

Transforming society together

Sweco Annual and Sustainability Report 2023



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Sweco operates at the centre of the green transition. With our 22,000 architects, engineers and other experts, we work with our clients to design solutions to major societal challenges.

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. Sweco's ambition is to be our clients' most relevant and committed partner.

Sweco is where experts come together. From the big picture to the smallest details, we combine our skills and perspectives to learn from each other and grow as one team. At Sweco, everyone is empowered to utilise their expertise – because we believe that we create the best results when we work together.

Sweco – Transforming society together



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16 May 2024	Interim report January–March 2024
16 July 2024	Interim report January–June 2024
30 October 2024	Interim report January–September 2024
7 February 2025	Year-end report 2024

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Sustainability Report

Sweco's Sustainability Report is presented on pages 52–92 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.

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Digital news

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Transforming society together

As Europe's leading architecture and engineering consultancy, Sweco's specialists are driving the green transition together with their clients. Below are some examples of Sweco's work in various client projects and what it's like to work at Sweco.

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Norway's largest hospital takes shape	22
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Cover image

Skeppsbron in Gothenburg, Sweden is an urban development project designed to connect the city with the Göta River and create a vibrant meeting place that improves Gothenburg's urban fabric and accessibility. With its multidisciplinary expertise, Sweco has contributed with, for example, preliminary studies to detailed design work, tram line expansion and the design of public spaces such as Skeppsbroplatsen and Stenpiren.

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This is Sweco

Sweco is Europe's leading architecture and engineering consultancy, where more than 22,000 experts work on over 150,000 projects each year. Sweco offers multidisciplinary services in the following segments: buildings and urban areas; water, energy and industry; and transportation infrastructure. Sweco's architecture operations are integrated into all segments. Sweco's experts help private and public clients analyse, evaluate, plan and design solutions that create tomorrow's sustainable cities and communities.

The business is operated in eight geographical business areas covering around 15 markets in Europe. Sweco also conducts project exports to many countries throughout the world. Sweco's strategy is to grow through a combination of acquisitions and organic growth. Sweco has completed more than 160 acquisitions in the past 20 years.

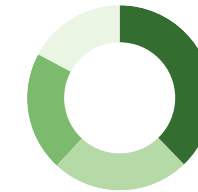
Sweco's decentralised organisation is the cornerstone of the business, with around 1,700 local teams responsible for client relationships, projects and employees. This is a client-focused, efficient working method that has been crucial to Sweco's success over the years.

Net sales by segment in 2023, %



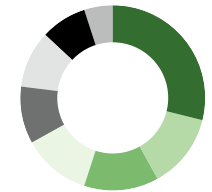
- Buildings and urban areas, 37 (37)
- Water, energy and industry, 34 (33)
- Transportation infrastructure, 29 (30)

Net sales by client category in 2023, %



- Public sector, 38 (38)
- Other private sector companies, 24 (21)
- Industrial companies, 21 (20)
- Housing, real estate and construction, 17 (21)

Net sales by business area in 2023, %



- Sweco Sweden, 29 (32)
- Sweco Belgium, 13 (10)
- Sweco Finland, 13 (13)
- Sweco Norway, 12 (13)
- Sweco Denmark, 10 (9)
- Sweco Netherlands, 10 (9)
- Sweco Germany and Central Europe, 8 (8)
- Sweco UK, 5 (6)



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The year in brief

Robust growth

Increased net sales and stable demand, despite some market challenges and a recession in Europe.

Strong earnings improvement

Improvement in earnings before depreciation and impairment, despite cost increases. Fee increases and a greater number of employees were instrumental to the improvement.

High level of acquisition activity

Acquisitions to strengthen Sweco's market presence and expertise in key areas and expand the company's geographic footprint were completed.

Strengthened order book

Sweco has won more and more major projects that support the green transition in Europe.

More employees

An increased number of employees with a strong focus on integrating new expertise into the company.

Increased focus

The green transition in the energy sector, industry, transportation infrastructure and urban communities are focus areas for Sweco.

Net sales 2023

28.5

SEK billion
(24.3)

EBITA 2023

2.5

SEK billion
(2.2)

EBITA margin 2023

8.9%

(9.2)

Percentage of women
in the Group

35%

(35)

CO₂ emissions
per full-time equivalent

3.3 tonnes

(3.3)

Number of acquisitions
completed

10

(12)

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Sweco is growing in pace with Europe's green transition

What were the most distinctive features of the past year?

For us, 2023 was a testament to Sweco's strength and innovative power. The year was characterised by acceleration of the green transition due to the geopolitical situation, with Europe wanting greater control over supply, energy and value chains while a weaker economy impacted parts of our market. Political priorities and the climate transition have increased the willingness to invest in the industrial and energy sectors, and Sweco has successfully navigated this landscape. We have won major projects in the infrastructure, water, environment and energy, and have demonstrated our adaptability by shifting resources and expertise from areas with lower demand, such as residential and commercial property, to other sectors. I am proud to note that, with our 22,000 employees, we are consolidating our position as Europe's largest architecture and engineering consultancy.

How important is the green transition for Sweco's business, and what areas are you focusing on?

As a leading urban developer, I can say that the green transition affects our entire business and goes hand in hand with our sustainability strategy. In addition to our own goals and measures, we closely monitor areas where major investments are being made, in both the public and private sectors. We have identified four main areas that we see are driving the market in Europe and that we are focusing on: the

energy transition, the transport transition, the industrial transition and the urban transition. Digitalisation, now spearheaded by AI, continues to be a catalyst for efficiency and innovation in this work.

Sweco has many projects that arise directly from the trends you mention above. Which ones do you think stand out?

I would say nearly all of them. In the energy transition, we are active in production, transmission and storage. We are mapping energy systems for clients such as Svenska Kraftnät in Sweden and Statnett in Norway, and are working on projects involving hydrogen production and battery storage. We are involved in designing new transport systems and expanding railway track capacity for clients such as Deutsche Bahn in Germany. Sweco plays an important role when industrial clients introduce new hydrogen technology, which reduces their climate footprint. We are also growing strongly in the health sector and were awarded several major, complex hospital projects during the year.

Sweco's 2023 profit increased to SEK 1,667 million.

What is the main contributing factor for this increase?

The fact that we continued to pursue our strategy and, by doing so, are delivering profitable growth. Our sales increased 17 per cent to SEK 28.5 billion and EBITA increased 18 per cent to SEK 2.5 billion after adjustment for calendar effects. The EBITA increase was due mainly to our ability to secure higher fees, to our increased number

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of employees, and to contributions via our acquisitions. Belgium, Germany & Central Europe, Denmark, the Netherlands, Sweden and Norway all posted higher EBITA levels, while the UK and Finland reported lower results. Cost increases, negative project adjustments and a lower billing ratio had a negative impact on profit.

Sweco completed 10 acquisitions in 2023.

What is your strategy moving forward?

The acquisitions are part of our growth strategy and support our continued expansion and development in different areas of expertise, with the aim of strengthening our position in Europe. During 2023 we conducted ten acquisitions that added SEK 1.8 billion in revenue and more than 1,200 new experts, and expanded our expertise and scope. Our largest acquisitions were of VK architects+engineers in Belgium and OJ Rådgivende Ingeniører in Denmark. The former strengthens our position in the health sector and in Belgium, and the latter doubles our size in Denmark's construction sector. With the acquisition of Medins Havs och Vattenkonsulter in Sweden we gain expertise in aquatic environments, which is essential in the green transition. Our financial strength allows us to continue to capitalise on market opportunities.

Competition for engineers is fierce. How are you dealing with this?

The ability to attract, develop and retain employees is crucial to our ability to grow in size as well as expertise, and consequently remain relevant to our clients. There is a major shortage of engineers in Europe. Competition is fierce for experts in areas such as energy and environmental technology, and we are working proactively with our employer brand to be an attractive employer and meet our short- and long-term needs. It is gratifying that in 2023 we were ranked as one of the industry's most attractive employers in the Nordics in various surveys of university students, and that we are seeing positive results in our annual employee survey.

What do you do to develop your employees?

We invest in training programmes and mentorships not only to attract talent and expertise, but also to retain and develop these qualities. In 2023 we directed more focus towards supporting and developing our managers. Ensuring the development of our team managers is an essential factor for Sweco's business. Architects, engineers and experts at Sweco do not work individually and isolated but in collaborative, often multidisciplinary, teams to create sustainable solutions for urban development.

What can you tell us about the market development and competition for Sweco's services?

Geopolitical instability continued to impact the economy as a whole, and Sweco's markets were affected by higher inflation, higher interest rates and energy supply risks. Although some of Sweco's market segments have been negatively affected, most business areas experienced good demand for Sweco's services within the infrastructure, water, environment, and industry in 2023. Demand for services in parts of the construction and real estate segments continued to weaken, however, with a negative impact seen mainly in residential buildings.

Although competition in the market is intense, we have a unique advantage with our broad and diversified portfolio. We have a good balance between private and public clients and a broad geographical presence, which gives us stability and the capacity to adapt to different market conditions. The urban planning sector is local in nature, but in recent years we have seen a consolidation trend and an increase in the number of major projects in which our combined international expertise is in demand. I am pleased to note that we are not only the largest engineering consultancy in Europe, but that we also hold a top-three position in five of our eight markets and are the world's fourth largest architecture business.

»In an increasingly complex and interconnected world, our business model is more relevant than it has ever been.«

What are your views on future developments for Sweco and your clients?

It is essential for us to know how our clients are doing, and our strategy is to stay close to them so that we can be flexible in response to trends and market conditions. In an increasingly complex and interconnected world, our business model is more relevant than it has ever been. We will continue to attract and develop the right expertise and ensure that we are at the forefront of technological innovation and sustainability integration in our projects. As we grow as a company we will also have to put extra focus on increased efficiency. I would like to take this opportunity to thank our clients, partners and all Sweco employees for their excellent contributions during 2023. I would also like to extend a warm welcome to all of our new colleagues. We are on a fantastic journey together.

Stockholm, March 2024



Åsa Bergman
President and CEO

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Strategy and value creation



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Trends that drive demand for Sweco's services

The green transition, digitalisation and resilience are the overarching trends that impact Sweco's clients and drive Sweco's business. Sweco's expertise is in demand in areas such as resource-efficient industrial solutions, modern transportation infrastructure, reliable energy solutions and climate-smart urban planning. All of these areas are crucial for the sustainable development of society.

Challenges accelerate the need for planning

Europe is facing major challenges. With inflation as its highest level in decades, key interest rates have increased, economic activity has weakened and the short-term economic outlook is flat. With the high degree of geopolitical uncertainty, there is a risk that the ongoing energy crisis may be intensified. There are also longer-term challenges. Climate change and loss of biodiversity may have serious consequences for societies and ecosystems throughout the world.

Many European cities and societies are in need of action plans and concrete measures to ensure water, energy and materials supply in the event of crisis or war. Climate changes, with increased rainfall, higher temperatures and rising sea levels, also place demands on urban planning for new and existing areas.

Focus on energy transition

Reducing climate impact while meeting society's growing need for energy involves creating a secure and efficient supply, distribution and consumption of energy for industry and society at large, while accelerating the transition to fossil-free energy sources. This is a high-priority issue and at the UN's annual climate change conference, COP28, the world's countries agreed to triple the expansion of renewable energy and double the rate of energy optimisation by 2030. Jobs and interesting business opportunities are being created as a range



Sweco has been selected by biotech company Ecohelix to design a modern production facility for renewable wood-based polymer products. The facility will be built entirely from wood, which is still an unusual choice of material for industrial buildings. Sweco has successfully demonstrated the differences in carbon emissions and costs for traditional concrete frames versus wooden frames, with wood being the clear winner.

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of sectors collaborate on the development and implementation of new technologies and systems solutions.





Digitalisation as a facilitator

The digitalisation of society is well underway. The development curve is exponential, and advanced IT solutions that link everything together are playing an increasingly important role in shaping tomorrow's sustainable cities and communities. With new digital tools

enabling more distance-based work, changes in consumer behaviour with the rapid growth of e-commerce, and housing shortages in many areas, the overall attractiveness of city centres has declined and the development of urban-like areas near but outside typical metropolitan regions is accelerating. A new type of urban planning is emerging, and with it a need for improvements to vital societal functions and infrastructure such as schools, hospitals, energy, water, heating, waste management and public transport. There has

never been greater opportunity to steer development towards a sustainable future through digital solutions, combined with circularity and the green economy. This rapid evolution means that today's architects and engineers need to have a comprehensive perspective, mastering all the advanced technologies that are emerging and understanding how these can be applied to actively support sustainable development.

Growth segments in the green transition

<p>Energy transition </p>	<p>Transportation transition </p>	<p>Industry transition </p>	<p>Urban transition </p>
<p>EUR 300 billion REPowerEU investment package</p>	<p>Doubling of Europe's high-speed rail infrastructure by 2030</p>	<p>EUR 40 billion in available capital from the EU Innovation Fund over the next decade</p>	<p>EUR 680 billion of EU's budget will be allocated for climate-relevant measures during the 2021–2027 period</p>

Sweco's offering

Leading-edge expertise in energy systems and electricity grids:

- Transmission and distribution
- Wind and solar power
- Hydrogen and energy storage

Leading European railway consultancy, with 6,000 experts. Multidisciplinary expertise in:

- Mobility and active travel
- Electrification and fossil-free fuels
- Traffic safety
- Climate adaptation of infrastructure

Trusted advisor to some of Europe's most ambitious large-scale industrial projects:

- Carbon emissions reduction (phase-out of fossil fuels) incl. Carbon Capture and Storage (CCS)
- Industrial circularity
- Energy supply and efficiency
- Battery technology

World's fourth largest architecture company, with over 1,500 architects:

- Built environment planning, design, construction and circularity
- Resilient urban infrastructure
- Nature-based solutions

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Strategy

What	Where	How
Sweco plans and designs the sustainable communities and cities of the future	Achieve leading positions in selected segments and geographies in Europe	A balanced business model and decentralised operational model

What	Where	How
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Europe's leading engineering consultancy

Sweco's vision is to be Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture. Sweco helps its clients reduce the climate footprint of existing industries, establish new industries, develop energy and transportation infrastructure, and build tomorrow's sustainable communities and cities.

Europe is striving to become a leader in the green transition and increase control over supply chains along with energy and raw material supplies. This process is accelerated by political priorities and programmes, including new legislation on the national and European level. It is also fuelled by growing demand from consumers and investors, increased financing and rapid technological development. This creates many business opportunities for Sweco in the transformation of the energy sector, transportation sector, industry and urban areas.

Sweco's role in the green transition

As the climate transition gains momentum, there is greater willingness to invest in industry and energy. Sweco estimates that around 5 to 10 per cent of total investments planned in Europe in

these areas are being spent or will be on consulting services. Positioning Sweco as a leader in the green transition is the key to capitalising on market developments.

In the energy transition, Sweco's experts are involved in the expansion of renewable energy and the adaptation of power systems and electricity grids to meet new capacity requirements as electrification intensifies. The transportation transition involves a shift from fossil-fuelled transport to electricity, expanded public transport and a focus on modernising railway infrastructure. In the industrial transition, Sweco is providing solutions to reduce existing industries' carbon emissions and establish new industries with a focus on energy, raw materials and circular business models. The urban transition involves building more sustainable, resilient cities and urban areas.



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- What
- Where
- How

Focus on Europe

Sweco has a legacy of stable and profitable growth and continues to see good opportunities to grow faster than the market. Sweco's strategy is to take market-leading positions in its core markets in Europe by growing organically and through acquisitions.

The European architecture and consulting engineering sector is fragmented and has for many years been characterised by strong consolidation. This presents good growth opportunities for Sweco by broadening the company's market presence and service offerings through acquisitions.

Sweco strives to hold a top-three position in its core markets. A leading position is essential for attracting the most skilled employees and meeting clients' needs with the best solutions. In 2023 Sweco held top-three positions in five of its eight core markets.

An active acquisition strategy

Sweco has completed more than 160 acquisitions in the past 20 years. This is part of the business areas' ongoing

operations and a key element in the strategy for continued growth. Through acquisitions, Sweco strengthens its geographical presence, its service offering and its expertise. Acquisitions are made based on two main and overlapping objectives: to strengthen and establish market-leading positions, and to develop the company's offering with complementary, niche or specialised expertise.

Sweco's acquisition focus is on economically strong markets. A professional, geographical, and cultural fit is of paramount importance in Sweco's evaluation of acquisition candidates. Acquired companies are integrated into Sweco's organisational and operational structure and under the Sweco brand.

Number of acquisitions completed during the year

10

Number of new experts gained through acquisitions

1,200

The Rhine-Main link is part of the expansion of Germany's central electricity grid, which will supply the country with climate-neutral energy by 2045. Amprion, the transmission system operator, is planning to gather four DC cable systems in a shared energy corridor to transport offshore wind power from the North Sea to the Rhine-Main area, a distance of over 500 kilometres. Amprion has commissioned Sweco to provide project management services for this key project in Germany's energy transition.



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Acquisitions during the year



Strengthened position in Belgium

The acquisition of VK architects+engineers adds around 600 experts working in a broad range of construction and infrastructure services. VK architects+engineers is a multidisciplinary consultancy, with employees in Belgium, the Netherlands, Luxembourg, the UK and Vietnam. The acquisition strengthens Sweco's market-leading position in Belgium and Luxembourg and supports Sweco's ambition to be a full-service partner in the construction industry.



New expertise in aquatic marine environments

Medins Havs och Vattenkonsulter AB is specialised in studies of watercourses, lakes and seas. Medins, with its 35 employees, has extensive expertise in aquatic environments and is a leader in a range of niches in Sweden. The acquisition makes Sweco the leading aquatic environment consultancy in Sweden and is in line with Sweco's acquisition strategy to grow the business by adding key competencies in important niches.

VAN AKEN Concepts, Architecture and Engineering, Netherlands
 Number of employees: 50
 A Dutch company specialised in architecture and engineering. The company has strong expertise and experience from the private sector and urban studies, which complements Sweco's offering. With the acquisition, Sweco is establishing an architecture platform in the Netherlands.

Pro-Consult, Norway
 Number of employees: 35
 A Norwegian company specialised in project management and construction engineering, with expertise in structural engineering, BIM, rehabilitation, and concrete and wooden buildings. The acquisition helps strengthen Sweco's capacity in these areas and increases its geographical coverage in Norway.

Neva Architects, Finland
 Number of employees: 25
 A Finnish specialist in urban planning and residential projects as well as complex renovation and remodelling projects. The acquisition complements Sweco's expertise and adds local presence in the growing Tampere area, helping to make Sweco one of Finland's largest architecture consultancies.

FPC Risk, Belgium
 Number of employees: 23
 A leader in fire risk management in diverse sectors worldwide. The merger enables Sweco to offer a wide range of services for integrated construction projects. FPC Risk is specialised in fire risk engineering services and crisis management.

DS Engineering, Belgium
 Number of employees: 8
 A structural engineering company with main activities in Flanders. The acquisition adds additional capacity and sought after expertise to Sweco's Belgian business.

Metria, Sweden
 Number of employees: 100
 A Swedish company working with measurement technology. The acquisition of Metria AB, which operates in 20 locations across Sweden, expands the number of Sweco's measurement technology experts in Sweden to 300.

Ball & Berry, UK
 Number of employees: 40
 A UK specialist in technical and compliance standards in the building control sector. The company, with four offices in the UK, strengthens Sweco's position and expands its geographical presence in the country.

OJ Rådgivende Ingeniører, Denmark
 Number of employees: 325
 One of Denmark's leading engineering firms in the building market. With the acquisition, Sweco nearly doubles the size of its building business in Denmark and strengthens its position as one of the country's top engineering and architecture consultancies.

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What

Where

How

The Sweco model

Sweco's way of working, and the reason behind the company's success, is grounded in the four cornerstones of Sweco's operational model.

Client focus

Sweco's client promise is to be the most approachable and committed partner, with recognised expertise. Its client base is evenly distributed between public and private clients. The client-focused approach is integrated throughout all of Sweco's processes – from recruitment through project implementation and evaluation. This enables Sweco to deliver more than just expertise and meet a clear client need, distinguishing the company from its competitors.

8.8/10 (8.7/10)

Average score from Sweco's 2023 client satisfaction surveys.

Best people

Employees are Sweco's most important asset, and our aim is to always recruit, develop and retain the industry's top talent. Sweco has a thorough process to ensure that the right employees are recruited and subsequently offered relevant development opportunities. A key success measure is the percentage of employees who recommend others to apply for a job at Sweco.

81% (80)

would recommend Sweco as a nice place to work.

Internal efficiency

Efficient processes, working practices and systems ensure that as much of the consultants' time as possible is dedicated to client projects to deliver optimal project execution. Sweco values simplicity and has a flat organisational structure with a minimum of management layers. The billing ratio, a key efficiency measure, decreased marginally during the year.

73.3% (73.9)

Sweco's billing ratio in 2023.

Decentralised organisation

The foundation of the Sweco model is the company's decentralised organisation. Sweco's operations are comprised of around 1,700 independent teams, with team managers personally responsible for client relationships, projects and employees. This model creates clarity, accountability and commitment throughout the organisation, enabling the business- and client-focused approach that Sweco strives for.

1,700 teams

Empowered teams working closely with clients.

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Good leadership is essential for Sweco

Interview with Helene Hasselskog, Chief HR Officer at Sweco

What significance do Sweco's people have for your overall strategy?

Sweco's strategy is wholly based and dependent on our people. Our entire business is grounded on having talented experts, the best in the industry, working together to deliver important client projects. Our aim is to be the leading advisor in the green transition of society in our main markets in Europe.

How would you describe Sweco's employees?

They are highly skilled in their areas of expertise, in terms of both breadth and depth, so they have the capacity to understand and deliver what our clients need. They are at the forefront. They're experts who play a decisive role in the many projects that are driving the transition to a more sustainable society. They are also team players. Sweco is comprised of 1,700 independent teams that are authorised to make autonomous decisions and drive change projects together with Sweco's clients. Many of our people have a strong commitment to society, and say that they appreciate that Sweco's operations create value for society as a whole as well as generating profits for the company.

What can Sweco offer its employees?

Our employees want to work on exciting, important projects in a stimulating work environment, which is exactly what we offer. These can range from major national projects dealing with renewable energy and sustainable traffic solutions to local projects like circular construction and developing temporary housing solutions in war-torn Ukraine. Even though we have 22,000 employees, Sweco is a decentralised organisation where we, as an employer, trust our employees' abilities and give them a lot of responsibility early on. Our annual employee surveys show that many of our people are proud to work at Sweco, and we're also pleased to be recognised as one of the most attractive employers for engineers in several of our markets.

What are Sweco's greatest challenges?

There is a major shortage of qualified professionals, especially engineers. There's a skills gap – too few people have the expertise to work on driving the green transition of society. We don't have difficulty recruiting people, but there are clearly too few qualified engineers in most of our markets in Europe. The

"talent market" for skilled personnel has also cooled a bit due to the economic slowdown. We therefore need to work hard to retain our highly sought-after experts. Despite the economic downturn in Europe in 2023, we've succeeded in recruiting new people and have also gained new people through the acquisitions we've made.

What do you do to develop your employees, particularly your managers?

With our decentralised organisation, much of our skills development is done locally. In 2023 we ran two group-wide Digital Expertise programmes to improve employees' digital skills. We also implement various measures to attract young talent to Sweco. We have a programme, LEAD, to develop employees who have the potential to take on senior managerial positions. Good leadership is essential for Sweco and is absolutely crucial for our continued success. Sweco's Leadership Statement specifies what it takes to be a leader at Sweco. We believe in inclusive leadership focused on clients, teams and accountability. During 2023 we launched a training programme, EDGE, for our top managers in collaboration with Swiss business school IMD.

Sweco has a target of having 40 per cent female employees by 2040.

How is that going?

Everybody, regardless of gender, has an equal opportunity to be hired by and develop at Sweco. We've exceeded our target in terms of the percentage of women on the Board of Directors and Group Executive Team, but have not yet achieved our target in terms of the organisation as a whole. As at year-end 2023, the percentage of female Sweco Group employees was 35 per cent. Patterns of gender distribution in engineering and architecture companies tend to be more traditional in many of the markets where we operate, with men in the majority. So we have some way to go, while at the same time we're in a better position than most of our competitors. But equality is about more than just gender. In order to understand and meet our clients' challenges and be a dynamic workplace, it's important for Sweco to reflect society at large. For us, this is self-evident.

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Meet our experts



“The best thing about Sweco is that I actually feel that I could work here my entire life. There are so many different areas and work activities I can work with and develop in without needing to change job. I love to try new things in my private life and at work, and I really enjoy being challenged by my colleagues to game of padel or to work on an exciting project. For me, it’s important to really jump in, and at Sweco we can just go for it!”

Anou Persson
Digitalisation Project Manager
Sweco Sweden



“When I started at Sweco, I was involved in a supportive capacity on structural engineering projects. I collaborated with various teams to tackle technical issues and I worked on construction sites. But soon, I wanted to work with really big projects. Now, my responsibilities encompass project co-ordination and structural calculations. I work closely with people from all disciplines, with Sweco colleagues and others. This makes my job extremely exciting and challenging!”

Wouter Schils
Project Leader, Infrastructure
Sweco Belgium



“I’m a building architect and architectural engineer, and I work on a wide scope and across disciplines. I have a lot of experience in planning hospitals, so I lead people in projects dealing with things such as hospital workflows. I focus a great deal of attention on co-ordination with the users – the doctors and nurses. We plan new projects and also improve work flows in existing hospitals. Each hospital has its own priorities and working methods.”

Sabina Grote-Schepers
Architecture Project Manager
Sweco Germany



“My work involves everything having to do with buildings’ energy efficiency and carbon footprint. We can make a real difference in the projects we do for our clients, and I appreciate this. I like the flexibility Sweco offers – the option of working from home as well as at the office. At Sweco, my values are well aligned with my work activities. Sweco provides me with meaningful and challenging work and, most of all, is a really pleasant place to work.”

Jesse Kantola
Unit Director, Sustainability Services
Sweco Finland

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Well positioned for continued profitable growth

With its expertise and consultancy offerings, Sweco competes in a market driven by the development of sustainable, resilient societies and increased digitalisation. The market in Europe is fragmented, with profitability and competitive advantage achieved through economies of scale, operational efficiency and the ability to attract and retain talent.

An investment in Sweco is an investment in Europe's leading architecture, engineering and environmental consultancy, with excellent conditions for organic and acquisition-related growth, a well-diversified business and a unique operational model that drives profitability improvements over time.



Five reasons to invest in Sweco

Strong position in a growing market

Sweco is the leading company in the European engineering consultancy market, in all areas of the urban development sector. Sweco is also the world's fourth largest architecture company. Increased demands for a green transition of society provide an environment for excellent long-term market growth.

Long-range growth strategy, organically and through acquisitions

In addition to driving organic growth, Sweco is also an active participant in the consolidation of the market. Sweco completed 10 acquisitions in 2023, and more than 160 acquisitions over the past 20 years, which have strengthened, developed and revitalised the company's total offering and hence Sweco's market position. During the 2013–2023 period, Sweco achieved average sales growth of 13 per cent.

