7,596
Water, energy and industry	6,629	6,326
Transportation infrastructure	7,025	6,936
<b>TOTAL</b>	<b>21,792</b>	<b>20,858</b>

## INFORMATION ABOUT MAJOR CLIENTS

Sweco's largest client in 2021 was the Swedish Transport Administration. Net sales to this client totalled SEK 1,520 million (1,640) and were reported in Business Area Sweco Sweden. See also the section on credit risk in Note 34.

## RECONCILIATION OF THE APMs EBITA AND EBITA EXCL. IAC

	2021	2020
EBITA	2,014	1,766
Items affecting comparability (IAC) <sup>1</sup>	56	290
<b>EBITA EXCL. IAC</b>	<b>2,070</b>	<b>2,056</b>

- 1) Items affecting comparability pertain to provisions of SEK 56 million for the turn-around plan in Germany in 2021 and SEK 290 million for a write-down of work in progress less progress billings in the German operation in 2020. Both are reported in Business Area Sweco Germany & Central Europe.

Net financial items are not monitored at the business area level since they are affected by actions taken by Group Treasury, which handles the Group's cash liquidity.

Parent Company net sales totalled SEK 946 million (874). One hundred per cent (100) of Parent Company net sales were comprised of sales to group companies. Thirty-four per cent (35) of the Parent Company's other external expenses were comprised of purchases from group companies.

## SALES AND NON-CURRENT ASSETS PER GEOGRAPHIC AREA

	External sales		Non-current assets <sup>1</sup>	
	2021	2020	2021	2020
Sweden	7,273	7,247	2,878	3,028
Norway	2,665	2,462	1,017	1,015
Finland	2,687	2,442	2,281	2,128
Netherlands	1,965	2,047	586	542
Denmark	1,731	1,652	1,730	1,661
Germany	1,524	1,170	893	951
Belgium	1,790	1,588	1,039	862
UK	1,166	1,197	920	898
Poland	264	277	40	29
Asia	147	184	10	1
Rest of Europe	168	142	5	-
Czech Republic	100	96	55	44
Lithuania	95	95	23	26
South and Central America	32	83	-	-
Africa	79	76	-	-
Estonia	66	55	18	18
Russia	11	19	-	-
Bulgaria	17	22	10	10
Oceania	6	0	-	-
North America	6	5	-	-
<b>TOTAL</b>	<b>21,792</b>	<b>20,858</b>	<b>11,505</b>	<b>11,211</b>

- 1) Refers to non-current assets that are not financial instruments, deferred tax assets, assets pertaining to post-retirement benefits, or rights arising under insurance agreements.



## 4 FEES TO AUDITORS

	Group		Parent Company	
	2021	2020	2021	2020
PricewaterhouseCoopers				
– audit services	15	15	2	2
– audit services other than statutory audit	1	1	0	1
– tax consulting	1	0	–	–
– non-audit services	3	1	0	1
<b>Total</b>	<b>20</b>	<b>17</b>	<b>2</b>	<b>3</b>
Other auditing firms				
– audit services	1	1	–	–
<b>Total</b>	<b>1</b>	<b>1</b>	<b>–</b>	<b>–</b>
<b>TOTAL</b>	<b>21</b>	<b>18</b>	<b>2</b>	<b>3</b>

Audit services refer to examination of the consolidated financial statements, the accounts and the administration of the Board of Directors and the President & CEO of the company; other tasks incumbent on the company's auditor; and advice or other assistance prompted by observations from such audits or the performance of other such tasks. Non-audit services refer to services such as advice on accounting and merger issues and due diligence processes for mergers and acquisitions as well as other services.

Of the total fee for audit services, SEK 5 million (6) is invoiced by PricewaterhouseCoopers Sweden for the statutory audit. Of total other fees, SEK 0 million (1) is invoiced by PricewaterhouseCoopers Sweden (the statutory auditors of Sweco AB (publ.)) and is primarily attributable to assistance in relation to merger matters.

## 5 LEASE EXPENSES

## GROUP

	2021	2020
<b>Expensed lease charges</b>		
Depreciation and impairment of right-of-use assets	733	708
Interest expense	46	54
Expenses related to short-term leases	0	5
Expenses related to leases of low-value assets that are not shown above as short-term leases	16	17
Expenses related to variable lease payments not included in lease liabilities	34	33
<b>TOTAL EXPENSED LEASE CHARGES</b>	<b>829</b>	<b>816</b>

Low-value leases are mainly comprised of IT equipment and office equipment. Short-term leases are very few in number and are mainly related to temporary lease agreements for premises.

There are no known significant future short-term lease commitments. Variable lease payments mainly consist of payments for property tax.

No significant sale and lease-back transactions took place during 2021, and there is no knowledge of any such future transactions.

## PARENT COMPANY

	2021	2020
<b>Charges under signed leases</b>		
<b>TOTAL CHARGES PAID DURING THE YEAR</b>	<b>5</b>	<b>4</b>
<b>Future minimum lease payments</b>		
– within one year	5	4
– between one and five years	7	11
<b>TOTAL FUTURE LEASE PAYMENTS</b>	<b>12</b>	<b>15</b>

The car lease agreements include extension options that are not included in the above figures until the options are actually executed. The car lease agreements include residual value guarantees. The Parent Company does not expect to pay anything under these guarantees for the agreements currently in force. The Parent Company is not subject to any restrictions or covenants imposed by leases.

## 6 EMPLOYEES AND PERSONNEL COSTS

	Group		Parent Company	
	2021	2020	2021	2020
<b>Personnel costs</b>				
Salaries and remuneration, other employees	10,774	10,279	31	26
Salaries and remuneration, senior/other executives	90	116	32	30
<b>Total salaries and remuneration<sup>1</sup></b>	<b>10,864</b>	<b>10,395</b>	<b>63</b>	<b>55</b>
Social fees, excl. pension costs	2,028	1,961	25	26
Pension costs, senior executives <sup>2,3</sup>	15	24	6	6
Pension costs, others <sup>2</sup>	1,085	1,000	8	5
Other personnel costs	485	479	6	6
<b>TOTAL PERSONNEL COSTS</b>	<b>14,477</b>	<b>13,859</b>	<b>108</b>	<b>97</b>

1) Senior/other executives refers to the Executive Team, Board members of the Parent Company and Board members and presidents of all subsidiaries – a total of 49 (61) individuals in the Group and 12 (13) individuals in the Parent Company.

2) See also Note 28, Provisions for Pensions.

3) A total of 43 (54) senior executives in the Group and 6 (6) in the Parent Company received pension contributions.

	2021		2020	
	Total	Of which, % men	Total	Of which, % men
<b>Number of full-time employees</b>				
<b>Sweden</b>				
Parent Company	36	31	32	34
Subsidiaries	5,686	65	5,725	66
<b>Total Sweden</b>	<b>5,722</b>	<b>65</b>	<b>5,757</b>	<b>65</b>

## Outside Sweden

Finland	2,663	73	2,408	75
Norway	1,759	68	1,675	66
Germany	1,489	60	1,512	60
Netherlands	1,389	78	1,403	80
Denmark	1,251	71	1,191	69
Belgium	1,198	71	1,071	70
UK	1,182	71	1,235	71
Poland	436	48	423	51
Lithuania	191	52	197	56
Czech Republic	160	64	174	64
Estonia	83	63	85	64
Bulgaria	52	50	58	50
Serbia	29	38	26	38
Turkey	–	–	1	–
Rest of Europe	29	86	2	100
India	115	78	108	77
Vietnam	51	76	–	–
Africa	3	100	2	100
<b>Total, outside Sweden</b>	<b>12,081</b>	<b>69</b>	<b>11,571</b>	<b>69</b>
<b>TOTAL GROUP</b>	<b>17,802</b>	<b>68</b>	<b>17,328</b>	<b>68</b>

	2021	2020
<b>Percentage of women</b>		
<b>Group</b>		
Board members in all companies	29	29
Other senior executives, 39 (51) individuals	26	31
<b>Parent Company</b>		
Board members	57	57
Other senior executives, 6 (6) individuals	67	67

	Group		Parent Company	
	2021	2020	2021	2020
<b>Sickness absence, %</b>				
Total sickness absence	3.1	3.1	2.3	0.6
– sickness absence for men	2.7	2.5		
– sickness absence for women	4.1	4.2		
– employees – 29 years	2.4	2.1		
– employees 30 – 49 years	3.2	3.2		
– employees 50 – years	3.4	3.4		

## REMUNERATION TO SENIOR EXECUTIVES

### 1. Senior executives and area of application

Senior executives fall within the provisions of these guidelines. Senior executives include the President & CEO, the CFO and all managers who report directly to the President & CEO and is a member of the executive team. The guidelines are forward-looking, i.e., they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2021. These guidelines do not apply to any remuneration decided or approved by the general meeting.

### 2. The decision-making process to determine, review and implement these guidelines

The Board of Directors appoints a Remuneration Committee, which is charged with preparing the Board of Directors' decision to propose guidelines for executive remuneration and preparing matters relating to employment terms, pension benefits and bonuses for senior executives, as well as monitoring and evaluating these guidelines (including its application) as well as remuneration structures, etc. The Remuneration Committee is also charged with general employment terms and remuneration matters that apply to all employees of the company. The members of the Remuneration Committee are independent of the company and its executive management.

The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The President & CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### 3. The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Sweco plans and designs the cities and communities of the future. Sweco's home market is in Northern Europe and Sweco aim to become market leader in all countries where Sweco have permanent presence. Through market leadership, Sweco can uphold the broadest and deepest competence and become the preferred choice for customers and employees. Sweco excel through its operating model. Sweco differentiates by being its customers' most approachable and committed partner, with recognised expertise. Sweco want to be the most attractive employer for the best engineers and architects in the business and have industry-leading internal efficiency to minimise time and resources spent outside customer projects. Sweco have a decentralised organisation with business responsibility at the front line.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Sweco has implemented long-term share-related incentive plans ("LTI") (Share Savings Schemes) for senior executives. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. For more information regarding adopted plans, please see Sweco's website.

## 4. Remuneration

The Sweco Group's aim is to offer a competitive and market-based level of remuneration to recruit and retain its qualified senior executives.

Types of remuneration, etc.

Remuneration to a senior executive comprises of the following components:

- Base salary (fixed cash salary)
- Short term incentive ("STI")
- Pension and other benefits

Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, LTI.

### a) Base salary and STI

Remuneration is to be based on factors such as work duties, qualifications, experience, position and performance. In addition, the break-down between fixed base salary and STI, shall be proportionate to the employee's position and work description.

The satisfaction of criteria for awarding STI shall be measured over a period of one year. STI for the President & CEO and the CFO may not exceed 75 percent of the fixed annual base salary. For other senior executives, STI may not exceed 50 percent of the fixed annual base salary. Due to acquisitions, exceptions to this maximum percentage may apply for a limited time, until integration with Sweco's short-term incentive program is aligned.

### b) Pension and other benefits

The terms and conditions for pensions, including health insurance, for Sweco's President & CEO and senior executives shall be market-based relative to what generally applies to comparable senior executives in the market, and shall normally be based on defined contribution pension schemes unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions.

STI shall for the President & CEO not qualify for pension benefits. For other senior executives, STI shall qualify for pension benefits to the extent required by mandatory collective agreement provisions.

Other benefits may be awarded, primarily in the form of life insurance, medical insurance and company vehicles.

The pension premiums for premium defined pension and other benefits shall amount to approximately one third of the total annual remuneration.

### Foreign conditions

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, considering, to the extent possible, the overall purpose of these guidelines.

### Criteria for payment of STI, etc.

STI shall be linked to predetermined, measurable criteria, which can be financial or non-financial. They may also be individualised, quantitative or qualitative objectives. The criteria shall be devised to comply with the company's long-term value creation and thus profitability to the company's business strategy and long-term interests, including its sustainability.

The criteria for payment of STI shall be based on profitability, growth and trade working capital and be divided as follows: STI shall to approximately one third be linked to the profitability of the superior business unit, to approximately one third be linked to the profitability of the own business unit and to approximately one third be linked to the growth or trade working capital of the own business unit.

To which extent the criteria for awarding STI has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns STI to the President & CEO. For STI to other senior executives, the President & CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

The Board of Directors has the possibility that may follow under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim STI paid on incorrect grounds (claw-back).

### Termination of employment

In the event of dismissal by the company, the President & CEO has a notice period of no more than 18 months. In the event of the President & CEO's resignation, the notice period shall be no more than 6 months. For other senior executives, the term of notice shall normally be 12 months in the event of dismissal by the company and 6 months in the event of the executive's resignation.

Fixed base salary during the period of notice and severance pay may together not exceed an amount equivalent to the President & CEO's fixed base salary for 24 months, and 12 months for other senior executives. When termination is made by the executive there is no right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall only compensate for possible loss of income as a result of the non-compete undertaking and shall be based on the level of remuneration that the executive had at the time of the termination of employment.

## 5. Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been considered by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

## 6. Derogation from the guidelines

The Board of Directors shall have the right to temporarily resolve to deviate from these guidelines, in whole or in part, in individual cases if there are extraordinary reasons therefore and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

## Remuneration and other benefits expensed in 2021 (SEK 000s)

	Remuneration expensed						Total remuneration expensed
	Board fees decided at the 2021 AGM <sup>1</sup>	Base salary/board fee	Variable salary	Share savings scheme <sup>2</sup>	Other benefits	Pension cost	
Chair of the Board Johan Nordström	1,130	1,093	–	–	–	–	1,093
Board member Gunnel Duveblad	690	667	–	–	–	–	667
Board member Elaine Grunewald	590	570	–	–	–	–	570
Board member Alf Göransson	610	590	–	–	–	–	590
Board member Johan Hjertansson	590	570	–	–	–	–	570
Board member Christine Wolff	610	590	–	–	–	–	590
President & CEO	–	8,303	3,541	1,098	174	2,673	15,789
Other senior executives (13 individuals)	–	31,687	6,888	2,473	1,619	6,934	49,601
<b>TOTAL</b>	<b>4,220</b>	<b>44,070</b>	<b>10,429</b>	<b>3,571</b>	<b>1,793</b>	<b>9,607</b>	<b>69,470</b>

1) Board fees and compensation for committee work in accordance with AGM resolution for the period from 2021 AGM through 2022 AGM.

2) The cost of share savings scheme corresponds to the cost reported in the Group pursuant to IFRS.

## Remuneration and other benefits expensed in 2020 (SEK 000s)

	Remuneration expensed						Total remuneration expensed
	Board fees decided at the 2020 AGM <sup>1</sup>	Base salary/board fee	Variable salary	Share savings scheme <sup>2</sup>	Other benefits	Pension cost	
Chair of the Board Johan Nordström	1,020	980	–	–	–	–	980
Board member Gunnel Duveblad	620	597	–	–	–	–	597
Board member Elaine Grunewald	530	517	–	–	–	–	517
Board member Alf Göransson	550	530	–	–	–	–	530
Board member Johan Hjertansson	530	507	–	–	–	–	507
Board member Eva Lindqvist <sup>3</sup>	–	153	–	–	–	–	153
Board member Christine Wolff	550	530	–	–	–	–	530
President & CEO	–	7,604	3,272	864	130	2,475	14,345
Other senior executives (13 individuals)	–	32,858	5,091	2,116	2,165	6,788	49,018
<b>TOTAL</b>	<b>3,800</b>	<b>44,276</b>	<b>8,363</b>	<b>2,980</b>	<b>2,295</b>	<b>9,263</b>	<b>67,177</b>

1) Board fees and compensation for committee work in accordance with AGM resolution for the period from 2020 AGM through 2021 AGM.

2) The cost of share savings scheme corresponds to the cost reported in the Group pursuant to IFRS.

3) Until 2020 AGM.

The Chair of the Board and other Board members receive board fees and compensation for committee work in accordance with AGM resolution. Employee representatives receive no board fees.

In the above tables, other senior executives are members of the Executive Team excluding the President of Sweco AB.

Variable salary and share savings scheme refer to expensed remuneration in 2021 and 2020.

## Share savings schemes

The Annual General Meetings in 2018, 2019, 2020 and 2021 resolved to implement long-term share savings schemes directed at senior executives in the Sweco Group.

Under the share savings schemes, participants use their own funds to acquire Class B shares in Sweco ("Savings Shares") over NASDAQ Stockholm for an amount equivalent to a maximum of 5–10 per cent of the participant's annual base salary for that year. If the Savings Shares are held until the fourth business day after the announcement of the year-end report for the 2021 financial year for the 2018 share savings scheme, the 2022 financial year for the 2019 share savings scheme, the 2023 financial year for the 2020 share savings scheme and the 2024 financial year for the 2021 share savings scheme (the "Retention Period") and the participant remains employed in his/her position or an equivalent or higher position in

the Sweco Group throughout the Retention Period, each Savings Share shall thereafter grant entitlement to one Class B share in Sweco without consideration ("Matching Share") if the absolute total shareholder return ("TSR") for the Class B share in Sweco is positive (the 2021 share savings scheme requires positive absolute TSR for the share as well as positive accumulated earnings per share ("EPS")) during the Retention Period and provided that certain performance criteria have been met during the Retention Period, to an additional number of not more than one to four Class B shares in Sweco ("Performance Shares"). The granting of Performance Shares is conditional on a positive TSR for the Sweco B share and is also dependent on the Sweco B share's TSR in relation to a group of benchmark companies. The granting of Performance Shares for 2021 share savings scheme is dependent on achievement of certain targets set by the Board of Directors for Sweco's EPS and the Sweco B share's TSR. Evaluation of TSR performance is based on a combination of the Sweco B share's TSR in relation to the TSR of a group of benchmark companies stipulated by the Board of Directors and the requirement that the Sweco B share's TSR must be positive. Evaluation of EPS performance is based on a combination of Sweco's accumulated EPS in relation to EPS growth targets set by the Board of Directors and the requirement that Sweco's accumulated EPS must be positive. The cost for the Group is accounted for according to IFRS and is expensed on a straight-line basis over the Retention Period.

Share savings scheme	Group				Parent Company			
	2021	2020	2019	2018	2021	2020	2019	2018
No. of employees/key personnel still participating	59	67	49	41	12	11	8	5
No. of shares acquired	38,811	39,619	40,161	61,110	12,128	11,269	11,097	13,950
No. of Matching Shares granted per Savings Share	1	1	1	1	1	1	1	1
Maximum no. of Matching Shares	38,811	39,619	40,161	61,110	12,128	11,269	11,097	13,950
No. of Performance Shares granted per Savings Share <sup>1</sup>	1–4	1–4	1–4	1–4	1–4	1–4	1–4	1–4
Maximum no. of Performance Shares	88,122	84,982	95,469	142,233	35,435	33,316	35,193	45,123
Provision for the year, SEK M <sup>2,3</sup>	0.4	2.8	2.1	1.8	0.2	0.9	0.6	0.4
Accumulated provision, SEK M <sup>2,3</sup>	0.4	3.2	4.6	5.8	0.2	1.0	1.4	1.3
Estimated total cost, SEK M <sup>2,3</sup>	9.0	9.3	7.0	6.2	3.4	3.0	2.1	1.3
Retention period	Nov 2021– Feb 2025	Nov 2020– Feb 2024	Nov 2019– Feb 2023	Nov 2018– Feb 2022	Nov 2021– Feb 2025	Nov 2020– Feb 2024	Nov 2019– Feb 2023	Nov 2018– Feb 2022

1) The President & CEO and the CFO may receive no more than four performance shares; business area presidents no more than three performance shares; subsidiary presidents, divisional managers and Heads of Group staff no more than two performance shares; and key employees in staff functions no more than one performance share.

2) Including social fees.

3) Provision is updated annually and is affected mainly by changes in employee turnover.

## 7 AMORTISATION/DEPRECIATION, IMPAIRMENT AND ACQUISITION-RELATED ITEMS

	Group		Parent Company	
	2021	2020	2021	2020
Other intangible assets – depreciation and impairments	-64	-51	-11	-15
Buildings – depreciation and impairments	-1	-1	–	–
Equipment – depreciation and impairments	-215	-226	-32	-31
<b>Total amortisation/ depreciation and impairments – tangible and intangible fixed assets</b>	<b>-280</b>	<b>-278</b>	<b>-43</b>	<b>-45</b>
Right-of-use-assets, premises – depreciation and impairments	-614	-595	–	–
Right-of-use-assets, equipment – depreciation and impairments	-118	-112	–	–
<b>Total depreciation and impairment – right-of-use-assets</b>	<b>-733</b>	<b>-708</b>	<b>–</b>	<b>–</b>
Intangible assets capitalised on acquisition – amortisations	-100	-85	–	–
Profit/loss on divestment of buildings and land	–	6	–	–
Cost for received future service	-45	-47	–	–
Revaluation of purchase price	16	-38	–	–
Profit/loss on divestment of companies and operations <sup>1</sup>	24	29	–	–
<b>Total acquisition-related items</b>	<b>-104</b>	<b>-135</b>	<b>–</b>	<b>–</b>
<b>TOTAL</b>	<b>-1.117</b>	<b>-1.120</b>	<b>-43</b>	<b>-45</b>

1) A provision of SEK 29 million for an exposure in a previous divestment was released during 2020.