Operational model drives profitability improvement over time

Sweco's success is largely based on its operational model, which has been representing the company's core values since 1958. The model is based on a decentralised organisation with small, autonomous, results-driven teams that work effectively and closely with clients. During the 2013–2023 period, Sweco's average EBITA growth was 14 per cent.

Diversified operations that create flexibility

Sweco carries out more than 150,000 projects annually for public and private clients. Projects are carried out in the company's segments: buildings and urban areas; water, energy and industry; and transportation infrastructure. Sweco's balanced client base of both public and private clients and its breadth of operations provide flexibility in the face of market fluctuations.

Strong financial position

Sweco's strong financial position, with a stable cash flow and low debt/equity ratio, provides a foundation for continued value-creating acquisitions and stable dividend growth. Sweco has increased its dividend every year since 2014.

→ For information on Sweco AB's shares, which have been traded on Nasdaq Stockholm since 1998, please see pages 142–145 of this Annual and Sustainability Report. Read more about Sweco as an investment at swecogroup.com.

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Targets and results

Profitability target

12%

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

Result 2023: 8.9% (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.

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 2023: 64% of profit after tax (59)

Sweco aims to generate stable dividend growth over time. The proposed dividend amounts to SEK 2.95 per share (2.70).

Climate neutral operations by 2040

Sweco's goal is to achieve climate neutrality in its own operations and halve the company's carbon emissions by 2030.

Result 2023: 66,449 tonnes CO₂e (64,692)

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 2023: 1.1 times (0.4)

With a low debt/equity ratio, Sweco is well positioned to act on acquisition opportunities and play an active part in market consolidation. Sweco has completed more than 160 acquisitions in the past 20 years ranging from small and mid-sized companies to platform acquisitions.

40%

female employees in the Group by 2040

At Sweco, architects, engineers, technicians and specialists with different perspectives, background and experiences work together. Sweco has a target of having 40 per cent female employees group-wide by 2040.

Result 2023: 35% (35)

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Sweco's operations



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Global expertise with local understanding

In every era, preparing societies for future needs and challenges has always been a guiding principle of Sweco's business. Today, Sweco is Europe's market-leading engineering consultancy and the world's fourth largest architecture company.

The combination of architecture and engineering services has been the key to Sweco's success since the company was founded in 1958, when Sweco's engineers and architects worked together to identify innovative new approaches to meet clients' needs in a way never before seen in the industry. They also laid the foundation for promoting sustainable urban development.

Sweco's services, which are based on a combination of global expertise and local understanding, are offered through three broad business segments: buildings and urban areas; water, energy and industry; and transportation infrastructure. Architecture is closely associated with these business segments, both as an integrated part of multidisciplinary projects and in specific architectural projects.

Business segments

Buildings and urban areas

Sweco develops innovative solutions to help cities grow and become resilient, attractive places to live.

Water, energy and industry

Sweco designs modern technological solutions that ensure society's and industry's access to clean water, reliable energy supply and increased resource efficiency.

Transportation infrastructure

Sweco's experts design sustainable transport solutions that enable tomorrow's cities and societies to manage a growing population and new mobility demands.

Architecture

Sweco has integrated architecture and engineering operations in seven of its eight main markets. This makes Sweco a full-service partner to its clients and is also Sweco's strength in the international architecture market.



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Buildings and urban areas

The world's cities are growing and changing fast. More than 70 per cent of European residents live in cities, many of which are transforming to become more sustainable, digitalised and resilient. Circularity, climate adaptation and energy efficiency are some of the areas that are driving demand for Sweco's services in this segment.

Sweco offers a wide range of services in buildings and urban areas with sustainability as a key component. Understanding the big picture is essential for long-term success, and Sweco's architects, engineers and environmental experts work in close-knit, autonomous teams to develop solutions to the most challenging issues for private and public clients.

Special attention is paid to climate adaptation and emissions reduction, circular material flows and energy-efficient systems. Social sustainability is a key component in promoting a more equal, safe and inclusive society. Biodiversity is actively supported with

work that includes planning cities' ecosystem services and working with Nature-Based Solutions (NBS) – i.e., measures to protect, sustainably manage and restore ecosystems. In housing and urban development, sustainability and digitalisation go hand in hand, with new technology often a means of analysing, simulating and designing the best solutions. The more complex clients' challenges become, the more frequently Sweco's teams span multiple disciplines and geographies.

In buildings and urban areas, Sweco's main contribution is to UN global goals SDG 11: Sustainable Cities, and SDG 13: Climate Action.

Sweco's services in Buildings and urban areas



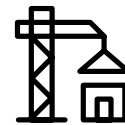
Architecture

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



Building Service Systems

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



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.



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.



Project Management

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



Digitalisation

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

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Transforming society together

Norway's largest hospital takes shape

Sweco, with extensive experience with hospital projects, has planned and designed several hospitals in the Nordics. Examples include Sahlgrenska University Hospital in Sweden, Gødstrup Hospital in Denmark and the new Ahvenisto Hospital in Finland.

New Aker is a large emergency care university hospital that will also serve as the local city hospital for much of Oslo's population. The construction project is expected to be one of the largest in Norway over the next decade.

The hospital will be built in stages and is scheduled to start receiving patients in 2030. The project has a gross area of approximately 200,000 m², the size of 28 football pitches. The client, Helse Sør-Øst Regional Health Authority, is responsible for healthcare in the region.

Sweco involved from start to finish

Sweco is playing an extensive role in the construction of New Aker Hospital. As part of Team Aker¹, Sweco is involved from the preliminary project report stage to project planning, detailed design, and follow-up during the construction phase. Sweco leads the project planning team, with 25 experts specialised in various fields connected to hospital construction and infrastructure, involved in the project. Together with the developer, Sweco will plan for various contracts. The Team Aker project's total investment framework for project planning is SEK 1.4 billion, of which Sweco's share is approximately 40 per cent. The entire hospital project, including construction, is expected to cost around SEK 17 billion.

"The planning of New Aker is a socially important project that we're very proud to be part of. The hospital is important for the people of Oslo and will be the local hospital for several Oslo neighbourhoods. We look forward to continuing our excellent collaboration with the Helse Sør-Øst Regional Health Authority," says Trond Øverland, senior project manager at Sweco.

→ Visit swecogroup.com to learn more about Sweco's work in several hospital projects throughout Europe.

¹ The Team Aker project planning group is comprised of Sweco, engineering consultancy Multiconsult and architecture firms Ratio Arkitekter and Arkitema.



»New Aker is a socially important project that we're very proud to be part of«

Modern emergency care hospital with a focus on sustainability

The large emergency care hospital will have an emergency ward, maternity ward, diagnostic centre, psychiatric ward and addiction treatment centre. The hospital will implement a holistic approach to health by merging physical and mental health with addiction treatment. The project has a strong sustainability focus in terms climate and environmental impact during both the construction phase and the hospital's actual operation.

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Water, energy and industry

The key drivers for sustainable urban development in Europe are increasing the demand for technical solutions and cross-industry collaborations to ensure access to clean water and create a reliable and sustainable energy supply and resource-efficient industrial facilities.

With in-depth collaboration with energy and industrial clients across several European markets, Sweco works across disciplines and draws advantage from experiences from project to project, which benefits the pace of innovation as well as project finances. With a high level of technological expertise and well-established processes in industrial transition, energy- and resource-efficient solutions are applied in many parts of the manufacturing, process and pharmaceutical industries. Sweco's experts also support public and private clients in the growing field of water management. This ranges from providing access to clean water and managing process water to providing flood protection.

In the energy transition, Sweco supports its clients by bringing together expertise in a range of areas of strategic importance for energy supply. These range from renewable energy production, expansion of the electricity transmission and distribution grid, efficient energy consumption, and technological development in areas such as hydrogen energy storage, carbon capture and storage (CCS) and carbon capture and utilisation (CCU).

In water, energy and industry, Sweco's main contribution is to UN global goals SDG 6: Clean Water and Sanitation, SDG 7: Sustainable Energy, and SDG 9: Sustainable Industry, Innovation and Infrastructure.

Sweco's services in Water, energy and industry



Water

Sweco's experts manage water in a variety of situations, ranging from providing access to clean water to protecting communities from flooding.



Environment

Sweco's environmental specialists create habitable environments that benefit both humans and nature through measures including reducing the presence of toxins and effective waste management.



Energy

Sweco's energy experts provide expertise in energy production, transmission, distribution and storage, as well as energy efficiency and control measures.



Industry

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



Architecture

Sweco's architects work closely with engineers to develop sustainable solutions for industry that are technically efficient and architecturally adapted to their surroundings and to user needs.



Digitalisation

Sweco's IT experts use advanced digital solutions to optimise and automate processes in the areas of water management, energy production and industrial production.

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Transforming society together

Transmission capacity – key to the green transition

With the expansion of wind power in northern Sweden and more electricity consumption in the country's central and southern regions, a transition is underway that requires major private and public sector initiatives. A key component of this transition is expansion of the Swedish electricity grid's transmission capacity, to enable the efficient transmission of electricity from where it is produced to where it is consumed. To increase transmission capacity between northern and southern Sweden, Svenska Kraftnät, the governmental authority responsible for Sweden's electricity transmission system, is therefore working actively to upgrade central Sweden's electricity grid.

Sweco reviewing the electricity transmission system

Svenska Kraftnät has commissioned Sweco to conduct a comprehensive review and upgrade of Sweden's entire electricity grid. The project involves ensuring the operational reliability of 16,000 km of overhead lines that form the backbone of Sweden's electricity supply. Sweco experts will conduct a feasibility study, preliminary and detailed design, and geotechnical studies. The project, scheduled to run through 2031, is valued at over SEK 50 million.

"Ensuring a long-term, secure electricity supply for all of Sweden is of paramount importance to support electrification and the creation of a resilient society that's able to meet the electricity needs of individuals and businesses," says Ann-Louise Lökholm-Klasson, President of Sweco Sweden.

Great need throughout Europe

Sweden is not the only country with a great need to upgrade and expand its electricity grid – all of Europe needs to do so. Sweco is involved in projects in several countries. In Norway, Sweco has signed a framework agreement with Statnett, the state-owned operator of Norway's backbone network, for project planning, engineering services, and project and construction management. The four-year contract, with an estimated value of more than SEK 500 million for Sweco, includes a potential four-year extension.

"An upgraded electricity grid can supply significant amounts of renewable energy such as wind and solar power, and can help the transport sector reduce its carbon emissions through electrification. It will also promote the establishment of green industries in Norway," says Rasmus Nord, President of Sweco Norway.



Read more about electricity grid expansion projects in Europe at [swecogroup.com](https://www.swecogroup.com).

»Ensuring a long-term, secure electricity supply for all of Sweden is of paramount importance to support electrification and the creation of a resilient society«

Robust electricity grids are essential

A well-functioning electricity transmission system with expanded grid capacity is essential to the green transition's success. It enables integration of renewable energy, provides grid stability, facilitates long-distance electricity transmission, optimises energy flows, and supports the transition from fossil fuels to a more sustainable energy mix. The International Energy Agency (IEA) and the European Commission both stress the importance of this. If the electricity grid is not developed and improved in step with increased electricity demand and the integration of renewable energy, many countries will potentially have major problems with energy security and achievement of climate goals.

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Transportation infrastructure

Climate adaptation and changing habits are driving a rapid and radical change in transport systems. There is a great need for more sustainable transport systems that move people and goods safely and efficiently.

Digitalisation has profoundly changed transport needs and patterns. A sustainable, accessible transport system is essential for connecting communities efficiently and appealingly. Digitalisation, in the form of sensor technology and management of large amounts of complex data, can be used to optimise the design of railway and tramway systems from an emissions perspective. Digital technologies can also meet the demands of urbanisation for efficient transport solutions by improving traffic flows and maintenance planning.

With more than 6,000 employees focused on transport issues,

Sweco is one of the world's largest actors in the area. With expertise in technology, architecture and environmental services, Sweco plans and designs transport systems for pedestrian and cycle paths, roads, bridges, tunnels, ports and railways. In multidisciplinary teams, within and across national borders, Sweco develops existing systems and designs tomorrow's transportation infrastructure.

In transportation infrastructure, Sweco's main contribution is to UN global goals SDG 9: Sustainable Industry, Innovation and Infrastructure, and SDG 13: Climate Action.

Sweco's services in Transportation infrastructure



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.



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.



Traffic planning

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



Project management

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



Architecture

Sweco's architects work closely with engineers on transport solutions that meet not only technical, functional and sustainability requirements, but also aesthetic and societal needs.



Digitalisation

In transportation infrastructure, Sweco's IT experts integrate advanced technologies to optimise safe and efficient travel and goods transport.

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Transforming society together

Redeveloped ring road will ease traffic in Belgium

Sweco has been awarded a multi-year service contract by the Flanders Region for renovation of the ring road, R0, around Brussels, the Belgian capital. The project is designed to ensure smoother, safer traffic in the Brussels area.

According to the Bloomberg news agency, Brussels was one of the two most traffic-congested cities in Europe and North America less than a decade ago. Back then, the average Brussels driver spent 83 hours per year behind the wheel. The traffic situation is now undergoing rapid change, with the expansion of bike lanes, pedestrian streets, public transport and multiple initiatives to improve traffic flow.

Improved traffic and more mobility alternatives

To prevent the need for manoeuvring in traffic, the project aims to separate the main road from local roads to the greatest possible extent. Adjacent infrastructure will also be created, including tram lines and elevated cycle paths or tunnels, to better connect the Brussels suburbs to the city centre.

Through the newly formed MoVeR0¹ consortium, Sweco will serve as advisor to the Flanders Region on all aspects of the project – from the design phase through delivery of the upgraded ring road – and will provide traffic research, technical plans (for roads, bridges, tunnels and other infrastructure), process management, procurement assistance, stakeholder management and communication. The annual contract value for the consortium is estimated at EUR 3 million.

“Our integrated project team is working to improve the safety and accessibility of the ring road. This benefits the entire region and country, both economically and in terms of quality of life,” says Erwin Malcorps, President of Sweco Belgium.

→ Read more about the project at swecogroup.com.

1) MoVeR0, responsible for renovation of the Brussels ring road, is a consortium comprising several companies, including Sweco and Arcadis, which are leading the project. Other consortium partners are Stibbe, Deloitte, MINT, Zwarts & Jansma Architects, CLUSTER and Frank Van Hulle.

Brussels ring road is a crucial transport corridor

The Brussels ring road (R0) is one of Belgium's most important motorways. Completed in 1978, it is 76 kilometres in length and encircles Brussels. The R0 is known for being one of the country's most congested roads and has long queues, especially during rush hour. It runs through 23 municipalities – 15 in Flanders, 5 in the Brussels region and 3 in Wallonia.



»Our integrated project team is working to improve the safety and accessibility of the ring road«

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Architecture in all aspects of urban development

With 1,500 architects in seven of its eight core markets, Sweco is the world's fourth largest architecture company. Two aspects in particular set Sweco apart from the other major architectural firms on the market: its ability to offer combined architectural and engineering services, and the local focus that characterises the company's projects.

As an integrated architecture and engineering company, Sweco is able to operate as a full-service partner to its clients. This is also Sweco's strength in the international architecture market, as most competitors are still purely architectural companies.

Sweco designs everything from major projects such as metros, hospitals, sports stadiums and urban areas to smaller local projects such as schools, residential buildings and cycle paths.

Sweco's business is always based on local relationships. Regardless of size or type of project, all sustainability aspects are central in Sweco's architectural projects. These can involve minimising fossil fuel consumption in energy and material production, optimising building material recycling, or creating public spaces that counteract exclusion.

In architecture, Sweco's main contribution is to UN global goals SDG 11: Sustainable Cities, and SDG 13: Climate Action.



Sweco is planning the new Metro connection in Stockholm, to be completed in 2030. This is a large-scale urban development project for a growing region in need of sustainable transport. The Sofia station, along this new line, will be Stockholm's deepest Metro station and the world's second deepest, 100 metres underground.

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Transforming society together

Multidisciplinary consulting creates new opportunities

Kong Gauers Gård in Denmark's Vejle Municipality is one of the first projects in the country to combine a retirement home and preschool in the same building. It represents a new way of thinking for urban planners, a new approach to urban development, and a potential way to promote intergenerational interaction.

The project includes an activity centre open to the surrounding area and entire city, where seniors, employees, children and others can meet for coffee breaks, creative workshops, bingo and other activities. Pleasant outdoor areas adjacent to the activity centre are used as play areas for preschoolers and boules courts for retirement home residents during the day and can be used by joggers and cyclists at other times. The landscaping, pathways and outdoor activities are all catering for children, seniors and people with physical impairments. The area also has domesticated animals and small gardens.

Design based on UN Sustainable Development Goals

When developing the project at Kong Gauers Gård, Sweco's architects and engineers worked together to review the entire project in relation to the UN's Sustainable Development Goals. After identifying 15 of the 17 SDGs as relevant to the project, various measures were included by Sweco in the design of Kong Gauers Gård. These include the use of environmentally friendly, robust and durable building materials; climate adaptation for the building construction; small-scale food production; and measures to preserve biodiversity.

Kong Gauers Gård was officially opened in September 2023, when the first residents moved into the retirement home and the preschool classes opened.

→ Read more about the project at [swecogroup.com](https://www.swecogroup.com).



Architects and engineers working together

As construction becomes ever more complex, the ability to collaborate across diverse specialist areas is more relevant than ever. There is growing demand for consultants who possess both breadth and depth in their expertise and have the capacity to deliver the most value-creating projects. Sweco has many examples of multidisciplinary projects in which architects and engineers work together to design residential, industrial and logistics properties.

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Sweco helps rebuild Ukraine

The war in Ukraine has been waging for two years, causing horrendous human suffering and devastation to cities and critical infrastructure. The reconstruction of Ukraine cannot wait. As part of the European urban development sector, Sweco is involved in constructing housing and drinking water systems in the country.

Housing construction in six western Ukraine cities

There were over six million domestic refugees in Ukraine in early 2023. In response to the effects of the war, the EU resolved to finance new and rebuilding of housing, schools, nursery schools and hospitals and to repair infrastructure facilities in liberated Ukrainian cities. In February 2023, Sweco was commissioned to lead the tender and contract process and monitor housing construction in six cities in western Ukraine. The objective is to meet short-term needs for housing, heating, water and electricity supply. The project started immediately and is scheduled to run for two years in collaboration with local Ukrainian engineering consultants. The client is Nefco, the Nordic Green Bank, an international financial institution established by the five Nordic countries.

"We are pleased to see that the EU-funded measures to build housing for Ukrainian domestic refugees with acute housing needs are now moving forward. We are working to achieve a green recovery in Ukraine alongside contracted partners, to ensure that Ukraine rebuilds in a greener, better way," says Ulf Bojöö, Vice President, Green Transition Eastern Europe at Nefco.



Sweco is involved in the reconstruction of Ukraine. This work includes managing procurement for and supervising construction of housing in six western Ukraine cities on behalf of NEFCO, the Nordic Green Bank.

Securing access to drinking water in City of Kremenchuk

Sweco was commissioned in November 2023 in a project to secure access to drinking water for the City of Kremenchuk's 220,000 residents. To improve and ensure water quality and distribution system capacity, Sweco specialists will provide expertise in areas including water supply, hydrology and environmental impact assessments. The work involves technical, environmental, social and economic aspects and identifies available water resources, including water balance for the next 25 years.

Sweco's assignment is financed by Swedfund, the Swedish government's development finance institution, and is scheduled to be completed in August 2024.

»The preliminary study confirms criteria that meet the requirements of the EU Water Directive and are essential for international financing. It serves as a model for other Ukrainian cities and encourages innovation in the management of drinking water.«

Karin Kronhöffer, Chief Strategy and Communications Officer, Swedfund



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Board of Directors' Report and risk management



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Board of Directors' Report

The Board of Directors and the President and CEO of Sweco AB (publ), corporate identity number 556542-9841 and headquartered in Stockholm, Sweden, hereby submit the Annual Report and consolidated financial statements for financial year 2023.

BUSINESS

Sweco'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 20,000 full-time 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 80 countries worldwide.

ORGANISATION

Sweco AB is the Parent Company of the Sweco Group. Sweco has an efficient, client-focused organisation. With Sweco Group's decentralised, profitable, growth-driven business model, all effort is focused on operations and clients' projects. The Parent Company is responsible for Group-wide functions. The operations are organised in eight business areas:

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

MARKET

While Russia's full-scale invasion of Ukraine and its macroeconomic impact continued to create significant uncertainty regarding future market developments, the underlying demand for Sweco's services was overall good during 2023. The general economy and Sweco's markets were impacted by high inflation, higher interest rates and energy supply risk. At the same time, all business areas experienced good market conditions for Sweco's services in the infrastructure, water, environment, energy and industry segments. The green transition in society remained a core driver in all of Sweco's markets and positively impacted especially the energy and industry segments. Demand for services in parts of the building and the real estate segments weakened further throughout the year in all business areas.

In the third quarter, the industry market noted a weakening in its traditional segments, whereas the segments related to the green transition remained good. In the UK, the infrastructure market deteriorated over the course of the year due to postponements and cancellations of government-funded projects.

PERFORMANCE

The inflationary pressure that became visible already in 2022 impacted fee and salary developments during 2023. Sweco focused its efforts on mitigating salary and other cost increases associated with the high inflation by applying a strong focus on fee increases, efficiency and cost control. There was no significant impact from the Covid-19 pandemic during 2023 and sickness absence was lower year-on-year.

Net sales in 2023 increased 17 per cent to SEK 28,523 million (24,296). Organic growth amounted to 8 per cent after adjustment for calendar effects. Acquired growth amounted to 6 per cent and currency effects were 4 per cent.

EBITA increased to SEK 2,531 million (2,225) and the EBITA margin was 8.9 per cent (9.2). EBITA improved 18 per cent or SEK 395 million year-on-year after adjustment for calendar effects. Overall for the Group, higher average fees, a higher number of employees and contributions from acquisitions were the main improvement drivers, while higher personnel expenses, higher other operating expenses, higher negative project adjustments and a lower billing ratio impacted negatively.

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Sweco Sweden	8,405	7,785	952	915	11.3	11.8	6,380	5,978
Sweco Norway	3,483	3,245	259	263	7.4	8.1	2,071	1,918
Sweco Finland	3,641	3,210	243	297	6.7	9.2	2,915	2,851
Sweco Denmark	2,818	2,218	350	263	12.4	11.9	1,591	1,396
Sweco Netherlands	2,799	2,274	258	183	9.2	8.0	1,572	1,414
Sweco Belgium	3,665	2,310	459	272	12.5	11.8	1,995	1,534
Sweco UK	1,480	1,411	-55	71	-3.7	5.0	1,232	1,181
Sweco Germany & Central Europe	2,542	2,099	160	65	6.3	3.1	2,322	2,321
Group-wide, eliminations, etc.	-311	-255	-94	-102	-	-	78	59
TOTAL GROUP	28,523	24,296	2,531	2 225	8.9	9.2	20,157	18,651

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The year had eight less working hours compared to the preceding year. The effect in SEK was a negative year-on-year impact of approximately SEK 90 million on net sales and EBITA.

Earnings per share increased to SEK 4.65 per share (4.61).

CASH FLOW AND FINANCIAL POSITION

Group cash flow from operating activities totalled SEK 2,504 million (2,515) for the full year. Net debt increased to SEK 2,961 million (1,075), primarily as a result of increased outflows for acquisitions. The Net debt/EBITDA ratio was 1.1x (0.4). Available cash and cash equivalents, including unutilised credit lines, totalled SEK 3,941 million (4,869) at the end of the year.

Purchase considerations paid to acquire companies and operations had an impact of SEK -1,686 million (-675) on the Group's cash and cash equivalents. No divestments were made during the period. Last year, divestments of companies and operations had an impact of SEK 65 million on the Group's cash and cash equivalents.

No Sweco shares were repurchased during the period or the same period last year.

Dividends totalling SEK 968 million (876) were distributed to Sweco AB shareholders during the period.

Key ratios	2023	2022
Net sales, SEK M	28,523	24,296
Organic growth, %	8	6
Acquisition-related growth, %	6	2
Currency, %	4	3
Total growth, %	17	11
Organic growth adjusted for calendar, %	8	6
EBITA, SEK M	2,531	2,225
Margin, %	8.9	9.2
Profit after tax, SEK M	1,667	1,652
Earnings per share, SEK	4.65	4.61
Number of full-time employees	20,157	18,651
Billing ratio, %	73.3	73.9
Normal working hours	1,962	1,971
Net debt/EBITDA, x	1.1	0.4

OUTLOOK

Geopolitical instability continues to impact the general economy and Sweco's markets have been impacted by increased inflation, higher interest rates and energy supply risk. While some of Sweco's market segments are negatively impacted, other segments concurrently experience increased demand. Overall demand for Sweco's services normally follows the general macroeconomic trend, with some time lag. Sweco does not provide forecasts.

ACQUISITIONS AND DIVESTMENTS

In 2023, Sweco completed ten acquisitions generating annual net sales of SEK 1.8 billion. Through the acquisitions, more than 1,200 experts were added. The largest acquisitions were the acquisitions of VK architects+engineers Group in Belgium with around 600 experts and OJ Rådgivende Ingeniører Group in Denmark with 325 employees. There were no divestments during 2023. For more details regarding acquisitions see Note 12.

SIGNIFICANT EVENTS DURING THE YEAR

On 27 April, dividends totalling SEK 968 million (876) were distributed to Sweco AB shareholders.

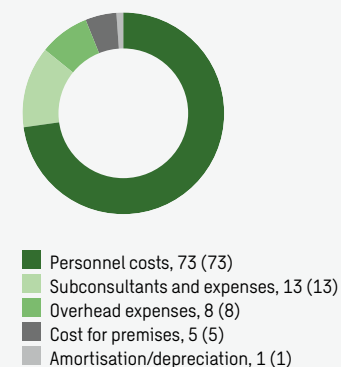
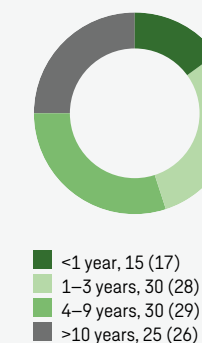
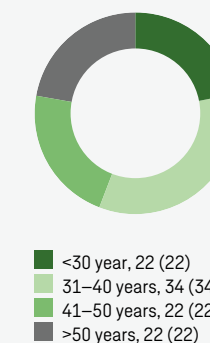
EMPLOYEES

The number of full-time employees amounted to 20,157 (18,651) in the period. The number of employees at the end of the year was 22,027 (20,297), an increase of 1,730. During the year 3,747 employees (4,068) were recruited, 3,180 (3,293) ended their employment and 1,163 (387) employees were added via acquired companies. During the period, no employees were added due to a changed definition of headcount, and no employees were excluded in conjunction with the divestment of companies. Last year, 71 employees were added due to a changed definition of headcount and 65 employees were excluded in conjunction with the divestment of companies. Personnel turnover decreased to 15 per cent (17).

SUSTAINABILITY

In accordance with Chapter 6, Section 11 and Chapter 7, Sections 31 a-c of the Swedish Annual Accounts Act, Sweco has decided to prepare the Parent Company's and the Group's statutory sustainability report as a separate report that is not part of the statutory Annual report. The statutory Sustainability Report is found on the pages 52–92.

The operations of the Sweco Group do not require a permit under the Swedish Environmental Code.

Cost structure (EBITA), %**Term of employment, %****Age structure, %**

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Business area – Sweco Sweden

Net sales increased 8 per cent to SEK 8,405 million (7,785). Organic growth was 7 per cent adjusted for calendar effects and acquired growth contributed 1 per cent. EBITA increased 7 per cent, corresponding to SEK 63 million, adjusted for calendar effects. The EBITA increase was mainly attributable to higher average fees and FTE growth, while higher personnel expenses and a lower billing ratio had a negative impact. The EBITA margin decreased to 11.3 per cent (11.8).

The Swedish market was stable during the year, albeit with large variations between the segments. Demand for infrastructure services was stable. The market for energy investments as well as for water and environmental services was good, partly driven by the green transition and climate adaptation services. The trend in the industry segment was somewhat uncertain, with the exception of northern Sweden, which remained a booming market driven by the green transition. In the real estate market, demand was weak in the residential and commercial segments. Demand in the public building segment was stable.

Net sales and profit	2023	2022
Net sales, SEK M	8,405	7,785
Organic growth, %	7	4
Acquisition-related growth, %	1	1
Currency, %	0	0
Total growth, %	8	5
Organic growth adjusted for calendar, %	7	4
EBITA, SEK M	952	915
EBITA margin, %	11.3	11.8
Number of full-time employees	6,380	5,978

Business area – Sweco Norway

Net sales increased 7 per cent to SEK 3,483 million (3,245). Organic growth was 7 per cent, adjusted for calendar effects, and currency effects totalled -5 per cent. Acquired growth contributed 5 per cent and pertained to the acquisition of Pro-Consult in 2023 as well as Stema Rådgivning and Arcasa Arkitekter in 2022. EBITA increased 3 per cent, corresponding to SEK 7 million, adjusted for calendar effects. The increase was mainly driven by higher average fees, while higher personnel expenses and a lower billing ratio impacted negatively. The EBITA margin decreased to 7.4 per cent (8.1).

The overall market conditions were stable in the Norwegian market with good demand for Sweco's services in most sectors. Demand for services in the industry, energy, environment and water markets was good, partly driven by the shift towards electrification. Demand for infrastructure services was stable and supported by the revised national budget allocating new funds to infrastructure projects. In the real estate market, demand for services in the residential and commercial segments was weak, while demand in the public building segment was stable.

Net sales and profit	2023	2022
Net sales, SEK M	3,483	3,245
Organic growth, %	7	11
Acquisition-related growth, %	5	7
Currency, %	-5	5
Total growth, %	7	24
Organic growth adjusted for calendar, %	7	11
EBITA, SEK M	259	263
EBITA margin, %	7.4	8.1
Number of full-time employees	2,071	1,918

Business area – Sweco Finland

Net sales increased 13 per cent to SEK 3,641 million (3,210). Organic growth was 6 per cent adjusted for calendar effects, and currency effects amounted to 8 per cent. Acquired growth contributed 1 per cent. EBITA decreased 10 per cent, corresponding to SEK 31 million, adjusted for calendar effects. The decline was mainly attributable to higher personnel expenses including redundancy provisions and higher other operating expenses, while higher average fees impacted positively. The EBITA margin decreased to 6.7 per cent (9.2).

Overall, demand in the Finnish market weakened throughout the year, but with large differences between segments. The energy market and the market for infrastructure-related services were good. Within the market for industrial services, demand in the segments related to the green transition was good, whereas demand in the traditional segments weakened during the second half of the year. The residential and commercial building segments were challenging during the year, while the public building segment was stable.

Net sales and profit	2023	2022
Net sales, SEK M	3,641	3,210
Organic growth, %	5	3
Acquisition-related growth, %	1	1
Currency, %	8	5
Total growth, %	13	9
Organic growth adjusted for calendar, %	6	3
EBITA, SEK M	243	297
EBITA margin, %	6.7	9.2
Number of full-time employees	2,915	2,851

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Business area – Sweco Denmark

Net sales increased 27 per cent to SEK 2,818 million (2,218). Organic growth was 12 per cent adjusted for calendar effects, and currency effects totalled 8 per cent. Acquired growth contributed 8 per cent and was attributable to the acquisition of OJ Rådgivende Ingeniører in 2023 and Via Trafikrådgivning in 2022. EBITA increased 38 per cent, corresponding to SEK 101 million, adjusted for calendar effects. The increase was mainly driven by higher average fees and FTE growth, while negative project adjustments impacted adversely. The EBITA margin improved to 12.4 per cent (11.9).

Overall, the Danish market was good during the year. Activity within the public sector increased moderately, while most of the private sector remained stable during the year. The industry market showed increasing demand, mainly driven by large investments in pharma. The residential building segment noted a significant decrease in demand during the year, while the commercial and public building segments were stable.

Net sales and profit	2023	2022
Net sales, SEK M	2,818	2,218
Organic growth, %	12	11
Acquisition-related growth, %	8	1
Currency, %	8	5
Total growth, %	27	16
Organic growth adjusted for calendar, %	12	11
EBITA, SEK M	350	263
EBITA margin, %	12.4	11.9
Number of full-time employees	1,591	1,396

Business area – Sweco Netherlands

Net sales increased 23 per cent to SEK 2,799 million (2,274) with organic growth of 6 per cent adjusted for calendar effects. Currency effects amounted to 8 per cent. Acquired growth contributed 9 per cent and mainly pertained to the acquisitions of VK architects+engineers and VAN AKEN in 2023. EBITA increased 45 per cent, corresponding to SEK 82 million, adjusted for calendar effects. The increase was mainly attributable to a higher billing ratio and contributions from acquisitions, while higher personnel expenses had a negative impact. The EBITA margin increased to 9.2 per cent (8.0).

Overall, the Dutch market was stable during the year, albeit with differences between segments. The water and environment markets were stable. The energy market was good due to increased demand from the energy transition. Demand in the infrastructure and building segments was subdued caused by the so-called nitrogen issue, related to uncertainties around the impact from the EU regulation of nitrogen emissions in the Netherlands. The residential building segment was weak throughout the year.

Net sales and profit	2023	2022
Net sales, SEK M	2,799	2,274
Organic growth, %	6	6
Acquisition-related growth, %	9	2
Currency, %	8	5
Total growth, %	23	12
Organic growth adjusted for calendar, %	6	6
EBITA, SEK M	258	183
EBITA margin, %	9.2	8.0
Number of full-time employees	1,572	1,414

Business area – Sweco Belgium

Net sales increased 59 per cent to SEK 3,665 million (2,310). Organic growth was 20 per cent and currency effects totalled 8 per cent. Acquired growth was 31 per cent and mainly pertained to the acquisition of VK architects+engineers in 2023. EBITA increased 69 per cent, corresponding to SEK 187 million. The EBITA increase was mainly driven by higher average fees and contributions from acquisitions, while higher personnel expenses impacted negatively. The EBITA margin increased to 12.5 per cent (11.8).

The Belgian market was overall stable during the year. The building market was overall stable with new investments planned in the health-care and pharmaceutical industries. However, the residential market was weak during the year. Demand in the energy and environment segments was good, driven by the ongoing energy transition. Demand in the industry segment was stable during the first half of the year, but during the second half of the year, the demand in the chemicals and pharmaceutical industry segments slowed somewhat. The infrastructure market was good throughout the year.

Net sales and profit	2023	2022
Net sales, SEK M	3,665	2,310
Organic growth, %	20	9
Acquisition-related growth, %	31	7
Currency, %	8	5
Total growth, %	59	21
Organic growth adjusted for calendar, %	20	9
EBITA, SEK M	459	272
EBITA margin, %	12.5	11.8
Number of full-time employees	1,995	1,534

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Business area – Sweco UK

Net sales increased 5 per cent to SEK 1,480 million (1,411). Organic growth was -4 per cent, adjusted for calendar effects, and currency effects amounted to 6 per cent. Acquired growth was 2 per cent and pertained to the acquisition of Ball & Berry in 2023. EBITA decreased SEK 130 million, adjusted for calendar effects. The EBITA decrease was mainly attributable to higher personnel expenses including redundancy provisions, negative project adjustments and a lower billing ratio. The EBITA margin decreased to -3.7 per cent (5.0).

The UK market was challenging during the year, especially within infrastructure, with the cancellation by the government of major projects during the second half of the year. The water and environment markets were stable throughout most of the year. Demand for services in the energy market was very good, driven by energy storage and green energy generation investments. The real estate market was weak both within the residential and the commercial segments. Other building segments such as data centres, life sciences and healthcare reported good demand.

Net sales and profit	2023	2022
Net sales, SEK M	1,480	1,411
Organic growth, %	-3	12
Acquisition-related growth, %	2	0
Currency, %	6	6
Total growth, %	5	18
Organic growth adjusted for calendar, %	-4	13
EBITA, SEK M	-55	71
EBITA margin, %	-3.7	5.0
Number of full-time employees	1,232	1,181

Business area – Sweco Germany & Central Europe

Net sales increased 21 per cent to SEK 2,542 million (2,099). Organic growth was 14 per cent adjusted for calendar effects while currency effects totalled 9 per cent. EBITA increased 167 per cent, corresponding to SEK 108 million, adjusted for calendar effects. The EBITA increase was mainly driven by higher average fees, while higher personnel expenses had a negative impact. The EBITA margin increased to 6.3 per cent (3.1).

Overall, the German market was somewhat weak during the year. This effect was in particular driven by weaker demand in the commercial real estate sector and overall in the private sector due to market uncertainty and higher construction costs. Demand for services in the energy, environment and water markets was good, with energy transition and new regulation for waste treatment driving demand. Demand for infrastructure services was good.

Net sales and profit	2023	2022
Net sales, SEK M	2,542	2,099
Organic growth, %	13	0
Acquisition-related growth, %	-1	0
Currency, %	9	5
Total growth, %	21	4
Organic growth adjusted for calendar, %	14	0
Organic growth adjusted for calendar & IAC, %	14	-1
EBITA, SEK M	160	65
EBITA margin, %	6.3	3.1
Number of full-time employees	2,322	2,321

OTHER INFORMATION**Investments**

Investments in equipment totalled SEK 336 million (248) and were primarily attributable to IT investments. Depreciation of equipment amounted to SEK 240 million (211) and amortisation of intangible assets totalled SEK 214 million (133).

Parent Company

Parent Company net sales totalled SEK 1,166 million (1,061) and were attributable to intra-Group services. Profit after net financial items totalled SEK 656 million (1,051). Investments in equipment totalled SEK 71 million (19). Cash and cash equivalents at the end of the period totalled SEK 35 million (134). As of 31 December 2023, the Parent Company had no branch offices. In total, the Group had 14 branch offices.

The Sweco share

Sweco is listed on Nasdaq Stockholm. The share price of the Sweco Class B share was SEK 135.10 at the end of the year, representing a 35 per cent year-on-year increase. Nasdaq Stockholm OMXSPI increased 15 per cent over the same period.

The total number of shares at the end of the period was 363,251,457: 31,065,598 Class A shares and 332,185,859 Class B shares. The total number of shares outstanding was 359,141,452: 31,065,598 Class A shares and 328,075,854 Class B shares. As of 31 December 2023, Sweco held a total of 4,110,005 treasury shares, all of which are Class B shares, representing 1.1 per cent of the share capital. The quota value of these treasury shares is SEK 0.33 and the average acquisition value is SEK 65.17, which corresponds to a total of SEK 268 million. Sweco's treasury shares do not carry voting rights.

No treasury shares have been acquired during the financial year 2023.

Incentive schemes

In accordance with the terms and conditions of the company's incentive schemes, 522,048 treasury shares (representing 0.1 per cent of the share capital) were transferred, without consideration, to Sweco

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employees in 2023. At the time of the transfer, the quota value of these shares was SEK 0.33 per share and the aggregate value of the shares was SEK 65 million.

Share Savings Schemes

The 2023 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 2023). Through the scheme, 53 senior executives and other key personnel have acquired 51,067 Class B shares. Pursuant to IFRS provisions, the cost of the Share Savings Scheme 2023 is estimated at approximately SEK 10 million (including social fees) and will be expensed on a straight-line basis over the retention period. Sweco transferred 35,037 Class B treasury shares to participants in the Share Savings Scheme 2019 during the period.

Resolutions were passed by the 2020, 2021 and 2022 AGMs on corresponding schemes, under which approximately 44,000, 39,000 and 57,000 Class B shares were acquired, respectively, by the participants. Under the 2020–2023 Share Savings Schemes, a maximum totaling approximately 578,000 shares may be issued based on participants still employed as of the year end, if established targets are met.

Share Bonus Scheme

The 2023 AGM resolved to implement the Share Bonus Scheme 2023, 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 2023 applies for the financial year 2023 and allotment of shares in Sweco will take place during the first half of 2024. Sweco transferred 487,011 Class B treasury shares to participants in Share Bonus Scheme 2022 during the period.

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

The current guidelines for salary and other remuneration to senior executives within the Sweco Group was adopted by the 2020 AGM. The guidelines are found in Note 6 on page 112.

BOARD PROPOSALS FOR AGM 2024

Proposed appropriation of profits

The Board of Directors and the President & CEO propose that profit carried forward and non-restricted reserves	3,410 SEK M
along with net profit for the year	638 SEK M
or, in aggregate,	4,048 SEK M
be appropriated for the distribution of a dividend	
to the shareholders of SEK 2.95 per share	1,072 SEK M ¹
and that the remaining amount be carried forward.	2,976 SEK M

1) The dividend will amount to a maximum of SEK 1,072 million, calculated by the number of shares outstanding at 22 March 2024 including shares held in treasury. The dividend amount will change in the event the Board exercises the authority granted by the 2023 AGM to buy back additional shares or to transfer treasury shares.

The estimated record date for dividend distribution is 23 April 2024.

The income statements and balance sheets of the Group and the Parent Company will be submitted to the Annual General Meeting for adoption on 19 April 2024.

In view of the Board's proposed dividend (above), the Board has made an assessment in accordance with Chapter 18, Paragraph 4 of the Swedish Companies Act. Sweco's dividend policy specifies that at least half of profit after tax is to be distributed to the shareholders, while also requiring that the company maintains a capital structure that permits development of and investments in the company's core business. Pursuant to Sweco's financial targets, net debt may not exceed 2.0 times EBITDA. The Group's financial standing is strong as a result of good earnings and cash flow in preceding years.

The Board of Directors notes that there is full cover for the company's restricted equity after the dividend distribution. The Board holds the opinion that the proposed dividend distribution to the shareholders does not prevent the company from meeting its obligations in the short or long term, while the company's financial standing enables it to continue to invest and expand. The Group's net debt in relation to EBITDA will, based on the balance sheet as of December 31 2023, following the proposed dividend distribution be approximately 1.4 times EBITDA. The net debt in relation to EBITDA prior to the dividend distribution is 1.1 times EBITDA. The Equity/assets ratio of the group will, based on the balance sheet as of December 31 2023, following

the proposed dividend distribution be approximately 39.0 per cent. The Equity/assets ratio prior to the dividend distribution is 41.5 per cent. The Board has also considered other known factors of potential importance to the company's and the Group's financial standing.

In light of the above, the Board deems that the proposed dividend distribution to the shareholders is 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 2024

The Board of Directors proposes that the 2024 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 correspond to those applicable in last year's proposal.

Share Bonus Scheme 2024

The Board of Directors also proposes that the 2024 AGM resolves to implement a share-based incentive scheme for employees in Sweden. The proposal principally corresponds to the terms and conditions in last year's proposal.

Guidelines for salary and other remuneration to senior executives within the Sweco group

The Board of Directors proposes that the 2024 AGM resolves to approve new guidelines for salary and other remuneration to senior executives within the Sweco Group. In comparison to the guidelines adopted by the AGM in 2020, only editorial changes have taken place in the proposed guidelines.

ANNUAL GENERAL MEETING 2024

The Annual General Meeting will be held at 3:00 PM on Friday, 19 April 2024 in Stockholm.

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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'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. To additionally control our risk exposure and to uphold a high level of information security, Sweco has resolved to comply with the ISO 27001 standard. Projects are currently running in a number of our business areas to identify the relevant information security risk and to implement the relevant controls. It is Sweco's strong belief that compliance to ISO 27001 will provide Sweco with a competitive advantage.

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 always accessible to the consultants. Sweco works continuously with improvement measures to develop working methods, promote sustainability and support 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.

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 have provided timely notification of their participation 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 adoption of Sweco AB and Group income statements and balance sheets; approval of dividends; discharge from liability for Board mem-

bers and CEO; determination of fees for Board members 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 company and its performance during the past year. The Board, Executive Team and statutory auditors are present to answer these questions.

2023 Annual General Meeting

The 2023 AGM was held on 20 April 2023 in Stockholm and was attended by 410 shareholders, representing 80.36 per cent of the votes and 86.36 per cent of the share capital. Johan Nordström was elected Chair of the AGM.

The submitted income statements and balance sheets were adopted, and the Board and CEO were discharged from liability for financial year 2022. The AGM approved an ordinary dividend of SEK 2.70 per share.

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

In accordance with the Board's proposal, the AGM resolved to implement Share Bonus Scheme 2023 on terms and conditions that essentially correspond to those of Share Bonus Scheme 2022. The resolution included decisions to implement Share Bonus Scheme 2023 per se and to transfer Class B treasury shares to participants in the scheme.

The Share Bonus Scheme 2023 comprises a maximum of 2,100,000 Sweco Class B shares, of which no more than 1,575,000 for delivery to participants and no more than 525,000 to cover social security contributions. The AGM resolved the free-of-charge transfer of no more than 1,575,000 Class B treasury shares to employees included in Share Bonus Scheme 2023 during the first half of 2024. The number of shares to be received by each employee corresponds to the employee's earned bonus for financial year 2023 divided by a base share price (corresponding to the average volume-weighted price paid for the Sweco Class B share during the period 13–24 March

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2023) less the amount corresponding to the dividend per share for financial year 2022. 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 participating business units' EBITA per employee. Shares will be allocated to employees free-of-charge during the first six months of 2024 premised upon continued employment.

The AGM approved a long-term share savings scheme (Share Savings Scheme 2023) for Sweco Group senior executives. The resolution included decisions to implement Share Savings Scheme 2023 per se and to transfer Class B treasury shares to participants in the scheme. The scheme comprises a maximum of 403,066 Sweco Class B shares, of which no more than 340,251 for delivery to participants and no more than 62,815 to cover social security contributions. The AGM approved the free-of-charge transfer of no more than 340,251 Class B treasury shares to participants in Share Savings Scheme 2023 during the period they are entitled to receive Matching and Performance Shares.

The AGM authorised the Board to decide on acquisitions of treasury shares to enable it to use the shares to (i) provide the Board with an instrument for adapting and improving Sweco's capital structure to create additional value for shareholders, (ii) execute time-efficient payment in connection with acquisitions of companies and operations, or implement any deferred payments related to such acquisitions, or finance such acquisitions or deferred payments, (iii) be transferred to participants in Sweco incentive schemes (share savings schemes and share bonus schemes) pursuant to separate resolutions by general meetings on such transfers, and (iv) secure the payment of costs, mainly social security contributions, for Sweco's incentive schemes (share savings schemes and share bonus schemes). The AGM also authorised the Board to decide on transfers of treasury shares to enable it to use the shares for objectives numbered (ii) and (iv) above. The authorisations may be used on one or several occasions up until the next Annual General Meeting. The number of acquired Sweco Class B shares may not at any given time exceed ten (10) per cent of all issued shares in Sweco. Regarding acquisition of

treasury shares in connection with Sweco's incentive schemes, no more than 2,100,000 Sweco Class B treasury shares may be acquired within the framework of Share Bonus Scheme 2023 and no more than 403,066 Sweco Class B shares may be acquired within the framework of Share Savings Scheme 2023 (for delivery to participants and to cover costs, primarily social security contributions). Regarding transfer of treasury shares in connection with Sweco's incentive schemes to cover costs, primarily social security contributions, no more than 525,000 Class B treasury shares may be transferred within the framework of Share Bonus Scheme 2023, no more than 825,000 Class B treasury shares may be transferred within the framework of Share Bonus Scheme 2022 and no more than 64,500¹ Class B treasury shares may be transferred within the framework of Share Savings Scheme 2020.

The Board resolved at the statutory Board meeting to exercise its authority as granted by the AGM (as regards the repurchase of shares: up to 31,700,000 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 2023 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 one representative for each of the largest shareholders in

Sweco AB (at least three and at most four) and the Chair of the Board if he/she is not a member in his/her capacity as shareholder representative. The names of the Committee members, together with the names of the shareholders they represent, were published on Sweco's website on 17 October 2023 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 2023.

The Nominating Committee held four meetings in 2023. Ahead of the 2024 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 Skirner AB. The Nominating Committee is chaired by Johan Nordström, which is a deviation from the Swedish Corporate Governance Code as Johan Nordström also is Chair of the Board. 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 of the largest shareholder in terms of voting power.

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

BOARD OF DIRECTORS

The Board is responsible for the company's organisation and management of the company's affairs, which includes both financial- and sustainability-related targets and strategies. 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.

1) The number of shares has been recalculated following the share split (ratio 3:1) that was implemented in the company in autumn 2020.

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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.

Sweco's sustainability work is an integral part of its operations and is a regular item on the Board's agenda in the form of, inter alia, project reviews and results, climate and environment, employees, business ethics and data protection. The Board reviews and approves the annual Sustainability Report, which is integrated into the Annual Report (see pages 52–92 for Sweco's Sustainability Report). The Board is also the owner of Sweco's Code of Conduct, which governs Sweco's responsibilities in society. The Code of Conduct is reviewed annually along with the company's other policies. The Board and the Audit Committee received regular reports during 2023 on the company's work with implementing the EU Corporate Sustainability Reporting Directive (CSRD).

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 2023 AGM, the Board is comprised of seven ordinary members elected by the AGM and three employee representatives, with three union-appointed deputies. Until the conclusion of the 2023 AGM, the Board was comprised of seven ordinary members. The AGM-elected Board members serve for a one-year period through the conclusion of the following 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. Six of the AGM-elected

Board members are of Swedish nationality and one of German nationality. There are three female and four male AGM-elected Board members. With the exception of President & CEO Åsa Bergman, all AGM-elected Board members are independent in relation to Sweco. With the exception of Johan Hjertonsson, Johan Nordström and Johan Wall, the AGM-elected Board members are independent in relation to major shareholders.

The 2023 AGM re-elected Johan Nordström as Chair of the Board. The other ordinary Board members re-elected by the 2023 AGM are Åsa Bergman, Alf Göransson, Johan Hjertonsson, Susanne Pahlén Åklundh, Johan Wall and Christine Wolff. The employee representatives are Görgen Edenhagen, Maria Ekh and Anna Leonsson with Peter Rothstein, Charlotte Berglund and Patrick Sandoval as deputies.

See pages 44–45 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 2023 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 Rotterdam, the Netherlands, the Board participated in an architecture tour of Rotterdam guided by two Sweco architects who worked on buildings highlighted on the tour, including the deBrug and deKade buildings.

In addition to reporting on the development of Sweco's operations and finances, Board meetings in 2023 devoted considerable attention to organic and acquisition-driven growth, the company's strategic focus, management and HR matters, sustainability, the Code of Conduct, risk management, internal control matters and other matters for which the Board is responsible pursuant to 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 2023 is presented in the following table.

	Board meetings	Audit Committee	Remuneration Committee
Number of meetings	9	5	5
Johan Nordström	9	–	5
Åsa Bergman	9	–	3 ¹
Alf Göransson	9	5	–
Johan Hjertonsson	9	–	5
Susanne Pahlén Åklundh	9	–	5
Johan Wall	9	5	–
Christine Wolff	9	5	–
Görgen Edenhagen	9	–	–
Maria Ekh	9	–	–
Anna Leonsson	9	–	–
Peter Rothstein	7	–	–
Charlotte Berglund	–	–	–
Patrick Sandoval	1	–	–

1) Rapporteur

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 2023. 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.

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Board composition and fees¹

	Position	Year of birth	Nationality	Elected in	Independent of major shareholders	Board and committee fees, SEK ²
Johan Nordström	Chair of the Board, Chair of Remuneration Committee	1966	Swedish	2012	no	1,390,000
Åsa Bergman	Board member, President & CEO	1967	Swedish	2018	yes	–
Alf Göransson	Board member, Chair of Audit Committee	1957	Swedish	2018	yes	830,000
Johan Hjertonsson	Board member, member of Remuneration Committee	1968	Swedish	2015	no	720,000
Susanne Pahlén Åklundh	Board member, member of Remuneration Committee	1960	Swedish	2022	yes	720,000
Johan Wall	Board member, member of Audit Committee	1964	Swedish	2022	no	750,000
Christine Wolff	Board member, member of Audit Committee	1960	German	2016	yes	750,000
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 2023 AGM through the 2024 AGM.

2) Fees for work on the Board and the Audit and Remuneration Committees pursuant to the resolution of the 2023 AGM. Fees refer to remuneration paid during the period from the 2023 AGM through the 2024 AGM. For fees expensed during 2023, see Note 6 on page 113.

BOARD COMMITTEES**Remuneration Committee**

The statutory meeting of the Board appoints the Remuneration Committee. The members of the Committee are Johan Nordström (chair), Johan Hjertonsson and Susanne Pahlén Åklundh. The duties 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 five meetings in 2023.

Audit Committee

The statutory meeting of the Board appoints the Audit Committee. Audit Committee members are Alf Göransson (chair), Johan Wall and Christine Wolff. The duties of the Audit Committee include supporting the work of the Board to ensure the quality of the company's financial reporting, conducting 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, conducting oversight of sustainability work and reviewing the annual Sustainability Report, establishing guidelines on 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 2023 the Audit Committee held five meetings. The statutory auditor attended all five meetings.

REMUNERATION FOR THE BOARD AND SENIOR EXECUTIVES**Remuneration for the Board**

Board remuneration is determined by the AGM. Board fees for 2023/24 were set at SEK 4,410,000, of which SEK 1,260,000 is payable to the Chair of the Board and SEK 630,000 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 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 200,000 and other members of the Audit Committee each receive an additional fee of SEK 120,000.

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 page 112.

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 2023 AGM to serve as the company's statutory auditor through the conclusion of the 2024 AGM. Authorised Public Accountant Aleksander Lyckow was appointed chief statutory auditor by the auditing firm for financial year 2023. For financial year 2023, fees for audit services totalled SEK 19 million (18) and fees for non-audit services totalled SEK 1 million (2). Non-audit services in 2023 relate primarily to assistance in relation to tax compliance matters. The amount of fees paid to all accounting firms is shown in Note 4 on page 111.

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. The President & CEO also holds ultimate responsibility for the Code of Conduct and other group-wide policies and their imple-

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mentation. The President & CEO has overall responsibility for ensuring that Sweco can deliver on its strategic direction for sustainability.

All members of the Executive Team, comprised of Business Area Presidents and Group functions, are responsible for the implementation of sustainability goals and strategies. In 2023, Sweco's Executive Team decided on further measures to strengthen the company's strategic sustainability work. A review of Sweco's group-wide climate neutrality goal will be conducted and targets and measures will be developed to accelerate the transition in areas such as the company's mobility and offices. Sweco's position in the green transition was also clarified. The capacity to manage developments that drive demand for Sweco's expertise in a range of sectors was analysed, in areas including resource-efficient industrial solutions, modern transport infrastructure, renewable and reliable energy solutions, and resilience in urban environments. For more information on Sweco's approach to sustainability, see pages 54–55.