## 8 NET FINANCIAL ITEMS

## GROUP

	2021	2020
<b>Net financial items</b>		
Interest income – bank	3	2
Interest expenses – bank	-19	-30
Other financial expenses	-20	-18
<b>Total financial items</b>	<b>-36</b>	<b>-46</b>
Interest cost of leasing	-46	-54
<b>Other financial items</b>		
Dividends on financial assets at fair value	0	0
Fair value losses on financial assets at fair value	0	0
Profit for the year from associated companies and joint ventures	1	2
Capital gain on sale of participation in associated companies	–	3
Interest income – trade receivables	1	1
Interest expenses – trade payables	0	-1
Interest expenses – other	1	–
Other financial income	0	0
Net exchange rate fluctuations	3	-3
<b>Total other financial items</b>	<b>5</b>	<b>2</b>
<b>TOTAL NET FINANCIAL ITEMS</b>	<b>-77</b>	<b>-98</b>

## PARENT COMPANY

	2021	2020
<b>Profit from participation in group companies</b>		
Dividends	352	314
Group contributions	552	765
<b>Total profit from participation in group companies</b>	<b>904</b>	<b>1,079</b>
<b>Financial income</b>		
Interest income from group companies	18	20
Other interest income	7	8
Foreign exchange gains	–	2
<b>Total financial income</b>	<b>25</b>	<b>30</b>
<b>Financial expenses</b>		
Interest expenses to group companies	0	0
Other interest expenses	-16	-25
Foreign exchange losses	-11	–
Other financial expenses	-13	-13
<b>Total financial expenses</b>	<b>-40</b>	<b>-38</b>
<b>TOTAL NET FINANCIAL ITEMS</b>	<b>889</b>	<b>1,071</b>
Interest income received during the year	25	31
Interest expenses paid during the year	-16	-27

## 9 APPROPRIATIONS AND UNTAXED RESERVES

## PARENT COMPANY

	2021	2020
<b>Appropriations</b>		
Transfer to tax allocation reserve	-110	-180
<b>TOTAL</b>	<b>-110</b>	<b>-180</b>
<b>Untaxed reserves</b>		
Tax allocation reserve	764	654
<b>TOTAL</b>	<b>764</b>	<b>654</b>

## 10 TAXES

	Group		Parent Company	
	2021	2020	2021	2020
<b>Current tax expense</b>				
Tax expense for the period	-317	-417	-71	-117
Adjustment of tax attributable to prior years	15	-2	3	0
<b>Total current tax expense</b>	<b>-302</b>	<b>-419</b>	<b>-68</b>	<b>-117</b>
<b>Deferred tax income/expense</b>				
Deferred tax – temporary differences	-112	72	–	–
Deferred tax – recognition of previously unrecognised losses	–	0	–	–
Deferred tax – adjustment of tax attributable to prior years	5	4	–	–
Deferred tax – change in tax rate	4	27	–	–
<b>Total deferred tax income/expense</b>	<b>-103</b>	<b>104</b>	<b>–</b>	<b>–</b>
<b>TOTAL REPORTED TAX EXPENSE</b>	<b>-405</b>	<b>-316</b>	<b>-68</b>	<b>-117</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted nominal tax rates applicable to profits of the consolidated entities. The reconciliation of the actual tax expense is as follows:

Reconciliation of effective tax rate	Group				Parent Company			
	2021, %	2021	2020, %	2020	2021, %	2021	2020, %	2020
Profit before tax		1,897		1,608		707		856
Income tax calculated pursuant to national profit tax rates in each country	21.3	405	19.7	317	20.1	142	21.4	183
Tax effects of:								
– Non-taxable dividends	0.0	0	–	–	-10.3	-73	-7.9	-67
– Other non-taxable income	-0.6	-12	0.0	-1	–	–	–	–
– Non-deductible expenses	1.9	37	1.8	29	0.2	2	0.2	1
Recognition of previously unrecognised loss carry-forwards	–	–	0.0	0	–	–	–	–
Utilisation of previously uncapitalised loss carry-forwards	-0.1	-2	-0.1	-2	–	–	–	–
Tax effect of uncapitalised loss carry-forwards	0.1	1	0.1	2	–	–	–	–
Effect on deferred tax – reduced tax rate	-0.2	-4	-1.7	-27	–	–	–	–
Adjustment of previous years' tax expense	-1.1	-20	-0.1	-2	-0.5	-3	0.0	0
<b>TAX EXPENSE FOR THE YEAR</b>	<b>21.4</b>	<b>405</b>	<b>19.6</b>	<b>316</b>	<b>9.6</b>	<b>68</b>	<b>13.7</b>	<b>117</b>

## GROUP

Tax attributable to other comprehensive income	2021			2020		
	Pre-tax	Tax	After tax	Pre-tax	Tax	After tax
Translation differences – translation of foreign operations	198	–	198	-366	–	-366
Hedges of net investments in subsidiaries	-22	5	-18	65	-13	52
Revaluation of defined benefit pensions	5	-2	4	-45	11	-34
<b>TOTAL</b>	<b>180</b>	<b>3</b>	<b>184</b>	<b>-346</b>	<b>-2</b>	<b>-348</b>

## Deferred tax assets and liabilities

	Group		Group	
	2021	2020	2021	2020
<b>Change in carrying amount for the year</b>			<b>Deferred tax at year end</b>	
Opening carrying amount – deferred tax assets	279	321	Deferred tax asset – loss carry-forwards	139
Increase through acquisitions	2	4	Deferred tax asset – consolidated pension deficits	5
Measurement period adjustment	–	1	Deferred tax asset – temporary differences	84
Decrease through divestitures	0	–	<b>Total deferred tax assets</b>	<b>228</b>
Reclassification to deferred tax liability	-1	-2		
Other deferred tax income/expense in the income statement	-60	-35	Deferred tax component of companies' reported untaxed reserves	-331
Deferred tax income/expense in other comprehensive income	1	2	Deferred tax liability – temporary differences	-213
Foreign currency translation differences	6	-12	<b>Total deferred tax liabilities</b>	<b>-544</b>
<b>CLOSING CARRYING AMOUNT – DEFERRED TAX ASSETS</b>	<b>228</b>	<b>279</b>	<b>TOTAL DEFERRED TAX, NET</b>	<b>-316</b>
Opening carrying amount – deferred tax liabilities	-484	-592		
Increase through acquisitions	-13	-39		
Measurement period adjustment	0	0		
Reclassification from deferred tax asset	1	2		
Change in component of untaxed reserves in the income statement	-100	15		
Other deferred tax income/expense in the income statement	56	124		
Deferred tax income/expense in other comprehensive income	2	-5		
Foreign currency translation differences	-6	12		
<b>CLOSING CARRYING AMOUNT – DEFERRED TAX LIABILITIES</b>	<b>-544</b>	<b>-484</b>		

Of total deferred tax assets, SEK 41 million is expected to be utilised within 12 months. Of total deferred tax liabilities, SEK 2 million is expected to be paid within 12 months. Unrecognised loss carry-forwards in the Group total SEK 33 million (25); these are not expected to be utilised against future profits, and most have a time limit for utilisation. Approximately SEK 3 million (15) of unrecognised loss carry-forwards have a duration of up to 5 years, approximately SEK 4 million (4) have a duration of 6–9 years, and the remainder of approximately SEK 26 million (6) have an indefinite duration.

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Net	
	2021	2020	2021	2020	2021	2020
Property, plant and equipment incl. right-of-use assets	39	42	10	8	49	50
Intangible assets	-2	-1	-170	-177	-172	-178
Financial assets	20	16	11	6	31	22
Current assets	19	19	-203	-220	-183	-201
Current liabilities	0	2	–	0	0	1
Untaxed reserves	–	–	-331	-236	-331	-236
Pensions	5	5	11	11	15	16
Other provisions	8	8	10	14	18	22
Loss carry-forwards	139	190	118	109	257	299
<b>TOTAL</b>	<b>228</b>	<b>279</b>	<b>-544</b>	<b>-484</b>	<b>-316</b>	<b>-205</b>

Movements in net deferred taxes can be summarised as follows:

2021	Opening carrying amount 2021	Recognised through profit or loss	Recognised in other comprehensive income	Acquisitions/divestitures	Reclassifications	Foreign currency translation differences	Closing carrying amount 2021
Property, plant and equipment incl. right-of-use assets	50	-3	-	0	0	2	49
Intangible assets	-178	24	-	-13	0	-5	-172
Financial assets	22	4	5	0	0	0	31
Current assets	-201	21	-	1	0	-4	-183
Current liabilities	1	-2	-	0	0	0	0
Untaxed reserves	-236	-95	-	0	-	0	-331
Pensions	16	2	-2	0	-	0	15
Other provisions	22	-3	-	-2	-	1	18
Loss carry-forwards	299	-50	-	2	-	6	257
<b>TOTAL</b>	<b>-205</b>	<b>-103</b>	<b>3</b>	<b>-11</b>	<b>0</b>	<b>0</b>	<b>-316</b>

2020	Opening carrying amount 2020	Recognised through profit or loss	Recognised in other comprehensive income	Acquisitions/divestitures	Reclassifications	Foreign currency translation differences	Closing carrying amount 2020
Property, plant and equipment incl. right-of-use assets	62	-10	-	0	0	-3	50
Intangible assets	-175	14	-	-25	0	9	-178
Financial assets	36	-1	-13	0	1	0	22
Current assets	-184	-11	-	-14	0	8	-201
Current liabilities	-3	4	-	0	-	0	1
Untaxed reserves	-253	17	-	-	0	0	-236
Pensions	20	-15	11	-	0	0	16
Other provisions	13	11	-	-	0	-1	22
Loss carry-forwards	213	95	-	4	0	-13	299
<b>TOTAL</b>	<b>-271</b>	<b>104</b>	<b>-2</b>	<b>-35</b>	<b>0</b>	<b>-1</b>	<b>-205</b>

## 11 EARNINGS PER SHARE

### GROUP

	2021	2020
Average number of shares before dilution	356,757,820	354,626,159
Dilution due to share bonus scheme and share savings schemes	1,394,990	6,737,046
<b>Average number of shares after dilution</b>	<b>358,152,810</b>	<b>361,363,205</b>
<b>Earnings per share on profit attributable to owners of the Parent Company</b>		
Basic earnings per share, SEK	4.18	3.64
Diluted earnings per share, SEK	4.17	3.58

Earnings per share were calculated on profit for the year attributable to Parent Company shareholders divided by the average number of outstanding shares as specified in the table. For calculation of diluted earnings per share, the weighted average number of common shares outstanding is adjusted for the dilutive effect of all potential common shares. For additional information about the repurchase of treasury shares, see Note 26.

## 12 ACQUISITION AND DIVESTITURE OF SUBSIDIARIES AND OPERATIONS

## GROUP

	Country	Date	Acquired share, % <sup>1</sup>	Holding post-transaction, % <sup>1</sup>	Annual net sales, SEK M <sup>2</sup>	Number of employees (individuals)
<b>Acquisitions 2021</b>						
Bureau voor Urbanisme (BUUR) BV	Belgium	2 January 2021	100	100	47	65 <sup>3</sup>
Gaia Consulting OY	Finland	1 April 2021	100	100	67	58
Linja Arkkitehdit Group	Finland	1 April 2021	100	100	54	59
Wendelbo Landskap AS, asset deal	Norway	9 April 2021	–	–	2	1
Mark & Pieler Ingenieure, asset deal	Germany	30 April 2021	–	–	5	6
Arcade Concept Engineering, asset deal	Belgium	17 May 2021	–	–	9	12
Boydens Engineering Group	Belgium	23 June 2021	100	100	103	140
AdviceU Group	Sweden	1 September 2021	100	100	35	30
Bureau Stedelijke Planning BV	Netherlands	23 September 2021	100	100	59	31
					<b>380</b>	<b>402</b>
<b>Acquisitions 2020</b>						
Talboom Group	Belgium	15 January 2020	100	100	133	69
Morgenroth & Landwehr, asset deal	Germany	15 February 2020	–	–	8	6
KANT Arkitekter A/S	Denmark	2 March 2020	100	100	136	81
Temco, asset deal	Belgium	11 March 2020	–	–	37	31
Automation unit of Eurocon, asset deal	Sweden	30 March 2020	–	–	5	5
SGL Ingénieurs sa/nv	Belgium	12 June 2020	100	100	58	31
Aries Real Estate Solutions s.a	Belgium	29 September 2020	100	100	12	12 <sup>4</sup>
Saraco Group	Finland	1 October 2020	100	100	45	34
TAG Arkitekter Group	Norway	30 October 2020	100	100	97	97
Optiplan Oy	Finland	30 December 2020	100	100	124	143
					<b>655</b>	<b>509</b>

1) Ownership share corresponds to equity interest.

2) Estimated annual sales at acquisition date.

3) Of which 63 self-employed.

4) Of which 11 self-employed.

In 2021, Sweco acquired 9 companies and businesses with approximately 400 employees (individuals) including 63 self-employed staff at BUUR, generating annual net sales of approximately SEK 380 million and about SEK 26 million in annual EBITA.

In January, Sweco acquired BUUR, a Belgian consulting company with expertise focusing on urban planning, landscape architecture, infrastructure design and mobility studies.

In April, Sweco acquired two companies in Finland, Gaia Consulting and Linja Arkkitehdit. Gaia Consulting is the largest sustainability consultancy in Finland. Linja Arkkitehdit offers architectural services in the design of educational, residential and business premises.

In April, Sweco also acquired the operations of Mark & Pieler Ingenieure, a German consultancy, and Wendelbo Lanskap AS, a Norwegian consultancy.

In May, Sweco acquired the operations of Arcade, a Belgian consulting company.

In June, Sweco acquired the Belgian consultancy Boydens Engineering, specialised in sustainable building projects in the public and private sectors.

In September, Sweco acquired the company AdviceU Group a Swedish consulting company specialised in renewal of IT system and IT management.

In September, Sweco also acquired Bureau Stedelijke Planning in the Netherlands. The company is mainly involved in the early planning phase of urban development, specialised in residential and workspace areas, shopping districts and leisure facilities.

Acquisition-related costs for the above acquisitions during the year and previous periods total SEK 8 million (11) and are chiefly comprised of financial advisory and consulting fees associated with due diligence and tax. These expenses, totalling SEK 8 million (11) during the year, were reported in other external expenses in the income statement.

**Divestitures**

During the year, Sweco divested its Norwegian subsidiary Årstiderne Arkitekter AS, with 3 employees. Sweco also divested the Geolab business in Sweden, with 11 employees.

The divestment contributed SEK 9 million in net sales and SEK 1 million in operating profit during the period. The divestments had a positive impact on profit of SEK 17 million.

**Net assets of acquired and divested companies at the acquisition date**

	2021		2020
	Acquired value	Divested value	Acquired value
Intangible assets	59	–	110
Property, plant and equipment	10	0	12
Right-of-use assets	40	–	21
Financial assets	2	0	5
Current assets <sup>1</sup>	88	2	238
Cash and cash equivalents	42	1	67
Non-current lease liabilities	-23	–	-14
Other non-current liabilities	-8	–	-7
Deferred tax	-13	–	-39
Current lease liabilities	-15	–	-6
Other current liabilities	-134	-2	-226
Consolidated goodwill recognised on acquisition	342	–	435
Capital gain/loss recognised on divestiture	–	17	–
<b>Total purchase price</b>	<b>392</b>	<b>17</b>	<b>596</b>
Purchase price outstanding	-5	–	-44
Payment of deferred purchase price	19	–	50
Cash and cash equivalents in acquired and divested companies	-42	-1	-67
<b>DECREASE/INCREASE IN GROUP CASH AND CASH EQUIVALENTS</b>	<b>363</b>	<b>17</b>	<b>535</b>

1) Of acquired current assets, receivables total SEK 83 million (232).

Acquisitions completed in 2021 and 2020 are reported in aggregate form in the table above. Separate reporting of each acquisition is not warranted due to the size of the companies acquired. For acquisitions made in 2021, the acquisition analyses regarding

Linja Arkkitehdit Oy, Gaia Consulting Oy, Arcade Concept Engineering, Mark & Pieler Ingenieure, Boydens Engineering, AdviceU and Bureau Stedelijke Planning are preliminary.

The acquisitions had a negative impact of SEK 363 million (535) on Group cash and cash equivalents. Divestitures impacted the Group's cash and cash equivalents by SEK 17 million. No divestments were made during last year. The net impact on Group cash and cash equivalents is SEK -346 million (-535).

Acquired values correspond to fair value in accordance with IFRS 3 (i.e., following completion of an acquisition analysis). Acquired goodwill is attributable to employees' technical expertise.

Of the unsettled purchase price commitment of net SEK 5 million, SEK 0 million pertains to conditional purchase consideration entered as liability.

#### Contribution of acquired and divested companies to consolidated net sales and operating profit

	2021		2020
	Acquisition	Divestiture	Acquisition
Contribution to net sales in the year's accounts	238	9	313
Contribution to net sales if acquired company had been owned for the full year	392	–	643
Contribution to EBITA in the year's accounts	21	1	26
Contribution to EBITA if acquired company had been owned for the full year	26	–	62
Contribution to operating profit (EBIT) in the year's accounts	4	1	10
Contribution to operating profit (EBIT) if acquired company had been owned for the full year	1	–	33

### 13 INTANGIBLE ASSETS

#### GROUP

	2021			2020		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
Opening acquisition costs	7,664	1,217	8,882	7,542	1,135	8,678
Purchases	–	36	36	–	35	35
Developed internally	–	8	8	–	11	11
Increase through acquisitions	344	58	402	422	108	530
Measurement period adjustment	-2	1	-1	13	2	15
Decrease through divestiture	–	–	–	–	–	–
Reclassification	–	2	2	–	4	4
Sales/disposals	–	-46	-46	–	-26	-26
Foreign currency translation differences	208	32	240	-313	-52	-365
<b>Closing accumulated acquisition costs</b>	<b>8,214</b>	<b>1,308</b>	<b>9,523</b>	<b>7,664</b>	<b>1,217</b>	<b>8,882</b>
Opening accumulated amortisation/depreciation and impairments	-71	-877	-948	-71	-796	-867
Reclassification	–	3	3	–	-6	-6
Sales/disposals	–	38	38	–	26	26
Foreign currency translation differences	–	-24	-24	–	35	35
Impairment losses	–	-10	-10	–	–	–
Amortisation/depreciation for the year	–	-154	-154	–	-136	-136
<b>Closing accumulated amortisation/depreciation and impairments</b>	<b>-71</b>	<b>-1,024</b>	<b>-1,095</b>	<b>-71</b>	<b>-877</b>	<b>-948</b>
<b>CLOSING CARRYING AMOUNT</b>	<b>8,143</b>	<b>284</b>	<b>8,428</b>	<b>7,593</b>	<b>340</b>	<b>7,934</b>
<b>By business area</b>						
Sweco Sweden	2,067			2,036		
Sweco Norway	583			543		
Sweco Finland	1,589			1,417		
Sweco Denmark	1,353			1,321		
Sweco Netherlands	331			276		
Sweco Belgium	751			612		
Sweco UK	757			694		
Sweco Germany & Central Europe	712			694		
Capitalised development costs for software		105			124	
Assets capitalised on acquisition		179			216	
<b>CLOSING CARRYING AMOUNT</b>	<b>8,143</b>	<b>284</b>		<b>7,593</b>	<b>340</b>	

Internally developed software of SEK 8 million (11) was capitalised in Sweden and Norway during the year, while other intangible assets were acquired through acquisition or purchase. See also Note 12 regarding intangible assets arising from acquisitions. Impairment losses of SEK 10 million have been made for software in Germany. In the above table, borrowing costs are not included in asset acquisition costs.

#### PARENT COMPANY

	2021	2020
<b>Other intangible assets</b>		
Opening acquisition costs	162	149
Purchases	6	13
<b>Closing accumulated acquisition costs</b>	<b>168</b>	<b>162</b>
Opening accumulated amortisation	-138	-123
Amortisation for the year	-11	-15
<b>Closing accumulated amortisation</b>	<b>-149</b>	<b>-138</b>
<b>CLOSING CARRYING AMOUNT</b>	<b>19</b>	<b>24</b>



**Impairment testing for cash-generating units with goodwill**

Sweco's goodwill is allocated among the eight business areas in accordance with the table on the preceding page and values are tested on an annual basis. Recoverable amounts for the cash-generating units are established based on value in use calculations. These calculations are based on five-year cash flow forecasts that reflect past experience and on external information sources. The assumed values are not meant to be a forecast or ambition of Sweco's, but are used solely in the impairment testing of reported goodwill values. After the first five years, cash flow forecasts are based on an annual growth rate of 2 per cent, which reflects the anticipated long-term growth rate of the business areas' markets.

The key variables that have a major impact on value in use calculations are sales growth, EBITA margin and the discount rate.

**Sales growth**

Demand for consulting services follows the general economic trend, particularly growth in GDP and fixed investments. Projected market growth is based on a transition from the prevailing market situation to the anticipated long-term growth rate. Sales growth is based on assumptions about market growth and assumptions about Sweco's market shares.

**EBITA margin**

The EBITA margin is forecasted based on an assessment of future profitability with reference to historical outcomes, tangible action plans and an assessment of future potential.

**Discount rate**

The discount rate is calculated as the weighted average cost of debt and equity, taking into consideration each country's specific market conditions relating to risk-free rates of interest and risk premia.

**Sensitivity analysis**

The table "Impairment tests for cash-generating units with goodwill" shows the (assumed) values used to determine value in use and the (adjusted) values that result in a recoverable amount that is equal to the carrying amount, assuming that all other variables are held constant. As a consequence of the SEK 290 million write-down in the cash-generating unit Sweco Germany & Central Europe 2020, the assumptions concerning this unit have been taken into special consideration.

For all cash-generating units, Sweco's assessment is that adjusted values in the below table present no reasonable change in assumptions. The impairment testing therefore indicates no need for impairment.