During 2023, Sweco's Executive Team was comprised of the President & CEO, the CFO, the eight Business Area Presidents, the General Counsel, the Chief HR Officer, the Chief Communication Officer and the Chief Strategy Officer.

For more information on the Executive Team, see pages 46–47.

GROUP AND 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 Sweco Group rules for division of responsibilities between the

business area's board of directors and its BA President. Each business area consists of one or more business divisions organised by area of expertise. Each division may be organised by region, department or group, depending on the number of employees.

Sustainability work is implemented primarily in the business areas. Each business area is responsible for delivering results in line with the strategies and targets set by the relevant business area. Examples of this include Sweco's targets for climate neutrality and gender equality. In accordance with the company's decentralised model, each individual business area within Sweco is able to establish its own targets in addition to the targets set at Group level, with the requirement to serve as a forerunner in its country. Responsibility for achieving progress towards established goals lies with the business divisions within each business area, which are supported and strengthened by processes and training programmes for employees. Sustainability goals and results are monitored and reported to the Executive Team and the Board on a regular basis.

Group functions for Finance and Audit, HR, Legal and Communication are responsible for co-ordinating and leading the overall sustainability agenda in close collaboration with the Executive Team and the business areas. Monitoring and evaluation of sustainability work is aligned with Sweco's internal control and audit procedures and is conducted on business area level, along with monitoring of other business targets, and is aggregated at Group level. The Group's Finance Department leads the work in monitoring fulfilment of the 2040 climate neutrality target and co-ordinates the company's reporting under the GHG protocol and EU taxonomy with all business areas. As part of Sweco's integrated sustainability work, during 2023–2024 the Finance Department holds responsibility for implementation of the EU Corporate Sustainability Reporting Directive at Group level.

Sweco's Group-level Sustainability Council is comprised of sustainability managers from Sweco's various geographic markets. The Sustainability Council highlights challenges and business opportunities from all parts of the business to strengthen Sweco's market position in the sustainable transformation. The Council meets quarterly

and is led by Sweco's Chief Sustainability Officer, who reports directly to the President & CEO. Issues discussed in 2023 include ways in which both AI and digitalisation can accelerate sustainable solutions and improve sustainability performance in client projects. Methodology development for measuring Sweco's sustainability footprint and handprint in client projects, cross-geographical business opportunities in climate adaptation, energy and industry transition, and regulatory requirements for sustainability reporting were also on the Council's agenda in 2023.

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, and 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. A global programme for succession planning is used to support effective management succession, in accordance with which the business areas annually plan for their management teams. A succession and development module is also in place, providing all business areas with effective cloud-based tools enable positive, safe and efficient succession planning.

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INTERNAL CONTROL, RISK MANAGEMENT AND MONITORING**Control environment**

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 the culture and values that the Board and management communicate and operate 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 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 applicable 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 Sweco AB's Board of Directors. The areas covered include tenders, investments, rental and lease agreements, expenditures and guarantees.

The Audit Committee monitors policies and procedures on financial reporting, sustainability reporting and reporting to the Board to ensure that internal control activities focused on these matters are functioning properly. Internal controls are reviewed yearly. 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 its 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, are the 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 the Group is exposed to, the probability that these will occur and the potential impact on Sweco's goals. The effectiveness of existing controls and risk mitigation measures are assessed in the same manner. 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 financial reporting policies and procedures. BA Finance Directors are also responsible for ensuring the accuracy and completeness of the financial information reported. An Internal Control Framework is in place and is validated to track the effectiveness of significant internal controls related to the company's financial reporting and other key areas.

The Group's business system includes a number of functions for financial management, control and monitoring. Project reporting systems are in place to enable project managers to 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 responsibilities and rules for communication with external parties.

Code of Conduct and regulations

Sweco's Code of Conduct specifies Sweco's and its employees' fundamental view on responsible business conduct for Sweco and Sweco's business partners. The Code of Conduct constitutes our quality, environment, health & safety, and human rights policy and defines our corporate responsibility in society. The Code covers business ethics, employee development, human rights, equality and diversity, and occupational health and safety. Sweco also has a Business Partner Programme aimed at ensuring that existing and prospective partners meet Sweco's corporate responsibility requirements. Additionally, Sweco has group-wide policies providing more detailed descriptions for Sweco employees regarding business ethics, data protection, information security and communication. To combat corruption Sweco also has group-wide policies on gifts, business entertainment and sponsorship. Local regulations specify areas of responsibilities in more detail.

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 also follows the Code of Ethics formulated by the International Federation of Consulting Engineers (FIDIC). Sweco is a signatory of the UN's Global Compact and works proactively to uphold its principles.

Sweco reports on its sustainability work in accordance with the regulations specified in the Swedish Annual Accounts Act that are based on the EU Non-Financial Reporting Directive. Sweco is preparing to report on its sustainability work pursuant to the EU Corporate Sustainability Reporting Directive (CSRD), which, after implementation into national law, is expected to come into effect during 2024. Sweco has undertaken compliance with the FIDIC's Climate Change Charter, an international framework for sustainable practices in the engineering and technology consulting industry.

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Compliance

Compliance is a matter for the Group's executive management, for managers at all levels in the Group and for each 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 content of policies and guidelines, to accept and follow them, and to take steps to ensure that business partners comply with applicable policies. Employees who suspect business ethics improprieties or a violation of human rights are obligated to report this either to their manager, their manager's manager, HR department, Legal Counsel or other appointed contact person, and, in cases where anonymity is called for, via Sweco's external whistleblower channel, Sweco Ethics Line. The President & CEO holds the ultimate responsibility for ensuring that the policies are monitored, e.g., through internal and external audits, surveys, internal statistics and line manager reviews.

Each business area is responsible for implementing and monitoring the Code of Conduct and other policies. Compliance is monitored monthly with the business areas and annually through performance reviews with employees, employee surveys, internal and external audits, and other processes. The policy framework is reviewed annually to manage sustainability in accordance with regulatory requirements and developments in the organisation and external environment.

Internal audit

Sweco has a dedicated internal audit function, the roles and responsibilities of which are defined in the audit charter. As per year end, Group Internal Audit consists of a Head of Internal Audit, two Group internal auditors and a team of qualified business auditors. Business auditors are experienced financial professionals who otherwise work in a business area but who participate on individual audits as part of their management development.

Internal audit work is governed by the annual risk-based audit plan approved by the Audit Committee, with detailed audit assignments defined on a quarterly basis.

Audits were conducted in multiple business areas in 2023 and focused mainly on:

- (Financial) project management
- Revenue recognition
- Project governance
- Compliance with business ethics and GDPR guidelines

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 48–51.

INFORMATION DISCLOSURE TO THE CAPITAL MARKET

Sweco strives to provide shareholders, financial analysts, investors, the media and other interested parties with timely, clear, consistent and simultaneous 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 reports and annual reports
- Capital Market Days
- Meetings, both digital and physical, with the media, investors and analysts in Sweden and 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. A large volume of other information is also published on the company's website, which 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 29 December 2023 was SEK 49 billion. Share capital totalled SEK 121.1 million. The share capital is divided between 31,065,598 Class A shares and 332,185,859 Class B shares, representing 64,284,184 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. As of 31 December 2023 Sweco held a total of 4,110,005 treasury shares, all of which are Class B shares. Sweco's treasury shares do not carry voting rights.

Sweco AB had 25,592 shareholders at year-end 2023. The largest shareholders are Skirner AB with 12.5 per cent of the share capital and 33 per cent of the votes, Investment AB Latour with 26.9 per cent of the share capital and 21.0 per cent of the votes and the J. Gust. Richert Memorial Foundation with 1.7 per cent of the share capital and 9.4 per cent of the votes. Foreign investors held 21.9 per cent of the share capital and 12.5 per cent of the votes. Together, the ten largest shareholders control the equivalent of 68.5 per cent of the share capital and 78.8 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.

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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 AB, which is owned by the Nordström family.



Christine Wolff

Born in 1960. German citizen. Member of the Board since 2016. Directorships include: Hochtief AG, Sievert SE and K+S AG. Education: M.Sc. Geology and MBA, HSBA Hamburg, Certified Sustainability Manager (TÜV). 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: SCA and Securitas AB. Education: Civil Engineering, Royal Institute of Technology in Stockholm (KTH). Experience: CEO of Sweco Management AB and Sweco Sverige AB. Holdings in Sweco: 207,149 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. Experience: Among previous positions can be mentioned CEO of Securitas AB, CEO of NCC AB, CEO of Svedala Industri AB. Holdings in Sweco: 3,000 shares.



Johan Hjertonsson

Born in 1968. Member of the Board since 2015. Chairman of: ASSA ABLOY AB, Alimak Group AB and Tomra Systems ASA. Directorships include: Investment AB Latour. Education: MBA, Lund University, The General Manager Program, Harvard University. 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.

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**Susanne Pahlén Åklundh**

Born in 1960. Member of the Board since 2022. Chairman of: Alfdex AB. Directorships include: ASSA ABLOY AB and Alleima AB. Education: M.Sc. Chemical Engineering, Lund University. Experience: Former President of the Energy division and member of the Group Management at Alfa Laval. Holdings in Sweco: 3,000 shares.

**Johan Wall**

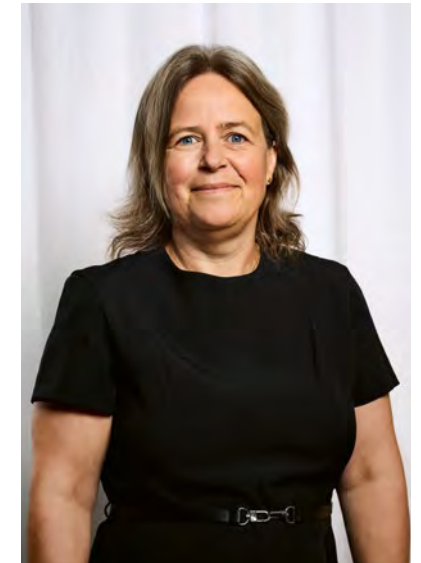
Born in 1964. Member of the Board since 2022. Chairman of: Beijer Alma AB, Beijer Holding AB, Domarbo Skog AB and Svenskt Tenn AB. Directorships include: Skirner AB and the Beijer Foundation. Education: M.Sc. Electrical Engineering, Royal Institute of Technology in Stockholm (KTH), Visiting Scholar, Stanford University. Experience: Former CEO of Beijerinvest AB, Bisnode AB, Enea AB, Framfab AB and Netsolutions AB. Holdings in Sweco: 10,000 shares.

**Anna Leonsson**

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: 1,929 shares.

**Görgen Edenhagen**

Born in 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: 3,027 shares.

**Maria Ekh**

Born in 1974. Employee representative since 2015. Education/experience: Engineer. Employed by Sweco since: 1999. Holdings in Sweco: 7,227 shares.

DEPUTIES**Peter Rothstein**

Born in 1959. Employee representative since 2017. Holdings in Sweco: 6,627 shares.

Charlotte Berglund

Born in 1973. Employee representative since 2019. Holdings in Sweco: 4,719 shares.

Patrick Sandoval

Born in 1978. Employee representative since 2021. Holdings in Sweco: 2,763 shares.

AUDITORS

PricewaterhouseCoopers AB

Aleksander Lyckow, Authorised Public Accountant. Other assignments: Betsson, Byggfakta, Vattenfall, Vitec Software Group.

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Executive Team



Åsa Bergman
Born in 1967.
President & CEO since 2018.
Year of employment: 1991.
Holdings in Sweco: 207,149 shares.



Julia Zantke
Born in 1970.
President of Sweco Germany & Central Europe since 2021.
Year of employment: 2021.
Holdings in Sweco: 5,794 shares.



Thomas Hietto
Born in 1967.
President of Sweco Finland since 2023.
Year of employment: 2023.
Holdings in Sweco: –



Rasmus Nord
Born in 1978.
President of Sweco Norway since 2022.
Year of employment: 2007.
Holdings in Sweco: 7,080 shares.



Eugene Grüter
Born in 1959.
President of Sweco Netherlands since 2016.
Year of employment: 2016.
Holdings in Sweco: 30,406 shares.



Max Joy
Born in 1969.
President of Sweco UK since 2019.
Year of employment: 2016.
Holdings in Sweco: 10,502 shares.



Erwin Malcorps
Born in 1973.
President of Sweco Belgium since 2019.
Year of employment: 2015 (previously employed by Grontmij).
Holdings in Sweco: 14,795 shares.

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Ann-Louise Lökholm-Klasson
Born in 1971.
President of Sweco Sweden since 2018.
Year of employment: 2008.
Holdings in Sweco: 45,256 shares.



Olof Stålnacke
Born in 1965.
Chief Financial Officer at Sweco AB since 2019.
Year of employment: 2019.
Holdings in Sweco: 34,954 shares.



Dariush Rezaei
Born in 1975.
President of Sweco Denmark since 2017.
Year of employment: 2017.
Holdings in Sweco: 9,184 shares.



Marcela Sylvander
Born in 1966.
Chief Communication Officer at Sweco AB since 2022.
Year of employment: 2022.
Holdings in Sweco: 1,684 shares.



Lisa Lagerwall
Born in 1972.
General Counsel at Sweco AB since 2011.
Year of employment: 2006.
Holdings in Sweco: 38,010 shares.



Helene Hasselskog
Born in 1968.
Chief HR Officer at Sweco AB since 2020.
Year of employment: 2020.
Holdings in Sweco: 3,299 shares.



Sam Saatchi
Born in 1985.
Chief Strategy Officer at Sweco AB since 2022.
Year of employment: 2022.
Holdings in Sweco: 1,662 shares.

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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 150,000 projects each year. About 38 per cent of revenue is generated in the public sector and 62 per cent in the private sector. The company's ten largest clients account for about 14 per cent of sales. The breadth of Sweco's project portfolio and a good balance between geographies, segments and clients creates an even spread of risk in the business. Despite this, Sweco, like all companies, is exposed to a variety of risks. 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 the company's ability to achieve goals outlined in our business plan and strategy. Identification, analysis, management and review of risk is conducted on a continuous basis. Sweco's Board of Directors has overall responsibility for risk management, while operational responsibility is delegated to the CEO and Executive Team.

The starting point for Group's risk management is a company-wide risk analysis. The 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. 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.

During early 2023 a risk assessment was held by the Executive Team. This was based on desk research of potential risks that could impact Sweco. Based on pre-discussions with individual ET members and heads of staff a short list of potential risks was identified. The Executive Team then made an assessment and identified and prioritised the eight most business-critical risks for Sweco. The result is a risk map that reflects the company's risk exposure. A risk and control report is presented to the Audit Committee on a yearly basis describing the risk management methodology as well as the actions taken to mitigate risks. A summary of this report detailing 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.

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

133–134. 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 the company's 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, substantial overdraft facilities, and newly setup commercial paper 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 41,000 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

Below is a schematic illustration of the company's risk management process

Risk analysis

Analysis of existing and new risks, including through workshops and discussions with representatives from different parts of the organisation.

Risk evaluation

Executive Management evaluates risk based on risk likelihood and impact. The Audit Committee and the Board are notified of substantive changes in the risk map.

Risk management

Responsibility, prioritisation and proposals for measures to address the most business-critical areas.

Review

Continuous review conducted by Executive Management. Annual reporting on risk management work submitted to the Audit Committee and the Board.

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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 42–43.

Risk classification

Within Sweco we differentiate between strategic/operational risks and financial risks. Sweco is reporting climate risks pursuant to Task Force on Climate-related Financial Disclosures, TCFD, recommenda-

tions. The resilience of Sweco's strategy has been analysed in relation to various climate-related scenarios based on scientific reports from the IPCC, EIA and in accordance with TCFD recommendations. Climate-related risks are presented on pages 50–51. The table below details eight risks at Group level identified in the 2023 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
Disruption of Sweco's IT infrastructure resulting in data loss or lack of access to our data The risk of a ransomware attack or other IT disruption resulting in a data loss or lack of access to data or key critical infrastructure. The result would be that Sweco employees could not do their work, or data is lost resulting in rework that needs to be done.	●	●	Sweco has started implementing ISO 27001 across the organisation. Multiple actions have been taken to increase the security of the network. Awareness trainings are given continuously. Multiple areas have run crisis management exercises to train on how to deal with potential IT disruption.
Increasing instability in Europe Increasing instability within Europe can lead to attacks on infrastructure and/or people. The attacks could impact Sweco's clients, the projects but also our people.	●	●	Increasing the knowledge and expertise of the Crisis Management teams across the Group will enable Sweco to immediately response to any incidents.
A breach of compliance regulations In the event of a breach of compliance due to an increasing regulatory environment (frameworks/legislation etc), there is a risk of penalties / loss of market share.	●	●	The company shall follow new regulations and ensure it complies to these regulations. In general, Sweco shall always take a compliant and relevant approach, limiting the impact on the organisation as much as possible.
Disruption due to change in client expectations and requirements, new competition driven by digitalisation Risk that new technologies and digital developments influence Sweco's markets by creating new client expectations and/or requirements.	●	●	Sweco's decentralised model allows the company to stay close to its clients and understand their specific needs. Where possible, local digital initiatives get scaled through the organisation using lighthouse projects. All Business Areas have digitalisation in their business plans.
Not meeting the increased expectations of Sweco's competence in project delivery The risk that Sweco does not meet customers' expectations on its perceived competence in project execution.	●	●	Training programs are in place to ensure leadership development and project manager development. Trainings focus on project portfolio management and include regular sharing of best practices.
Increased competition for top talent in a challenging dynamic employment market The risk that due to the challenging employment market and increasing salary expectations, Sweco will not be able to increase fees sufficiently resulting in reduced profitability / decrease of market share.	●	●	Strategic personal planning, succession planning and cross border cooperations are all initiatives that aim to deliver the best people to Sweco's clients.
Inability to adapt to changing internal and external requirements Risk that Sweco does not adapt quickly enough to changing requirements from society and its employees and other stakeholders. The inability to manage the current narrative of what and who Sweco is.	●	●	Business planning and the ability to quickly respond to developments has been high on all management teams' agendas.
The unexpected black swan event, Sweco being prepared for the next outbreak of pandemic or any other unknown events The risk that a sudden event surprises Sweco, and impacts its ability to deliver projects to its clients.	●	●	The Crisis Management teams have trained to act in case of black swan events. The focus has been methodology and structure to deal with any events that might occur.

● High ● Medium ● Low

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Climate-related risks and opportunities

Sweco reports climate risks pursuant to Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The long-term resilience of Sweco's strategy has been analysed in the context of various climate-related scenarios based on research reports from the IPCC and EIA. For 2023, Sweco is aligning its reporting of climate risks with TCFD recommendations and is preparing for EU reporting requirements under the Corporate Sustainability Reporting Directive (CSRD).

Climate risks in Sweco's operations

Sweco is Europe's leading architecture and engineering consultancy. Firmly based on its business approach, strategy and operational model, Sweco is well positioned to support its clients in mitigating and adapting to climate change while creating economic value. Transitional and physical risks can therefore also present opportunities for Sweco. Sweco's operations are comprised of consultancy services. Sweco's direct exposure to climate-related risks is limited and mainly indirect, impacting future net sales and expenses related to Sweco's services. Climate events may have a negative physical impact on Sweco's offices, which are located primarily in northern Europe. The direct financial impact of these events is limited, however, as the company leases most of its facilities.

Sweco assesses climate-related risks from two perspectives:

- 1) As an *expert advisor* responsible for supporting clients in achieving their goals in the assignments. Clients are increasingly relying on Sweco to address the causes and consequences of climate change with combined architectural and engineering expertise and solutions. Consultancy services include modelling of climate risks and climate impacts, climate change mitigation and adaptation, nature-based solutions and biodiversity, circular resource use, renewable energy systems, and low-carbon industrial products and processes. Using digitalisation and climate technologies, Sweco can have an even greater impact in its clients' projects.
- 2) As a *company* with operations that impact the climate both directly and indirectly, Sweco takes into account the climate-related risks and opportunities associated with its activities. Sweco works with reducing the company's greenhouse gas emissions and applying climate-efficient solutions for procurement, offices, vehicle fleet and mobility.

Scenario analysis

The analysis is based on two different scenarios. To identify transition risks, the Sustainable Development Scenario (SDS) from the International Energy Agency (IEA) was selected. The IPCC's Business-as-Usual scenario was selected to identify physical risks. IEA scenarios are based on estimations of how different policy regulations and national governmental commitments may affect the future energy mix based on various types of assumptions, while IPCC scenarios are based on the potential physical impact of climate change on various environmental aspects.

The IEA's SDS was selected because it covers more than climate change mitigation and includes alignment with the Sustainable Development Goals, Agenda 2030, and the capacity to meet global commitments in a near-term perspective. This scenario is based on the assumption that all net-zero commitments are met and that substantial action is taken to achieve near-term emission reductions. The IPCC's Business-as-Usual scenario was selected because it represents the upper limit for a high-emission scenario, with a global temperature increase of more than 2°C in a long-term perspective. This scenario does not include any climate change mitigation measures.

Sustainable Development Scenario (SDS)

This scenario represents a pathway aligned with the Paris Agreement, well below the 2°C target. In this scenario, it is assumed that all current net-zero commitments and pledges are fully implemented and that there are extensive efforts to achieve near-term emission reductions. Without assuming any net negative emissions, this scenario is consistent with limiting the global temperature increase to 1.65°C.

RCP8.5 – Business-as-usual

This is a high-emissions scenario, consistent with a future where there are no policy changes to reduce emissions and characterised by increasing GHG emissions that lead to high atmospheric GHG concentrations. Broadly aligned with current policies or a business-as-usual scenario.

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Sustainable Development Scenario (transition risks)

	Changes in the business environment	Impact on Sweco	Opportunities for Sweco
Regulatory	Global challenges drive changes in policy and legislation and can result in new laws and regulations that may affect Sweco's business. Regulatory sustainability requirements for Sweco's operations are increasing. Lowered political ambitions, increased short-termism and fluctuations in policy instruments can affect the pace of the green transition.	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. Insufficient expertise or inadequate knowledge-sharing can have a negative impact on Sweco's competitiveness and client deliveries. Weakened regulatory requirements for the green transition impacts the demand for consultancy services.	Increased demand for consulting services regarding, e.g., environmental regulations, permit processes, emissions reporting, analysis of climate risks, taxonomy and climate effects. The green transition in the energy sector, industry, transport infrastructure and urban areas contributes to strengthen Sweco's order book and increased sales.
Technological	Climate-related risks require a sustainable transformation of carbon-intensive technologies and sectors.	Technological climate risks are deemed to be low for Sweco. However, the digital transformation is a key element in the company's strategy and business development, which is compatible with operational and financial risks if Sweco fails to implement digitalisation internally and in client projects.	Sustainable transformation drives technological development and consulting demand within wind power, hydrogen and other renewables, smart grids, energy storage, mobility, transportation infrastructure, fossil-free steel production and circularity. This creates opportunities for new business and increases demand for technological consultancy.
Market-related	Sudden and unexpected changes in the market and economy affect the business environment and Sweco's clients. New forms of taxation (e.g., on carbon emissions, waste, unsuitable or unhealthy products and services) may become increasingly important.	Economic turmoil, increased emissions costs, and changes in the valuation of assets may, in combination with other macroeconomic and geopolitical factors impact Sweco's clients and can result in a financial impact on the company with reduced revenues and higher operational costs.	Economies and societies are moving from heavy reliance on coal to building resilience with low-carbon energy systems and industries. The green transition is expected to create a significant transformation in all parts of society, creating demand for Sweco's expertise and climate-related technology.
Reputational	Alongside the primary goal of reducing the climate footprint of its own operations, Sweco focuses on strengthening its position as a forerunner in transforming society together with its clients. This creates high expectations for Sweco's sustainability work and results.	Failing to meet established climate targets for Sweco's operations presents a reputational risk and may impair the company's ability to attract clients, employees and capital. Accelerated climate change, varying degrees of sustainability maturity in Sweco's markets, and the inability to quickly calibrate the business to meet market requirements for sustainability expertise and services may have a negative impact on Sweco's position as a forerunner in the sustainable transformation.	With a forward-looking approach, Sweco can be a forerunner in the sustainable transformation by operating its business responsibly, securing needed expertise and strengthening the climate benefits of Sweco's consulting in client projects.

RCP8.5 – business-as-usual (physical risks)

Acute risks	Particularly extreme weather conditions and climate effects that may damage assets and cause operational interruptions.	Direct physical climate risks are deemed to be low for Sweco. However, there is still a risk that extreme weather conditions may temporarily affect operations, for example through downtime or infrastructure disruptions. Client projects may be cancelled or delayed.	Sweco helps by increasing understanding of how climate change can affect clients' businesses and identifying concrete measures that should be prioritised in projects to strengthen resilience.
Chronic risks	Changes in precipitation patterns Rising average temperatures Rising water and sea levels	There is also a risk to Sweco's offices due to extreme weather, such as increased risk of flooding, wind and rain. Indirect risks may include greater stress on clients' businesses and tangible assets, which may affect ongoing and planned client projects.	Sweco's experts design and implement solutions for physical climate adaptation, which also increases the demand for consultancy in infrastructure projects.

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Sustainability Report



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About the Sustainability Report

Sustainability is an integral part of Sweco's business, and the company reports financial and non-financial information in an integrated Annual Report. As with other parts of this report, sustainability information pertains to the company's financial year for the period 1 January through 31 December 2023. The previous Annual Report for financial year 2022 was published in March 2023.

Expanded disclosures in 2023

Sweco works continuously to develop the reporting and present a comprehensive and transparent information about the company's sustainability work. A number of disclosures were updated during the year, including those related to the company's carbon emissions, the EU taxonomy, working conditions and business ethics. Emission levels and emission factors have both been updated from values established in 2020, Sweco's base year for climate reporting, to better reflect necessary emission adjustments. The Group-wide target for climate neutrality by 2040 remains unchanged.

Data collection

Sustainability targets and results are monitored and reported to the Board of Directors and Executive Team on a regular basis. Responsibility for reporting lies with each business area and data collection is integrated into Sweco's consolidated accounts. Sustainability reporting data is reported locally and compiled and validated at Group level by finance, climate & environment, HR, and compliance managers. Information disclosed in the Sustainability Report is verified in accordance with Sweco's internal control procedures.

Legislation and alignment with CSRD

Sweco's 2023 Sustainability Report has been prepared to fulfil the requirements of the Swedish Annual Accounts Act and the EU taxon-

omy as well as the expectations of Sweco's stakeholders – primarily owners, investors, analysts, potential and existing employees, and clients. In addition to its Annual Report, Sweco also provides ESG-related disclosures on the environment, social responsibility and corporate governance in accordance with a number of international frameworks, standards and principles (see on the right).

The EU's new Corporate Sustainability Reporting Directive (CSRD) took effect in January 2024. Sweco carried out a materiality analysis already in 2021 to identify the most relevant sustainability topics in its value chain. This analysis is considered relevant for 2023 and will be expanded to include both financial and impact materiality under the EU directive's requirements. Preparations for reporting alignment with the CSRD continued during 2023 and included an in-depth mapping and analysis of Sweco's impact in the value chain, as well as a GAP analysis examining and comparing the company's current reporting with the directive's new requirements in order to identify areas of improvement in governance, strategic planning, risk management, processes, quality assurance, data collection and reporting.

External assurance

Sweco's external auditor, PricewaterhouseCoopers, has reviewed the company's Sustainability Report in accordance with RevR 12 *The auditor's opinion regarding the statutory sustainability report* issued by FAR (institute for the accountancy profession in Sweden).

→ For information regarding the Sustainability Report, please contact sustainability@swecogroup.com.

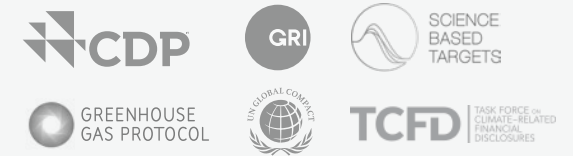
→ Additional information about sustainability at Sweco is available at www.swecogroup.com.

International sustainability frameworks, standards and principles

Sweco complies with international frameworks, standards and principles related to sustainability issues. The following are referred to in the Annual Report:

Frameworks and standards

- CDP climate reporting
- Greenhouse Gas Protocol (GHG)
- Global Reporting Initiative (GRI)
- Science Based Targets initiative (SBTi)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Global Compact (UNGC)



International principles

- The FIDIC Code of Ethics and FIDIC Climate Charter, International Federation of Consulting Engineers
- The ILO Declaration on Fundamental Principles and Rights at Work, International Labour Association
- The Universal Declaration on Human Rights, United Nations
- The Paris Agreement under the United Nation's Framework Convention on Climate Change
- Sustainable Development Goals, Agenda 2030, United Nations



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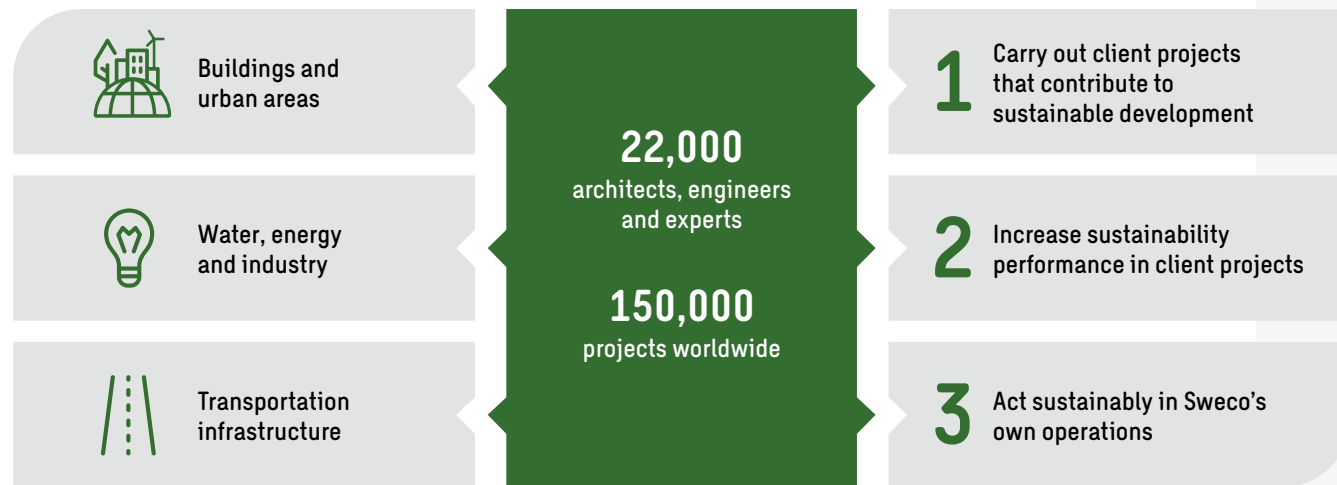
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Sustainability at Sweco

As Europe's leading architecture and engineering consultancy, Sweco has the expertise, potential and responsibility to contribute to sustainable societal development together with its clients and employees.

Impact from three perspectives

Societies, industries, companies and economies need to transition to a more sustainable future. Sweco has the greatest opportunity to influence and contribute to the transition through the tremendous number of client projects the company carries out each year. In its client projects, Sweco identifies, shapes and applies the most sustainable solutions with long-term consideration of people, the environment and society. Sweco also has a great responsibility to run its own operations sustainably, with the least possible environmental and climate impact and an inclusive culture supported by diverse competencies and based on robust business ethics.



Sweco's sustainability work is focused on three strategic perspectives where the company can have a direct or indirect impact.

1 Carry out client projects that contribute to sustainable development

The green transition is impacting society at large, facilitated by the increasing amount of capital being directed in a sustainable direction. The complexity of these issues is driving demand for Sweco's expertise in all business segments. Sweco carries out client projects that actively support sustainable development through measures such as designing resource-efficient and resilient urban areas and buildings; developing systems for renewable energy production, transmission and storage; reducing the climate impact of industries; expanding and restructuring transport infrastructure; and safeguarding valuable habitats and biodiversity.

2 Increase sustainability performance in client projects

In close dialogue with clients, Sweco works to further improve sustainability performance in ongoing projects through optimisation of design, choice of material, resource management and work methods. Using automation, digital solutions and AI, a project's impact on the climate, environment, economy and society is calculated and Sweco's experts propose appropriate measures to improve sustainability performance.

3 Act sustainably in Sweco's own operations

Sweco has a responsibility to act sustainably in its own operations and focus is on creating value for owners and clients, being an attractive and inspirational workplace for employees, reducing the environmental impact of its operations, and following business ethics and social guidelines. The company's group-wide goals is for its operations to be climate neutral by 2040, with emissions halved by 2030, and to achieve a 40 per cent share of female employees in the Group by 2040.

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Sweco's value chain

Sweco's sustainability work spans over the direct impact from its own operations and towards its first-tier suppliers, as well as the indirect impact the company has on society through consultants' advisory in client projects. Impact in various parts of the value chain was further clarified in 2023 and is illustrated on page 56. Understanding where in the value chain that Sweco has material positive or negative impacts enables the company to set measurable goals, prioritise, and take appropriate actions more accurately and effectively.

Sustainability governance

Governance and follow-up of Sweco's sustainability work are adapted to the decentralised organisation and follow the same structure as the company's other operations.

→ See the Corporate Governance Report on pages 37–43 for details on sustainability governance and compliance.

Climate-related risks pursuant to TCFD

Sweco works continuously and in a structured manner to identify, assess and manage climate- and environment-related risks as an integral part of Sweco's overall risk management.

→ The 2023 risk report is presented on pages 48–49 and includes risk assessments with regard to sustainability.

→ Sweco also reports climate risks pursuant to Task Force on Climate-related Financial Disclosures (TCFD) recommendations; see pages 50–51.

Sustainability Compass – a tool for evaluating sustainability in projects

The Sustainability Compass, developed by the Belgian organisation in 2023, is a tool designed to increase sustainability performance in client projects by identifying and defining impact on the environment, people and the economy. With the Sustainability Compass, the relationship between the different dimensions of sustainability are managed digitally and in an integrated manner. The tool, connected to both a knowledge platform and an action catalogue, is tailored to the broad range of projects that Sweco is assigned and is inspired by established frameworks and sector-specific tools, including the UN's Global Sustainable Development Goals, BREEAM, DGNB, WELL and LEED.

The tool has performance indicators and sustainability targets in six areas where Sweco can have a significant impact in client

projects: climate and environment; social sustainability; economy and quality of design, technology and process solutions. Each of these areas is further divided into underlying topics, with various sustainability issues evaluated on a scale of 1 (weak) to 5 (very good) pursuant to evaluation criteria defined by Sweco's experts.

The Sustainability Compass can be adapted to various types of projects and facilitates dialogue between clients and other stakeholders concerning the purpose, scope and boundaries of the project, sustainability awareness, and implementation of sustainable solutions. The tool was tested and validated by employees in Belgium, the Netherlands and Germany during the year and, initially, it is expected to be used in 1,000 projects in Belgium annually.



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Sweco's value chain

The value chain illustrates the dependencies and impact that Sweco has on people and the environment in upstream, own operations and downstream.

Sweco's own operations



Strategy and operational model

Driven by its purpose "Transforming society together", Sweco aims to be Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture. The strategy is to achieve leading positions in selected segments and geographies through effective implementation of Sweco's operational model based on four cornerstones: client focus, the best people, internal efficiency and a decentralised organisation.

Target

Target	Outcome 2023 (2022)
EBITDA margin 12%	8.9 (9.2)
Net debt <2.0x EBITDA	1.1 (0.4)
At least 50% of profit distributed to shareholders, %	64 (59)
Climate neutral operations by 2040, tonnes CO ₂ e	66,449 (64,692)
40% female employees in the Group by 2040, %	35 (35)
Zero tolerance for bribes, corruption and human rights violations, confirmed cases	0 (0)

Employees with recognised expertise

More than 22,000 architects, engineers and other experts deliver consultancy within urban planning, buildings, energy, water, industry and transportation infrastructure. Digitalisation, architecture and sustainable urban development are connected with all parts of Sweco's offering.

Greatest impact through consultancy services

Sweco's most significant impacts are generated through the consultancy services provided to clients, enabling them to achieve their objectives in the projects. Through its consultancy services Sweco contributes to a sustainable development and is committed to increasing the sustainability performance in client projects.

The resources Sweco uses



Financial capital

Strong cash flow, low net debt to EBITDA ratio and SEK 10.6 billion in equity.

Sourcing of human and intellectual capital

2,000 sub-consultants, 3,800 new employees with additional 1,200 colleagues welcomed through 10 acquisitions during the year. Multiple trainee and mentorship programmes. Strong employer brand and the industry's most attractive employer in national rankings.

Natural and manufacturing capital

Offices, IT- and technical equipment, vehicles, digital solutions, energy and travels were sourced for more than SEK 3 billion.

Social and relationship capital

Strong social capital by engaging with industry organisations, public sector, STEM educational institutions and civil society.

Sweco's impact on society



Net sales 2023, SEK 28.5 billion (2022: 24.3)

Client consultancy in three segments:

Buildings and urban areas, %	37 (37)
Water, energy and industry, %	34 (33)
Transportation infrastructure, %	29 (30)

Balanced client base:

Public sector, %	38 (38)
Private sector, %	62 (62)

Indirect impact through project outcomes

As consultants in more than 150,000 ongoing projects, Sweco's experts use their knowledge and resources to provide suitable solutions to clients. Ultimately, the impact is indirect since the clients decide on the requirements of a project and are therefore in control of the final outcome.

Both positive and negative impact

Projects have both positive and negative impacts on nature and society throughout the lifecycle. Sweco's expert consultancy enables clients to lower a project's footprint, avoid future emissions and create value for end-users and society.

Value for society

Through collaboration with 41,000 clients, Sweco uses its integrated expertise to create multiple values and benefits for a project's end-users and stakeholders. Additional value is created through company paid tax totalling SEK 525 million as well as jobs created, salaries, pensions and employee benefits of which social fees totalled SEK 2,570 million.

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Sweco and the Sustainable Development Goals

Based on its employees' expertise and through efforts in its own operations and in client projects, Sweco contributes to the UN's Sustainable Development Goals.

Actively contributing to the Sustainable Development Goals

Agenda 2030, the action plan for the world's countries, regions, cities, companies and civil societies to work together globally to achieve sustainable transformation, is to be achieved in six years. Sweco works with the 17 Sustainable Development Goals in client projects and contributes to most of the agenda's 169 targets. Sweco has identified five goals as the most business-critical to the company's operations, and those that Sweco as expert advisor has the greatest opportunity to a positive impact together with its clients: SDG 6 Clean water and

sanitation; SDG 7 Affordable and clean energy; SDG 9 Industry, innovation and infrastructure; SDG 11 Sustainable cities and communities; and SDG 13 Climate action. In Sweco's view, it is important to understand how these goals interact with each other; how well we succeed with the energy transition, for instance, impacts the goals of sustainable cities and industries. Sweco highly prioritises this type of synergy between the various goals.

Buildings and urban areas



Sweco enables solutions to reduce cities' climate impact, adapt to climate change and mitigate the negative effects of increasing incidents of extreme weather on the built environment. The company integrates sustainability into all phases of planning, design and implementation and promotes the use of environmentally friendly materials and recycling technologies with a focus on minimising resource use and waste in construction. Sweco also focuses on creating socially inclusive urban areas that promote health and well-being and enable people to thrive.

→ Read more about Sweco's work within Buildings and urban areas on pages 21–22.

Water, energy and industry



Through its broad collaboration with energy and industry clients in Europe, Sweco contributes to the energy transition with expertise and knowledge-sharing in renewable energy production, planning and design of transmission and distribution grid, more efficient energy consumption, and technology development in areas including energy storage, hydrogen, and carbon capture and storage. Sweco's experts also work to ensure access to clean water and safe sanitation, reduce air pollution, and minimise toxins through efficient chemical and waste management.

→ Read more about Sweco's work within Water, energy and industry on pages 23–24.

Transportation infrastructure



Sweco designs transport systems to enable tomorrow's societies to manage growing populations and increased demand for sustainable mobility solutions. Engineers and traffic planners focus on reducing carbon emissions by expanding infrastructure for active travel by bicycle, walking and public transport; efficient solutions for logistics and distribution of goods and services; and digitalisation of transportation systems. Experts in shipping, railways, tramlines and metros specialise in the design, planning, construction and management of critical infrastructure.

→ Read more about Sweco's work within Transportation infrastructure on pages 25–26.

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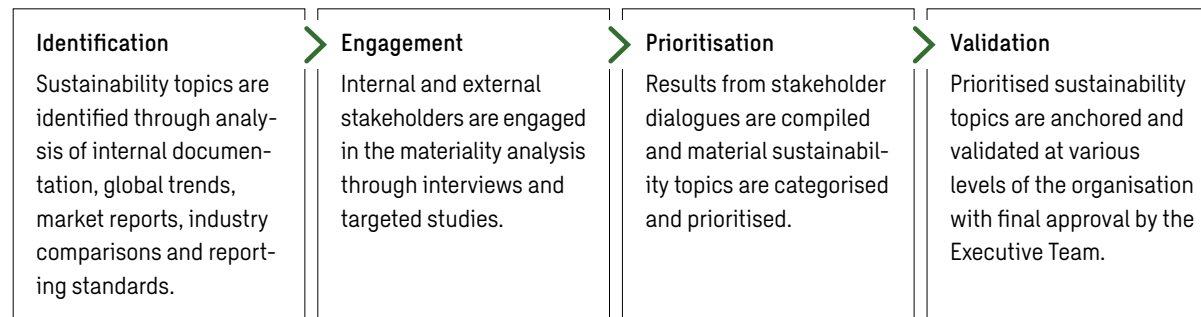
Materiality analysis

Sweco's materiality analyses are used as the basis for the company's strategic sustainability work. The prioritisation of the sustainability topics included in the analyses guides understanding of areas where Sweco has the most impact.

The most recent materiality analysis, conducted in 2021, was based on continuous stakeholder dialogue, online surveys, observations from strategic analyses, and Sweco's strategy and business plans. In 2023, a review of the analysis was conducted and the sustainability topics previously assigned the highest priority were considered still relevant: climate change mitigation and adaptation, energy transition, circularity, biodiversity and urban planning. All five are areas where Sweco has great opportunity to provide expertise in client projects.

In 2024, Sweco will be implementing a new materiality analysis methodology, which will include financial and impact materiality, in line with requirements imposed by the EU's new Corporate Sustainability Reporting Directive (CSRD). Results from the double materiality analysis will provide the basis for Sweco's overarching strategy and risk management. Work on identifying ways in which global trends and external factors impact Sweco continued during 2023. Climate change, one of the most tangible sustainability issues, is evaluated in line with the guidelines of the Task Force on Climate Related Financial Disclosures (TCFD) framework, presented on pages 50–51.

Materiality analysis process



Identification

Sustainability topics are identified through analysis of internal documentation, global trends, market reports, industry comparisons and reporting standards.

Engagement

Internal and external stakeholders are engaged in the materiality analysis through interviews and targeted studies.

Prioritisation

Results from stakeholder dialogues are compiled and material sustainability topics are categorised and prioritised.

Validation

Prioritised sustainability topics are anchored and validated at various levels of the organisation with final approval by the Executive Team.

Most relevant sustainability topics



CLIMATE AND ENVIRONMENT

- 1 Climate mitigation and adaptation
- 2 Biodiversity
- 3 Energy efficiency, sources and systems
- 4 Water use
- 5 Waste and circular economy
- 6 Air quality

EMPLOYEES

- 7 Health and safety
- 8 Diversity and equality
- 9 Human capital and competence

ETHICS

- 10 Business ethics
- 11 Societal impact and engagement
- 12 Human rights
- 13 Supply chain management

TRANSFORMATION AND SOCIETY

- 14 Science, technology and innovation
- 15 Transport and mobility
- 16 Urban and environmental planning
- 17 Digitalisation

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Stakeholder dialogue

To identify and prioritise the company's most material sustainability topics, Sweco's systematic work with sustainability is grounded in stakeholder dialogue. Stakeholders are selected based on Sweco's strategy framework, information management and the company's participation in various forums for dialogue and influence. Interactions with stakeholders take place on many different levels, from Group level to project level. The table below provides an overview of stakeholder dialogues that took place over the past year.

	 Investors and owners	 Clients	 Employees	 Business partners and suppliers	 Society
Reasons for stakeholder engagement	Communicating strategy and results with shareholders, analysts and potential investors is essential to their ability to make well-founded investment decisions and to Sweco's capacity to understand these stakeholders' expectations for Sweco's operations.	Together with its clients, Sweco defines relevant areas where the company's experts can contribute sustainable solutions in projects, creating value for people, the environment and the economy. This provides a valuable basis for the continuous improvement of services and processes and encourages development of long-term relationships.	Attracting, developing and retaining skilled and committed employees is fundamental to achieving the company's goals and enabling the necessary transition towards sustainability. An open and active dialogue creates a workplace distinguished by inclusion and diversity.	Dialogue with business partners, suppliers and others in the value chain is an important tool in driving innovation and promoting sustainability aligned with Sweco's strategy, goals and Code of Conduct.	Collaboration with citizens, politicians, government authorities, trade organisations and civil society is essential for meeting society's expectations and winning support for and positively impacting the sustainable transition.
Key sustainability topics for stakeholders	<ul style="list-style-type: none"> • Long-term economic value creation • Governance and risk management • Ability to implement solutions for a sustainable transformation in society • Ability to measure impact of consulting services on sustainability in client projects • Identification and analysis of sustainable investments (EU Green Deal and EU taxonomy) • Impact on climate and environment • Diversity on all levels of the organisation • Compliance with business ethics 	<ul style="list-style-type: none"> • Integration of sustainability into client's business model • Climate change mitigation and adaptation • Rapid and secure energy transition • Electrification of transport • Leveraging potential for circular economy • AI, digitalisation and technological progress are essential for delivering and scaling up sustainable solutions • Social sustainability and business ethics in client projects 	<ul style="list-style-type: none"> • Sweco as sustainability forerunner in its own operations and in client projects • Sustainability as a key dimension in talent acquisition and retention • Long-term competence sourcing • Leadership programmes and development opportunities • Conditions of employment • Code of Conduct • Diversity and inclusion • Well-being, health and safety 	<ul style="list-style-type: none"> • Climate change mitigation and adaptation • Adaptation of business relationships and procurement processes to environmental, economic and ethical requirements • New sustainability reporting regulations 	<ul style="list-style-type: none"> • Sharpened EU and national legislation increase the pace of the sustainable transition • Tangible effects of climate change increase the importance of having resilient communities • Sustainability is considered industry-critical in the energy, industrial, transport, construction and property sectors • Permit processes are a key component of the transition in many sectors
Types of dialogue	<ul style="list-style-type: none"> • Annual General Meeting • Quarterly reports and Annual Report • Investor and analyst meetings • Capital Markets Day • Stakeholder surveys • Press releases • Sweco's website • Media channels 	<ul style="list-style-type: none"> • Tenders and audits • Ongoing dialogue in client projects • Seminars, client events, trade fairs • Client and stakeholder surveys • Media channels 	<ul style="list-style-type: none"> • Close dialogue with managers • Performance review • Internal training • Dialogue with employee representatives • Skills development through client projects • Employee surveys • Communication via intranet • Office meetings, seminars and conferences • Media channels 	<ul style="list-style-type: none"> • Sweco's Code of Conduct, Business Partner Programme and policies at Group or business area level • Tenders • Business partner and supplier evaluations • Stakeholder surveys and meetings 	<ul style="list-style-type: none"> • Citizen dialogue in client projects • Membership and involvement in trade organisations • Participation in networks and working groups • Cross-sectoral initiatives and knowledge transfer to promote sustainability • Stakeholder surveys • Meetings with government authorities, researchers and politicians • Participation in working groups, seminars and lectures • Participation as UN observer at COP28 in Dubai • Media channels
Read more	 Read more about Sweco as an investment on page 17.	 Read more about Sweco's contribution to sustainable solutions in various client segments on pages 19–28.	 Read more about Sweco as a workplace on pages 15–16.	 Read more about Sweco's work with business ethics on pages 81–85.	 See examples of Sweco's collaboration for sustainable development on pages 60–61.

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Stakeholder dialogue and collaborations 2023

During 2023 Sweco participated in a range of collaborative projects grounded in the company's business, values and responsibility as a society developer. A selection of these projects and other stakeholder dialogues is presented on the following pages.

Sweco's Capital Markets Day

In November, Sweco arranged a Capital Markets Day for institutional investors, analysts and financial media. Sweco's President & CEO gave an update on the Group's long-term strategy to strengthen its position as Europe's leading architecture and engineering consultancy and on Sweco's operating model as the foundation for growth and profitability. Sweco's CFO presented the company's plan for achieving its financial targets and provided information on the company's sustainability work and acquisition strategy. The business

area presidents from Belgium and Sweden presented information on developments in their respective operations and on future initiatives underway, in areas including the green transition, that lay the foundation for sustainable growth. The Capital Markets Day was held at Blique in Stockholm, a boutique hotel designed by Sweco's architects. Using VR technology, participants tried out digital twin simulations from various projects.



Collaboration for a sustainable construction sector in the Nordics

Nordic Sustainable Construction, a programme funded by the Nordic Council of Ministers, is designed to increase co-operation and ensure a common way forward for the Nordic construction industry in the green transition. Sweco's experts from Denmark, Sweden, Finland and Norway participate in one of the programme's five work packages focused on co-ordinating life cycle assessments in the construction sector. Sweco works with its project partners to co-ordinate standardised methods for life cycle analyses for buildings in Nordic countries, to enable building and construction companies to offer solutions with low carbon emissions. In 2023, Sweco mapped out Nordic countries' climate targets along with calculation methods, existing and planned legislation, and databases to gather information on building stock and its emissions. The results were presented in September at the Nordic Climate Forum for Construction in Helsinki.

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European Urban Resilience Forum

In October, Sweco's international knowledge initiative, Urban Insight, participated in the European Resilience Forum in Cascais, Portugal. City representatives, experts and stakeholders from local and regional institutions discussed strategies, initiatives and measures to create more resilient cities. Along with other participants, Sweco analysed the impact of resilience trends and policy initiatives on Europe's major cities and regions. The forum also shared best practices on governance, financing, and nature-based solutions and innovations for climate adaptation. An understanding of local needs when designing resilient communities was considered essential for citizen engagement.

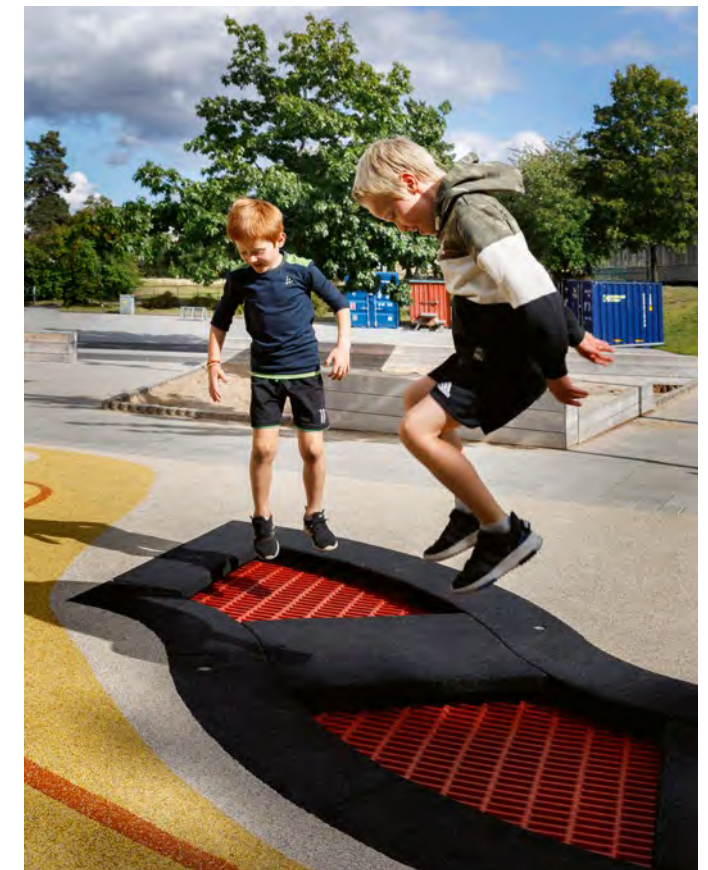


Dialogue with students and new graduates

During the spring, Sweco arranged open house events – Sweco Talent Talks – at its offices in Copenhagen and Aarhus for students at Danish universities specialising in engineering and science, architecture, structural engineering and IT. The initiative is planned as part of a series of annual events that bring Sweco employees together with students and new graduates for inspirational meetings and dialogue on the construction sector. During Sweco Talent Talks, students meet the company's own experts and invited guests to discuss solutions for tomorrow's sustainable cities and communities. In addition to drawing inspiration in the areas of architecture and urban planning, participants will learn more about internship opportunities, project collaborations and job opportunities at Sweco.

Including health and well-being in environmental impact assessments

Sweco has a close collaboration with the global Institute of Environmental Management and Assessment (IEMA) to further develop requirements for environmental impact assessments. With more and more evidence linking the external environment to people's health and well-being, Sweco assisted the Health Working Group by identifying the best method for integrating health aspects into environmental impact assessments. Aspects addressed in the health assessment include: noise, air quality, open spaces, physical activity and nature.



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Climate neutral operations by 2040

Sweco's goal is to achieve climate neutrality in its own operations by 2040 and halve the company's emissions by 2030.

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Halve emissions by 2030

Sweco's group-wide goal is to have climate neutral operations by 2040. Sweco's base year for climate reporting is 2020, with all emissions reductions being measured against 2020 levels. Sweco is following the Carbon Law, developed by the Stockholm Resilience Centre, which involves halving the company's emissions by 2030.

Climate targets aligned with Paris Agreement

Sweco adheres to the "Business Ambition for 1.5°C" and has set climate targets aligned with what is required to limit global warming to 1.5°C. In 2022, Sweco submitted climate targets for validation and approval by the Science Based Targets initiative (SBTi). In 2023,

Sweco decided to conduct a review of the company's group-wide climate neutrality goal, with targets and measures to be developed to accelerate the transition in areas such as mobility and offices. In dialogue with SBTi, Sweco plans to update its application with new climate targets and revised emission levels during spring 2024.