**Impairment tests for cash-generating units with goodwill, years 1–5**

2021	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Denmark	
Variable	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	2.9	-28.6	2.5	-33.0	3.1	-19.3	3.0	-8.1
Average EBITA margin, %	8.7	2.6	8.0	1.4	8.8	2.8	7.6	4.7
Pre-tax discount rate, %	7.8	24.4	8.6	45.2	8.0	21.7	7.8	11.2

2021	Sweco Netherlands		Sweco Belgium		Sweco UK		Sweco Germany & Central Europe	
Variable	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	3.1	-36.0	5.6	-18.9	3.7	-3.1	1.8	-9.8
Average EBITA margin, %	6.8	0.9	8.8	3.3	6.0	4.6	4.6	3.3
Pre-tax discount rate, %	7.8	56.1	9.2	22.3	9.0	11.2	9.2	13.7

2020	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Denmark	
Variable	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	2.3	-27.4	4.3	-32.2	2.0	-18.3	3.3	-7.6
Average EBITA margin, %	8.7	2.8	8.2	1.3	8.8	3.0	7.3	4.4
Pre-tax discount rate, %	8.2	23.6	8.4	51.0	8.3	20.3	7.6	11.1

2020	Sweco Netherlands		Sweco Belgium		Sweco UK		Sweco Germany & Central Europe	
Variable	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value
Average sales growth, %	2.4	-36.2	5.2	-18.8	4.4	-6.6	5.3	-1.2
Average EBITA margin, %	6.4	0.9	8.8	3.6	6.2	3.7	5.8	4.9
Pre-tax discount rate, %	7.5	51.6	8.9	20.0	8.4	12.4	9.5	12.1

## 14 PROPERTY, PLANT AND EQUIPMENT

## GROUP

	2021			2020		
	Buildings and land	Equipment	Total	Buildings and land	Equipment	Total
Opening acquisition costs	27	1,620	1,647	31	1,548	1,579
Purchases	24	176	199	–	187	187
Increase through acquisitions	2	7	10	–	10	10
Measurement period adjustment	–	–	–	1	–	1
Decrease through divestiture	–	0	0	–	–	–
Reclassification	0	-30	-30	–	110	110
Sales/disposals	0	-145	-146	-2	-165	-167
Foreign currency translation differences	1	41	42	-3	-70	-73
<b>Closing accumulated acquisition costs</b>	<b>54</b>	<b>1,668</b>	<b>1,722</b>	<b>27</b>	<b>1,620</b>	<b>1,647</b>
Opening accumulated depreciation and impairments	-14	-1,114	-1,128	-16	-983	-999
Reclassification	–	25	25	–	-107	-107
Sales/disposals	–	137	137	1	154	155
Foreign currency translation differences	0	-29	-29	2	49	51
Depreciations for the year	-1	-215	-216	-1	-226	-227
<b>Closing accumulated depreciation</b>	<b>-15</b>	<b>-1,196</b>	<b>-1,211</b>	<b>-14</b>	<b>-1,114</b>	<b>-1,128</b>
<b>CLOSING CARRYING AMOUNT</b>	<b>38</b>	<b>472</b>	<b>510</b>	<b>12</b>	<b>507</b>	<b>519</b>
Of which, land:						
Opening acquisition costs	2		2	2		2
Sales/disposals	–		–	-0		-0
Foreign currency translation differences	0		0	-0		-0
Increase through acquisitions	1		1	–		–
Decrease through divestiture	–		–	–		–
<b>Closing carrying amount, land</b>	<b>2</b>		<b>2</b>	<b>2</b>		<b>2</b>

## PARENT COMPANY

	2021	2020
<b>Equipment</b>		
Opening acquisition costs	163	157
Purchases	42	32
Sales/disposals	0	-26
<b>Closing accumulated acquisition costs</b>	<b>205</b>	<b>163</b>
Opening accumulated depreciation	-103	-98
Sales/disposals	0	26
Depreciation for the year	-32	-31
<b>Closing accumulated depreciation</b>	<b>-135</b>	<b>-103</b>
<b>CLOSING CARRYING AMOUNT</b>	<b>70</b>	<b>60</b>

## 15 RIGHT-OF-USE ASSETS

## GROUP

Change in carrying amount for the year	2021			2020		
	Premises	Equipment	Total	Premises	Equipment	Total
Opening carrying amount	2,432	273	2,705	2,791	252	3,043
New leases	204	114	318	274	147	421
Increase through acquisitions	32	8	40	19	2	21
Changes in existing leases	130	-1	129	116	1	117
Sales/disposals	-16	-9	-25	-52	-6	-58
Impairment losses	-7	0	-7	-14	–	-14
Depreciations for the year	-607	-118	-725	-582	-112	-694
Foreign currency translation differences	66	7	73	-120	-11	-131
<b>CLOSING CARRYING AMOUNT</b>	<b>2,234</b>	<b>274</b>	<b>2,508</b>	<b>2,432</b>	<b>273</b>	<b>2,705</b>

Impairment losses of SEK 7 million in 2021 were made for unused office space in the Netherlands and Germany. In 2020 impairment losses of SEK 14 million were made for unused office space in the Netherlands and UK.

## 16 SHAREHOLDINGS AND PARTICIPATION IN GROUP COMPANIES

## PARENT COMPANY

Change in carrying amount for the year	2021	2020
Opening carrying amount	4,669	4,685
Adjusted purchase price	-	-17
<b>CLOSING CARRYING AMOUNT</b>	<b>4,669</b>	<b>4,669</b>

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares	Carrying amount
<b>Directly owned companies</b>					
Sweco Central Europe AB <sup>1</sup>	556633-5831	Stockholm	100	1,000	59
Sweco Norge AS	967032271	Norway	100	152,349	112
Sweco Finland Oy <sup>1</sup>	0871165-9	Finland	100	21,000	1,104
Sweco Sverige Holding AB <sup>1</sup>	556032-2496	Stockholm	100	100,000	887
Vattenbyggnadsbyrån Export AB <sup>2</sup>	556079-1336	Stockholm	100	4,500	1
Sweco Holdco B.V. <sup>1</sup>	30029428	Netherlands	100	76,114,143	2,506
<b>Total shareholdings and participation in group companies</b>					<b>4,669</b>

## Indirectly owned companies

## Through Sweco Central Europe AB

Sweco Hydroprojekt a.s.	26475081	Czech Republic	100	10	
UAB Sweco Lietuva	301135783	Lithuania	100	126,105,128	
Sweco Polska Sp. z o.o.	0000140225	Poland	100	30,469	
Sweco Energoprojekt JSC	1305488081	Bulgaria	73	400	
Sweco Projekt AS	11304200	Estonia	100	383,569	
Sweco EST OÜ	10633373	Estonia	100	1	

## Through Sweco Norge AS

TAG Arkitekter AS	894607262	Norway	100	1,250	
TAG Arkitekter AB	559222-7911	Sweden	100	50,000	

## Through Sweco Finland Oy

Sweco Architects Oy	0635637-4	Finland	100	100	
Sweco Asiantuntijapalvelut Oy	2635440-5	Finland	100	10,000	
Contesta Oy	1712699-6	Finland	100	10,000	
FMC Laskentapalvelut Oy	1013429-9	Finland	100	16,667	
Sweco Industry Oy	0350941-9	Finland	100	1,920,000	
Linnunmaa Oy	1875811-9	Finland	100	800	
Kiinteistö Oy Sammonpiha <sup>3</sup>	0770284-4	Finland	75	166	
Sweco International Oy <sup>1</sup>	2635445-6	Finland	100	10,000	
Sweco PM Oy	2635438-4	Finland	100	10,000	
Sweco Rakenne- ja Tekniikka Oy	2635439-2	Finland	100	10,000	
Sweco Projektit Oy <sup>2</sup>	2661738-3	Finland	100	100	
Sweco Talotekniikka Oy	0957613-7	Finland	100	1,000	
Sweco Infra & Rail Oy	2998506-9	Finland	100	100,000	
Gaia Consulting Oy	2008574-2	Finland	100	11,099	

## Through Sweco Sverige Holding AB

Sweco International AB	556862-9918	Stockholm	100	500	
Sweco Business Information Consulting Co.	91310000MA1K349X1E	China	100	10	
Sweco-COWI Joint Venture AB <sup>2</sup>	556085-5867	Stockholm	100	1,000	
Sweco Sverige AB	556767-9849	Solna	100	129,200,000	
Nordic Infrapro AB	559023-2780	Stockholm	100	15,000	
Sweco India Private Ltd.	AABCF0979RST001	India	100	10,000	
Grontmij AB	556563-7237	Stockholm	100	18,000	
AdviceU AB	556763-4794	Stockholm	100	200,000	
AdviceU Syd AB	559109-9774	Stockholm	100	100,000	

1) Holding company

2) Dormant company

3) Real estate company

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares
<b>Through Sweco Holdco B.V.</b>				
Sweco Nederland Holding B.V. <sup>1</sup>	30161447	Netherlands	100	5,000
Sweco Capital Consultants B.V.	27091285	Netherlands	100	32,305
Sweco Nederland B.V.	30129769	Netherlands	100	1,816
Grontmij Maunsell Holding B.V.	30164459	Netherlands	100	102
Grontmij Maunsell Infrastructure Consultancy Services B.V.	30164468	Netherlands	100	102
Sweco Vastgoedmanagement B.V.	23064728	Netherlands	100	1,816
Bureau Stedelijke Planning B.V.	29048410	Netherlands	100	9,702,700
Grontmij Assetmanagement Holding B.V. <sup>1</sup>	30136340	Netherlands	100	182
Grontmij Nederland Projecten B.V. <sup>3</sup>	30163316	Netherlands	100	200
Grontmij Real Estate Nederland B.V. <sup>3</sup>	30149254	Netherlands	100	454
MaasBilt B.V. <sup>3</sup>	30039313	Netherlands	100	45,379
PAR 2 Ontwikkeling B.V. <sup>3</sup>	37128584	Netherlands	100	900
PAR 2 Ontwikkeling C.V. <sup>3</sup>	37131835	Netherlands	100	
Assutex C.V. <sup>4</sup>	30122026	Netherlands	100	
Sweco Denmark Holding ApS <sup>1</sup>	31862671	Denmark	100	600,000
Sweco Denmark A/S	48233511	Denmark	100	62,800,896
A/S af 20/11 1980 <sup>2</sup>	83049316	Denmark	100	1
GSA Gesellschaft für Strassenanalyse GmbH	HRB 2231	Germany	100	1
Sweco Asset Management Technologies AS	961 168 848	Norway	100	1,500
Sweco Asset Management Technologies AB	556228-0361	Gothenburg	100	10,006
Sweco Belgium nv	BE0405647664	Belgium	100	218,248
GM Contracting nv	BE0419330703	Belgium	100	18,252
Bureau voor Urbanisme (BUUR) BV	0883973470	Belgium	100	3,344
BSEG bv	0546602126	Belgium	100	91,936
Studiebureau Boydens Raymond nv	0416968059	Belgium	100	264
Sustainable Engineering Vietnam Ltd.	0106224296	Vietnam	100	100
Bureau d'étude Boydens Luxembourg sprl	B141892	Luxembourg	100	1,250
Sweco UK Holding Limited <sup>1</sup>	2237772	UK	100	31,243,690
Sweco Engineering (Ireland) Limited	120358	Ireland	100	175,100
Sweco UK Limited	2888385	UK	100	8,214,013
Roger Preston & Partners Ltd <sup>2</sup>	2748664	UK	100	56
Sweco Services UK Limited	2707426	UK	100	200
Roger Preston Group Ltd	6546246	UK	100	1
MLM Holdings Ltd <sup>1</sup>	04108949	UK	100	288,000
Sweco Building Control Ltd	02891295	UK	100	2
Sweco Consulting Engineers Ltd	03057104	UK	100	1,000
Sweco Consulting Ltd	03383526	UK	100	2
Fluid Structures Engineers & Technical Designers Ltd	03865913	UK	100	1,187
Sweco Ireland Ltd	E554682	Ireland	100	100
Sweco GmbH	HRB21768HB	Germany	100	200
Jo. Franzke Generalplaner GmbH	HRB102538	Germany	100	1
imp GmbH	HRB207026	Germany	100	3
Sweco d.o.o.	20664975	Serbia	100	2

- 1) Holding company  
2) Dormant company  
3) Real estate company  
4) Insurance company

Most of the Group's subsidiaries are consulting firms. Group subsidiaries also include holding companies, dormant companies, real estate companies and insurance companies, as shown in the table above. All material subsidiaries are owned by a majority of the votes. No non-controlling interests are material to the Group.

## 17 SHAREHOLDINGS AND PARTICIPATION IN ASSOCIATED COMPANIES

No changes have been made by associated companies during 2021. Shares in Park 15 Business BV in the Dutch real estate operations were divested in 2020. Financial information for non-material shareholdings in associated companies, based on amounts included in the consolidated financial statements, is detailed below.

### GROUP

Group's share of:	2021	2020
Profit for the year	1	2
Capital gain on sale of associated company	–	3
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1</b>	<b>5</b>

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares	Carrying amount
<b>2021</b>					
<b>Through Sweco Denmark A/S</b>					
Odeon A/S	26391253	Denmark	22	130,500	2
PavEx Consulting s.r.o.	cz63487624	Czech Republic	50	250,000	0
Projektgruppen Akutcenter Viborg ApS	35046445	Denmark	26	20,500	0
<b>Through Sweco Belgium NV</b>					
Arteum Architects BVBA	BE0896004242	Belgium	40	40	0
<b>Total shares and participation</b>					<b>2</b>

<b>2020</b>					
<b>Through Sweco Denmark A/S</b>					
Odeon A/S	26391253	Denmark	22	130,500	2
PavEx Consulting s.r.o.	cz63487624	Czech Republic	50	250,000	0
Projektgruppen Akutcenter Viborg ApS	35046445	Denmark	26	20,500	0
<b>Through Sweco Belgium NV</b>					
Arteum Architects BVBA	BE0896004242	Belgium	40	40	0
<b>Total shares and participation</b>					<b>2</b>

## 18 HOLDINGS IN JOINT VENTURES AND JOINT OPERATIONS

None of the Group's joint ventures are of a significant size, and value of the holdings amounted to SEK 0 million (1).

### GROUP

Group's share of joint ventures:	2021	2020
Profit for the year	-2	4
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-2</b>	<b>4</b>

Holdings in joint operations at year end	Corp. ID number	Domicile	Share of equity, %
<b>2021</b>			
Sweco ÅF Healthcare Systems AB (owned through Sweco Systems AB)	556881-5764	Stockholm	50
<b>2020</b>			
Sweco ÅF Healthcare Systems AB (owned through Sweco Systems AB)	556881-5764	Stockholm	50

Group's shareholdings in joint operations	2021	2020
Operating income	1	1
Operating costs	-1	-1
<b>PROFIT FOR THE YEAR</b>	<b>0</b>	<b>0</b>
Current assets	1	1
<b>Total assets</b>	<b>1</b>	<b>1</b>
Current liabilities	-1	-1
<b>Total liabilities</b>	<b>-1</b>	<b>-1</b>
<b>NET ASSETS</b>	<b>0</b>	<b>0</b>

There are no pledged assets or contingent liabilities relating to holdings in joint operations.

## 19 FINANCIAL INVESTMENTS

### GROUP

Change in carrying amount for the year	2021	2020
Opening carrying amount	10	10
Acquisition of other shares	0	0
Reclassification	-	0
Disposal of other shares	-	0
Increase through acquisition	0	0
Revaluation of holdings	0	0
Foreign currency translation difference	0	0
<b>CLOSING CARRYING AMOUNT</b>	<b>10</b>	<b>10</b>

The business model for financial investments is "hold to collect and sell". The assets are regularly measured at fair value with changes in value reported in other comprehensive income. An impairment loss is recognised in the income statement when necessary. See also Note 8.

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares	Carrying amount
<b>2021</b>					
BRF Störtloppet	716414-8764	Åre			1
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	6
Other shares and participation					3
<b>Total shares and participation</b>					<b>10</b>
<b>2020</b>					
BRF Störtloppet	716414-8764	Åre			1
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	6
Other shares and participation					3
<b>Total shares and participation</b>					<b>10</b>

## 20 OTHER NON-CURRENT SECURITIES

## PARENT COMPANY

Change in carrying amount for the year	2021	2020
Opening carrying amount	1	1
<b>CLOSING CARRYING AMOUNT</b>	<b>1</b>	<b>1</b>

Shareholdings at year end	Corp. ID number	Domicile	Carrying amount
<b>2021</b>			
BRF Störtloppet	716414-8764	Åre	1
<b>Total shares and participation</b>			<b>1</b>
<b>2020</b>			
BRF Störtloppet	716414-8764	Åre	1
<b>Total shares and participation</b>			<b>1</b>

## 21 RECEIVABLES FROM GROUP COMPANIES

## PARENT COMPANY

Change in carrying amount for the year	2021	2020
<b>Non-current assets</b>		
Opening carrying amount	1,832	1,833
Lending to group companies	1	0
Foreign currency translation difference	1	-1
<b>Closing carrying amount</b>	<b>1,833</b>	<b>1,832</b>
<b>Current assets</b>		
Opening carrying amount	2,944	2,881
Change for the year	-1,615	63
<b>Closing carrying amount</b>	<b>1,329</b>	<b>2,944</b>
<b>TOTAL RECEIVABLES FROM GROUP COMPANIES</b>	<b>3,162</b>	<b>4,777</b>

Credit risk in receivables from group companies is deemed to be low based on loss history and is not considered to require any credit loss provision.

## 22 OTHER NON-CURRENT RECEIVABLES

## GROUP

	Hold to collect	
Change in carrying amount for the year	2021	2020
Opening carrying amount	100	56
Increase through acquisition	–	1
Increase in receivables	12	40
Decrease in receivables	-12	-49
Reclassification	5	54
Foreign currency translation difference	1	-2
<b>CLOSING CARRYING AMOUNT</b>	<b>107</b>	<b>100</b>
<b>Non-current receivables at year end</b>		
Insurance reimbursement	38	38
Lease receivables – employee cars	7	9
Other non-current receivables	61	53
<b>CLOSING CARRYING AMOUNT</b>	<b>107</b>	<b>100</b>

Other receivables comprise endowment insurance, deposits and other receivables.

## 23 WORK IN PROGRESS

## GROUP

Below is a description of significant movements in work in progress less progress billings and progress billings in excess of work in progress.

	2021		2020	
Change in carrying amount for the year	Work in progress less progress billings	Progress billings in excess of work in progress	Work in progress less progress billings	Progress billings in excess of work in progress
Opening carrying amount	1,891	-1,592	2,486	-1,383
Increase through acquisitions	12	-30	52	-6
Decrease through divestiture	0	0	–	–
Progress billings	-15,281	-3,017	-16,424	-5,951
Value of work completed	15,901	3,014	15,977	5,548
Reclassification <sup>1</sup>	121	67	-200	200
<b>CLOSING CARRYING AMOUNT</b>	<b>2,643</b>	<b>-1,557</b>	<b>1,891</b>	<b>-1,592</b>

1) For reclassification of 2021 work in progress less progress billings, SEK 188 million pertains to reclassification from accounts receivables.

A major part of the opening balance for progress billings in excess of work in progress was recognised as income in 2021. No significant revenue from performance obligations fulfilled during previous periods has been reported.

## 24 PREPAID EXPENSES, ACCRUED INCOME AND OTHER CURRENT RECEIVABLES

	Group		Parent Company	
	2021	2020	2021	2020
Prepaid rent-related expenses	55	50	0	0
Prepaid insurance premiums	38	14	0	0
Prepaid IT expenses including licence expenses	252	248	242	237
Prepaid expenses for future service <sup>1</sup>	17	58	–	–
Other prepaid expenses	92	59	14	9
Accrued interest income	0	0	–	–
Other accrued income	2	1	1	1
<b>TOTAL</b>	<b>456</b>	<b>430</b>	<b>257</b>	<b>246</b>

1) Prepaid expenses for future services refer to a portion of cash paid in connection with acquisitions which, according to IFRS 3, is to be treated as a cost for future service rather than as purchase price.

	Group		Parent Company	
Other current receivables	2021	2020	2021	2020
VAT	24	15	12	–
Deposits	27	33	–	–
Insurance reimbursement	116	107	–	–
Lease receivables – employee cars	12	23	–	–
Derivatives	0	1	–	–
Other current receivables	268	242	11	7
<b>TOTAL OTHER CURRENT RECEIVABLES</b>	<b>448</b>	<b>421</b>	<b>23</b>	<b>7</b>

## 25 CASH AND CASH EQUIVALENTS

Surplus cash is invested in fixed-income securities such as commercial paper or certificates of deposit, where the funds are held for a predetermined period of time. Commercial paper is recognised in the balance sheet and the cash flow statement as short-term investments, which are included in current receivables. Commercial paper is classified as financial assets at fair value through profit and loss. Deposits are recognised as current liquid investments, which are included in cash and cash equivalents. Sweco always has the option of immediately withdrawing the deposited funds prior to the maturity date but may then lose a portion of the higher interest payable on the funds.

Current investments have been classified as cash and cash equivalents on the basis that:

- they are exposed to an insignificant risk for value fluctuations
- they are readily convertible to cash
- they have original maturities of less than three months.

	Group		Parent Company	
Cash and cash equivalents in the balance sheet	2021	2020	2021	2020
Cash/bank	896	2,088	335	1,387
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>896</b>	<b>2,088</b>	<b>335</b>	<b>1,387</b>

There was no commercial paper in Sweco Group on 31 December 2021 or 2020.

## 26 EQUITY

Change in number of outstanding shares <sup>1,2</sup>	A shares	B shares	Total
Number of shares at 1 January 2020	31,260,822	322,134,555	353,395,377
Issuance of treasury shares – share savings scheme	–	116,889	116,889
Issuance of treasury shares – share bonus scheme	–	1,685,205	1,685,205
Conversion of A shares to B shares	-103,683	103,683	–
<b>NUMBER OF SHARES AT 31 DECEMBER 2020</b>	<b>31,157,139</b>	<b>324,040,332</b>	<b>355,197,471</b>
Issuance of treasury shares – share savings scheme	–	141,130	141,130
Issuance of treasury shares – share bonus scheme	–	2,146,469	2,146,469
Conversion of A shares to B shares	-70,541	70,541	–
<b>NUMBER OF SHARES AT 31 DECEMBER 2021</b>	<b>31,086,598</b>	<b>326,398,472</b>	<b>357,485,070</b>

1) After deduction for treasury shares.

2) Due to the share split conducted during fourth quarter 2020, historical data has been restated in accordance with IAS 33.

A statement of changes in equity is found on page 81 for the Group and on page 85 for the Parent Company. Additional information about the Sweco share is provided on pages 125–127.

In November 2020, the number of shares and votes increased as a result of the share split (ratio 3:1) that was resolved by Sweco AB's Extraordinary General Meeting held on 22 October 2020, through which each existing share was split into three new shares of the same class.

The total number of shares, including treasury shares, at the end of the period was 363,251,457 (31,086,598 Class A shares and 332,164,859 Class B shares.) The total number of votes was 64,303,083.9, of which 31,086,598 are represented by Class A shares and 33,216,485.9 by Class B shares.

### Share capital

The quota value per share is 0.33. All issued shares carry entitlement to dividends, which are determined yearly at the Annual General Meeting. Class A shares carry one vote and Class B shares carry 1/10 of one vote. All shares grant equal entitlement to the company's remaining net assets. Regarding treasury shares, all rights are suspended until these shares are re-issued.