Sweco's guidance for climate compensation

Climate neutrality will be achieved primarily by reducing emissions in Sweco's own operations. No more than 15 per cent of emissions reductions will be achieved through carbon sinks, emissions offsets, or climate compensation via established and third-party verified mechanisms.

Value chain provisions

Sweco's operations are comprised of consultancy services enabling clients with the climate transition in areas including energy, industry, resource use and transportation infrastructure. Sweco's targets and emissions reporting are limited to the environmental and climate impact that occurs upstream in the value chain (suppliers), as well as in its own operations. Impact from advisory and consulting services in projects is part of Sweco's downstream chain (clients) and is not included in current climate targets and emissions reductions.



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Towards climate neutrality by 2040 – key events during the year

Sweco has set a group-wide goal to have climate neutral operations by 2040. The path to achieving this is based on country-specific targets, with each business area formulating a roadmap to achieve climate neutrality ahead of the specific country's official target. Key events and actions taken in Sweco's markets during 2023 are presented below.

End years for climate neutrality in Sweco's business areas



2030

Belgium

In 2023, a mobility budget was introduced for employees designed to promote sustainable travel, which is expected to reduce the number of company cars over time. The scheme provides greater travel flexibility for employees, who can choose between using a company car or a mobility budget that can be used for any mode of transport. A slight reduction in the number of company cars was already noted during the year.

Finland

In 2023, the share of renewable energy at the offices amounted to 52 per cent which is an important step towards the goal of 100 per cent by 2025. Other initiatives include increased awareness of business travel and the development of Scope 3 business travel platform for internal use. The proportion of electric and biogas cars increased from 10 to 23 per cent in 2023 compared to the previous year.

UK

New guidelines and processes were implemented with regard to net zero emissions, energy and water, circularity and waste management as well as sustainable procurement. Standards were tightened for office waste management and recycling. Other measures include office mapping, development of a climate roadmap and stricter performance requirements for future offices, designed to reduce dependence on gas.

Sweden

As part of its work to achieve climate neutrality by 2030, Sweco reached 98 per cent renewable energy at the offices during 2023. To support the goal of having a fossil-free vehicle fleet by 2030, management decided during the year that only fossil-free cars may be acquired. The share of fossil-free passenger cars was 36 per cent in 2023, an increase of 19 per cent compared with last year.

2035

Netherlands

During 2023, Sweco promoted awareness regarding sustainable travel and mobility. Previous year's updates to the local travel policy already produced results in 2023, with a 22 per cent reduction of flights under 700 km compared to last year. Employees are offered travel reimbursement for cycling to and from work and client visits, just as when using other means of transport. This promotes sustainable travel, as well as employee health and well-being.

2036

Norway

Energy performance, location, and utilisation of the offices were integrated into the lease decisions. The renewal of the Bergen office lease was based heavily on the office's excellent energy performance and the plan for utilising office space efficiently. Employees are also offered options for efficient and climate-friendly travel to work such as new kinds of vehicle sharing solutions and leasing of electric bikes and cargo bikes.

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2040

Denmark

A range of targeted information initiatives for employees were implemented during the year to raise awareness about energy use and support energy efficiency measures in the offices.

Charging infrastructure was expanded during the year to promote sustainable travel for employees and meet the capacity needs of the fleet's increased number of electric vehicles. Sweco has reduced the emissions from employee commuting by 15 per cent during 2023 compared to previous year, mainly due to a 10 per cent increase of green mobility among the employees.

Germany

During 2023, efforts to increase the share of renewable energy in offices to 100 per cent intensified. Stricter requirements and standards for, among other things, using office space more efficiently were established during the year. Conversion of the vehicle fleet is progressing and the share of electric cars increased 74 per cent year-on-year.

A digital platform for emissions reporting was launched during the year, providing insights for employees to obtain an overview over the company's CO₂ impact on company, office and team level.

Lithuania

Sweco decided in 2023 to move to a smaller office with higher energy performance. The move will take place in early 2024 and the effects are expected to be realised during the same year.

New solutions and incentives for sustainable travel for employees were developed by promoting public transport and car sharing services for business travel. The number of company cars was reduced in 2023.

Poland

Launched in 2022, the "Bike to work" initiative continued to promote sustainable commuting among employees during 2023. For three months, employees competed in cycling to the offices and reached a total distance of 26,500 km resulting in carbon emission savings of 1,774 kg CO₂.

In 2023, investments have been made in the vehicle fleet, with around 80 per cent of the newly leased fleet consisting of hybrids.

Czech Republic

The goal of reducing energy consumption by 5 per cent year-on-year was achieved in 2023. Energy optimisation of offices and IT infrastructure contributed to this result. Efforts to convert the vehicle fleet are underway, but some challenges remain in terms of charging infrastructure availability near the offices and in society in general.



Sweco offers various incentive programmes for active travel to employees. The programmes are locally adapted in dialogue with employees to cater to their travel behaviour and needs. Travel reimbursement for cycling, electric bike-sharing services or mobility budgets for public transport are some examples of solutions.

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Climate footprint 2023

Inventory of Group emissions

Sweco's climate footprint is compiled and reported on an annual basis based on Group guidelines and in accordance with applicable standards such as the Greenhouse Gas (GHG) Protocol and SBTi. Several measures were applied in 2023 to increase comparability between countries, improve data quality and reporting processes within the Group. A group-wide inventory of Scope 3 emissions of Swecos operations was conducted to ensure a more detailed identification of material Scope 3 emission categories. The inventory was based on actual emissions data as well as a spend analysis.

Expanded reporting in 2023

The inventory was instrumental in harmonising the Group's emissions reporting. From 2023, all business areas report Scope 1 and Scope 2 emissions and the following Scope 3 emission categories: purchased goods and services, capital goods, fuel- and energy-related activities, waste management, business travel and employee commuting. Some emission categories were previously not reported in a complete manner. Other categories were added for the first time, as these categories were assessed to be material. Total emissions were therefore adjusted from base year 2020 through 2022.

New guidelines, processes and tools

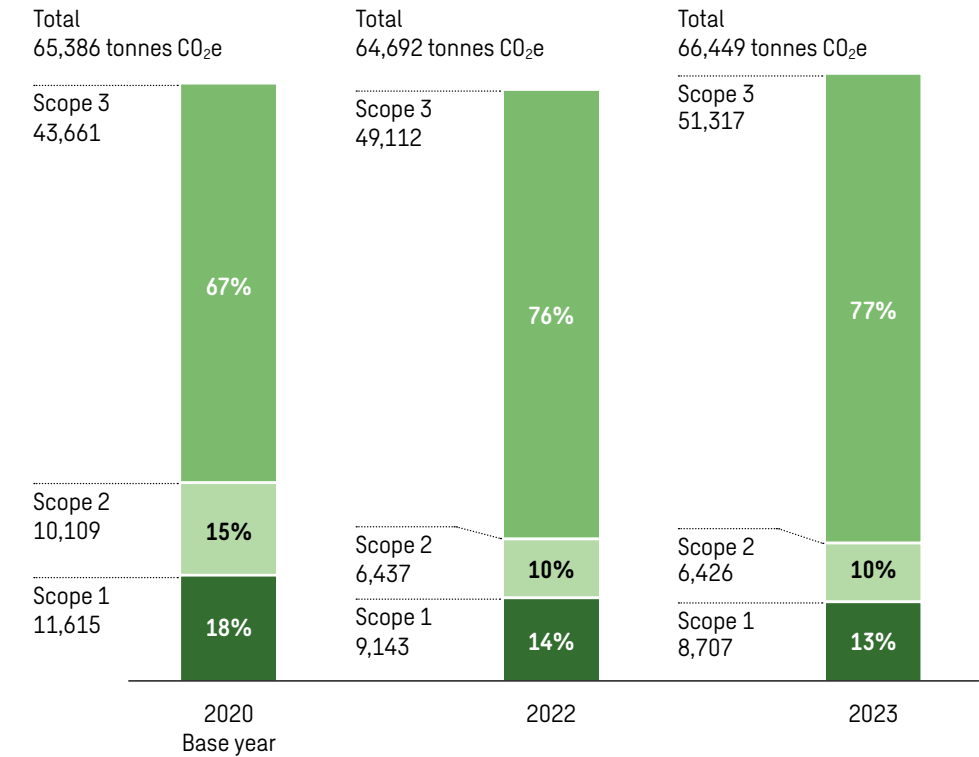
Carbon Accounting Principles (CAP) were developed by Sweco in 2023 as part of the company's efforts to improve data quality and processes. CAP pertain to common methods and guidelines for how to account for different activities within various emission categories. Futureproofed – a digital carbon management tool for group-wide emissions collection, analysis, monitoring and reporting – was also implemented during the year. Overall, these measures have resulted in more efficient and reliable emissions reporting, adapted to manage greater data complexity and increasingly far-reaching sustainability reporting requirements.

Outcome 2023

Sweco's climate footprint in 2023 amounted to 66,449 tonnes CO₂e, an increase of 3 per cent compared with the previous year. Scope 1 emissions decreased by 5 per cent compared to 2022, while Scope 2 emissions remained unchanged compared to 2022. The total Scope 3 emissions increased by 4 per cent compared to 2022 and after the expanded scope constitute 77 per cent of total emissions.

→ See page 87 for detailed information on climate emissions.

Annual climate footprint by GHG scope, 2020–2023 (tonnes CO₂e)



Scope 1 – Direct emissions from own facilities and vehicles
 Scope 2 – Indirect emissions from purchased electricity, heating and cooling consumed by Sweco
 Scope 3 – Other indirect emissions from Sweco's operations

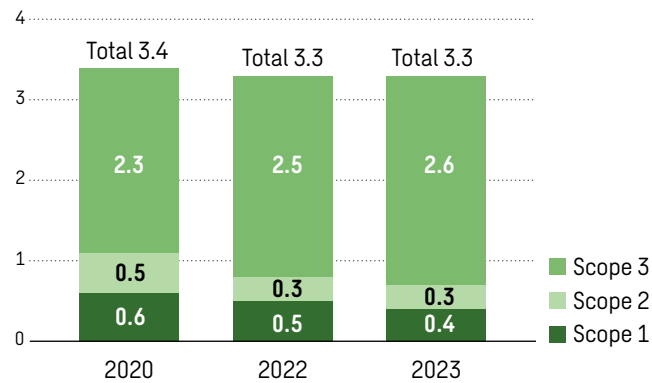
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Sweco's intensity impact

Sweco's operations have grown both organically and through acquisitions since base year 2020, which has also led to increased emission levels. However, Sweco's emission intensity (CO₂e per FTE) decreased by 4 per cent since 2020. The reduction is mainly due to measures taken in Scope 1 and 2.

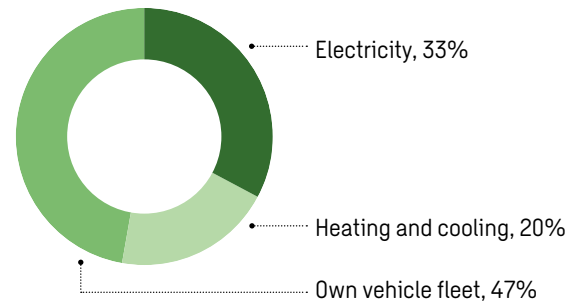
Carbon intensity 2020–2023 (tonnes CO₂e per FTE)



Scope 1 and 2 emissions

The total Scope 1 and 2 emissions amounted to 15,132 tonnes i CO₂e in 2023, a decrease of 3 per cent compared to previous year. This is primarily due to continued electrification of Sweco's vehicle fleet, where emissions decreased by 13 percent compared to 2022. Scope 2 is at an unchanged level compared to 2022. It depends partly on the difficulty of switching to green electricity contracts in certain countries and partly that the energy efficiency of the offices did not have the desired effect.

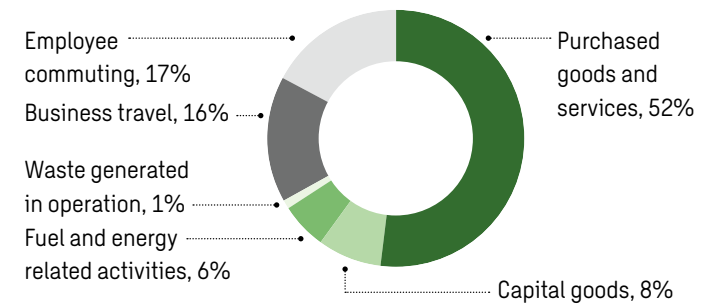
Distribution of Scope 1 and 2 carbon emissions per category during 2023



Scope 3 emissions

Total Scope 3 emissions amounted to 51,317 tonnes CO₂e in 2023, an increase by 4 per cent compared to 2022. Purchased goods and services, employee commuting and business travel are the categories with the largest impact. In 2023, travel increased both to and from offices and in projects, which contributed to an increase in emissions for business travel by 21 per cent, while there was a slight decrease by 1 per cent in commuting compared to the previous year.

Distribution of Scope 3 carbon emissions per category during 2023



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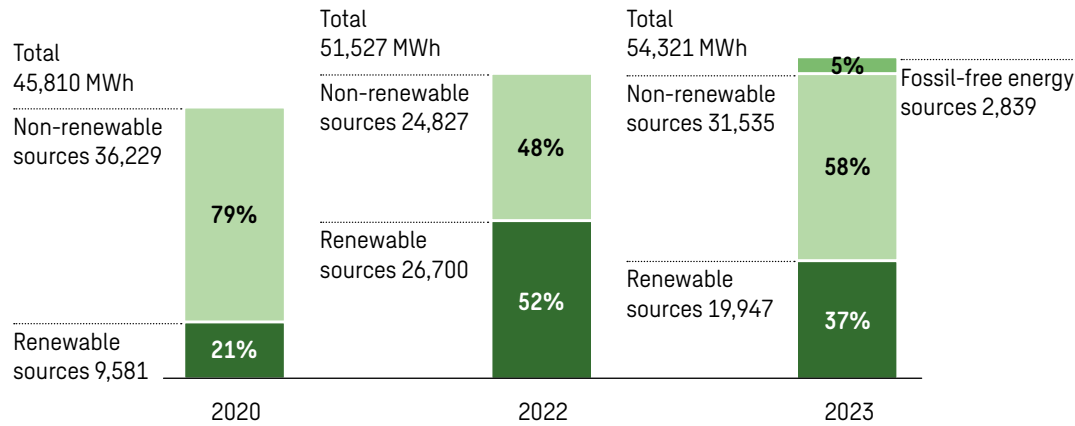
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Energy transition in the offices

Sweco aims to transition to renewable energy in its offices as part of achieving the goal of climate neutrality by 2040. During 2023, absolute energy consumption increased by 5 per cent, while the energy intensity (kWh per FTE) decreased by 2 per cent, both compared to 2022. Although the number of green electricity contracts has increased over time, the share of energy from renewables decreased to 37 percent (52) in 2023. The decrease is explained by improved data and emission factors.

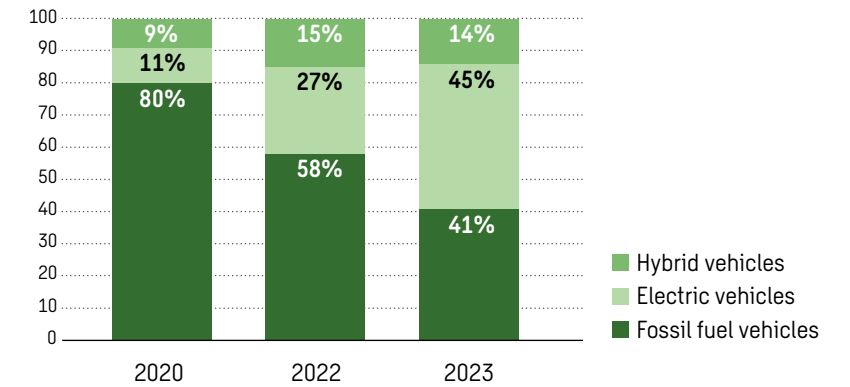
Total energy consumption and distribution by energy source, 2020–2023 (MWh)



Electrification of vehicle fleet

Sweco aims to electrify its vehicle fleet as part of the journey to climate neutrality. The efforts to increase the proportion of fossil-free vehicles (electric and hybrid vehicles) have been effective during 2023. The share of fossil-free vehicles increased to 59 per cent compared to 42 per cent in 2022. Electric vehicles accounted for 45 per cent of the total the vehicle fleet.

Distribution of vehicle fleet, 2020–2023 (as percentage of total number of vehicles)



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Sweco and the EU taxonomy

The taxonomy regulation and supplementary delegated acts are part of the EU's green growth strategy. The taxonomy is aimed at redirecting capital flows towards a sustainable economy and has been designed as a common classification system for environmentally sustainable investments, products and services within the EU.



Recent regulatory developments

The taxonomy regulation came into force in 2021, the year Sweco first reported the proportion of the company's net sales, capital expenditure and operating expenditure eligible under the regulation in relation to objectives for climate change mitigation and adaptation. Additional environmental objectives and economic activities were added for 2023, and Sweco is reporting the proportion of the company's net sales and capital expenditure (CapEx) that is taxonomy-eligible and taxonomy-aligned.

New economic activities

The new delegated acts include economic activities and technical screening criteria for the following four environmental objectives:

- 1) Sustainable use and protection of water and marine resources
- 2) Transition to a circular economy
- 3) Pollution prevention and control
- 4) Protection and restoration of biodiversity and ecosystems

These environmental objectives were analysed in 2023 to identify new economic activities for Sweco's operations. Based on this analysis, the economic activities covered by Sweco's reporting have been adjusted with the addition of activities related to digitalisation, climate adaptation, and a large part of the services Sweco provides its clients in terms of ecosystem and biodiversity restoration, flood and drought prevention, and contaminated site planning. These are only to be reported with respect to taxonomy-eligible activities. Assessment of taxonomy alignment will be reported for the first time in 2024.

→ Detailed information on the taxonomy is presented on pages 88–90.

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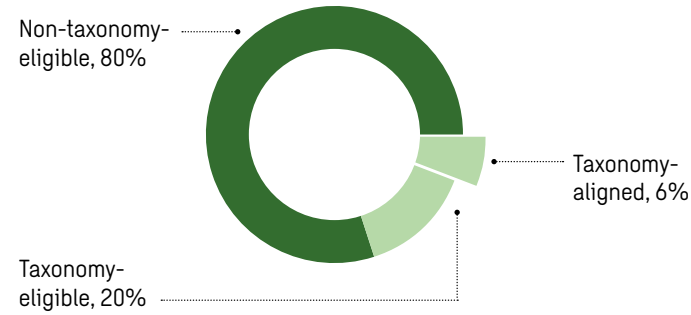
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Proportion of taxonomy-aligned net sales

Approximately 20 per cent (15) of Sweco's net sales was taxonomy-eligible in 2023, of which 6 per cent (4) was taxonomy-aligned and could be classified as environmentally sustainable projects. The higher eligibility is due to improved data quality and the addition of new activities. The low alignment is explained by the fact that the technical screening criteria for Do No Significant Harm (DNSH) are very strict. Since Sweco operates as a consultancy and does not have final decision-making power in its client projects, meeting DNSH criteria is deemed to be difficult to achieve.

Approximately 80 per cent (85) of Sweco's net sales was not taxonomy-eligible. Sweco's consultancy services within the energy, industry and manufacturing sector, as well as some of the services within the construction and real estate sector were not taxonomy-eligible.

Proportion of taxonomy-eligible and taxonomy-aligned net sales, and proportion of non-taxonomy-eligible net sales 2023

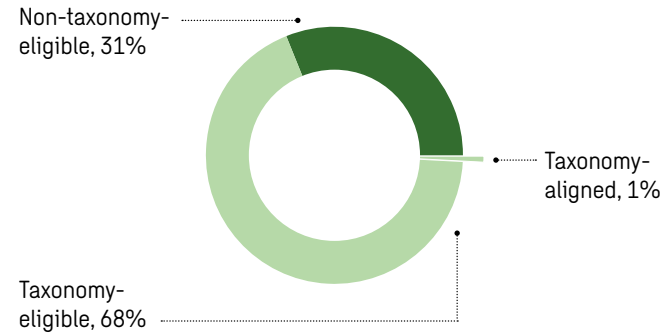


Taxonomy-eligible capital and operating expenditures

In 2023, 69 per cent (58) of Sweco's total capital expenditures (CapEx) was taxonomy-eligible, pertaining to office premises and the company's vehicle fleet, with the addition of the new economic activity Provision of IT/OT data-driven solutions, which primarily includes investments in the in-house development of digital products such as Twinfinity, a cloud-based platform for digital twins.

Due to the difficulty in obtaining documentation from suppliers and landlords and difficulty to meet the DNSH criteria, only 1 percent was taxonomy-aligned. For 2023, there were no operating expenses (OpEx) identified as being relevant for the taxonomy reporting.

Proportion of taxonomy-eligible and taxonomy-aligned CapEx, and proportion of non-taxonomy-eligible CapEx 2023



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Examples of projects with taxonomy-eligible economic activities

Buildings and urban areas



Climate protection for the urban area Kulturstrøget, Denmark

The urban area Kulturstrøget is a multifunctional project where climate protection, art and landscape architecture will create a new framework for urban life. Sweco will assist with landscape architecture, traffic planning and multiple engineering disciplines including rainwater management, climate adaptation and mobility.

Increase resilience against floods, Netherlands

Sweco is involved in one of the largest dike improvement projects in the Netherlands, covering 21 kilometres between the areas of Cuijk and Ravenstein. The objective is to increase resilience against floods through both technical and environmental aspects.

Water, energy and industry



Sustainable solutions for Anglian Water, UK

As the largest water company in England and Wales, Anglian Water provides drinking water as well as drainage and sewage services to seven million customers. Sweco will develop a framework for quantifying and analysing the value of sustainable solutions, such as nature-based solutions, in comparison to traditional engineering solutions.

Carbon Capture and Storage plant, Sweden

Heidelberg Materials, one of the world's largest building materials companies has commissioned Sweco to assist in the permit application process for the full-scale Carbon Capture and Storage (CCS) plant that Heidelberg Materials plans to construct in Slite, on the Gotland island, in Sweden. The project is one of Sweden's most comprehensive climate adaptation initiatives.

Transportation infrastructure



Expansion of the light rail system in the city of Tampere, Finland

Sweco is part of an alliance that has been contracted to provide design services in the expansion of the light rail system in the city of Tampere in Finland. The tram system plays an important role in the city of Tampere's efforts to reduce traffic emissions and thereby become carbon-neutral by 2030.

Availability of electricity and green fuels in 39 ports, Denmark

Sweco has been commissioned by the Danish Transport Authority to conduct an analysis of the availability of electricity and green fuels in 39 commercial ports. A multidisciplinary Sweco team with expertise in transport, logistics, ports, geotechnics, and energy will carry out a mapping of the energy infrastructure in the ports, in order to provide clarity on the need for green energy investments.

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Sweco is where experts come together

Sweco's strength is based on the collective expertise of its employees. Architects, engineers and specialists at Sweco work with the company's clients to develop solutions to meet the greatest societal challenges of our time. Sweco's decentralised approach creates active involvement and gives each employee a high degree of responsibility and opportunity to influence.

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Leading experts in society's sustainable transformation

Sweco is guided by a strong and purpose-driven culture, with committed experts who are challenged to think outside the box and inspired to create change in collaboration with colleagues, clients and society at large. Sweco's experts work together in exciting projects and sectors, such as renewable energy, circular resource management, electrification of transport and industry, and the planning and design of urban areas and critical infrastructure. As Europe's leading architecture and engineering consultancy, Sweco holds a strong position as a sought-after advisor in complex, transformative projects.

Personal responsibility promotes commitment

Sweco is comprised of 1,700 independent, but interconnected teams of 10–15 employees led by team leaders responsible for client rela-

tionships, projects and employees. Experts with different specialties, experience and knowledge are authorised to make their own decisions and take responsibility to drive change together with Sweco's clients. This creates results in projects and a sense of pride and commitment among employees. This successful model was validated in this year's employee survey. Sweco received a score of 4.1 on a 5-point scale in employees' responses to the statement "I am proud to work at Sweco", and a score of 4.2 in response to the statement "I have the opportunity to influence my own work".

Expertise that meets clients' needs

Sweco's employees are the single most important factor in enabling the company to meet clients' needs, both today and in the future. Project conditions and requirements are constantly changing as society develops. Sweco attaches great importance to being the most

approachable and committed partner, with recognised expertise.

90 per cent (91) of Sweco's employees state that they have a good understanding of clients' needs. In 2023, Sweco strengthened its advisory capacity in several areas where there is high demand for its services, including transition to renewable energy systems and expansion of electricity transmission and distribution infrastructure, climate risk adaptation, circular economy in construction and real estate, and nature-based solutions focused on biodiversity. The average score from Sweco's 2023 client satisfaction surveys is 8.8 (8.7/10). And in this year's survey, employees gave a score of 4.2 (4.4) in response to the statement "In our team, we build long-term relationships with our clients".

83%
of Sweco's employees
feel inspired in their daily
work (2022: 79%)



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Integrated consulting in an international arena

Sweco's architects and engineers meet and collaborate in an international arena through cross-border projects in which the client is offered integrated advisory services in design, planning, technology, sustainability and digitalisation. In 2023, an international group of transport infrastructure experts from Bulgaria, Finland, India, Poland and Sweden collaborated on the expansion of the Stockholm Metro. Other ongoing collaborations include the design and planning of hydrogen infrastructure, establishment of carbon capture and storage (CCS) facilities, and emission reductions in industrial processes for steel, cement and chemicals.

Attractive employer

Sweco's attractive international employer brand, with good prospects for personal development in transformative projects, was a strong incentive for the new colleagues welcomed to Sweco during the year. Sweco recruited nearly 3,800 new employees in 2023, an organic growth of 2.8 per cent compared with last year. An additional 1,100 new employees were also welcomed to Sweco through acquisitions of consultancies in countries including Belgium, Denmark and Sweden, resulting in an employee growth rate of 8.5 per cent (5.7) for the year. Through Sweco's pre-boarding process, new employees in several business areas have had the opportunity to familiarise themselves with Sweco's structure, organisation and culture at an early stage and establish contact with colleagues on their team. Sweco's systematic onboarding process has also been instrumental in providing a positive, smooth start at work and in client projects. As a result,

90 per cent of new employees have been involved in their first client projects within the first three months of employment.

Lower employee turnover

Retaining current employees in a highly competitive market was a major focus area in 2023, with a range of targeted measures implemented in the areas of employee dialogue, individual development, enhanced leadership programmes and mobility. In a positive trend, voluntary employee turnover at Sweco decreased at year-end to 11.6 per cent (13.9). Sweco works with qualitative exit surveys and has a structured process in place to implement and follow up on improvement measures based on these surveys. Former employees can serve as Sweco's best ambassadors and return to the company in the future. A good exit is therefore at least as important as the onboarding process for new employees. In 2023, nearly 60 per cent of employees responding to exit surveys stated that they would consider returning to Sweco.