### Other contributed capital

Other contributed capital is comprised of equity contributed by the shareholders in the form of shares and other equity instruments issued at a premium, meaning that the amount paid exceeds the quota value of the shares.

### Reserves

Reserves are comprised of a translation reserve containing all exchange differences arising on the translation of foreign operations to another currency and exchange differences arising on the hedged net investments in Finland (mainly FMC Group) and the Netherlands (mainly Grontmij Group) with loans denominated in EUR.

### Retained earnings including profit for the year

Retained earnings including profit for the year are comprised of profits earned in the Parent Company and its subsidiaries, associated companies and joint ventures. Retained earnings have been charged with the historical cost of treasury shares held by the Parent Company, its subsidiaries and associated companies. Upon utilisation of treasury shares, an amount equal to the market value of the shares is transferred to retained earnings.

At 31 December 2021 the Group's holding of treasury shares amounted to 5,766,387 (8,053,986) Class B shares. The treasury shares were purchased at an average price of SEK 66.21 each, for a total of SEK 382 million. The market value at 31 December 2021 was SEK 981 million. The repurchased shares correspond to 1.6 per cent of the total number of shares and 0.9 per cent of the votes.

### Capital distribution to shareholders

After the balance sheet date, the Board of Directors proposed the following capital distribution to shareholders for resolution by the Annual General Meeting on 21 April 2022.

	2021	2020
Dividend of SEK 2.45 per common share (2.20 SEK)	890	782

Amounts for 2021 were calculated including treasury shares. Accordingly, the change in value may be lower if the shares remain in treasury. Should the Board exercise the authority granted it by the April 2021 AGM to acquire additional treasury shares, the amount distributed to the shareholders through the proposed dividend may be further reduced. More information is found in the Board of Directors' Report on page 70.

### PARENT COMPANY

#### Restricted reserves

Restricted reserves may not be reduced through distribution to shareholders.

#### Statutory reserve

The purpose of the statutory reserve is to set aside a portion of net profit that is not used, to cover an accumulated deficit. This includes the part of the share premium reserve that was transferred on 31 December 2005. The share premium reserve arose through the issue of equity instruments (shares and subscription warrants) at a premium, meaning that the amount paid exceeded the quota value of the shares.

#### Development expenditure fund

For capitalisation of internal development expenditures, the corresponding amount is transferred from unrestricted equity to the development expenditure fund in restricted equity. The fund is reduced as capitalised expenditures are depreciated or written off.

#### Share premium reserve

The share premium reserve arose through the issue of shares and subscription warrants at a premium, meaning that the amount paid exceeded the quota value of the shares.

#### Retained earnings

Retained earnings are comprised of the previous year's non-restricted equity after deduction of dividends. Retained earnings together with profit for the year, along with the share premium reserve and any fair value reserves, comprise total non-restricted equity; i.e., the amount available for distribution to shareholders.



## 27 CURRENT AND NON-CURRENT INTEREST-BEARING DEBT

	Group		Parent Company	
	2021	2020	2021	2020
<b>Non-current interest-bearing debt</b>				
Liabilities to credit institutions	1,805	2,996	1,650	2,866
Other non-current liabilities	–	0	–	–
<b>Total</b>	<b>1,805</b>	<b>2,996</b>	<b>1,650</b>	<b>2,866</b>
<b>Current interest-bearing debt</b>				
Bank overdraft facilities	4	31	–	–
Other liabilities to credit institutions	–	3	–	–
<b>Total</b>	<b>4</b>	<b>34</b>	<b>–</b>	<b>–</b>
<b>TOTAL INTEREST-BEARING DEBT</b>	<b>1,808</b>	<b>3,031</b>	<b>1,650</b>	<b>2,866</b>

All financial liabilities above are recognised at amortised cost. Liabilities to credit institutions were mainly raised to finance acquisitions. The most important covenant in the loan agreement is the Net debt/EBITDA ratio. All covenants were met by a wide margin at the end of the reporting period. The bank overdraft facilities are renewed yearly and are not associated with any special conditions or obligations.

Below is an analysis of changes in net debt and other non-current liabilities.

GROUP	Cash and cash equivalents	Non-current interest-bearing loans	Current interest-bearing loans	Net debt	Other non-current liabilities	Total
<b>Carrying amount at 1 January 2020</b>	<b>660</b>	<b>-1,665</b>	<b>-1,109</b>	<b>-2,114</b>	<b>-50</b>	<b>-2,166</b>
<b>Non-cash items</b>						
Increase through acquisitions	–	-5	-4	-9	-23	-32
Reclassification	–	-78	78	–	-19	-19
Foreign currency translation differences	-19	111	6	98	0	98
<b>Total non-cash items</b>	<b>-19</b>	<b>28</b>	<b>80</b>	<b>89</b>	<b>-42</b>	<b>47</b>
Cash flow	1,447	-1,359	995	1,083	-13	1,070
<b>CARRYING AMOUNT AT 31 DECEMBER 2020</b>	<b>2,088</b>	<b>-2,996</b>	<b>-34</b>	<b>-943</b>	<b>-105</b>	<b>-1,048</b>
<b>Non-cash items</b>						
Increase through acquisitions	–	-7	-12	-19	–	-19
Impairment	–	–	–	–	3	3
Reclassification	–	0	0	–	14	14
Foreign currency translation differences	28	-74	-1	-46	-3	-49
<b>Total non-cash items</b>	<b>28</b>	<b>-81</b>	<b>-13</b>	<b>-65</b>	<b>14</b>	<b>-50</b>
Cash flow	-1,220	1,272	43	95	1	96
<b>CARRYING AMOUNT AT 31 DECEMBER 2021</b>	<b>896</b>	<b>-1,805</b>	<b>-4</b>	<b>-913</b>	<b>-90</b>	<b>-1,003</b>

PARENT COMPANY	Cash and cash equivalents	Non-current interest-bearing loans	Current interest-bearing loans	Net debt	Other non-current liabilities	Total
<b>Carrying amount at 1 January 2020</b>	<b>184</b>	<b>-1,550</b>	<b>-971</b>	<b>-2,337</b>	<b>-18</b>	<b>-2,355</b>
<b>Non-cash items</b>						
Reclassification	–	–	–	–	-21	-21
Foreign currency translation differences	–	46	–	46	–	46
<b>Total non-cash items</b>	<b>–</b>	<b>46</b>	<b>–</b>	<b>46</b>	<b>-21</b>	<b>25</b>
Cash flow	1,203	-1,362	971	812	–	812
<b>CARRYING AMOUNT AT 31 DECEMBER 2020</b>	<b>1,387</b>	<b>-2,866</b>	<b>–</b>	<b>-1,479</b>	<b>-39</b>	<b>-1,518</b>
<b>Non-cash items</b>						
Reclassification	–	–	–	–	-5	-5
Foreign currency translation differences	–	-52	–	-52	–	-52
<b>Total non-cash items</b>	<b>–</b>	<b>-52</b>	<b>–</b>	<b>-52</b>	<b>-5</b>	<b>-57</b>
Cash flow	-1,051	1,268	–	217	–	217
<b>CARRYING AMOUNT AT 31 DECEMBER 2021</b>	<b>335</b>	<b>-1,650</b>	<b>–</b>	<b>-1,315</b>	<b>-44</b>	<b>-1,359</b>

Loan maturity structure	Group		Parent Company	
	2021	2020	2021	2020
0–1 year	4	34	–	–
1–5 years	1,802	2,996	1,650	2,866
1–5 years	3	–	–	–
<b>TOTAL</b>	<b>1,808</b>	<b>3,031</b>	<b>1,650</b>	<b>2,866</b>

The fixed interest rate period for all loans is less than one year.

## Granted overdraft and credit terms

	Group		Parent Company	
	2021	2020	2021	2020
Credits granted	5,079	4,841	4,864	4,661
Credits utilised on balance sheet date	-1,808	-3,031	-1,650	-2,866
<b>UNUTILISED CREDITS</b>	<b>3,271</b>	<b>1,811</b>	<b>3,214</b>	<b>1,795</b>
<b>Average interest rate, %<sup>1</sup></b>	<b>1.34</b>	<b>1.37</b>	<b>0.48</b>	<b>0.59</b>

1) The average interest rate is calculated based on the capital cost, interest and fees, set against the average outstanding balances of these loans through the year.

Net debt<sup>1</sup>

	2021	2020
Non-current interest-bearing debt	1,805	2,996
Current interest-bearing debt	4	34
Cash and cash equivalents incl. short-term investments	-896	-2,088
<b>NET DEBT</b>	<b>913</b>	<b>943</b>

1) Net debt is an alternative performance measure (APM) defined as net financial debt (comprised almost exclusively of interest-bearing bank debt) less cash and cash equivalents and short-term investments. Lease liabilities are excluded from net debt.

## 28 PROVISIONS FOR PENSIONS

## DEFINED BENEFIT PENSION PLANS

## Sweden

The Group's retirement pension obligations for salaried employees in Sweden are secured through insurance in Alecta. According to statement UFR 10 from the Swedish Accounting Standards Board's Urgent Issues Task Force, Alecta is a "multi-employer" plan. The Group has not had access to sufficient information to report this as a defined benefit pension plan. Consequently, the ITP-based pension plan which is secured through insurance in Alecta is reported as a defined contribution plan.

Surpluses in Alecta can be refunded to the policyholders and/or the insureds. At the end of 2021 Alecta's surplus measured as a collective consolidation ratio was 172 per cent (148). The collective consolidation ratio is the market value of Alecta's plan assets as a percentage of insurance obligations computed according to their own actuarial assumptions, which are not consistent with IAS 19.

## Other countries

As at the close of 2021, Sweco Norway has two remaining defined benefit pension plans with similar demographic and financial assumptions. These remaining plans apply to 29 retired members. The plans' assets and liabilities are calculated using identical actuarial assumptions.

Sweco Belgium has several defined benefit pension plans with similar demographic and financial assumptions. Assets and liabilities in these plans are computed according to the same actuarial assumptions. As the legislature requires employers to ensure a minimum return on pension plans, several Belgian pension plans previously classified as defined contribution plans are now recognised as defined benefit plans.

At the close of 2021, Sweco Germany has two defined benefit pensions plans with similar demographic and financial assumptions. One plan applies to two retired members, while the other ("Direktzusagen") is due to expire and applies to 71 retired members, 31 active employees, and 47 former employees, who are eligible for benefits at age 65. The German plans are unfunded.

Employees in Finland are covered by defined contribution pension plans. Employees gained through the 2019 acquisition of NRC Group's design operations are covered by a defined benefit plan. Denmark and the UK participate in defined contribution pension plans with local pension funds or insurance companies. The previous defined benefit pension plan in the Netherlands ended in 2020, and the Dutch pensions are now covered by defined contribution plans. The Group also participates in defined benefit pension plans with local pension funds or insurance companies in Poland, India and Bulgaria. The Netherlands, Germany and Denmark also have provisions for jubilee benefits.

Breakdown of net asset/ liability for defined benefit plans by country	2021				
	Norway	Germany	Belgium	Other	Total
Present value of defined benefit pension obligations	-54	-42	-318	-6	-421
Fair value of plan assets	38	-	238	3	278
Liability for jubilee benefits	-	-3	-	-17	-19
<b>NET ASSET/LIABILITY FOR DEFINED BENEFIT PLANS</b>	<b>-17</b>	<b>-45</b>	<b>-81</b>	<b>-20</b>	<b>-163</b>

Breakdown of net asset/ liability for defined benefit plans by country	2020				
	Norway	Germany	Belgium	Other	Total
Present value of defined benefit pension obligations	-48	-45	-250	-7	-350
Fair value of plan assets	36	-	162	3	201
Liability for jubilee benefits	-	-3	-	-16	-19
<b>NET ASSET/LIABILITY FOR DEFINED BENEFIT PLANS</b>	<b>-12</b>	<b>-49</b>	<b>-87</b>	<b>-20</b>	<b>-168</b>

Defined benefit pension plans in the balance sheet	2021	2020
Present value of defined benefit pension obligations	-421	-350
Fair value of plan assets	278	201
Liability for jubilee benefits	-19	-19
<b>NET LIABILITY FOR DEFINED BENEFIT PLANS</b>	<b>-163</b>	<b>-168</b>
Non-current pension provisions	-158	-163
Current pension provisions	-5	-5
<b>NET BALANCE SHEET AMOUNT</b>	<b>-163</b>	<b>-168</b>

Change in defined benefit pension obligations for the year	2021	2020
Defined benefit pension obligation at beginning of year	-350	-452
Current service costs	-26	-24
Past service costs	0	0
Curtailment gain	-	0
Interest expense	-3	-3
Revaluations:		
– Actuarial gains and losses on changed demographic assumptions	0	-13
– Actuarial gains and losses on changed financial assumptions	0	-13
– Experienced-based adjustments	2	-20
Settlement and changes in the pension plan	-55	138
Reclassification	0	-
Benefits paid	22	18
Foreign currency translation difference	-11	19
<b>Defined benefit pension obligation at year end</b>	<b>-421</b>	<b>-350</b>

Change in fair value of plan assets for the year	2021	2020
Fair value of plan assets at beginning of year	201	284
Employer contributions	28	76
Contributions from plan participants	6	5
Interest income	2	2
Return on plan assets, excluding interest income	4	3
Actuarial gains and losses	0	-1
Settlement and changes in the pension plan	54	-135
Benefits paid	-24	-20
Administration cost	-1	-1
Foreign currency translation difference	7	-12
<b>Fair value of plan assets at year end</b>	<b>278</b>	<b>201</b>

Plan assets are comprised of	2021	2020
Cash and cash equivalents and current investments	-	0
Shares	1	0
Credits	-	1
Government bonds	34	31
Real estate	1	3
Other <sup>1</sup>	242	166
<b>TOTAL PLAN ASSETS</b>	<b>278</b>	<b>201</b>

1) Refers to assets in Sweco Belgium pension plans where insurance contracts exist. Assets in these plans are managed by an external party and returns generated by these assets are used to pay employees' benefits. Distribution of these assets, geographically or by asset class, was not available at the date of the publication of this Annual Report, nor was information on whether the holding was listed or not.

Defined benefit pension plans	2021	2020
<b>Net expense in the income statement</b>		
Current service costs	-26	-24
Past service costs	0	0
Net interest income/interest expense	-1	-1
Settlement and changes in the pension plan	-1	3
<b>TOTAL NET EXPENSE</b>	<b>-28</b>	<b>-23</b>

Net expense is recognised in the income statement as	2021	2020
Personnel costs	-28	-23
<b>Net expense in profit for the year</b>	<b>-28</b>	<b>-23</b>
<b>Expense recognised in other comprehensive income</b>		
Revaluations:		
Actuarial gains (-) and losses (+)	2	-47
Difference between actual return and return on discount rate on plan assets	4	2
<b>Net expense recognised in other comprehensive income</b>	<b>5</b>	<b>-45</b>
<b>NET EXPENSE RECOGNISED IN COMPREHENSIVE INCOME</b>	<b>-23</b>	<b>-68</b>

The defined benefit plans are exposed to actuarial risks such as life expectancy, currency, interest rate and investment risks.

	Norway		Germany		Belgium	
	2021	2020	2021	2020	2021	2020
<b>Actuarial assumptions, %</b>						
Discount rate	1.9	1.7	1.0	0.6	1.1	0.7
Anticipated return on plan assets	1.9	1.7	–	–	1.1	0.7
Annual rate of salary increase	2.8	–	2.0	2.0	2.8	2.8
Annual rate of pension increase	2.5	1.0	1.5	1.5	0.0	0.0
Inflation	1.8	1.5	0.0	0.0	1.8	1.8
<b>Discount rate, jubilee</b>	–	–	1.0	0.6	–	–
<b>Life expectancy assumption, years</b>						
<b>– pensioned at end of period:</b>						
Men	21.0	21.0	12.0	13.0	21.6	21.6
Women	24.0	24.0	15.0	15.0	25.3	25.3
<b>Life expectancy assumption, years</b>						
<b>– pensioned 20 years after end of period:</b>						
Men	23.2	23.2	22.0	22.0	–	–
Women	26.5	26.5	25.0	25.0	–	–
<b>Other information</b>						
Weighted average maturity of obligation, years	10.0	10.0	16.5	16.5	13.0	13.0
Number of active members in relation to total number of individuals, %	0	0	21	23	61	99

### Sensitivity analysis

The table below presents possible changes in actuarial assumptions on the balance sheet date (all other assumptions remaining constant) and how these would affect the defined benefit obligation.

Defined benefit obligation, SEK M	Increase	Decrease
Discount rate (-/+ 1% change)	52	36
Annual rate of salary increase (+/- 1% change)	19	15
Annual rate of pension increase (+/- 1% change)	11	9
Life expectancy (+/-1 year)	1	1

The Group estimates that approximately SEK 31 million will be paid to defined benefit pension plans during 2022.

### DEFINED CONTRIBUTION PENSION PLANS

	2021	2020
<b>Allocation of expenses by pension plan</b>		
Sweden	-392	-366
Finland	-275	-226
Netherlands	-133	-138
Norway	-125	-113
Denmark	-82	-79
UK	-60	-72
Belgium	-1	-4
Germany	-3	-3
Other countries	-1	0
<b>TOTAL</b>	<b>-1,072</b>	<b>-1,001</b>

## 29 OTHER PROVISIONS

### GROUP

	2021				2020			
	Legal claims	Restructuring	Other provisions	Total	Legal claims	Restructuring	Other provisions	Total
<b>Change in fair value for the year</b>								
Opening carrying amount	143	2	34	178	0	1	73	74
Increase through acquisitions	1	–	–	1	2	–	–	2
Provision for the year	83	14	12	108	47	20	11	77
Utilised provision	-40	-3	-9	-52	-2	-1	-13	-16
Reversal of unutilised provision	-1	–	–	-1	-101	0	-34	-135
Interest	–	1	–	1	–	–	–	–
Foreign currency translation difference	4	–	2	6	-5	0	-3	-8
Reclassification	3	–	–	3	202	–	–	202
Reclassification to accrued expenses	–	-2	–	-2	–	-18	–	-18
<b>CLOSING CARRYING AMOUNT</b>	<b>193</b>	<b>11</b>	<b>39</b>	<b>243</b>	<b>143</b>	<b>2</b>	<b>34</b>	<b>178</b>
<b>OF WHICH, CURRENT OTHER PROVISIONS</b>	<b>133</b>	<b>10</b>	<b>19</b>	<b>162</b>	<b>88</b>	<b>2</b>	<b>10</b>	<b>100</b>

#### Legal claims

The amount of the provision is the estimated future cost associated with disputes that have not been settled. As from 2020 the reported provision also includes disputes in which the estimated cost is covered by the company's insurance, with related insurance reimbursement reported as non-current other receivables (Note 22) and current other receivables (Note 24). The amount reported as reclassification 2020 pertains to the provision for disputes covered by insurance as of 1 January 2020.

#### Restructuring

Provisions include the anticipated costs incurred as a result of the Group's decision to conduct restructuring activities. Provisions for restructuring are only recognised when Sweco has a formal detailed restructuring plan in place and has notified those impacted by the plan as at balance sheet date. Amounts are based on management's best estimates and are adjusted if there are changes to these estimates.

#### Other provisions

Other provisions refer primarily to the restoration of office space.

## 30 LEASE LIABILITIES

GROUP	2021		2020	
	Present value	Nominal value	Present value	Nominal value
Cash outflow, premises	710	686		
Cash outflow, equipment	141	135		
<b>CASH OUTFLOW, TOTAL LEASES</b>	<b>851</b>	<b>821</b>		
<b>Current lease liabilities</b>				
Due within one year	727	765	706	748
<b>Total current lease liabilities</b>	<b>727</b>	<b>–</b>	<b>706</b>	<b>–</b>
<b>Non-current lease liabilities</b>				
Due within more than one but less than five years	1,471	1,535	1,644	1,722
Due within more than five years	413	426	491	509
<b>Total non-current lease liabilities</b>	<b>1,884</b>	<b>–</b>	<b>2,135</b>	<b>–</b>
<b>TOTAL LEASE LIABILITIES</b>	<b>2,611</b>	<b>–</b>	<b>2,841</b>	<b>–</b>
<b>TOTAL FUTURE LEASE PAYMENTS</b>	<b>–</b>	<b>2,726</b>	<b>–</b>	<b>2,979</b>

GROUP	Lease liabilities	
Change in lease liabilities attributable to financing activities		
Carrying amount at 1 January 2020		3,210
Cash flow 2020		
Amortisation of debt		-700
Non-cash items 2020		
New leases and revaluation		448
Increase through acquisition		20
Foreign currency translation differences		-137
<b>CARRYING AMOUNT AT 31 DECEMBER 2020</b>		<b>2,841</b>
<b>Cash flow 2021</b>		
Amortisation of debt		-743
Non-cash items 2021		
New leases and revaluation		400
Increase through acquisition		38
Foreign currency translation differences		75
<b>CARRYING AMOUNT AT 31 DECEMBER 2021</b>		<b>2,611</b>

Lease liabilities are recognised in the balance sheet at present value. The above table also shows nominal amounts of future payments.

Lease commitments for contracts commenced after 31 December 2021 amount to approximately SEK 28 million.

Sweco's lease portfolio contains approximately 3,000 contracts and consists of leases of offices, vehicles and equipment. Office leases have the most significant impact on the financial statements.

Future payments for leasing of premises are expected to be in line with the current year's payments, provided the same level of business is maintained. This may be facilitated by utilising extension options for existing contracts or by concluding new agreements on similar terms. Changes in the future level of lease commitments is expected to be primarily related to growth in the number of employees and fluctuation in real estate prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease agreements do not impose any covenants, and leased assets may not be used as security for borrowing purposes.

Residual value guarantees exist in some car lease contracts, but amounts of expected payments under residual value guarantees are not material to the Group.

## 31 ACCRUED EXPENSES, PREPAID INCOME AND OTHER CURRENT LIABILITIES

Accrued expenses and prepaid income	Group		Parent Company	
	2021	2020	2021	2020
Accrued payroll costs	377	395	7	6
Accrued holiday and overtime pay	894	925	4	3
Accrued social and pension costs	509	553	22	20
Other personnel-related costs	90	67	–	–
Accrued IT expenses	2	8	–	–
Accrued audit and consulting costs	7	11	–	–
Accrued rent-related costs	37	37	–	–
Accrued interest	1	2	1	1
Prepaid income	0	1	–	–
Other accrued expenses	195	143	6	5
<b>TOTAL ACCRUED EXPENSES AND PREPAID INCOME</b>	<b>2,112</b>	<b>2,142</b>	<b>40</b>	<b>35</b>

Other current liabilities	Group		Parent Company	
	2021	2020	2021	2020
VAT	743	785	0	2
Employee withholding tax	321	349	2	2
Derivatives	0	–	–	–
Other current liabilities	57	95	0	0
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>1,122</b>	<b>1,229</b>	<b>2</b>	<b>3</b>

## 32 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	Group		Parent Company	
	2021	2020	2021	2020
Corporate guarantees	397	430	324	350
<b>Total corporate guarantees</b>	<b>397</b>	<b>430</b>	<b>324</b>	<b>350</b>
<b>Bank guarantees</b>				
Advance payment guarantees	58	83	26	29
Performance guarantees	156	198	33	19
Other guarantees	318	231	107	117
<b>Total bank guarantees</b>	<b>531</b>	<b>512</b>	<b>166</b>	<b>165</b>
<b>TOTAL CONTINGENT LIABILITIES</b>	<b>928</b>	<b>942</b>	<b>490</b>	<b>515</b>

There were no pledged assets in Sweco Group on 31 December 2021 or 2020. Since 2015 Sweco AB has issued a guarantee pursuant to Article 2:403 of the Dutch Civil Law (Burgerlijk Wetboek) under which the Parent Company is the guarantor for liabilities and obligations of Sweco Holdco B.V.

## 33 FINANCIAL INSTRUMENTS BY CATEGORY

## GROUP

Fair value and carrying amount are recognised in the balance sheet as shown below. Carrying amount is considered a good approximation of fair value.

2021	Carrying amount				Total carrying amount	Fair value hierarchy			
	Hold to collect	Hold to collect and sell	Other assets	Other liabilities		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through comprehensive income</b>									
Shares	-	10	-	-	10	-	-	10	10
<b>TOTAL</b>	-	10	-	-	10	-	-	10	10
<b>Financial assets measured at fair value through profit and loss</b>									
Currency forwards for hedging	-	-	0	-	0	-	0	-	0
<b>TOTAL</b>	-	-	0	-	0	-	0	-	0
<b>Financial assets measured at amortised cost</b>									
Non-current receivables	69	-	-	-	69	-	-	-	-
Trade receivables	3,306	-	-	-	3,306	-	-	-	-
Cash and cash equivalents	896	-	-	-	896	-	-	-	-
<b>TOTAL</b>	4,271	-	-	-	4,271	-	-	-	-
<b>Financial liabilities measured at fair value through profit and loss</b>									
Contingent considerations	-	-	-	15	15	-	-	15	15
Currency forwards for hedging	-	-	-	0	0	-	0	-	0
<b>TOTAL</b>	-	-	-	15	15	-	0	15	15
<b>Financial liabilities measured at amortised cost</b>									
Liabilities to credit institutions	-	-	-	1,808	1,808	-	-	-	-
Other non-current liabilities	-	-	-	79	79	-	-	-	-
Trade payables	-	-	-	662	662	-	-	-	-
<b>TOTAL</b>	-	-	-	2,549	2,549	-	-	-	-

2020	Carrying amount				Total carrying amount	Fair value hierarchy			
	Hold to collect	Hold to collect and sell	Other assets	Other liabilities		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through comprehensive income</b>									
Shares	-	10	-	-	10	-	-	10	10
<b>TOTAL</b>	-	10	-	-	10	-	-	10	10
<b>Financial assets measured at fair value through profit and loss</b>									
Currency forwards for hedging	-	-	1	-	1	-	1	-	1
<b>TOTAL</b>	-	-	1	-	1	-	1	-	1
<b>Financial assets measured at amortised cost</b>									
Non-current receivables	62	-	-	-	62	-	-	-	-
Trade receivables	3,558	-	-	-	3,558	-	-	-	-
Cash and cash equivalents	2,088	-	-	-	2,088	-	-	-	-
<b>TOTAL</b>	5,708	-	-	-	5,708	-	-	-	-
<b>Financial liabilities measured at fair value through profit and loss</b>									
Contingent considerations	-	-	-	49	49	-	-	49	49
Currency forwards for hedging	-	-	-	0	0	-	0	-	0
<b>TOTAL</b>	-	-	-	49	49	-	0	49	49
<b>Financial liabilities measured at amortised cost</b>									
Liabilities to credit institutions	-	-	-	3,031	3,031	-	-	-	-
Other non-current liabilities	-	-	-	74	74	-	-	-	-
Trade payables	-	-	-	461	461	-	-	-	-
<b>TOTAL</b>	-	-	-	3,566	3,566	-	-	-	-

## PARENT COMPANY

Fair value and carrying amount are recognised in the balance sheet as shown below:

2021	Carrying amount			Fair value hierarchy		
	Hold to collect	Hold to collect and sell	Other liabilities	Total carrying amount	Level 3	Total
Other non-current securities	–	1	–	1	1	1
Other non-current receivables	44	–	–	44	–	–
Cash and cash equivalents	335	–	–	335	–	–
<b>TOTAL</b>	<b>379</b>	<b>1</b>	<b>–</b>	<b>380</b>	<b>1</b>	<b>1</b>
Non-current interest-bearing liabilities	–	–	1,650	1,650	–	–
Current interest-bearing liabilities	–	–	44	44	–	–
Trade payables	–	–	83	83	–	–
<b>TOTAL</b>	<b>–</b>	<b>–</b>	<b>1,777</b>	<b>1,777</b>	<b>–</b>	<b>–</b>

2020	Carrying amount			Fair value hierarchy		
	Hold to collect	Hold to collect and sell	Other liabilities	Total carrying amount	Level 3	Total
Other non-current securities	–	1	–	1	1	1
Other non-current receivables	39	–	–	39	–	–
Cash and cash equivalents	1,387	–	–	1,387	–	–
<b>TOTAL</b>	<b>1,426</b>	<b>1</b>	<b>–</b>	<b>1,427</b>	<b>1</b>	<b>1</b>
Non-current interest-bearing liabilities	–	–	2,866	2,866	–	–
Trade payables	–	–	38	38	–	–
<b>TOTAL</b>	<b>–</b>	<b>–</b>	<b>2,905</b>	<b>2,905</b>	<b>–</b>	<b>–</b>

The table above provides information about the method for determining the fair value of financial instruments measured at fair value in the balance sheet. The hierarchy for determining fair value is based on the following three levels.

- Level 1: according to quoted market prices in active markets for identical instruments  
 Level 2: according to directly or indirectly observable market inputs that are not included in level 1  
 Level 3: according to inputs that are not based on observable market data

No transfers between any of the levels took place during the year.

**Measurement of fair value**

Below is a summary of the primary methods and assumptions used to determine the fair values of the financial instruments reported in the tables above.

The fair value of a listed financial asset is equal to the asset's quoted market price on the balance sheet date. The fair value of unlisted financial assets is determined through market valuation, such as recently completed transactions, the price of similar instruments and discounted cash flows. When there is no reliable basis for determining fair value, financial assets are measured at amortised cost.

For forward exchange contracts, fair value is determined based on quoted market prices for forward exchange contracts on the balance sheet date.

Contingent consideration is measured at fair value in profit and loss. Fair value is determined based on purchase agreement terms. The most likely outcome is assessed, and this value is calculated at present value if the settlement time exceeds one year (Level 3).

The value of non-current loans is recognised as accrued amortised cost, which is considered a good approximation of fair value since the fixed interest period for all loans is less than one year.

The fair value of finance lease liabilities is based on the present value of future cash flows discounted at the market rate of interest for similar lease contracts (Level 2). For trade receivables and payables with a remaining life of less than one year, the carrying amount is assessed to reflect fair value.

The table below presents reconciliation between the opening and closing balances for financial instruments measured at fair value in the balance sheet based on a valuation technique that uses unobservable market data (Level 3).

**GROUP**

	Financial investments
Opening carrying amount at 1 January 2020	10
Total reported gains and losses	
– recognised in profit for the year	0
– recognised in other comprehensive income	–
Cost of acquisitions	0
Reclassification	0
Gained through acquisitions	0
Proceeds from divestitures	0
<b>CLOSING CARRYING AMOUNT AT 31 DECEMBER 2020</b>	<b>10</b>
Gains and losses recognised in profit for the year for assets included in the closing carrying amount at 31 December 2020	0
Opening carrying amount at 1 January 2021	10
Total reported gains and losses	
– recognised in profit for the year	0
– recognised in other comprehensive income	–
Cost of acquisitions	0
Gained through acquisitions	0
<b>CLOSING CARRYING AMOUNT AT 31 DECEMBER 2021</b>	<b>10</b>
Gains and losses recognised in profit for the year for assets included in the closing carrying amount at 31 December 2021	0
	Financial liabilities
Opening carrying amount at 1 January 2020	51
Estimated debt regarding contingent considerations	44
Payments	-81
Changes in value reported in the income statement	38
Foreign currency translation differences	-3
<b>CLOSING CARRYING AMOUNT AT 31 DECEMBER 2020</b>	<b>49</b>
Payments	-19
Changes in value reported in the income statement	-18
Foreign currency translation differences	2
<b>CLOSING CARRYING AMOUNT AT 31 DECEMBER 2021</b>	<b>15</b>

### 34 FINANCIAL RISKS AND FINANCE POLICY

Through its operations, the Group is exposed to various types of financial risk. Financial risk refers to fluctuations in earnings and cash flow due to changes in exchange rates, interest rates, refinancing and credit risks.

#### FINANCE POLICY

To control and minimise the financial risks to which the Group is exposed, the Board of Directors has drawn up a finance policy that is revised and adopted at least once a year. The policy regulates the division of responsibilities between local companies and the corporate finance department and specifies the financial risks that the Group is permitted to take and how these risks are to be managed. Surplus cash is invested primarily in fixed-income instruments in the money market, with low credit risk and high liquidity as required criteria. Transaction exposure for client projects is hedged primarily through forward exchange contracts.

#### MARKET RISK

Market risk is the risk for fluctuations in the value of financial investments due to changes in market prices. Sweco's policy minimises this risk by limiting the average fixed interest term of financial investments to 120 days.

#### CURRENCY RISKS

##### Transaction exposure

The Group's exposure to currency risk is primarily related to potential exchange rate fluctuations in contracted and anticipated payment flows in foreign currencies. The objective of currency risk management is to minimise the effects of exchange rate movements on the Group's profit and financial position. The Group normally has a natural risk coverage in that both sales and expenses are denominated in local currency. In cases where contracts are entered into in a non-local currency, the forecasted net payment flows are hedged through forward contracts.

The Group's transaction exposure from exports in 2021 can be broken down into the following significant currencies:

2021							
SEK M	DKK	EUR	GBP	NOK	USD	CNH	
Income	78	661	51	98	25	13	
Expenses	-26	-467	-19	-54	-33	-3	
<b>NET</b>	<b>52</b>	<b>194</b>	<b>32</b>	<b>44</b>	<b>-8</b>	<b>10</b>	

2020							
SEK M	DKK	EUR	GBP	NOK	USD	CNH	
Income	72	623	40	107	28	49	
Expenses	-24	-491	-15	-46	-25	-3	
<b>NET</b>	<b>48</b>	<b>132</b>	<b>25</b>	<b>61</b>	<b>3</b>	<b>46</b>	

On the balance sheet date, the Group had the following open forward exchange contracts with a remaining time to maturity of between 0 and 57 months (0 and 18 months).

SEK M	Contract amount		Unrealised gains + / losses -		Average rate	
	2021	2020	2021	2020	2021	2020
EUR buy	-37	-6	0	0	10.25	10.36
EUR sell	12	24	0	0	10.03	10.13
CNH	30	41	0	1	1.43	1.28
USD	36	9	-1	0	8.65	8.45
Other	8	-1	0	0		

Hedge accounting was not applied for the forward exchange contracts outstanding on the balance sheet date. Valuation gains/losses on forward exchange contracts are recognised in other external expenses in the income statement and fair value is recognised in other current receivables/liabilities in the balance sheet.

#### Translation exposure

When the balance sheets of foreign subsidiaries are translated to SEK, a foreign currency translation difference arises due to the facts that the current year is translated at a different rate than the preceding year, and that the income statement is translated at the average exchange rate during the year while the balance sheet is translated at the closing day rate.

Translation exposure is comprised of the risk for changes in equity resulting from translation differences. For the significant currencies, translation exposure at 31 December 2021 was NOK 529 million (498), GBP 48 million (52), DKK 596 million (534) and EUR 440 million (407). The Group's policy is not to hedge translation exposure in foreign currencies except in connection with major acquisitions.

Sweco has chosen to hedge the net investments in Finland (mainly FMC Group) and the Netherlands (mainly Grontmij Group) with currency loans in EUR, which are reported in the table below. There were no inefficiencies to be reported from hedges of net investments in foreign operations.

	Group	
Net investment in foreign operation	2021	2020
Carrying amount foreign currency loan, SEK M	-1,402	-1,521
Carrying amount foreign currency loan, EUR M	-136	-151
Hedge ratio for both loans	1:4	1:4
Change in carrying amount of the loans as a result of changed foreign currency rate	-42	65
Change in value of hedged item used to determine hedge effectiveness	755	-1,339
<i>Of which, due to changed foreign currency rate</i>	<i>122</i>	<i>-293</i>

During 2021, an amount of EUR 15 million (15) was amortised on currency loans.

#### Balance sheet exposure

In the translation of assets and liabilities, balance sheet exposure arises in the difference between exchange rates on the transaction date and the closing day rate. The resulting exchange difference is recognised in the income statement.

Foreign exchange differences recognised in the income statement	Group		Parent Company	
	2021	2020	2021	2020
Other operating expenses	-12	-5	0	-4
<b>Total foreign exchange differences in operating profit</b>	<b>-12</b>	<b>-5</b>	<b>0</b>	<b>-4</b>
Other financial items	3	-3	1	-3
<b>Total foreign exchange differences in total net financial items</b>	<b>3</b>	<b>-3</b>	<b>1</b>	<b>-3</b>
<b>TOTAL FOREIGN EXCHANGE DIFFERENCES IN PROFIT AFTER TAX</b>	<b>-9</b>	<b>-8</b>	<b>1</b>	<b>-7</b>

#### INTEREST RATE RISK

Interest rate risk refers to the effects of interest rate movements on the Group's net financial items and fluctuations in the value of financial instruments due to changes in market interest rates. All loans carry interest with short fixed interest periods. The Group's assessment is that loans with short interest periods result in the lowest risk and financing cost over time.

#### LIQUIDITY RISK

Liquidity risk (risk of the Group incurring higher costs due to insufficient liquidity and being unable to fulfil its payment obligations), cash flow risk (risk for variations in the size of future cash flows generated by financial instruments) and refinancing risk (risk of the Group being unable to refinance matured loans) are deemed minor in view of the Group's financial position with unutilised bank overdraft facilities which, including cash and cash equivalents, total SEK 4,166 million (3,898). Cash pools are in place to minimise the borrowing requirement using surplus liquidity in the Group. The bank overdraft facilities are renewed every year and are not associated with any special conditions or obligations; see also Note 27.

An age analysis of financial liabilities is shown in the table below:

2021	Nominal amount in original currency	Total	0–1 year	1–5 years	>5 years
Interest-bearing liabilities		1,888	43	1,843	3
Forward exchange contracts, EUR	-2	-24	-24	-	-
Forward exchange contracts, USD	4	37	20	17	-
Forward exchange contracts, CNH	21	30	30	-	-
Forward exchange contracts, other		9	4	4	-
Lease liabilities		2,726	765	1,535	426
Trade payables		662	662	0	-
Other liabilities		1,212	1,122	90	-
<b>TOTAL</b>		<b>6,540</b>	<b>2,622</b>	<b>3,489</b>	<b>429</b>

2020	Nominal amount in original currency	Total	0–1 year	1–5 years	>5 years
Interest-bearing liabilities		3,119	79	3,040	-
Forward exchange contracts, EUR	2	17	12	6	-
Forward exchange contracts, USD	1	9	8	0	-
Forward exchange contracts, CNH	32	40	40	-	-
Forward exchange contracts, other		-1	-1	-	-
Lease liabilities		2,979	748	1,722	509
Trade payables		461	459	2	-
Other liabilities		1,334	1,229	105	-
<b>TOTAL</b>		<b>7,958</b>	<b>2,574</b>	<b>4,875</b>	<b>509</b>

### CREDIT RISK

Credit risk in Sweco arises mainly from trade receivables, cash and cash equivalents and other non-current receivables.

The risk that the Group's clients will not meet their obligations (i.e., that payment will not be received from the clients), constitutes a client credit risk. The Group carries out regular credit assessments of new clients.

Sweco currently has around 33,000 clients in both the private and public sectors. The public sector accounts for 40 per cent of total sales, property and construction companies for 19 per cent, industrial companies for 21 per cent and other private sector companies for 20 per cent.

The ten largest clients account for 15 per cent of net sales. Since Sweco is not dependent on any individual client, there is little risk that trade receivable losses will have a significant impact on the company. Historically, such losses have been minor.

To measure expected credit losses for trade receivables and work in progress less progress billings, Sweco applies the simplified approach which uses a lifetime expected loss allowance.

To measure expected credit losses, trade receivables and work in progress less progress billings have been grouped based on shared credit risk characteristics. The Work in progress less progress billings have substantially the same risk characteristics as trade receivables for the same type of contracts. The Group has therefore concluded that expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for work in progress less progress billings.

The expected loss rate calculated to 0.09 per cent (0.09 per cent) is based on the historical credit loss rate over a period of 36 months (36). Historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting clients' capacity to settle receivables. On the balance sheet date, the expected credit loss rate has been included with an adjustment due to Covid-19, as the pandemic may affect clients' ability to pay the receivable. In addition to expected credit loss reserves, reserves for doubtful accounts receivable that are doubtful for other reasons are also reported.

Age analysis, trade receivables	2021			2020		
	Gross	Reserve	Net	Gross	Reserve	Net
Trade receivables not yet due	2,732	0	2,732	2,889	-6	2,883
Overdue trade receivables 0–30 days	290	0	290	301	-3	298
Overdue trade receivables 31–90 days	83	-2	81	121	-4	118
Overdue trade receivables 91–180 days	63	-1	62	63	-23	40
Overdue trade receivables > 180 days	245	-104	141	296	-76	219
<b>TOTAL<sup>1</sup></b>	<b>3,414</b>	<b>-108</b>	<b>3,306</b>	<b>3,670</b>	<b>-112</b>	<b>3,558</b>

1) During fourth quarter 2021, SEK 188 million was reclassified from trade receivables to work in progress less progress billings.

Trade receivables by currency	2021	2020
SEK	1,200	1,497
EUR	1,188	1,210
DKK	287	292
NOK	356	284
GBP	180	160
CZK	31	45
PLN	33	34
USD	13	5
Other currencies	18	30
<b>TOTAL</b>	<b>3,306</b>	<b>3,558</b>

Changes in reserve for doubtful receivables	Trade receivables		Work in progress less progress billings	
	2021	2020	2021	2020
Opening reserve for doubtful trade receivables	-112	-91	-10	-4
Increase through acquisitions	-3	-2	-	-
Decrease through divestiture	0	-	-	-
Provisions to reserve for doubtful trade receivables	-63	-63	-4	-6
Write-offs of non-collectible receivables/non-invoiceable for the year	16	20	-	-
Reversal of unutilised amount	58	19	-	-
Translation difference	-3	5	-	-
<b>CLOSING RESERVE FOR DOUBTFUL RECEIVABLES</b>	<b>-108</b>	<b>-112</b>	<b>-14</b>	<b>-10</b>

Other non-current receivables at amortised cost amounted to SEK 107 million (100), comprised of lease receivables related to employee cars, insurance reimbursement, endowment insurance, deposits and other receivables.

Surplus cash is firstly used to make repayment on loans. In the event there are no loan repayments to be made, cash surplus may be invested in accordance with the rules stipulated in the finance policy, such as deposits with a minimum Standard & Poor's rating of A or an equivalent rating, etc.

### SENSITIVITY ANALYSIS

To manage currency risks, the Group strives to minimise the impact of short-term fluctuations in profit and cash flows. However, in a longer perspective, profit, cash flows and equity will be affected by more lasting changes in exchange rates and interest rates. The sensitivity analysis is presented in the table below.

Factor	Change +/-	2021 Impact on earnings +/- SEK M	2020 Impact on earnings +/- SEK M
Currency	%		
EUR	10	66	44
NOK	10	21	21
DKK	10	17	14
GBP	10	3	0
USD	10	1	0
Interest rate on lending/borrowing	1 p.p.	12	12



The sensitivity analysis is based on the assumption that currency translation and transaction exposure, and all other factors, are constant. The sensitivity analysis shows the calculated impact on earnings after tax (standard tax rate of 23.1 per cent) with changing currency and exchange rates, respectively.

#### CAPITAL MANAGEMENT

Sweco Group's financial objective is to uphold an appropriate capital structure and financial stability in order to maintain the confidence of investors, creditors and the market. A good capital structure also creates a foundation for ongoing development of the Group's business operations. Capital is defined as total equity and non-controlling interests.

Capital	2021	2020
Equity	8,594	7,548
Non-controlling interests	10	10
<b>TOTAL</b>	<b>8,604</b>	<b>7,557</b>

Sweco Group's capital is used to finance acquisitions, to maintain a high level of financial flexibility and to provide competitive dividends to Sweco's shareholders.

The Group's dividend policy is to distribute at least half of profit after tax to the shareholders while also maintaining a capital structure that provides scope for development of and investment in the company's core operations. The Board of Directors has proposed that the 2022 Annual General Meeting approve a dividend of SEK 2.45 per share, equal to a dividend share of 59 per cent of profit after tax. Through the dividend, a maximum of SEK 890 million will be distributed to the shareholders.

Sweco's target for financial strength is to maintain a level of net debt that over time does not exceed 2.0 times EBITDA. Over the past five years, ordinary dividends totalled an average of around 56 per cent of profit after tax.