Collective agreements or equivalent

Sweco respects the right of all employees to form or join independent trade unions and the right to collective bargaining. As regards suppliers' employees, Sweco's requirements in this area are specified in the company's Code of Conduct for partners. These requirements are aligned with the rights applicable to Sweco's employees. In 2023, 76 per cent (74) of all employees were covered by collective agreements. Employees in Germany, the UK and Ireland, where terms of employment comply with the respective country's labour legislation and insurance system, do not currently have collective agreements.



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Workers' representatives

Trade unions and workers' representatives are considered a valuable support for employees, and Sweco builds relationships with these parties based on mutual respect and dialogue. Sweco meets regularly with workers' representatives to provide information and discuss issues concerning the company's performance, potential organisational changes, health and safety, employee survey results, diversity and inclusion, and terms of employment. These meetings are held on various levels – local, national, or within the framework of the European Works Council (EWC).

82%

share of employees represented by workers' representatives (2022: 82%)

Non-employed personnel

In addition to its employees, Sweco has an external workforce (sub-consultants and agency staff) that does not have a direct employment relationship with the company. Sweco also offers students and new graduates trainee and internship positions in various parts of the company. In 2023, the total number of (internal) employees was complemented by an additional 2,000 external employees, representing 8.3 per cent (9.1) of the combined workforce.

Employee dialogue

During 2023, 88 per cent (91) of Sweco's employees had an individual performance review (Sweco Talk) with their managers. An employee survey is also distributed annually to everyone in the organisation. The survey response rate among employees in 2023 was 88 per cent (87). Survey results are made available to the entire organisation and are followed up with in-depth workshop discussions at team level. Other forums for employee dialogue include meetings and conferences within and among teams, networks and divisions, as well as a range of digital channels for exchanging information and expertise, including a group-wide intranet. According to this year's employee survey, 89 per cent (89) of employees feel that their manager promotes team collaboration.

88%

of Sweco's employees feel that their manager cares about them as individuals

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Training and competence development

With international operations in several markets and encompassing multiple areas of expertise, Sweco works continuously on competence development to enable employees and teams to achieve their full potential. Special focus is given to individual development, which is achieved in client projects and through targeted training, courses and programmes. Sweco also encourages internal mobility and knowledge-sharing between teams, projects and business areas. In this year's employee survey, Sweco received a score of 4.1 on a 5-point

81%

of Sweco's employees feel that they have good opportunities to learn and develop in their jobs (2022: 83%)

scale in employees' responses to the statement "I develop my professional knowledge in my work", and a score of 4.0 to the statement "I've had a meaningful discussion about my career development with my manager".

Young talents and mentorship

Attracting and developing future talent is crucial to Sweco's long-term success. Through collaborations with schools, vocational training programmes and universities, Sweco establishes dialogue with young talents at an early stage in their career. In several markets where Sweco operates, trainee and introductory programmes as well as mentoring are offered to students and young professionals at the start of their career.

Introductory programme for new energy and railway graduates

In 2023, Sweco welcomed 36 new engineering graduates to the T&D Academy in Sweden, the company's introductory programme in transmission and distribution designed to attract and develop engineers who see career opportunities in future-proofing electricity grids and energy systems. The Railway Academy, Sweco's introductory programme in railways, trams and metros, ran for its second consecutive year. 23 new engineering graduates meet Sweco experts with a focus on specific rail transport technologies, such as railway systems, signals engineering and rolling stock. The programme also covers business skills, self-management, quality and automation.

»As a new graduate it's hard to know what you want to work with, so it's really valuable to be here at Sweco. I have the chance to work on many different projects and have a lot of responsibility, while also receiving a lot of support from senior employees.«

Aylin Berber, programme participant with a master's degree in sustainable energy technology



»We need to bring new expertise to the industry to manage the energy transition and a doubling of electricity demand in Sweden by 2035. T&D Academy is Sweco's initiative to promote this and meet market demand.«

Alexandra Tidlund, programme supervisor and energy and environmental engineer at Sweco



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Leadership development

Strong, clear leadership is essential to enable Sweco to address the rapid changes in the world and the opportunities these present. The group-wide EDGE leadership programme was developed in 2023. EDGE (Empowerment, Discovery, Growth and Execution) is geared towards the business areas' management teams, with a well-balanced focus on strategic thinking and operational execution. EDGE covers developments in the areas of strategy, digitalisation and AI, as well as organisational and personal leadership. The programme will be carried out during 2023 and 2024. The Leadership Statement, Sweco's group-wide leadership framework, was updated in 2023 and is designed to clarify Sweco's views on leadership and provide direction to the company's employees in achieving Sweco's strategy and goals.



Leadership development at Sweco – examples from 2023

Project Academy in Denmark

The Danish organisation has established an internal Project Academy focused on developing managers' skills in managing client projects. The goal is to deliver even better client projects, improve collaboration between professional groups and support the professional and personal development of Sweco employees. The Project Academy is carried out annually, with around 350 participating employees in 2023. After each module, a follow-up is done on individual development goals, personal benefits of the training and ways in which insights can be applied in everyday life.

IMPACT in the Netherlands

In 2023, all managers in the Netherlands took part in IMPACT, a leadership development programme on internal efficiency. The programme focused on communicating the importance of internal efficiency, developing a dialogue with employees about time management and client billing, and creating a common ground with well-defined goals and a clear approach. One of the most important insights drawn from the programme was that working on internal efficiency involves a change in culture and requires an action plan broadly supported throughout the organisation. IMPACT was the springboard for an improved billing ratio, which increased approximately 6 per cent in the Netherlands after the completion of the managers training compared with the previous year.

Leadership Academy in Sweden

A development programme was carried out within the Leadership Academy framework for the majority of the company's regional managers, to help them develop themselves, their relationships and their business. A new Sweco onboarding programme was introduced for new managers to help them step into the new role, understand what it means to lead at Sweco and build networks with other managers. The Leadership Statement has been rolled out in the Swedish organisation with manager meetings, supported by workshop material for different management levels. All relevant processes have been updated and the framework has been integrated into the organisation's leadership development programme.

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90%
of Sweco's employees feel they are treated equally and fairly regardless of background

Diversity and inclusion

Sweco actively promotes competence-based recruitment, and the company strives to reflect the diversity of the markets in which it operates. Sweco's 1,700 work teams are enriched by people with different competencies, perspectives and experiences. All Sweco employees have equal rights, responsibilities and opportunities to work as architects, engineers, technicians and specialists, regardless of gender, transgender identity or gender expression, religion or other belief system, functional variation, sexual orientation or age. According to this year's employee survey, 94 per cent of Sweco's employees feel they are respected at their workplace.

Gender equality

Sweco has a target of having 40 per cent female employees group-wide by 2040. The percentage of female employees at Sweco was 35 per cent in 2023. The gender distribution in the Board and the Executive Team remains even. Sweco maintains its place on Swedish foundation Allbright's annual green list of gender-equal listed company management teams.

Percentage of women on the Board
43%
(2022: 43%)

Percentage of women in the Executive Team
43%
(2022: 43%)

Percentage of women in the Group
35%
(2022: 35%)

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Solidarity in an inclusive culture

Sweco can only be truly innovative and capable of developing the best solutions when people with diverse backgrounds, thoughts and ideas meet and collaborate. Sweco achieves this by offering a workplace characterised by diversity and solidarity in an inclusive culture.



Learning a language

– Network for non-native speakers in the Netherlands

Being unable to use your native language at work presents challenges. Vikki Wardley, team leader at Sweco, knows all about this, having moved from Australia to the Netherlands 13 years ago. This experience motivated her to start a network for non-native Dutch speakers at Sweco, who meet every three months to practice the language and talk about their experiences. A special toolkit has been developed to make conversations easier for non-native speakers.



Thrive@Sweco

– LGBTQ+ employee network in the UK

The LGBTQ+ network Thrive@Sweco was established in 2023. The network promotes a sense of community and solidarity for LGBTQ+ people and provides a safe space to meet and share experiences. By making LGBTQ+ experiences more visible, the network creates a better understanding throughout the wider organisation. Sweco has also initiated a dialogue with employees about starting a network for people with functional variations.



Refugee Talent Hub

– Partnership for integration in the Netherlands

Through its partnership with the Refugee Talent Hub organisation, Sweco comes into contact with candidates with refugee backgrounds. By matching skills needs within a broad spectrum of engineering programmes, candidates are connected with job vacancies and mentors at Sweco. Mohammed Al-Rawhani, born in Yemen, and Jorrit Kootstra, who works at Sweco, both applied to participate in the mentorship programme through the Refugee Talent Hub – Mohammed to increase his opportunities on the Dutch labour market, and Jorrit to make a difference for a potential colleague.

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Equal opportunities for all

Sweco has policies focused on ensuring equal pay for equivalent work. Sweco continuously monitors this, and appropriate measures are taken immediately if salary disparities based on gender are identified. Remuneration at Sweco is market-based and competitive, based on work duties and individual employee performance. The 2023 employee survey confirms that employees feel Sweco is an inclusive and fair workplace, with 90 per cent (91) stating that all team members can achieve their full potential regardless of who they are.

Health and work environment

Sweco has a zero-incident vision, and the company's work environment management is based on a robust management system for safety, health, environment and quality certified under ISO 45001. Many Sweco employees work on projects at client sites, where Sweco does not have direct control of the client's work environment. Great importance is therefore placed on emphasising work environment aspects in the company's business agreements and ongoing client dialogue.

Thanks to its decentralised organisation, Sweco can adapt tools and activities to local conditions. At the business area level, Sweco works systematically to prevent incidents and accidents and to continuously improve the work environment. This includes improving risk

awareness and promoting a work culture and behaviour that supports safety and well-being.

Annual employee and general satisfaction surveys are complemented with individual discussions that encourage open dialogue between managers and employees, focused on maintaining employee and group well-being and commitment. In this year's employee survey Sweco receive scores of 4.0 in response to the statements "Expectations for my work are reasonable" and "Sweco promotes work-life balance". Sickness absence was 3.7 per cent (3.8) at the close of 2023.

88%

of Sweco's employees feel their workplace has a good atmosphere (2022: 87%)

Hi tech-girl! New mentoring programme for women in IT, digitalisation and tech

In 2023, Sweco launched a new mentoring programme for young women and non-binary people who are students or at early stages in their careers, and who see a future in IT, digitalisation, tech, development and innovation. The programme runs for two terms, August 2023 through June 2024, with mentors from Sweco coaching their mentees in future careers and inviting them into their networks.



»Throughout my professional life, I've seen the magic that tech creates for positive urban development – the value that digitalisation brings. I hope that now, through my experience, I can offer valuable support to someone at the start of their career.«

Sara Jonasson, team leader in Karlstad, Sweden
Sweco Digital Services

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Responsible business conduct

Acting responsibly and with integrity in all parts of the value chain is a cornerstone of Sweco's business. Sweco works systematically to maintain good business ethics, prevent risks and positively impact the environments in which it operates.

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Responsibility incorporated into all levels

Sweco's decentralised approach, with all employees responsible for their own business relationships, sets high standards for personal awareness of and compliance with business ethics. Employees and business partners are responsible for complying with laws, regulations and international standards and applying Sweco's own business ethics guidelines and principles.

Sweco Business Partner Programme

In addition to requiring Sweco's business partners to comply with the company's Code of Conduct, Sweco also uses a specific corporate responsibility programme – the Sweco Business Partner Programme – to evaluate its partners. The programme includes guidelines in areas such as anti-corruption and human rights, as well as a training programme that Sweco's consultants and partners participate in together. For projects outside Sweco's home markets, the company has a process for risk assessment of projects and business partners, which applies Transparency International's Corruption Perceptions Index (CPI) as one parameter. The higher the risk a project is deemed to have, the stricter the assessment.

Zero tolerance for bribery and corruption

Sweco safeguards its integrity and is committed to maintaining trust in its operations. The company has zero tolerance for involvement in or association with illegal or unethical business practices such as corruption and other financial crime. Sweco works proactively to prevent the risk of being exposed to corruption, in accordance with applicable laws and regulations and internal rules and ethical principles. The company's anti-bribery and corruption policy establishes group-wide instructions and guidance to prevent corruption. Each business area is responsible for identifying corruption risks and implementing measures to manage and mitigate these risks.

In November 2023, Compliance Week was arranged for the third consecutive year. The topic this year was "Gifts and business entertainment", with particular focus on business ethics dilemmas and providing information on compliance to employees in all countries.

During 2023, there were zero (0) confirmed incidents of corruption, legal cases regarding corruption brought against Sweco or its



Code of Conduct

Sweco's Code of Conduct represents the company's framework for ethics and standards for business conduct. The Code is based on international standards such as the UN's Guiding Principles on Business and Human Rights (UNGPs), the ILO's core conventions, the OECD's guidelines for multinational companies, the UN's Global Compact principles and related legislation. The Code applies to all Sweco Group employees in all markets in which the company operates and covers business ethics, climate and environment, working conditions and employee development, human rights, data protection, regulatory compliance, reporting, and the handling of suspected irregularities.

The Code is adopted by the Board of Directors and is updated annually. In 2023, the Code was updated to clarify Sweco's responsibility to promote and respect human rights. Training in Sweco's Code of Conduct is obligatory for all employees, who confirm compliance by signing the Code on an annual basis. In 2023, 95 per cent (92) of employees read and signed Sweco's Code of Conduct.

Share of employees that read and signed Sweco's Code of Conduct in 2023, %



Executive Team, 100 (100)
 Employees, 95 (92)

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employees, or disciplinary actions against, dismissal of employees or termination of contracts with partners due to corruption. Sweco requires all employees to report discovered or suspected improprieties or misconduct.

Political influence and lobbying

Sweco is politically independent and does not support political parties by donating to or participating in lobbying activities related to local, regional or national political campaigns, organisations or candidates. Collaboration and targeted dialogue is conducted with clients, partners, investors and society at large, as a key component of Sweco's long-term development and to accelerate the transition towards a sustainable future. Sweco also participates in national and interna-

tional industry organisations to exchange information and develop joint action plans that support Sweco's operations in the environments in which the company operates. All interactions are conducted in accordance with Sweco's Code of Conduct and relevant laws and guidelines on transparency and business conduct.

Suppliers

Sweco's procurements broadly cover the following categories: sub-consultants, office space and IT, travel and employee costs other than salaries and remuneration. Although Sweco's supply chain is limited and its most significant sustainability impact occurs in client projects and collaborations with other parties, Sweco expects all of its suppliers to comply not only with laws and regulations in the countries

where they operate, but also with group-wide principles in Sweco's Code of Conduct. Sub-consultants at Sweco are required to sign the Code of Conduct, which covers areas including health and safety, environmental management, business ethics, compliance, human rights and workers' rights.

Management and evaluation of supplier relations and procurement also take place at the business area level based on local policies and procedures. Sweco ensures regulation of sustainability requirements in its supplier and contract management through contractual commitments from the company's suppliers. Sweco's goal is to use ongoing dialogue to continuously improve the review and management of its supply chain and establish processes and tools to further develop sustainability performance.



Sweco's business ethics framework



Code of Conduct

The Code of Conduct is based on Sweco's approach and values as a company, business partner and social stakeholder. The Code, which specifies the requirements Sweco has for its behaviour, covers Sweco's employees as well as business partners.



Policies

Sweco has central policies in place regarding anti-bribery and corruption, gifts, hospitality and entertainment, privacy, remuneration, crisis management, authorisation, finance, tax, sponsorship and information security. Sweco's Code of Conduct also constitutes the company's policies on health and safety and human rights. Local policies in the business areas cover e.g. procurement and travel.



Business Partner Programme

Sweco's Business Partner Programme ensures that current and prospective partners comply with the company's business ethics requirements.



Ethics Line

The Sweco Ethics Line is a whistleblowing function that enables anonymous reporting of suspected business ethics misconduct. Like Sweco's other reporting channels, the Ethics Line is open for reporting suspected human rights violations.



Risk management

Sweco's risk management procedures identify and manage operational, financial and sustainability-related risks and opportunities.

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Human rights

Sweco supports and respects human rights, as defined by international conventions. Sweco's Code of Conduct also serves as the company's group-wide human rights policy. Sweco has 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. The company actively promotes equal rights and opportunities in the workplace, within Sweco and in 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 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. No suspected violations of human rights were reported in 2023.

Taxes and distributed value

Taxes play a key role in financing public services in the areas of climate and environment, healthcare, social welfare, infrastructure, education and the legal system. In addition to the solutions and values Sweco experts create with clients in projects, taxes and fees are considered an integral part of sustainable business operations that contribute to society.

Sweco pays taxes in accordance with local tax laws and regulations in the countries where the company operates. Sweco aspires to a high standard of tax management and provides transparent financial reports based on OECD principles, meaning that Group results are taxed where value is created. The tax policy serves as Sweco's framework for tax management and is reviewed annually. For 2023, Sweco paid SEK 525 million (389) in company tax. In addition to company tax, Sweco contributes additional value related to salaries, pensions

and employee benefits, dividends to shareholders, payments to suppliers, and taxes. Social fees, exclusive of pension costs, totalled SEK 2,570 million (2,165) in 2023.

→ Sweco's tax report is presented on pages 96 and 115–117.

Income tax paid (SEK million)	2023	2022	2021
Total	525	389	432

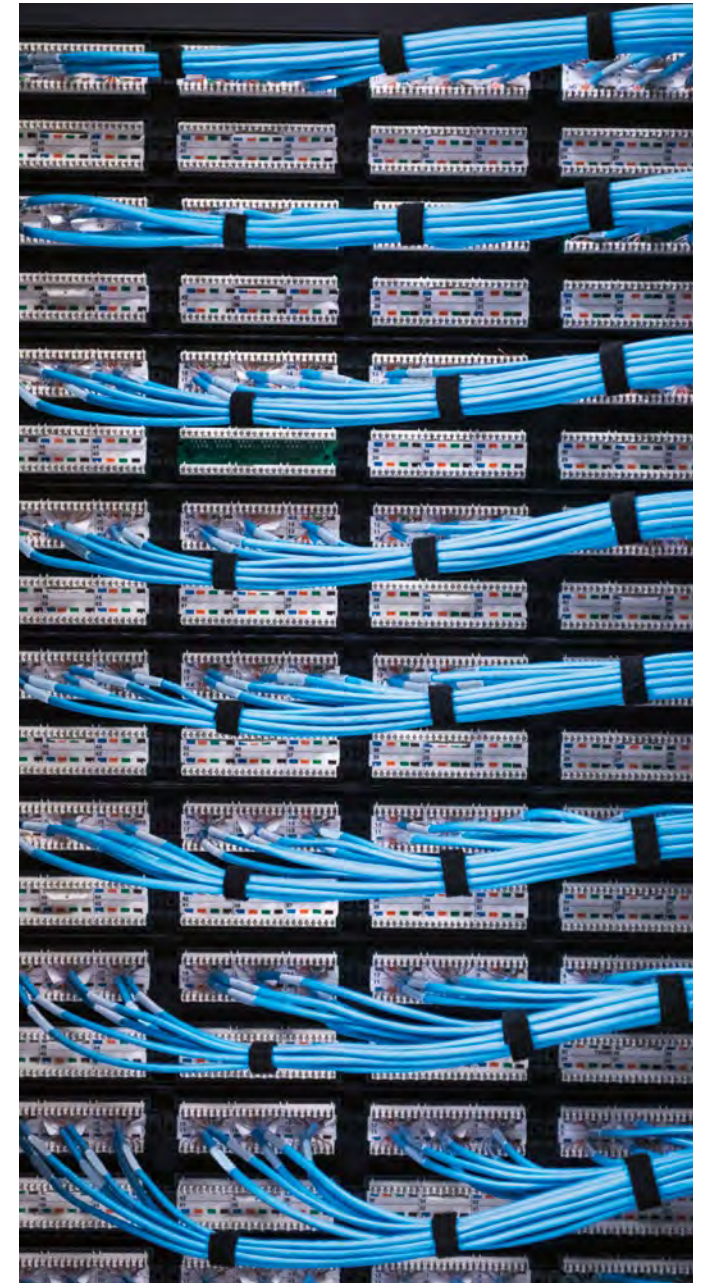
IT and cyber security

The exponential growth of data and increased dependence on digital infrastructure underscore the importance of information security. Cyberattacks and data theft can have a significant impact Sweco's operational integrity, financial stability and reputation. Sweco works continuously to strengthen the company's framework for information security, which is designed to safeguard information and IT infrastructure against existing and new threats and risks, thereby ensuring availability and continuity in Sweco's operations and client projects.

Sweco's information security and incident management functions are placed organisationally with the Chief Information Security Officer (CISO). During 2023, Sweco expanded the implementation of ISO 27001 in several of the company's business areas. ISO certification in an international standard that enables Sweco to implement and maintain its information security system to reduce risks and protect business-critical data through identification, analysis and controls.

Due to the geopolitical situation marked by the wars in Ukraine and the Middle East, the threat level increased in 2023 on several markets where Sweco operates. As a result, Sweco has increased controls and proactive identification of risks in its systems to ensure the company's resilience. Risks identified through these tests are analysed and addressed.

Sweco worked actively during the year to create a security-conscious culture among all employees, with regular training sessions in cyber risks and measures that can be applied to prevent cyberattacks.



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Data privacy

Sweco respects people's privacy. In an increasingly digital and data-driven world, it is more important than ever to protect the personal information that clients, employees and other parties entrust to Sweco. Sweco has established a framework to protect the privacy rights of all individuals whose personal data is handled by the company.

Data Privacy team

Sweco's Data Privacy team is comprised of a Group Privacy Officer and local Privacy Officers from Sweco's business areas. The team issues data privacy guidelines and supports the organisation in maintaining business operations that are compliant with applicable laws and regulations.

Policies and procedures

Sweco's Privacy Policy and associated standards and procedures define Sweco's data protection principles.

Training and awareness

All employees are required to complete Sweco's e-learning on data protection and are offered regular Nano training on privacy and infor-

mation security. The completion rate for privacy e-training was 95 per cent, maintaining the same level as previous year. Each business area also arranges tailored local privacy awareness activities on an annual basis.

Documentation and incidents

Sweco maintains a group-wide IT tool to document measures and manage and register inquiries from data subjects and potential privacy incidents.

Reporting and audit

Data protection and privacy compliance is reported quarterly to Sweco's Board of Directors and reviewed through Sweco's Group Privacy and Internal Audit function. Three business areas were reviewed in 2023.

Awareness and training

All employees receive regular training in business ethics to increase awareness, generate internal dialogue and equip the organisation with a sound ethical compass. Dilemma discussions, which all employees participate in annually, are a key component of this training. The dilemmas are inspired by events that have occurred in Sweco's business activities or in client projects. Sweco also has a system for digital training related to employees' roles and work duties. During 2023, 96 per cent (96) of Sweco's employees participated in internal training in business ethics. Each business area also arranges tailored local activities on an annual basis to increase awareness of business ethics.

Compliance and audit

Sweco's Group Compliance function is responsible for advising on, supervising and monitoring compliance issues. In line with Sweco's decentralised organisation, responsibility for compliance lies with the business areas and is monitored on a monthly basis.

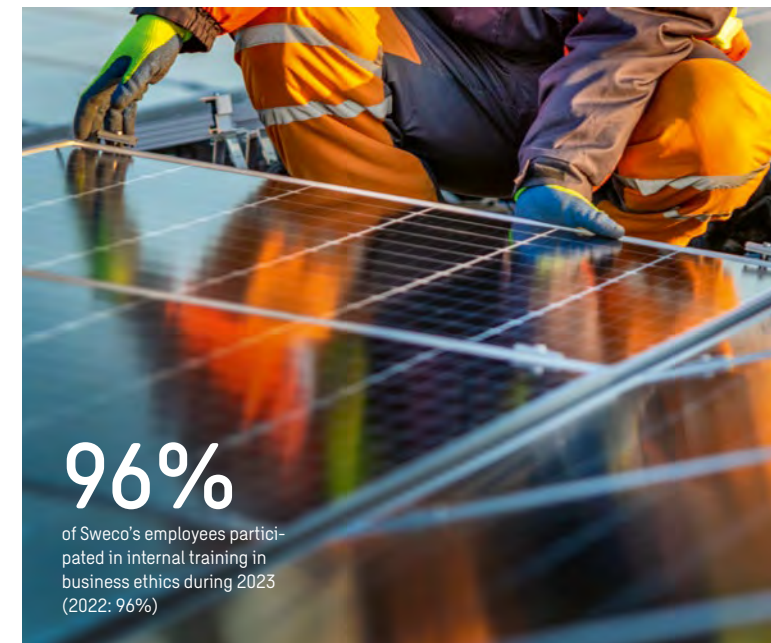
Sweco has addressed the risks identified in the 2022 risk analysis

regarding business ethics, human rights, and data protection and privacy. To enable structured evaluation and implementation of Sweco's Code of Conduct and other policies, the company's business ethics and data protection work is regularly audited and reviewed based on identified risks.

Sweco's local Compliance Officers and Privacy Officers support the organisation in implementing business ethics and data protection policies. Compliance is reported quarterly to Sweco's Board of Directors and reviewed on a regular basis through Sweco's internal audit function. In 2023, two business areas were audited by Sweco's internal audit function and one business area was reviewed as regards implementation of Sweco's compliance programme.

Reports of misconduct

Sweco has a zero-tolerance policy with regard to violation of the law and business ethics and to human rights violations. Sweco focuses on enforcing this policy by proactively providing training and information, and by reactively picking up on and managing incidents. The



Sweco Ethics Line, one of the company's whistleblowing channels, can be used by employees and external parties for anonymous reporting of suspected misconduct. Any illegal or unethical behaviour, including human rights violations, can be reported anonymously via the Sweco Ethics Line, which is operated by an external provider. Sweco also has internal reporting channels available to employees. All reported incidents are promptly investigated, regardless of the reporting channel used. Investigations are managed as locally as possible. The company's CEO and Audit Committee are regularly informed about relevant cases.

Incidents 2023

In 2023, 21 incidents (16) were reported through Sweco's whistleblowing function. Incidents related to business ethics and employees were investigated and necessary actions have been taken as a result of the reports. Incident management of confirmed violations also includes evaluation and implementation of measures required to prevent similar incidents in future.

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Resilient societies – the year's theme for Sweco's Urban Insight knowledge platform

It is estimated that nearly 84 per cent of the fastest-growing cities are extremely vulnerable to climate risks and catastrophes, according to the UN's Development Programme, UNDP. Focus is on resilience as more and more of the world's population lives in cities. In 2023, Sweco's Urban Insight knowledge platform explored ways in which cities and communities can strengthen their adaptability and manage challenges and crises now and in the future.

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 30 reports in areas such as sustainable transport, energy transition, climate challenges, health and well-being, circularity and resilience.

The overarching theme in 2023 was "Resilient societies". In the wake of climate change and greater global uncertainty, efforts to strengthen the resilience of various types of communities – from countries and cities to households and busi-

nesses – have become more relevant than ever before. The concept of resilience involves the ability to withstand and cope with change, to recover and continue to develop, and to equip oneself to better respond to subsequent changes.

The theme for 2024 will maintain focus on developing resilient societies. Reports during the year will focus on ways in which cities and communities can strengthen their adaptability and long-term resilience by taking best advantage of innovation, technology and new opportunities.