Sweco's 2021 Annual General Meeting granted authorisation for the Board to repurchase treasury shares to enable delivery of shares under the 2021 Share Savings Scheme and the 2021 Share Bonus Scheme, under which bonuses are paid in shares for operations in Sweden.

The Board proposes that the 2022 Annual General Meeting authorise the Board to decide on the repurchase and transfer of treasury shares and to enable delivery of shares for the 2022 Share Savings Scheme and the 2022 Share Bonus Scheme.

### 35 RELATED-PARTY TRANSACTIONS

The Group's related parties are major shareholders, joint ventures, associated companies, the Board of Directors and other senior executives.

Sales to related parties are carried out on market-based terms.

Goods and services totalling SEK 0 million (0) were sold to companies owned by the Nordström family (a shareholder controlling approximately 33.8 per cent of the votes in Sweco). The related trade receivable at 31 December 2021 amounted to SEK 0 million (0). Consulting services totalling SEK 5 million (5) were sold to companies owned by the Douglas family (which has a controlling interest in Investment AB Latour, a shareholder controlling approximately 21.0 per cent of the votes in Sweco). The related trade receivable at 31 December 2021 amounted to SEK 1 million (0).

The Group had insignificant sales to associated companies and joint ventures. Dividends from associated companies totalled SEK 1 million (0). Trade receivables against associated companies at 31 December 2021 amounted to SEK 0 million (1). There were no trade payables with associated companies on 31 December 2021 or 2020.

For information on remuneration to the Board of Directors and senior executives, see Note 6.

### 36 EVENTS AFTER THE BALANCE SHEET DATE

On 10 February 2022 the Board of Directors proposed that the Annual General Meeting resolve on a distribution to the shareholders in the form of a dividend totalling a maximum of SEK 890 million (see Note 26).

On 2 February 2022, Sweco announced the acquisition of technical consultants Swedish Net Engineering, thereby strengthening Sweco's leading position on the Swedish market for physical and technical protection and security. Swedish Net Engineering was founded in 1998 and has 28 employees and annual net sales of around SEK 30 million.

### 37 CRITICAL ESTIMATES, ASSESSMENTS AND UNCERTAINTIES

#### KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements in accordance with IFRS requires the Group to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Estimates and underlying assumptions are based on historical experience and on several other factors that may be considered probable based on the specific conditions. The result of this process forms the basis for evaluating reported assets and obligations that may be difficult to identify from other sources. Actual results may deviate from these estimates.

Significant estimates and underlying assumptions are reviewed periodically. Revised estimates are reported during the period in which the estimate was revised, if the revision affects only that year. Otherwise, they are reported during the year under review and future periods if the revision affects both the year under review and future periods.

#### Impairment testing of goodwill

In determining the recoverable amount of cash-generating units for impairment testing of goodwill, the Group made assumptions about future conditions and estimated key variables (see Note 13). As illustrated in Note 13, significant changes in these estimates and assumptions may affect the value of goodwill.

#### Valuation of work in progress and remaining performance obligation

Approximately 32 per cent of Sweco's net sales are generated in fixed price service contracts. Assets and liabilities in these contracts represent significant amounts. Work in progress is recognised at the value of work performed less confirmed losses and anticipated loss risks. Revenue is recognised based on the estimated stage of completion. If the stage of completion cannot be estimated reliably, the project is valued to incurred cost. Determination of the risks in the projects and the percentage of completion is based on prior experience of similar projects and the specific conditions of each project. The balance sheet amount is comprised of multiple contracts, none of which makes up a substantial share of the total. While miscalculation of an individual project would not have a significant impact on the value of work in progress, a general miscalculation could have a significant impact, although this is not probable.

The value of the remaining performance obligations mentioned in Note 2 gives an indication of contracted work still to be performed. Experience says that it is difficult to settle on the exact timing of revenue recognition for this work, and there is the possibility that clients will postpone and/or cancel the contract. The amount is therefore uncertain and should not be interpreted as indicative of Sweco's overall future performance.

#### Effect of ongoing litigation and valuation of contingent liabilities on the consolidated financial position

The Group has made a number of acquisitions in different countries over the years and has taken over certain contingent liabilities attributable to the acquired companies. Companies within the Group are also involved in various other legal proceedings arising in the ordinary course of business. For further information, see Note 32 and Note 34.

#### Reporting of income tax, VAT and other taxes

Reporting of income tax, VAT and other taxes is based on applicable regulations in the countries where the Group operates. Due to the overall complexity of tax and tax accounting regulations, application and reporting are based on interpretations and on estimates and assessments of possible outcomes. Deferred tax is calculated on temporary differences between the reported and taxable values of assets and liabilities. There are two main types of assumptions and assessments that affect reported deferred tax: assumptions and assessments (i) to determine the carrying amount of various assets and liabilities and (ii) regarding future taxable profit, in cases where future utilisation of reported and non-reported deferred tax assets is dependent on this in addition to existing deferred tax liabilities. Significant assessments and assumptions are also made when reporting provisions and contingent liabilities with respect to tax risks. For additional information on taxes, please see Note 10.

#### Pension assumptions

Provisions for pensions are based on Sweco's best actuarial assumptions about the future (see Note 28). Deviations in the actual outcome of these parameters are recognised in other comprehensive income.

#### Uncertainties regarding effects of the war in Ukraine

The war in Ukraine and its potential impact on the general economy currently creates significant uncertainty regarding future development.

#### Uncertainties regarding effects of the Covid-19 pandemic

The Covid-19 pandemic that erupted during first quarter 2020 has affected society and businesses in several respects. Government measures and lockdowns also impacted companies including Sweco, as well as its employees and clients. Sweco adapted quickly to the new situation, with many of its employees working from home. Due to a high degree of digitalisation, the capacity to deliver remained relatively unchanged. However, the Covid-19 situation continues to create some uncertainty regarding future market development. A negative medium-term impact on demand in some segments can therefore be expected due to the economic effects of Covid-19. This impact will most likely be partly mitigated by increased public spending. In sum, although the situation in early 2022 is more positive, with increasing vaccination rates and lifted restrictions, uncertainty remains as to the extent and timing of Covid-19's impact on Sweco.

### 38 PARENT COMPANY INFORMATION

SWECO AB (publ), corporate identification number 556542-9841, is a Swedish-registered public limited company domiciled in Stockholm. The Parent Company's shares are listed on Nasdaq Stockholm. The headquarter address is: Sweco AB, Gjörowellsgratan 22, Box 34044, SE-100 26 Stockholm.

## Signatures of the Board of Directors

The Board of Directors and the President & CEO give their assurance that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The annual accounts have been prepared in accordance with generally accepted accounting standards and give a true and fair view of the financial position and results of operations of the Parent Company.

The Board of Directors' Report, including the Sustainability Report, for the Group and the Parent Company gives a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the group companies are exposed.

Stockholm, 18 March 2022

Johan Nordström  
Board chairman

Gunnel Duveblad  
Board member

Elaine Grunewald  
Board member

Alf Göransson  
Board member

Johan Hjertonsson  
Board member

Christine Wolff  
Board member

Görgen Edenhagen  
Employee representative

Maria Ekh  
Employee representative

Anna Leonsson  
Employee representative

Åsa Bergman  
President & CEO

Our audit report was submitted on 18 March 2022  
PricewaterhouseCoopers AB

Aleksander Lyckow  
Authorised Public Accountant

# Auditor's Report

To the general meeting of the shareholders of Sweco AB (publ), corporate identity number 556542-9841

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Sweco AB (publ) for the year 2021 except for the corporate governance statement on pages 72–77. The annual accounts and consolidated accounts of the company are included on pages 66–120 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 parent company and the group as of 31 December 2021 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 31 December 2021 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. Our opinions do not cover the corporate governance statement on pages 72–77. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### 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.

### Our audit approach

#### Audit scope

Sweco is engineering and architectural consultants and manages their assignments in projects. Thousands of projects are ongoing within Sweco's decentralized organization. The majority of these projects are based on time and material, there are however a signifi-

cant part which is fixed price projects. The majority of the operations are conducted in 8 countries. Sweco's growth has been driven organically as well as through acquisitions. In our audit we have therefore focused on project accounting of projects (with focus on fixed price projects) and valuation of goodwill (which is accounted for as a consequence of acquisitions made).

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Main focus areas and risks identified are further detailed in the "Key Audit Matters" included below. Our audit of Sweco's financial reporting has included audit of the company's routines, processes and internal controls over the financial reporting, analytic review of the financial information and detailed testing of supporting documents from the accounting function. Our audit has been performed during the whole year with increased effort during the third and fourth quarter. The audit is performed by audit teams which are part of the PwC network. Local audit teams exist in each country and these auditors report the result of their work to the group audit team.

The scope and extent of our audit procedures for Sweco mean that we have covered all material units within Sweco which together represent a significant part of revenues, earnings and assets. The outcome of our work is during the year continuously reported to the company, the Audit Committee and for the full year also to the Board of Directors.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### 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.

#### KEY AUDIT MATTER

#### HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

#### Cut-off and accuracy in revenue recognition of fixed-price projects

Sweco describes this area further in note 1, 2 and 37 in this annual report.

Accounting of revenues relating to fixed price projects require, in particular when it comes to fixed price projects, that estimates must be made. Sweco applies percentage of completion accounting for fixed price projects. The revenue to be accounted for can be impacted by various circumstances. Example of such circumstances can be changes in contractual terms, actual costs exceeding planned cost and discussions and negotiations regarding achievement of milestones may exist. Factors such as these can impact the accounting and thereby lead to a higher level of inherent uncertainty in this area. Accounting of revenue from fixed price projects which span over a longer period of time lead to a higher risk for errors where revenue may be accounted for in the wrong period and/or at the wrong amount. Since project accounting requires estimates to be made errors may either occur due to conscious or unconscious errors and/or erroneous estimates.

We have in our audit performed certain main activities including, though not limited to, the following:

- Testing on a sample basis that information in the project management system tie to the accounting system.
- Examined a selection of projects and performed a walk-through of projects with the responsible controller
- The walk through of projects includes, on a random basis, verifying the existence of agreements, challenging the assessments of percentage of completion and project provisions, assessments on the aging of project balances and explanations to overdue but not paid invoices.
- Procedures relating to internal control and routines for additions to existing projects, for making sure registered hours are assessed for invoicing and testing of IT-general controls.
- Examination of routines and procedures to assess consistent application of accounting principles for project provisions.

## KEY AUDIT MATTER

## HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

**Valuation of goodwill**

Sweco describes this area further in Note 1, 13 and 37 in this annual report.

Sweco's growth has historically been partly driven by acquisitions. Acquisitions lead to goodwill. Sweco's goodwill amounts to MSEK 8,143, a significant part of total assets. Each year management prepares an impairment test of goodwill. The test aims to test the goodwill value, i.e. whether the book value of the asset tested exceeds its recoverable amount or not. The calculation of the impairment test is based on management's estimates and assumptions. The test is performed for each Cash Generating Unit. Sweco has defined these as their Business Areas. The Business Areas have their own management team and it is on this level that Sweco monitors their goodwill. Even if an entity passes the impairment test, a future development that deviates negatively from the assumptions and assessments that have been the basis for the test may lead to a need for impairment. The test performed by Sweco shows that there is no need for impairment, also with regard to the cash generating unit Germany & Central Europe, which was analyzed specifically by the management due to the development there in the recent years.

We have in our audit performed for example the following key audit activities:

- Examined Sweco's model for impairment testing in order to conclude on the mathematical accuracy and reasonability in assumptions applied, in particular with regard to Germany & Central Europe.
- On a sample basis verified data used in the impairment test calculation versus the budgets prepared by Sweco. In the test focus has been revenue growth, the operating margin and its assessed development and the applied discount rate.
- We have also verified data against external sources when possible.
- Performed sensitivity analysis were the effects of changes in assumptions and assessments are analyzed to identify when/if/in what extent changes in these triggers a need for impairment.
- Examined that disclosure requirements according to IAS 36 Impairment has been included in the annual report.

**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 1–65 and 124–137. 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 intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

**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.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisorsansvar](http://www.revisorsinspektionen.se/revisorsansvar). This description is part of the auditor's report.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS****The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss****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 Sweco AB (publ) for the year 2021 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' 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.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisorsansvar](http://www.revisorsinspektionen.se/revisorsansvar). This description is part of the auditor's report.

### The auditor's examination of the Esef report

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Sweco AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report 3304a686977875b058ade6bfff9ea9be753a45b42567dd3ebb6964be0b52a89e5 has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### Basis for Opinions

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sweco AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my (our) ethical responsibilities in accordance with these requirements.

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

#### Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for ensuring that the Esef report has been prepared in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The reasonable assurance engagement involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The reasonable assurance engagement also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, statement of financial position, statement of changes in equity and the statement of cash flow.

### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 72–77 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement 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 opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Sweco AB (publ) by the general meeting of the shareholders on 22 April 2021 and has been the company's auditor since 1995.

Stockholm 18 March 2022  
PricewaterhouseCoopers AB

Aleksander Lyckow  
Authorized Public Accountant

## Sensitivity analysis

Sweco's earnings are influenced by a number of factors. The billing ratio is of vital importance for attaining high profitability in a consulting company, where small changes in capacity utilisation and prices have a significant impact on earnings, both upwards and downwards. For Sweco, an increase in the billing ratio (capacity utilisation) by one percentage point (around 25 minutes per consultant and week) would result in an

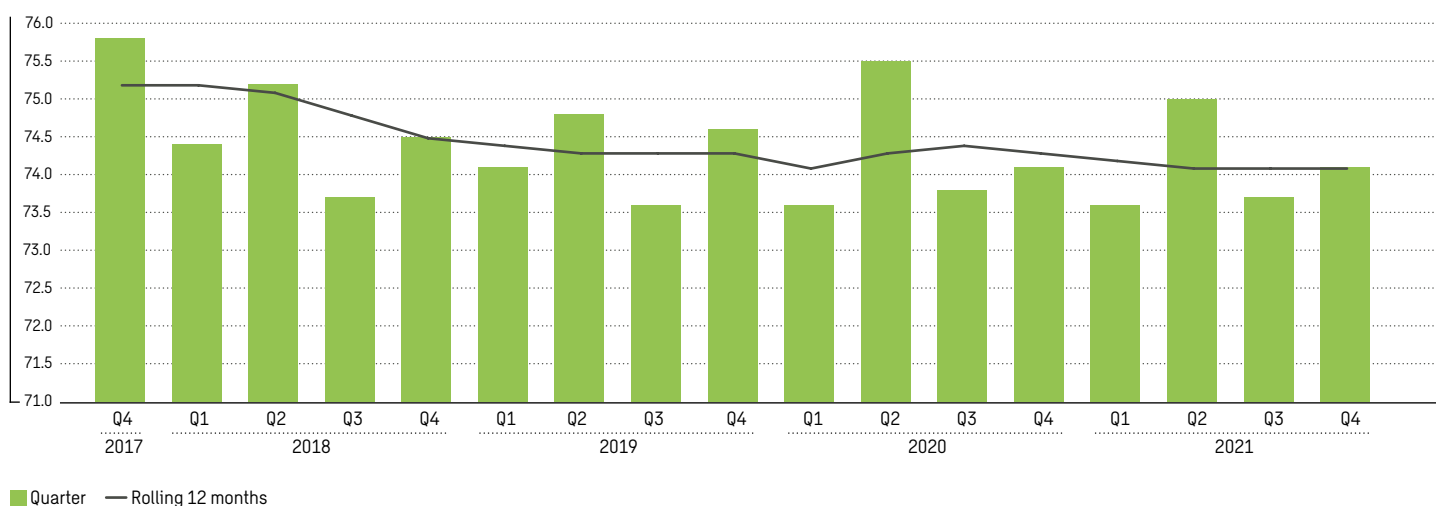
increase in profit of around SEK 258 million. An increase of SEK 10 in the average hourly fee would lead to an increase in annual profit of around SEK 223 million. The table shows the effects of some key variables on cash flow, operating profit and earnings per share based on the annual accounts for 2021. For every assumed change, all other variables are assumed to be constant.

Factor	+/-	Effect +/-	
		Cash flow/operating profit	Earnings per share <sup>1</sup>
<b>Net sales</b>			
– average fee	1%	SEK 191 million	SEK 0.41
– average hourly fee	SEK 10	SEK 223 million	SEK 0.48
– billing ratio	1%-point	SEK 258 million	SEK 0.56
<b>Personnel costs</b>			
Overhead expenses	1%	SEK 145 million	SEK 0.31
Calendar effect	1%	SEK 27 million	SEK 0.06
Calendar effect	1 hour	SEK 10 million	SEK 0.02

1) After 21.3 per cent standard tax.

### BILLING RATIO BY QUARTER

%



## The Sweco share

Sweco AB's shares have been listed on Nasdaq Stockholm since 21 September 1998. Sweco's share capital is divided into Class A, Class B and Class C shares. Class A and B shares grant equal entitlement to dividends. Class A shares grant entitlement to one vote and Class B and C shares to one-tenth of one vote. Class A and B shares are listed. There are currently no Class C shares issued. Sweco's Articles of Association grant shareholders the right to convert Class A shares to Class B shares. The total market capitalisation of Sweco shares at year end was SEK 61 billion.

### SHARE PRICE PERFORMANCE AND TRADING

The closing price for the Sweco B share was SEK 170.20 at year end 2021, representing an increase of 13 per cent during the year. Over the same period, Nasdaq Stockholm (OMXSPI) increased by 35 per cent. The highest closing price for the Class B share in 2021 was SEK 170.20 and the lowest was SEK 121.40. The highest closing price for the Class A share was SEK 170.00 and the lowest was SEK 121.50.

A total of 87,965,226 (371,986 A and 87,593,240 B) Sweco shares were traded on Nasdaq Stockholm during the year. The average trading volume per business day was 346,218 Class B shares and 1,470 Class A shares.

The annual total yield on the Sweco B share, defined as the sum of share price performance and reinvested dividends, has averaged at 25.67 per cent over the past five years. The corresponding figure for Nasdaq Stockholm was a total of 17.72 per cent.

### LARGEST SHAREHOLDERS AT 31 DECEMBER 2021<sup>1</sup>

Shareholder	Number of A shares	Number of B shares	Total	Votes, %	Holding, %
Nordström family	18,575,612	31,788,381	50,363,993	33.8	13.9
Investment AB Latour	4,126,815	93,740,625	97,867,440	21.0	26.9
J. Gust. Richerts Memorial Foundation	5,973,780	203,496	6,177,276	9.3	1.7
SEB Funds		24,068,257	24,068,257	3.7	6.6
NN Group N.V.		18,219,291	18,219,291	2.8	5.0
Handelsbanken Funds		12,726,696	12,726,696	2.0	3.5
Swedbank Robur Funds		11,556,045	11,556,045	1.8	3.2
ODIN Funds		6,220,779	6,220,779	1.0	1.7
Vanguard		6,217,331	6,217,331	1.0	1.7
Capital Group		5,843,702	5,843,702	0.9	1.6
<b>Total, ten largest shareholders</b>	<b>28,676,207</b>	<b>210,584,603</b>	<b>239,260,810</b>	<b>77.4</b>	<b>65.9</b>
Other <sup>2</sup>	2,410,391	121,580,256	123,990,647	22.6	34.1
<b>TOTAL</b>	<b>31,086,598</b>	<b>332,164,859</b>	<b>363,251,457</b>	<b>100.0</b>	<b>100.0</b>

1) Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

2) Including a total of 5,766,387 treasury shares (all of which are Class B shares) and a total of 576,638.7 votes regarding repurchased shares.

### TREASURY SHARES

At 31 December 2021 Sweco held a total of 5,766,387 treasury shares (all of which are Class B shares) with an average purchase price of SEK 66.21 corresponding to SEK 382 million. The market value of the Class B

### SWECO AB'S SHARE<sup>1</sup>

	Number		Holding, %	
	Shares	Votes	Shares	Votes
A	31,086,598	31,086,598.0	8.6	48.3
B	332,164,859	33,216,485.9	91.4	51.7
C	0	0.0	0.0	0.0
<b>TOTAL</b>	<b>363,251,457</b>	<b>64,303,083.9</b>	<b>100.0</b>	<b>100.0</b>

1) As at 31 December 2021, including a total of 5,766,387 treasury shares (all of which are Class B shares) and a total of 576,638.7 votes regarding repurchased shares.

An investment in Sweco is an investment in the leading engineering and architecture consultancy in Europe. As an investment, Sweco offers long-term growth supported by global sustainability drivers and industry consolidation. In addition, the unique operating principles – the Sweco Model – and increased scale are drivers for improved margin over time. The strong financial position, with stable operating cash flow and relatively low leverage creates room for both continued value-creating acquisitions and stable dividend growth.

### DISTRIBUTION OF SHAREHOLDINGS AT 31 DECEMBER 2021<sup>1</sup>

Number of shares	Number of known shareholders	Number of shares	Holding, %	Votes, %
1–500	16,283	1,761,580	0.5	0.4
501–1,000	2,364	1,715,717	0.5	0.4
1,001–10,000	4,055	12,114,134	3.3	2.3
10,001–50,000	524	10,461,515	2.9	2.4
50,001–100,000	80	5,658,956	1.6	1.3
100,001–	141	321,176,622	88.4	91.7
Anonymous ownership		10,362,933	2.9	1.6
<b>TOTAL</b>	<b>23,447</b>	<b>363,251,457</b>	<b>100.0</b>	<b>100.0</b>

1) Including a total of 5,766,387 treasury shares (all of which are Class B shares) and a total of 576,638.7 votes regarding repurchased shares.

### INCENTIVE SCHEMES FOR SENIOR EXECUTIVES

The 2021 Annual General Meeting (like the AGMs in 2011–2020) resolved to implement a long-term share savings scheme for senior executives in the Sweco Group: the Share Savings Scheme 2021. The conditions of the Share Savings Scheme 2021 principally correspond to those applicable to the Share Savings Scheme 2020, with the exception of the performance targets, which for the Share Savings Scheme 2021 includes both absolute and relative total shareholder return (“TSR”) for the share and that the accumulated earnings per share (“EPS”) during the period is positive and is within a predetermined interval. Participation in the Share Savings Scheme 2021 requires the participants to acquire Class B shares in Sweco (“Savings Shares”) with their own funds at market rates through Nasdaq Stockholm up to an amount corresponding to 5 to 10 per cent of the participant’s fixed annual salary for 2021 (base salary). If the Savings Shares are held until the fourth business day following the day of the publication of the year-end report for financial year 2024 (“the Retention Period”) and the participant remains in the same, equivalent or higher position in the Sweco Group throughout the Retention Period, then each Savings Share entitles the participant to, without consideration, receive one Class B share in Sweco (“Matching Share”) subject to the absolute TSR for the share and absolute EPS being positive during the Retention

Period, and – provided that the established performance criteria are met – to an additional number of not more than one to four Class B shares in Sweco (“Performance Shares”). The granting of Performance Shares is dependent on achievement of certain targets set by the Board of Directors for Sweco’s EPS and the Sweco B share’s TSR (performance adjusted to take dividends into account) during the Retention Period. Up to 50 per cent of Performance Share allocation will depend on EPS performance, and up to 50 per cent on TSR performance. Evaluation of TSR performance is based on a combination of the Sweco B share’s TSR in relation to the TSR of a group of benchmark companies stipulated by the Board of Directors (so-called relative TSR) and the requirement that the Sweco B share’s TSR must be positive during the Retention Period (so-called absolute TSR). Evaluation of EPS performance is based on a combination of Sweco’s accumulated EPS in relation to EPS growth targets set by the Board of Directors (so-called ranged EPS growth) and the requirement that Sweco’s accumulated EPS must be positive during the Retention Period (so-called absolute EPS).

The participants and number of shares covered by each of the outstanding (as of 31 December 2021) share savings schemes are shown below. The data below is as of 31 December 2021, except as otherwise indicated.

	Share Savings Schemes				
	2018 <sup>2</sup>	2019	2020	2021	Total
Number of employees/key personnel still participating today	41	49	67	59	–
Number of Savings Shares acquired by participants through own funds at market rates	61,110	40,161	39,619	38,811	179,701
Maximum number of Matching and Performance Shares that can be allotted to the participants <sup>1</sup>	203,343 <sup>3</sup>	135,630	124,601	126,933	590,507
The Retention Period runs until the fourth business day following the day of the publication of the year-end report for the financial year	2021	2022	2023	2024	–

1) Due to the share split (ratio 3:1) conducted during autumn 2020, the maximum numbers of shares for Share Savings Schemes 2018–2020 have been recalculated in accordance with the schemes’ respective terms.

2) Data per February 2022 for the 2018 Share Savings Scheme, which ended on the fourth business day following the day of the publication of the year-end report for financial year 2021.

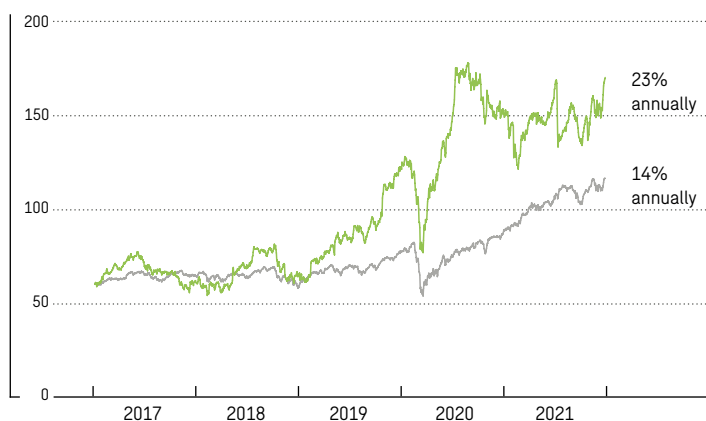
3) Following the end of the 2018 Share Savings Scheme, the Board decided to allocate a total of 113,734 Class B shares to the remaining participants.

If the Savings Shares under the Share Savings Schemes 2018–2020 are retained until the expiration of each respective Retention Period and the participant remains in the same, similar or higher position in the Sweco Group, then each Savings Share entitles the participant to, without consideration, one Matching Share if the absolute TSR for the Class B share in Sweco is positive during the Retention Period and up to one to four Performance Shares if the Sweco Class B share meets certain performance criteria. The granting of Performance Shares under the Share Savings Schemes 2018–2020 is conditional on a positive TSR for the Sweco B share during the Retention Period and on the Sweco Class B share’s TSR in relation to the TSR of a group of benchmark companies determined by the Board.

The Board may change the composition of the comparison group as required due to the de-listing of a comparison company during the Retention Period. The table below lists the group of benchmark companies used for each share saving scheme.

2018	2019	2020	2021
AFRY (ÅF Pöyry AB)	AFRY (ÅF Pöyry AB)	AFRY	AFRY
Arcadis	Arcadis	Arcadis	Arcadis
Multiconsult	Multiconsult	Multiconsult	Multiconsult
Rejler Group	Rejler Group	Rejler Group	Rejler Group
RPS	RPS	RPS	RPS
WSP	WSP	WSP	WSP

### SHARE PRICE PERFORMANCE 5-YEAR SEK



— Sweco B — OMX Stockholm PI 30 December 2016 = share price for Sweco B  
Due to the share split conducted during fourth quarter 2020, all historical share data have been restated according to IAS 33.

### TOTAL RETURN 5-YEAR Index 100 = 30 December 2016



— Sweco B — OMX Stockholm GI  
Sweco’s total return over the past five years has averaged at 26 per cent.



## SHARE BONUS SCHEME

In accordance with the Board's proposal, Sweco's 2021 Annual General Meeting resolved to introduce a Share Bonus Scheme for the greater part of Group employees in Sweden. The resolution included decisions to implement a Share Bonus Scheme 2021, authorisation for the Board of Directors to repurchase Class B treasury shares, authorisation for the Board of Directors to transfer Class B treasury shares for completion of the undertakings under the Share Bonus Scheme 2021 and authorisation for the Board of Directors to sell Class B treasury shares to secure payment of social security contributions. A maximum of 3,100,000 shares are comprised in the Share Bonus Scheme 2021.

## DIVIDEND POLICY

Sweco's dividend policy is to distribute at least half of profit after tax to the shareholders while maintaining a capital structure that permits development of and investments in the company's core business.

## DIVIDEND

The Board of Directors proposes a dividend for the 2021 financial year of SEK 2.45 per share (the total dividend for 2020 was 2.20), amounting to a maximum capital distribution of SEK 890 million (782).

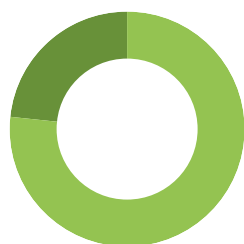
## SHARE CAPITAL DEVELOPMENT<sup>1</sup>

Date	Change in number of shares			Total number of shares			Quota value, SEK	Share capital, SEK M
	A shares	B shares	C shares	A shares	B shares	C shares		
2011, Aug: Conversion	-3,399	3,399	-	9,385,676	82,131,171	-	1	91.5
2012, May: Conversion	-4,012	4,012	-	9,381,664	82,135,183	-	1	91.5
2013, Mar: Conversion	-3,300	3,300	-	9,378,364	82,138,483	-	1	91.5
2013, Dec: Conversion	-6,000	6,000	-	9,372,364	82,144,483	-	1	91.5
2014, Feb: Conversion	-4,200	4,200	-	9,368,164	82,148,683	-	1	91.5
2014, May: New share issue	-	-	900,000	9,368,164	82,148,683	900,000	1	92.4
2015, May: New share issue	-	-	900,000	9,368,164	82,148,683	1,800,000	1	93.3
2015, May: Conversion and redemption	-	433,791	-900,000	9,368,164	82,582,474	900,000	1	92.9
2015, Sep: Issue in kind	-	13,116,828	-	9,368,164	95,699,302	900,000	1	106.0
2015, Oct: Issue in kind	-	1,832,419	-	9,368,164	97,531,721	900,000	1	107.8
2015, Dec: New share issue	1,171,020	12,123,925	-	10,539,184	109,655,646	900,000	1	121.2
2016, Mar: Conversion	-5,453	5,453	-	10,533,731	109,661,099	900,000	1	121.1
2016, May: New share issue	-	-	900,000	10,533,731	109,661,099	1,800,000	1	122.0
2016, May: Conversion and redemption	-	888,989	-900,000	10,533,731	110,550,088	900,000	1	122.0
2017, May: New share issue	-	-	500,000	10,533,731	110,550,088	1,400,000	1	122.5
2017, Jun: Redemption	-	-	-900,000	10,533,731	110,550,088	500,000	1	121.6
2018, May: Conversion	-49,655	49,655	-	10,484,076	110,599,743	500,000	1	121.6
2018, Jun: Conversion and redemption	-1,586	1,586	-500,000	10,482,490	110,601,329	-	1	121.1
2018, Jul: Conversion	-12,837	12,837	-	10,469,653	110,614,166	-	1	121.1
2018, Sep: Conversion	-13,592	13,592	-	10,456,061	110,627,758	-	1	121.1
2018, Oct: Conversion	-15,707	15,707	-	10,440,354	110,643,465	-	1	121.1
2018, Nov: Conversion	-400	400	-	10,439,954	110,643,865	-	1	121.1
2018, Dec: Conversion	-7,963	7,963	-	10,431,991	110,651,828	-	1	121.1
2019, Jan: Conversion	-10,217	10,217	-	10,421,774	110,662,045	-	1	121.1
2019, Mar: Conversion	-500	500	-	10,421,274	110,662,545	-	1	121.1
2019, May: Conversion	-1,000	1,000	-	10,420,274	110,663,545	-	1	121.1
2020, Mar: Conversion	-34,561	34,561	-	10,385,713	110,698,106	-	1	121.1
2020, Nov: 3-for-1 split	10,385,713	110,698,106	-	31,157,139	332,094,318	-	0.33	121.1
2021, Mar: Conversion	-70,541	70,541	-	31,086,598	332,164,859	-	0.33	121.1

1) As at 31 December 2021, including a total of 5,766,387 treasury shares (all of which are Class B shares) and a total of 576,638.7 votes regarding repurchased shares.

## SHAREHOLDERS PER CATEGORY AT 31 DECEMBER 2021

Holding as % of shares



Holding as % of votes



Swedish shareholders, 76.7%  
Foreign shareholders, 23.3%

Swedish shareholders, 86.8%  
Foreign shareholders, 13.2%

# Five-year overview

	2021	2020	2019	2018 <sup>1</sup>	2017
<b>Income statement, SEK M</b>					
Net sales	21,792	20,858	20,629	18,735	16,887
EBITA excl. IAC	2,070	2,056	1,869	1,629	1,492
EBITA	2,014	1,766	1,869	1,629	1,492
Operating profit (EBIT)	1,974	1,706	1,892	1,618	1,425
Net financial items	-77	-98	-115	-107	-49
Profit before tax	1,897	1,608	1,777	1,511	1,377
Profit for the year	1,492	1,293	1,393	1,256	1,223
<b>Balance sheet, SEK M</b>					
Balance sheet total	19,657	19,948	19,303	17,397	14,279
Equity	8,604	7,557	7,164	6,168	5,979
Cash and cash equivalents and current interest-bearing receivables	896	2,088	660	775	572
Interest-bearing liabilities	1,808	3,031	2,774	2,624	2,271
Net interest-bearing receivable/liability	-913	-943	-2,114	-1,849	-1,698
<b>Cash flow, SEK M</b>					
Cash flow from operating activities	2,199	3,249	2,299	2,051	1,060
Cash flow from investing activities	-578	-746	-985	-569	-364
Cash flow from financing activities	-2,841	-1,056	-1,404	-1,271	-1,005
Cash flow for the year	-1,220	1,447	-90	211	-309
<b>Key ratios</b>					
Operating profit (EBIT) per employee, SEK 000s	111	98	115	106	98
Value added per employee, SEK 000s	924	898	930	896	851
Billing ratio, %	74.1	74.3	74.3	74.5	75.2
EBITA margin excl. IAC, %	9.5	9.7	9.1	8.7	8.8
EBITA margin, %	9.2	8.5	9.1	8.7	8.8
Operating margin, %	9.1	8.2	9.2	8.6	8.4
Profit margin, %	8.7	7.7	8.6	8.1	8.2
Equity/assets ratio, %	43.8	37.9	37.1	35.5	41.9
Net debt/EBITDA, times	0.4	0.5	1.0	1.0	1.0
Net debt/equity, %	10.6	12.5	29.5	30.0	28.4
Debt/equity ratio, times	0.2	0.4	0.4	0.4	0.4
Interest coverage ratio, times	32	32	32	25	28
Return on equity, %	18.5	17.6	20.9	20.9	21.4
Return on capital employed, %	15.0	12.9	15.3	14.6	17.8
Return on total assets, %	10.0	8.7	10.4	9.6	10.2
Number of full-time employees	17,802	17,328	16,412	15,306	14,530
<b>Share data<sup>2</sup></b>					
Earnings per share, SEK	4.18	3.64	3.95	3.53	3.41
Diluted earnings per share, SEK	4.17	3.58	3.84	3.45	3.35
Dividend return, %	1.4	1.5	1.7	2.8	2.8
Equity per share, SEK	24.04	21.25	20.24	17.53	16.70
Diluted equity per share, SEK	23.89	21.07	19.71	16.97	16.37
Cash flow per share, SEK	-3.42	4.08	-0.25	0.60	-0.86
Diluted cash flow per share, SEK	-3.41	4.00	-0.25	0.58	-0.85
Closing price SWECO B at 31 December, SEK	170.20	151.00	120.40	65.63	60.60
Market capitalisation, SEK M	61,819	54,882	43,723	23,769	22,109
Ordinary dividend per share, SEK (2021 – proposed)	2.45	2.20	2.07	1.83	1.67
Number of shares at 31 December	357,485,070	355,197,471	353,395,377	351,209,826	357,373,788
Number of shares after dilution at 31 December	359,749,485	358,263,690	362,899,062	362,899,062	364,399,062
Number of shares after full dilution at 31 December	359,749,485	358,263,690	362,899,062	362,899,062	364,399,062
Number of Class B and C treasury shares	5,766,387	8,053,986	9,856,080	12,041,631	7,377,669

1) Due to changed accounting principles the numbers for 2018 have been restated.

2) Due to the share split conducted during fourth quarter 2020, all historical share data have been restated according to IAS 33.

## Comments on the five-year overview

### 2017

Overall, the market for Sweco's services was good. The Swedish market remained strong in most segments, while residential construction softened. Performance in Finland and the Netherlands was good, and indeed improved during the year. Essentially all other core markets remained strong. Net sales increased 2 per cent to SEK 16,887 million. Acquisition-based growth contributed 1 per cent, and currency effects 1 per cent. Organic growth totalled 0 per cent. Excluding calendar effects, organic growth was 1 per cent. EBITA increased to SEK 1,492 million. Acquisition-related items amounted to SEK 67 million. EBIT totalled SEK 1,425 million. Sweco Netherlands is on a solid trajectory of profitability. As a consequence of accounting rules, a deferred tax asset related to historical losses in Grontmij has been recognised. Tax assets were valued at SEK 161 million and impacted net profit positively by the same amount. Net debt in relation to EBITDA was 1.0. The number of employees at the end of the period was 15,557. The share price of the Sweco Class B share was SEK 181.80 at the end of the year, representing a 1 per cent year-on-year increase.

### 2018

Overall, the market for Sweco's services was good, with variations between countries and segments. Essentially all Business Areas experienced a good market for Sweco's services in the infrastructure, water and industry segments. Demand for services in the real estate segment remained good in most countries, except for the UK and residential construction in the Nordics, where demand slowed down. Net sales increased 11 per cent to SEK 18,735 million. Organic growth totalled 5 per cent. Excluding calendar effects, organic growth was 5 per cent. Acquisition-based growth contributed 3 per cent, and currency effects 3 per cent. EBITA increased to SEK 1,631 million. Acquisition-related items amounted to SEK 77 million. EBIT totalled SEK 1,554 million. Due to the positive development in the Netherlands, Sweco recognised the remaining tax value of historical losses in Grontmij. As a result, a one-off tax asset of SEK 60 million had a positive impact on profit after tax. Net debt in relation to EBITDA was 1.0 times. The number of employees at the end of the period was 16,422. The share price of the Sweco Class B share was SEK 196.90 at the end of the year, representing an 8 per cent year-on-year increase.

### 2019

The market for Sweco's services was good overall, with variations between countries and segments. Essentially all Business Areas experienced a good market for Sweco's services in the infrastructure, water and industry segments. Demand for services in the real estate segment was good overall while the residential segment remained weak in several countries. Net sales increased 10 per cent to SEK 20,629 million. Acquired growth contributed 3 per cent, while currency effects contributed 2 per cent. During 2019, Sweco completed three strategic acquisitions in the UK, Germany and Finland. Organic growth was 5 per cent, with a minor negative calendar effect. EBITA increased to SEK 1,869 million and EBIT increased to SEK 1,892 million. In the fourth quarter, there was a positive impact of SEK 90 million on EBIT from the sale of an office property and the divestment of non-core operations. Net debt in relation to EBITDA was 1.0 times. The number of employees at the end of the period was 18,148. The share price of the Sweco Class B share was SEK 361.20 at the end of the year, representing an 83 per cent year-on-year increase.

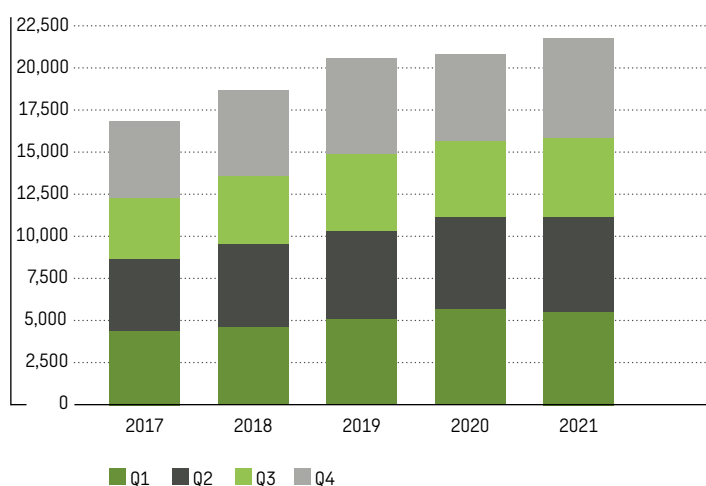
### 2020

Overall, the underlying market for Sweco's services became somewhat weaker towards the end of 2020, due to the negative impact from the Covid-19 pandemic that erupted in the first quarter of 2020. Essentially all Business Areas experienced a good market for Sweco's services in the infrastructure, water, environment and energy segments. Demand for services in the building and real estate segment and in parts of the industry market remained weaker. Net sales increased 1 per cent to SEK 20,858 million. Acquired growth amounted to 4 per cent. Currency effects were -2 per cent. Excluding the write-down in Germany, organic growth amounted to approximately -1 per cent after adjustment for calendar effects. EBITA decreased to SEK 1,766 million and EBIT decreased to SEK 1,706 million. EBITA excluding the write-down in Germany increased to SEK 2,056 million and the EBITA margin excluding the write-down in Germany amounted to 9.7 per cent. Net debt in relation to EBITDA was 0.5 times. The number of employees at the end of the period was 18,552. The share price of the Sweco Class B share was SEK 151.00 at the end of the year, representing a 25 per cent year-on-year increase.

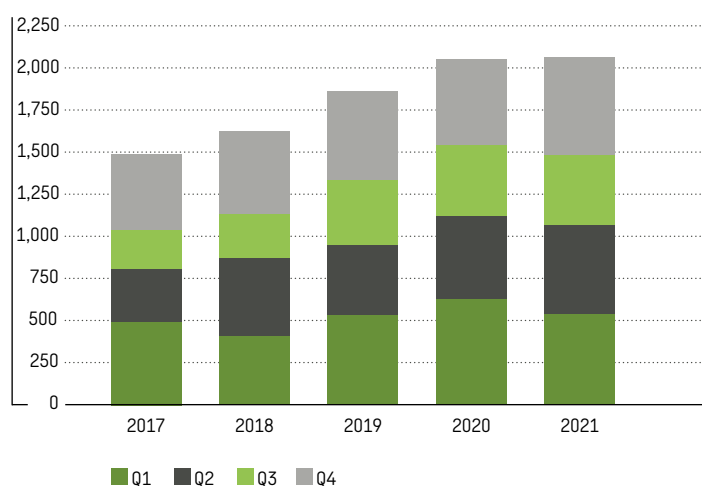
### 2021

Overall, the underlying market for Sweco's services remained somewhat weak during 2021, due to the continued negative impact from the Covid-19 pandemic. Essentially all Business Areas experienced a good market for Sweco's services in the infrastructure, water, environment and energy segments. Demand for services in the building and real estate segment remained weak. The industry market gradually recovered during the second half of the year. Net sales in 2021 increased 4 per cent to SEK 21,792 million. Acquired growth amounted to 3 per cent. Currency effects were -1 per cent. Excluding items affecting comparability (IAC), organic growth amounted to approximately 2 per cent after adjustment for calendar effects. EBITA increased to SEK 2,014 million and EBIT increased to SEK 1,974 million. EBITA excluding IAC increased to SEK 2,070 million and the EBITA margin excluding IAC amounted to 9.5 per cent. Net debt in relation to EBITDA was 0.4 times. The number of employees at the end of the period was 19,129. The share price of the Sweco Class B share was SEK 170.20 at the end of the year, representing a 13 per cent year-on-year increase.

NET SALES, SEK M



EBITA EXCL. IAC, SEK M



# Risks and risk management

## Sweco works continuously and in a structured manner to identify, monitor and manage risk.

Sweco provides consulting services to thousands of clients in around 100,000 projects each year. About 40 per cent of revenue is generated in the public sector and 60 per cent in the private sector. Our 10 largest clients account for about 15 per cent of sales. The breadth of our project portfolio and a good balance between geographies, segments and clients create an even spread of risk in the business.

Despite this, Sweco, like all companies, is exposed to a variety of risks. Sweco's Board of Directors has overall responsibility for risk management, while operational responsibility is delegated to the CEO and Executive Team.

A key aspect of the management and control of Group operations is having smoothly functioning risk management that proactively identifies, evaluates and manages risks. Properly managed, risks can lead to opportunities. If risks are not managed at all – or are managed incorrectly or in an untimely manner – this can have significant negative consequences in the form of lower revenues, higher costs or reduced credibility.

### RISK MANAGEMENT

Sweco defines risk as an uncertainty that may affect our ability to achieve goals outlined in our business plan and strategy. Identification, analysis, management and review of risk is conducted on a continuous basis.

The Group's risk management is based on a company-wide risk analysis. Risk analysis aims to identify the most serious risks to which the

company is exposed, the degree to which these risks may arise, and their impact on the company's goals. The effectiveness of existing controls and measures to reduce risk are also assessed. Risk management and the development of risk is a standing item on the agenda of business area board meetings.

Work with risk management includes all business areas, divisions and processes in the Group. Managers are responsible for risk management in their respective areas. The Group's Board of Directors is ultimately responsible for ensuring that a risk management process is in place. The Executive Team develops and monitors risk management at Group level. Sweco's General Counsel initiates work on risk reporting at Group level.

The Executive Team's annual risk assessment is based on the bottom-up risk assessments conducted by the business areas, along with the risk assessment conducted by heads of Group staff. These risks were compiled, and the Executive Team then made an assessment and identified and prioritised the eleven most business-critical risks for Sweco. The result is a risk map that reflects the company's risk exposure. The company's risk exposure is presented in an annual report on the Group's risk and internal controls, and contains an overview of the most business-critical risks in the Group and the countermeasures taken. It also provides information on events linked to these risks that have occurred during the year. This annual report is reviewed by the Board, the Audit Committee and the Executive Team.

Below is a schematic illustration of the company's risk management process



### FINANCIAL RISK

Through its operations, Sweco is exposed to various types of financial risk. Sweco's financial policy specifies how these risks are to be managed within the Group. The Board is responsible for the financial policy, which contains guidelines, targets and allocation of responsibilities for the finance function as well as regulations for financial risk management. More information on this is presented in Note 34 on pages 117–119. Interest rate changes, exchange rate fluctuations and market prices of financial instruments may impact cash flow, earnings and the balance sheet.

Sweco has a strong balance sheet, which means that our immediate exposure to risk associated with interest rates is low. In terms of currency risk, the Group typically has systematic risk coverage in that both sales and costs are posted in local currency. In cases where contracts are quoted in a non-local currency, contracted and expected payment flows are hedged through forward contracts. Liquidity risk is the risk of being unable to honour debts when they are due for payment. Due to Sweco's strong financial position and substantial overdraft facilities, the Group's liquidity risk is low.

Credit risk is defined as risk related to clients' ability to pay. Sweco has a balanced and diverse client base comprising of approximately

33,000 clients. Sweco is not dependent on any individual clients, as its largest clients account for only a small proportion of total sales. Historically, credit losses have been minor.

The company risks being fined or incurring other costs if it fails to adhere to relevant tax rules. There is also a risk that expected gains from compensable tax losses will not be realised. New tax laws require greater transparency and also increase the reporting obligations of the Group's parent companies. The Group's tax department is responsible for monitoring developments in these areas and ensuring compliance with regulations.

In terms of financial reporting, there are risks that errors may occur and that the reporting is not prepared in accordance with the law or with requirements for listed companies and applicable accounting standards. With a sound financial control environment, clear instructions and internal control documents for financial reporting, Sweco works continuously to monitor accounting and reporting. In addition, extensive review and analysis is conducted on an ongoing basis through reporting systems, budgets, forecasts, etc. The CEO and CFO hold monthly reviews with the management teams of each business area. For more information on internal controls, see pages 75–76.

## RISK CLASSIFICATION

Within Sweco we differentiate between strategic/operational risks and financial risks. The table below details 11 risks at Group level identified in the 2021 risk report. The table describes the risks, their degree of impact and probability of occurrence how Sweco works to manage these risks.

RISK	IMPACT	LIKELIHOOD	RISK MANAGEMENT
<b>Inability to recruit and retain the right people</b> Recruiting and retaining people with required capabilities and in the right location, both now and in the future.	●	●	Increase visibility within Sweco's talent markets. Centralised performance management secures successful performance and behaviour. Various training initiatives are taken to develop the right skills for our staff.
<b>Inability to adapt quickly enough in a world where the pace of digitalisation and degree of change are significantly increasing</b> Our decentralised model is well equipped to ensure we are agile and adapt locally. But our ability to efficiently expand this more widely through the organisation is crucial.	●	●	Designing a road map for digitalisation. Piloting prioritised areas and implementing a new governance structure for digital opportunities. A Chief Digitalisation Officer will direct Sweco's digital work and the BAs will implement various initiatives.
<b>Failure to understand and act to ensure value-based pricing</b> Any inability to understand and properly price the value that Sweco delivers to its clients is a risk and a potential obstacle to improving overall profitability and obtaining appropriate payment for Sweco's expertise.	●	●	Sweco will continue its value-based pricing initiatives across the Group. Sweco will actively monitor pricing developments between clients / market segments.
<b>Inability to acquire the right companies at the right valuation and realise the benefits of those acquisitions</b> Along with organic growth, acquisitions are an important driver of shareholder value creation at Sweco. Increased competition for targets and subsequent valuations make it even more important to plan and realise the benefits from targeted M&As.	●	●	Sweco will continue to develop our M&A pipeline by tracking potential M&A candidates across our different markets and within key sectors. The Group M&A department supports the BAs during all M&A processes, providing support in target selection, business case preparation and valuation, and quality control of the due diligence process.
<b>Inability to deliver on external expectations with regard to sustainable operations and the delivery of sustainable solutions</b> Sustainability is an integral part of Sweco's operations and our client promise. We offer our expertise and generate positive impact in the 100,000 projects we carry out annually. The trust of Sweco's stakeholders and the market in our capacity to implement sustainable solutions in projects is crucial for our business. We also attach great importance to acting as a sustainability forerunner in our own operations.	●	●	Sweco has appointed a Chief Sustainability Officer to lead the sustainability agenda and monitor progress throughout the Group. Sustainability work is integrated into business operations and all employees are responsible for this work, internally as well as in client projects. Sweco pursues comprehensive sustainability targets relating to climate and the environment, social responsibility and business ethics, which are monitored through annual audits and reporting. In line with Sweco's decentralised organisational model, targets are developed and monitored by each market in which the company operates.
<b>Failure to manage and execute our decentralised model to achieve its full potential</b> The decentralised model, a cornerstone of the Sweco model, ensures full P&L responsibility at team level, making the teams very client-focused and up to date with local developments. But the decentralised model must be balanced to allow for both local focus and a common approach that benefits the Group as a whole.	●	●	Sweco will continue the roll-out of the Sweco model and ensure compliance throughout the organisation. Development of a common management system will strengthen the use of best practices in our operations. Sweco works proactively to improve collaboration within and between BAs as part of our business priorities for 2022.
<b>Inefficient quality within the project execution</b> A solid project management framework supported by a structured approach to project governance allows line management to follow up on the project portfolio and identify project risk in time, enabling interventions where necessary.	●	●	Sweco has programmes in place throughout the organisation to improve our employees' project management skills. This is combined with activities to identify best practices and discuss insights drawn. Sweco develops and rolls out toolboxes and project management models.
<b>Cybercrime and/or IT failure resulting in business disruption and/or privacy breaches</b> Greater integration of IT systems and digitalisation increases this risk. The rapid pace of digitalisation is also a risk factor, since data is distributed across more services and platforms that require governance	●	●	Sweco IT has taken a series of protective measures in recent years to reduce cyberattack risk. An awareness programme provides training to end users to ensure that the most common attack vector, human error, is mitigated as far as possible.
<b>Lack of leadership and inability to guarantee adequate succession planning for existing leaders</b> Employee expertise is essential for a knowledge company like Sweco. Personnel changes at all levels in the company have an impact on our operations and project deliveries, so processes for replacing key employees is of utmost importance.	●	●	Sweco has procedures in place for mandatory line manager training, systematic hand-over processes, knowledge transfer and succession planning, which are implemented and updated on a regular basis. The LEAD development programme, which is run internationally, is aimed at developing our next generation of leaders.
<b>Insufficient awareness of and focus on compliance with laws and regulations</b> The risk of non-compliance increases as laws and regulations that influence Sweco's operations become more and more complex. Regulatory awareness and the organisation's ability to identify and manage risks with regard to business ethics and data privacy is absolutely crucial.	●	●	For business ethics, focus will be on increasing awareness of the Code of Conduct and the importance of reporting suspected violations. Training targeting senior managers and key personnel will continue. For data privacy, the Local Privacy Awareness Programmes launched in 2021 and supported by the Group Privacy Toolkit will continue on an annual basis. Existing e-training will be supplemented with Group nano training.
<b>Inability to identify and act on a black swan event</b> Sweco was able to quickly scale up its crisis management teams to adjust to the reality of Covid-19 and rapid developments as they occurred. We have now scaled down again to business as usual. There is a risk that the lessons learned during the pandemic will not be sufficiently taken into account when another black swan event occurs.	●	●	The Group will continuously monitor developments, with the crisis management teams ready to be re-activated as circumstances require. The crisis management teams are trained regularly. The next training sessions will be held in early 2022.

● High ● Medium ● Low

## Board of Directors and auditors



### Johan Nordström

Born in 1966. Board Chairman. Member of the Board since 2012. Chairman of: Tilia fastigheter AB. Directorships include: Skirner AB, Husa Skog AB, among others. Education: Architect, Royal Institute of Technology in Stockholm (KTH). Experience: President of Skirner AB. Holdings in Sweco: 1,815,000 directly held shares and 45,215,993 shares held through Skirner Förvaltning AB, which is owned by the Nordström family.



### Gunnel Duveblad

Born in 1955. Member of the Board since 2008. Chairman of: Team Olivia Group AB and the Ruter Dam Foundation. Directorships include: Dustin Group AB, Kindred Group Plc and Skirner AB. Education: Systems Scientist, Umeå University. Experience: former President of EDS Northern Europe. Holdings in Sweco: 12,000 shares.



### Christine Wolff

Born in 1960. German citizen. Member of the Board since 2016. Directorships include: Hochtief AG and Sievert SE. Education: M.Sc. Geology and MBA, HSBA Hamburg. Experience: former Senior Vice President and Managing Director Europe & Middle East URS Corporation and board member of Grontmij N.V. Holdings in Sweco: 3,000 shares.



### Åsa Bergman

Born in 1967. President and CEO since 2018. Directorships include: Persson Invest AB and Swegon AB. Education: Civil Engineering, KTH. Experience: CEO of Sweco Management AB and Sweco Sverige AB. Holdings in Sweco: 172,478 shares.



### Elaine Grunewald

Born in 1967. Swedish and American citizen. Member of the Board since 2017. Education: M.A., Resource and Environmental Management, M.A., International Relations, Boston University Graduate School. B.A., Communications and Debate, Suffolk University. Experience: Board member of European Sustainable Growth Acquisition Corp and Azelio AB. Former Senior Vice President and Chief Sustainability and Public Affairs Officer, Ericsson AB. Holdings in Sweco: 3,000 shares.



### Alf Göransson

Born in 1957. Member of the Board since 2018. Chairman of: Loomis AB, NCC AB, Hexpol AB and Axfast AB. Directorships include: Attendo AB, Melker Schörfling AB, Sandberg Development Group and Anticimex AB. Education: International Economics, University of Gothenburg, Sweden. Experience: Among previous positions can be mentioned CEO and member of the Board of Directors of Securitas AB, CEO of NCC AB, CEO of Svedata Industri AB. Holdings in Sweco: 3,000 shares.



#### Johan Hjertonsson

Born in 1968. Member of the Board since 2015. Chairman of: Alimak Group AB, Nederman Holding AB, Swegon Group AB, Hultafors Group AB, Nord-Lock International AB, Caljan AS and Latour Industries AB. Directorships include: Investment AB Latour and ASSA ABLOY AB. Education: MBA, Lund University, Harvard University – The General Manager Program. Experience: CEO and President of Investment AB Latour, former CEO and President of Fagerhult, former CEO and President of Lammhults Design Group, managing positions within marketing, product development and finance at Electrolux. Holdings in Sweco: 90,000 shares.



#### Anna Leonsso

Born in 1971. Employee representative since 2005. Education/experience: Architect SAR/MSA, Master Degree in Architecture, Faculty of Engineering, Lund University. Employed by Sweco since: 1997. Holdings in Sweco: 1,886 shares.



#### Görgen Edenhagen

Born 1964. Employee representative since 2011. Education/experience: Master of Science in Industrial Engineering, Luleå University of Technology. Employed by Sweco since 2008. Holdings in Sweco: 1,984 shares.



#### Maria Ekh

Born in 1974. Employee representative since 2015. Education/experience: Engineer. Employed by Sweco since: 1999. Holdings in Sweco: 6,789 shares.

#### AUDITORS

PricewaterhouseCoopers AB  
**Aleksander Lyckow**, Authorised Public Accountant.  
 Other assignments: Byggfakta, Leovegas, Vattenfall, Vitec Software Group.

#### DEPUTIES

**Peter Rothstein**  
 Born in 1959. Employee representative since 2017.  
 Holdings in Sweco: 6,056 shares.

#### Charlotte Berglund

Born in 1973. Employee representative since 2019.  
 Holdings in Sweco: 4,676 shares.

#### Patrick Sandoval

Born in 1978. Employee representative since 2021.  
 Holdings in Sweco: 5,225 shares.

## Executive Team



**Åsa Bergman**

Born in 1967.  
President & CEO since 2018.  
Year of employment: 1991.  
Holdings in Sweco: 172,478 shares.



**Julia Zantke**

Born in 1970.  
President of Sweco Germany & Central Europe since 2021.  
Year of employment: 2021.  
Holdings in Sweco: 1,384 shares.



**Markku Varis**

Born in 1958.  
President of Sweco Finland since 2013.  
Year of employment: 1993.  
Holdings in Sweco: 65,618 shares.



**Grete Aspelund**

Born in 1971.  
President of Sweco Norway since 2016.  
Year of employment: 2016.  
Holdings in Sweco: 43,504 shares.



**Eugene Grüter**

Born in 1959.  
President of Sweco Netherlands since 2016.  
Year of employment: 2016.  
Holdings in Sweco: 24,106 shares.



**Max Joy**

Born in 1969.  
President of Sweco UK since 2019.  
Year of employment: 2016.  
Holdings in Sweco: 6,293 shares.



**Erwin Malcorps**

Born in 1973.  
President of Sweco Belgium since 2019.  
Year of employment: 2015 (previously employed by Grontmij).  
Holdings in Sweco: 26,131 shares.





**Ann-Louise Lökholm-Klasson**

Born in 1971.  
President of Sweco Sweden since 2018.  
Year of employment: 2008.  
Holdings in Sweco: 15,332 shares.



**Olof Stålnacke**

Born in 1965.  
Chief Financial Officer at Sweco AB since 2019.  
Year of employment: 2019.  
Holdings in Sweco: 26,294 shares.



**Dariush Rezai**

Born in 1975.  
President of Sweco Denmark since 2017.  
Year of employment: 2017.  
Holdings in Sweco: 9,779 shares.



**Marcela Sylvander**

Born in 1966.  
Chief Communication Officer at Sweco AB since 2022.  
Year of employment: 2022.  
Holdings in Sweco: –



**Lisa Lagerwall**

Born in 1972.  
General Counsel at Sweco AB since 2011.  
Year of employment: 2006.  
Holdings in Sweco: 33,800 shares.



**Helene Hasselskog**

Born in 1968.  
Chief HR Officer at Sweco AB since 2020.  
Year of employment: 2020.  
Holdings in Sweco: 1,698 shares.

# Definitions

## Acquisition-driven growth

Growth in net sales in local currencies, based on acquired businesses.

## Acquisition-related items

Amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of additional purchase price, and profit and loss on the divestment of companies, operations, buildings and land, as well as expensed costs for future service.

## Billing ratio

Billable hours in relation to total hours of attendance for all employees.

## Capital employed

Total assets less interest-free current and non-current liabilities and deferred tax liabilities.

## Cash flow per share

Cash flow for the period divided by the average number of shares outstanding (excluding treasury shares).

## Climate neutral

No net impact on the climate, including all greenhouse gas emissions as defined by the Intergovernmental Panel on Climate Change (IPCC).

## CO<sub>2</sub>e

Carbon dioxide equivalents; the unit used to measure greenhouse gas emissions impact on climate.

## Debt/equity ratio

Interest-bearing liabilities excluding leasing liabilities in relation to shareholders' equity.

## Dividend yield

The year's dividend per share (proposed for 2021) in relation to the closing price for the Sweco class B share.

## Earnings per share

Profit for the period attributable to owners of the Parent Company divided by the average number of shares outstanding (excluding treasury shares).

## EBITA

Earnings before Interest, Taxes and Acquisition-related items, under which all leases are treated as operating leases whereby the total cost of the lease affects EBITA.

## EBITA margin

EBITA in relation to Net sales.

## EBITDA

Earnings before Interest, Taxes, Depreciation & amortisation and Acquisition-related items, under which all leases are treated as operating leases whereby the total cost of the lease affects EBITDA

## EBITDA margin

EBITDA in relation to Net sales.

## Employee turnover rate

The number of employees who left the Group during the year in relation to the average number of employees.

## Equity/assets ratio

Shareholders' equity in relation to total assets.

## Equity per share

Equity attributable to owners of the Parent Company divided by the number of shares outstanding (excluding treasury shares) at the end of the period.

## GHG

Greenhouse Gas Protocol; a global standardised framework for greenhouse gas accounting.

## Growth, currency effects

Effect of exchange rate changes on net sales growth.

## IAS

International Accounting Standards.

## IFRS

International Financial Reporting Standards.

## Interest coverage ratio

Profit after net financial items under which all leases are treated as operating leases plus financial expenses excluding interest cost of leasing divided by financial expenses excluding interest cost of leasing.

## Items affecting comparability

Items affecting comparability pertain to significant amounts related to restructuring and integration costs, acquisition and divestment costs, project write-downs and other one-off items. All measures and ratios have been disclosed, initially including items affecting comparability and subsequently, as a second measure when deemed appropriate, excluding items affecting comparability.

## Market capitalisation

The year's closing price for the Sweco class A and class B share multiplied by the number of shares outstanding in each class.

## Net debt

Financial debt (comprised almost exclusively of interest-bearing bank debt) less cash and cash equivalents and short-term investments. Lease liabilities are excluded from net debt.

## Net debt/EBITDA

Net debt divided by EBITDA.

## Net debt/equity ratio

Net debt divided by shareholders' equity.

## Normal working hours

The potential number of hours, according to the calendar, that a full-time employee could work if he/she is not absent and does not work overtime.

## Number of employees

Number of individuals employed at the end of the period.

## Number of full-time employees

Hours of attendance plus hours of absence (excluding long-term absence) divided by normal working hours.

## Operating margin

Operating profit (EBIT) in relation to net sales.

## Operating profit (EBIT)

Profit before net financial items and tax.

## Operating profit per employee

Operating profit (EBIT) divided by the number of full-time employees.

## Organic growth

Growth of net sales in local currencies, excluding the impact of acquisitions and divestments.

## Organic growth adjusted for calendar

Growth of net sales in local currencies, excluding the impact of acquisitions and divestments and excluding estimated calendar effect.

## Profit margin

Profit before tax in relation to net sales.

## Return on capital employed

Profit after net financial items plus financial expenses in relation to average capital employed.

## Return on equity

Profit for the period attributable to owners of the Parent Company in relation to average equity attributable to owners of the Parent Company.

## Return on total assets

Profit after net financial items plus financial expenses in relation to average total assets.

## SBT

Science Based Targets; greenhouse gas emission reduction targets. Organised by the Science Based Targets initiative (SBTi).

## SDG

Sustainable Development Goals; 17 interlinked global goals that are part of the United Nations resolution Agenda 2030 which provides a blueprint to achieve a better and more sustainable future for all by 2030.

## Total shareholder return

Share price performance including reinvested dividends.

## UNGC

United Nations Global Compact; a principle based framework for businesses.

## Value added per employee

Operating profit plus personnel costs divided by the full-time equivalents.

## WBSCD

World Business Council for Sustainable Development; a global CEO-led organisation working together to accelerate the transition to a sustainable world.

# Annual General Meeting

The Annual General Meeting of SWECO AB (publ) will be held at 3:00 p.m. on Thursday, 21 April 2022 at Fotografiska, Stadsgårdshamnen 22, Stockholm, Sweden. Registration for the AGM will begin at 2:30 p.m.

The Notice of the AGM and agenda are available on Sweco's website: [www.swecogroup.com](http://www.swecogroup.com).

## Notification

Shareholders who wish to participate in the AGM must be entered in their own name in the register of shareholders maintained by Euroclear Sweden AB, and must have notified the company of their intention to participate no later than Wednesday, 13 April 2022 via Sweco's website, by letter or by calling the number provided below. The notification should include name, address, telephone number, personal identity number, registered holding and special mention if the shareholder wishes to be accompanied by an assistant.

### Notification can be made:

- online via Sweco's website: [www.swecogroup.com](http://www.swecogroup.com).
- by letter to Sweco AB "Sweco AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm.
- by calling +46 (0)8-402 90 73, weekdays between 10:00 a.m. and 4:00 p.m.

## Nominee shares

Shareholders whose shares are nominee-registered, must in order to be entitled to participate in the general meeting, in addition to giving notice to participate as set out above, also re-register their shares in their own name so that the shareholder is registered in the share register as of the record date (Monday, April 11 2022). Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee's routines in such time in advance that the nominee decides. Voting rights registrations that has been completed by the nominee no later than Wednesday, 13 April 2022 will be taken into account in the preparation of the share register as of the record date.

## Form of proxy

Shareholders who intend to be represented by proxies are asked to send original powers of attorney to the company prior to the general meeting. A proxy representing a legal entity shall provide a copy of a registration certificate, or other evidence of authority, showing the authorised signatures of the legal entity.

## Dividend

The Board of Directors proposes that the shareholders receive a dividend of SEK 2.45 per share. The proposed record date is Monday, 25 April 2022. If the AGM decides in favour of the proposal, dividends are expected to be disbursed by Euroclear Sweden AB on Thursday, 28 April 2022.

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