Resilient societies – Insight reports

Sweco launched several insight reports in 2023 under the "Resilient societies" theme. The reports highlight various solutions for adapting critical infrastructure to extreme rainfall and extreme weather events, transitioning societies from grey to blue-green infrastructure on a large-scale using nature-based solutions, and mitigating or preventing the effects of power outages and supply chain disruptions.

→ [Download the Urban Insight reports on swecogroup.com](https://www.swecogroup.com)

»It's important not only to solve problems in the short term, but also to include the long-term visions. The world is undergoing an enormous transition right now, and at Sweco we have the expertise to manage this in a sustainable and resilient way.«

Diego Luna Quintanilla,
Expert Leader for Urban Insight 2023



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Climate and environment

Group greenhouse gas (GHG) emissions and energy consumption

GHG emissions per scope and category – tonnes CO ₂ e	2023	2022	Base year 2020	Change 2022–2023, %
Scope 1				
Total Scope 1	8,707	9,143	11,615	-5
Heating & cooling	1,640	984	1,009	67
Own vehicle fleet	7,067	8,160	10,606	-13
Scope 2				
Total location-based	5,393	–	–	
Total market-based	6,426	6,437	10,109	0
Electricity	4,957	4,938	7,995	0
Heating and cooling	1,468	1,499	2,114	-2
Scope 3				
Total Scope 3 emissions¹	51,317	49,112	43,661	4
Cat 1 – Purchased goods and services	26,821	26,130	25,162	3
Cat 2 – Capital goods	3,971	3,593	3,773	11
Cat 3 – Fuel and energy-related activities	3,109	3,349	3,516	-7
Cat 5 – Waste generated in operations	774	718	806	8
Cat 6 – Business travel	8,008	6,627	3,470	21
Cat 7 – Employee commuting	8,634	8,694	6,933	-1
Total GHG emissions (location-based)	65,417	–	–	
Total GHG emissions (market-based)	66,449	64,692	65,386	3

Scope and method

In 2023, an inventory of Scope 3 emissions was conducted to identify material scope 3 categories across the Group. As a consequence, additional emission categories were added during 2023. Investments and Upstream transportation were scoped out due to immateriality and lack of relevance for Sweco's business.

All entities within Sweco are now required to report on all material emission categories decided by Group. This means that the total emissions are significantly higher compared to previously reported emissions.

	2023	2022	Base year 2020	Change 2022–2023, %
Mobility				
Total emissions, tonnes CO ₂ e	14,717	15,264	13,988	-4
tonnes CO ₂ e/FTE ²	0.73	0.78	0.73	-6
Office				
Electricity	4,081	4,276	7,994	-5
Heating and cooling	3,108	2,306	2,873	35
Total emissions – tonnes CO₂e	7,189	6,581	10,867	9
Key indicators				
<i>Emission intensity²</i>				
tonnes CO ₂ e/Net sales in SEK M	2.3	2.7	3.1	-13
tonnes CO ₂ e/FTE	3.3	3.3	3.4	0
kg CO ₂ e/ Net sales in SEK M	2,330	2,663	3,135	-13
kg CO ₂ e/FTE	3,309	3,296	3,431	0
<i>Energy intensity³</i>				
kWh/FTE	2,705	2,763	2,644	-2
kWh/Net sales in SEK M	1,904	1,807	2,196	5
Energy consumption, MWh⁴				
Renewable energy	19,947	26,700	9,581	-25
Non-renewable energy	31,535	24,827	36,229	27
Fossil-free energy	2,839	–	–	
Total energy consumption	54,321	51,527	45,810	5

Base year recalculation

Due to the expanded scope 3 coverage and growth due to acquisitions since 2020, a recalculation of prior years was conducted. For emission categories where primary data was lacking, such as Purchased goods and services, Capital goods, Waste generated in operations and Fuel and energy-related activities, the recalculation was made based on extrapolating the reported 2023 emissions. All emission categories were also recalculated due to growth from acquisitions. Due to the divestiture of the entity in Bulgaria in 2022, these emissions were scoped out in the recalculation of previous years.

Greenhouse gas (GHG) emissions per Business Area

Business Area	2023	2022	2020	Target year climate neutrality
Sweden	15,665	15,611	18,161	2030
Norway	6,817	6,575	5,899	2036
Finland	11,122	9,936	9,813	2030
Denmark	6,476	6,216	5,818	2040
Netherlands	7,473	8,076	7,857	2035
Belgium	7,054	7,031	6,547	2030
United Kingdom	2,806	2,571	2,381	2030
Germany and Central Europe	8,760	8,349	8,182	
Germany	5,329	5,393	5,363	2040
Czech Republic	670	481	523	2040
Poland	2,080	1,864	1,595	2040
Lithuania	682	610	701	2040
Group	276	328	728	2040
Total emissions – tonnes CO₂e	66,449	64,692	65,386	

1) Upstream transportation, investments and others emission categories have been excluded from Sweco's GHG disclosure due to a recent update of the GHG inventory where these emissions sources were found to be either not relevant for Sweco's business or not material.

2) For calculation of emission intensity, the number of FTEs has been adjusted to align with the recalculation of emissions.

3) For calculation of energy intensity for 2020 and 2022, the number of FTEs used are the reported figures.

4) For 2020 and 2022, MWh are the historically reported figures.

Carbon accounting principles

Scope 1 and 2 have been calculated based on primary data, such as consumption of electricity and heating or actual fuel consumption. Where data has been lacking, benchmarks have been applied based on eg. kWh/sqm or kWh/FTE.

Purchased goods and services and Capital goods have been calculated by a spend-based method. The exceptions are laptops and monitors which have been based on primary data. Business travel calculations are based on actual data except for two of the countries where a spend-based approach has been applied. For Employee commuting a combination of methods have been applied depending on local possibilities. Waste generated in operations is calculated based on both primary data and estimation based on a typical office waste consumption.

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EU taxonomy

Reporting requirements 2023

For financial year 2023 Sweco is required to report:

- the proportion of total net sales that are taxonomy-eligible, non-eligible and taxonomy-aligned, and
- the proportions of capital expenditures (CapEx) and/or operating expenses (OpEx) that are taxonomy-eligible and taxonomy-aligned
- the proportion of total net sales/CapEx/OpEx that are taxonomy-eligible and non-eligible for the newly added economic activities

Swecos approach

Sweco is a project-driven business and works with approximately 150,000 projects each year. A top-down reporting process has been developed to manage reporting in a validated and resource-efficient way. To achieve this, group-wide guidelines, training and tools have been developed by Group Finance.

Each Sweco country has therefore been responsible for its own reporting, which is consolidated on a Group level. Validation of the assessments and data is performed both by experts and finance controllers on country and Group level.

Net sales methodology and data collection

The project data is extracted using Swecos own developed tool which later on divided up per economic activity and assessed accordingly. Assessment is based on the group of projects and not project-by-project except for larger infrastructure projects.

The Substantial Contribution criteria for economic activities, relevant for Sweco's projects and services, describe the nature of the services and projects. Compliance with these criteria are fairly easy to meet through provision of the Sweco services. The Do-no-significant-harm criteria are more context-based and differ depending on the activity and local context in which the activity is performed. This logic applies for both services, projects and capital expenditures. To be able to assess compliance with the DNSH an approach was applied based on the level of implementation of the Do-no-significant-harm criteria in the national legislation and standards in the local markets where Sweco operates.

CapEx methodology and data collection

Sweco's taxonomy-eligible capital expenditure mainly concerns its office premises and its vehicle fleet. The relevant data has been extracted from the IFRS 16 reporting tool and from the asset register. Assessment of the Substantial contribution and Do-no-significant-harm criteria has been conducted per office or vehicle. For the activity 4.1 concerning circularity only taxonomy-eligibility had to be reported for this first year of reporting.

The compliance with the Substantial contribution was fairly easy for vehicles, in cases where these were electric vehicles. However, it was not possible to comply with the DNSH criteria for vehicles, partly due to the high thresholds and strict requirements, partly due to lack of data and supporting documentation. For office premises, there was a similar picture, with only partial availability of energy performance data of buildings and related information.

→ Read more about the methodology and assumptions in Sweco's EU taxonomy methodology report.

Minimum social safeguards

For a company to qualify as environmentally sustainable, the economic activities it reports on must be conducted in accordance with the minimum social safeguards based on the following international guidelines and principles:

- the OECD's Guidelines for Multinational Enterprises
- the UN's Guiding Principles on Business and Human Rights
- the International Labour Organisation's (ILO) eight fundamental Conventions and the UN's International Bill of Human Rights

Sweco's current assessment is that the company complies with the above-referenced international guidelines and principles through its Code of Conduct, policies and procedures at the group-wide level. The assessment of compliance is made on a company-wide level for the time being, as the EU Commission has not yet issued guidance and clarifications on how compliance should be assessed and disclosed.

Results and analysis

In 2023, 20 per cent of Sweco's net sales was considered taxonomy-eligible, an increase from 15 per cent reported in 2022. The higher level of eligibility can be explained by improved data quality and the addition of new economic activities. Further, 6 per cent (4) of Sweco's net sales was taxonomy-aligned. The low alignment is mainly due to the difficulty in meeting the Do-no-significant-harm criteria for climate adaptation and circular economy. There were some variations in alignment between Sweco countries, where Norway, the Netherlands, Belgium and UK had a higher level of taxonomy-alignment. This is due to that there to a larger extent exists requirements concerning climate adaptation and circular economy for large infrastructure projects in these countries.

80 per cent of Sweco's net sales was considered as non-eligible, as the regulation does not include the provision of architectural and engineering services in all economic activities in the Delegated Acts.

Sweco's taxonomy-eligible capital expenditure (CapEx) mainly concerns its office premises and its vehicle fleet. Sweco incurred taxonomy-eligible CapEx of SEK 925 million (559) in 2023. Taxonomy non-eligible CapEx amounted to SEK 415 million (400). The proportion of taxonomy-eligible CapEx therefore amounted to 69 per cent (58). The eligible CapEx consisted of SEK 628 million (467) under the activity 7.7 Acquisition and ownership of buildings, which came from increases in right-of-use assets related to its office premises. CapEx related to its vehicle fleet of SEK 279 million (92) was reported under the activity 6.5 and corresponded to increases in right-of-use assets and, to a small part, in property, plant and equipment. Sweco also reported SEK 18 million (–) as eligible CapEx under the new activity 4.1 related to internal development of digital tools for its clients in Twinfinity. Only SEK 11 million (0) of CapEx related to office premises was considered taxonomy-aligned.

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EU taxonomy disclosures 2023

Code(s)	Net Sales, SEK M	Proportion of Net Sales, %	Substantial contribution								Do no significant harm (DNSH)						Minimum safeguards Y/N	Proportion taxonomy aligned (A.1) or eligible (A.2) year 2022, %	
			Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular Economy Y/N	Biodiversity Y/N	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (taxonomy aligned)																			
Infrastructure for personal mobility, cycle logistics	CCM 6.13	56	0.2	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.1
Infrastructure for rail transport	CCM 6.14	544	1.9	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.9
Infrastructure enabling road transport and public transport	CCM 6.15	177	0.6	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4
Infrastructure for water transport	CCM 6.16	14	0.0	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0
Data-driven solutions for GHG emissions reductions	CCM 8.2	10	0.0	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.0
Engineering activities and related technical consultancy dedicated to adaptation to climate change	CCA 9.1	294	1.0	n/a	Yes	n/a	n/a	n/a	n/a	n/a	Yes	n/a	Yes	n/a	n/a	n/a	Yes	Yes	1.4
Professional services related to energy performance of buildings	CCM 9.3	486	1.7	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	n/a	n/a	n/a	n/a	Yes	Yes	1.2
Net Sales of taxonomy-aligned activities (A.1)		1,582	6																4.0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not aligned)																			
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation	CCM 3.20	233	0.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	99	0.3	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Yes	No	Yes	Yes	Yes	Yes	0.4
Infrastructure for rail transport	CCM 6.14	2,174	7.6	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Yes	No	Yes	Yes	Yes	Yes	7.8
Infrastructure enabling road transport and public transport	CCM 6.15	516	1.8	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Yes	No	Yes	Yes	Yes	Yes	2.5
Infrastructure for water transport	CCM 6.16	59	0.2	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	Yes	No	Yes	Yes	Yes	Yes	0.2
Data-driven solutions for GHG emissions reductions	CCM 8.2	0	0.0	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	n/a	No	n/a	n/a	Yes	Yes	0.0
Research, development and innovation for direct air capture of CO ₂	CCM 9.2	22	0.1	Yes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	No	No	No	No	No	Yes	Yes	0.1
Professional services related to energy performance of buildings	CCM 9.3	4	0.0	Yes	n/a	n/a	n/a	n/a	n/a	n/a	No	n/a	n/a	n/a	n/a	n/a	Yes	Yes	0
Software enabling physical climate risk management and adaptation	CCA 8.4	0	0.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes		
Engineering activities and related technical consultancy dedicated to adaptation to climate change	CCA 9.1	0	0.0	n/a	Yes	n/a	n/a	n/a	n/a	n/a	Yes	n/a	No	n/a	n/a	n/a	Yes	Yes	0.0
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	170	0.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes		
Nature-based solutions for flood and drought risk prevention and control	WTR 3.1	20	0.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes		
Provision of IT/OT data-driven solutions and software	CE 4.1	465	1.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes		
Remediation of contaminated sites and areas	PPC 2.4	295	1.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes		
Conservation, including restoration of habitats, ecosystems and species	BIO 1.1	57	0.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes		
Net Sales of taxonomy eligible but not aligned activities (A.2)		4,114	14																11
Total (A.1 + A.2)		5,696	20																15
B. Taxonomy-non-eligible activities																			
Net Sales of taxonomy-non-eligible activities (B)		22,827	80																85
Total (A + B)		28,523	100																100

Cont. EU taxonomy disclosures 2023

CapEx	Code(s)	CapEx, SEK M	Proportion of CapEx, %	Substantial contribution			Do no significant harm (DNSH)						Minimum safeguards Y/N	Proportion taxonomy aligned (A.1) or eligible (A.2) year 2022, %
				Climate change mitigation Y/N	Climate change adaptation Y/N	Circular economy Y/N	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N		
A. Taxonomy-eligible activities														
A.1 Environmentally sustainable activities (taxonomy-aligned)														
Acquisition and ownership of buildings	CCM 7.7	11	0.8	Yes	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	0
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0.0	Yes	n/a	n/a	n/a	Yes	Yes	Yes	Yes	Yes	Yes	0
CapEx of taxonomy-aligned activities (A.1)		11	0.8											0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not aligned)														
Acquisition and ownership of buildings	CCM 7.7	618	46.1	Yes	n/a	n/a	n/a	No	n/a	n/a	n/a	n/a	Yes	49
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	279	20.8	Yes	n/a	n/a	n/a	No	n/a	No	No	n/a	Yes	10
Provision of IT/OT data-driven solutions and software	CE 4.1	18	1.3	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	
CapEx of taxonomy eligible but not aligned activities (A.2)		915	68											
Total (A.1 + A.2)		925	69											58
B. Taxonomy-non-eligible activities														
CapEx of taxonomy-non-eligible activities (B)		415	31											42
Total (A + B)		1,340	100											100

Reconciliation of Capital expenditure 2023

SEK million	In the denominator (total capital expenditure)	In the numerator (taxonomy-aligned capital expenditure)	Reconciliation with the financial statements
Internally generated intangible assets	29	0	Statement of changes in Intangibles assets (Note 13)
Internally generated	29	0	Under "Developed internally"
Business combinations	0	0	
Property, plant and equipment	379	0	Statement of changes in Property, Plant & Equipment (Note 14)
Purchases	336	0	Under "Purchases"
Business combinations	43	0	Under "Increase through acquisitions"
Right-of-use assets (IFRS 16)	932	11	Statement of changes in Right-of-use assets (Note 15)
New contracts and renewals	763	11	Under "New leases" and included in "Changes in existing leases"
Business combinations	168	0	Under "Increase through acquisitions"
SUM	1,340	11	

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Employees

Sweco Group employees

Result	2023	2022	2021	2020
Total number of employees	22,027	20,297	19,129	18,552
Total full-time equivalents	20,157	18,651	17,802	17,328
Total number of non-employees	1,976	2,042	N/A	N/A
Employee turnover				
Number of new employees (organic)	3,747	4,068	3,252	2,420
Number of new employees (acquisition)	1,163	387	339	498
Organic growth, %	2.8	4.0	1.4	-0.5
Net acquisition growth, %	5.7	1.7	1.7	2.7
Total growth, %	8.5	5.7	3.1	2.2
Number of terminations on request	-2,457	-2,744	-2,445	-1,854
Voluntary employee turnover, %	11.6	13.9	13.0	10.1

Employees by Business Area

Result	Total number	Women, %	Average age
Sweco Sweden	7,070	37	41
Sweco Norway	2,175	34	41
Sweco Finland	2,982	29	41
Sweco Denmark	1,928	31	42
Sweco Netherlands	1,723	25	41
Sweco Belgium	2,351	32	38
Sweco UK	1,203	30	40
Sweco Germany and Central Europe	2,512	46	42
Group	83	48	45
Total Group	22,027	35	41

Employment length of employees

Result, %	2023	2022	2021	2020
<1 year	15	17	14	11
1–3 years	30	28	29	33
4–9 years	30	29	29	28
>10 years	25	26	27	28

Employees breakdown by age

Result, %	2023	2022	2021	2020
<30 years	22	22	21	22
31–40 years	34	33	33	33
41–50 years	22	22	23	22
>50 years	22	22	23	23

Health and safety

Result, %	2023	2022	2021	2020
Sickness absence	3.7	3.8	3.1	3.1

Diversity of governance bodies and employees

Result, %	2023	2022	2021	2020
Females on Board of Directors, %	43	43	57	57
Females on Executive Team, %	43	43	54	50
Female employees, group-wide, %	35	35	34	33
Average age, group-wide, years	41	41	41	41

Incidents of discrimination and corrective action taken

Result employee survey	2023	2022	2021	2020
Number of employees responding	343	312	246	321
Yes to the employee survey question, "Have you been harassed or bullied by a colleague/manager at work during the last 12 months?"	2.0% of respondents	2.1% of respondents	1.8% of respondents	2.2% of respondents

In Sweco's 2023 employee survey, 343 employees or 2.0 per cent of respondents reported that they had experienced harassment or discrimination. 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.

Collective bargaining agreement (CBA) and workers' representatives

Result, %	Percentage of employees covered by CBA		Percentage of employees with workers' representatives	
	2023	2022	2023	2022
Sweco Sweden	100	100	100	100
Sweco Norway	100	100	0	0
Sweco Finland	98	98	98	98
Sweco Denmark	23	24	99	99
Sweco Netherlands	99	99	99	99
Sweco Belgium	80	79	80	79
Sweco UK	0	0	0	0
Sweco Germany and Central Europe	7	6	100	100
Group	100	100	100	100
Total Group	76	74	82	82

Performance evaluation and career development

Result, %	2023	2022	2021	2020
Percentage of employees receiving regular performance and career development review (Sweco Talk)	88.0	91.3	84.9	85.4

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 2023 performance review.

Equal opportunities

Result, scale 1–5	2023	2022	2021	2020
In my team, everyone can succeed to their full potential, no matter who they are (e.g. all ages, cultural backgrounds, genders, races, religions, etc).	4.4	4.6	4.5	4.5
When we disagree, my colleagues treat each other respectfully.	4.4	4.6	4.6	4.6
I have good opportunities to learn and develop in my role.	4.1	4.2	4.2	4.2
I had meaningful discussions with my manager about my career development.	4.0	4.2	4.2	4.1

Result based on Sweco's employee survey for 2023 on a scale from 1 (strongly disagree) to 5 (strongly agree).

Business conduct

Sweco Group employees

Result, %	2023	2022	2021	2020
Code of Conduct per cent of Sweco employees confirming they have read and understood Sweco's Code of Conduct	95	92	95	89
Internal Business Ethics training per cent of Sweco employees required to complete internal business ethics training who have done so	96	96	94	87
Ethics Line number of compliance incidents reported through Sweco's Ethics Line	21	16	6	7

In 2023, 21 incidents were reported through Sweco's whistleblowing function. Incidents related to business ethics and employees were investigated during 2023 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.

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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 2023 on pages 52–91 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, 22 March 2024
PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

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Consolidated income statement

SEK M	Note	2023	2022
Net sales	2, 3, 34	28,523	24,296
Other operating income		39	31
Other external expenses	4, 5, 34	-5,836	-4,930
Personnel costs	6, 28	-18,943	-16,087
Amortisation/depreciation and impairment losses, tangible and intangible fixed assets ¹	3, 7	-280	-256
Depreciation and impairments, right-of-use assets	7	-895	-767
Acquisition-related items ²	7	-192	-43
Operating profit (EBIT)	3	2,416	2,245
Net financial items	8, 34	-172	-51
Interest cost of leasing	8, 34	-68	-44
Other financial items	8, 34	4	7
Total net financial items	8	-236	-89
Profit before tax		2,179	2,156
Income tax expense	10	-513	-505
PROFIT FOR THE YEAR		1,667	1,652
Profit for the year attributable to:			
Owners of the Parent Company		1,667	1,651
Non-controlling interests		0	1
Earnings per share attributable to owners of the Parent Company	11		
Basic earnings per share, SEK		4.65	4.61
Diluted earnings per share, SEK		4.64	4.60

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	2023	2022
Profit for the year		1,667	1,652
Items that will not be reversed to profit or loss			
Revaluation of defined benefit pensions, net after tax	10	-29	39
Total items that will not be reversed to profit or loss		-29	39
Items that may subsequently be reversed to profit or loss			
Exchange difference on translation of foreign operations		-66	542
Hedge of net investment in subsidiary, net after tax	10	-6	-92
Exchange difference transferred to profit for the year		0	-3
Total items that may subsequently be reversed to profit or loss		-72	447
COMPREHENSIVE INCOME FOR THE YEAR		1,566	2,138
Comprehensive income attributable to:			
Owners of the Parent Company		1,566	2,136
Non-controlling interests		0	2

Consolidated balance sheet

SEK M	Note	2023	2022
ASSETS	3, 33		
Non-current assets			
Goodwill	13	10,465	9,198
Other intangible assets	13	754	273
Property, plant and equipment	14	709	589
Right-of-use assets	15	2,522	2,438
Investments in associates	17	3	4
Investments in joint ventures	18	0	1
Financial investments	19	10	11
Deferred tax assets	10	207	207
Other non-current receivables	22	65	97
Total non-current assets		14,734	12,817
Current assets			
Trade receivables	34	4,611	4,056
Work in progress less progress billings	23	3,568	2,936
Inventories		6	6
Current tax assets		30	83
Other current receivables	24	685	485
Prepaid expenses and accrued income	24	775	683
Cash and cash equivalents	25	1,103	850
Total current assets		10,778	9,099
TOTAL ASSETS		25,512	21,916

SEK M	Note	2023	2022
EQUITY AND LIABILITIES			
Equity	26		
Share capital		121	121
Other contributed capital		3,088	3,088
Reserves		450	521
Retained earnings, including profit for the year		6,931	6,208
Equity attributable to owners of the Parent Company		10,590	9,939
Non-controlling interests		5	4
Total equity		10,595	9,943
Liabilities	3, 33		
Non-current liabilities			
Non-current lease liabilities	30	1,770	1,740
Non-current interest-bearing liabilities	27	2,628	1,410
Provisions for pensions	28	145	108
Other non-current provisions	29	84	82
Deferred tax liabilities	10	682	529
Other non-current liabilities		22	61
Total non-current liabilities		5,331	3,929
Current liabilities			
Current lease liabilities	30	805	773
Current interest-bearing liabilities	27	1,437	516
Provisions for pensions	28	5	5
Other current provisions	29	282	251
Progress billings in excess of work in progress	23	1,930	1,567
Trade payables	34	925	1,078
Current tax liabilities		195	234
Other current liabilities	31	1,381	1,271
Accrued expenses and prepaid income	31	2,626	2,349
Total current liabilities		9,586	8,045
Total liabilities		14,917	11,974
TOTAL EQUITY AND LIABILITIES		25,512	21,916

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

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Consolidated cash flow statement

SEK M	Note	2023	2022
Operating activities			
Profit before tax		2,179	2,156
Adjustments for non-cash items			
Amortisation/depreciation and impairment losses	3, 7	1,354	1,116
Capital gains/losses		-11	-57
Difference between pension premiums expensed and paid		-4	-6
Expensed interest		217	70
Revaluation of additional purchase price		0	-11
Share bonus scheme and share savings scheme		56	84
Other items		-25	31
Total non-cash items		1,587	1,228
Interest cost leasing		-68	-44
Interest paid		-171	-33
Interest received		27	8
Income taxes paid		-525	-389
Cash flow from operating activities before changes in working capital		3,030	2,926
Changes in working capital			
Change in current receivables		-796	-817
Change in current liabilities		270	405
Cash flow from operating activities		2,504	2,515

SEK M	Note	2023	2022
Investing activities			
Purchase of intangible assets		-34	-48
Disposal of intangible assets		0	0
Purchase of property, plant and equipment		-336	-274
Disposal of property, plant and equipment		12	20
Acquisition of subsidiaries and operations, net cash effect	12	-1,686	-675
Divestiture of subsidiaries and operations, net cash effect	12	0	65
Acquisition of associated companies		-	-1
Divestiture of associated companies		-	0
Acquisition of financial investments		0	0
Divestiture of financial investments		5	0
Change in non-current receivables		-3	6
Cash flow from investing activities		-2,042	-907
Financing activities			
Capital distribution to owners of the Parent Company	26	-968	-876
Borrowings		7,431	2,191
Repayment of borrowings		-5,777	-2,214
Principal elements of lease payments	30	-889	-790
Cash flow from financing activities	27	-203	-1,688
CASH FLOW FOR THE YEAR			
Cash and cash equivalents at beginning of year	25	850	896
Foreign exchange differences in cash and cash equivalents		-6	35
Cash and cash equivalents at year end	25	1,103	850

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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
Equity at 1 January 2022	26	121	3,088	75	5,311	8,594	10	8,604
Profit for the year		–	–	–	1,651	1,651	1	1,652
Other comprehensive income for the year		–	–	446	39	485	1	486
Comprehensive income for the year		–	–	446	1,690	2,136	2	2,138
Capital distribution to the shareholders – dividend	26	–	–	–	-876	-876	-4	-880
Disposal of non-controlling interest		–	–	–	–	–	-3	-3
Share bonus scheme – value of employee service		–	–	–	78	78	–	78
Share savings scheme – value of employee service		–	–	–	6	6	–	6
EQUITY AT 31 DECEMBER 2022	26	121	3,088	521	6,208	9,939	4	9,943
Profit for the year		–	–	–	1,667	1,667	0	1,667
Other comprehensive income for the year		–	–	-72	-29	-101	0	-101
Comprehensive income for the year		–	–	-72	1,638	1,566	0	1,566
Capital distribution to the shareholders – dividend	26	–	–	–	-968	-968	0	-968
Disposal of non-controlling interest		–	–	–	–	–	-1	-1
Acquisition of non-controlling interest		–	–	–	–	–	0	0
Change of non-controlling interest		–	–	–	-2	-2	2	–
Share bonus scheme – value of employee service		–	–	–	50	50	–	50
Share savings scheme – value of employee service		–	–	–	6	6	–	6
EQUITY AT 31 DECEMBER 2023	26	121	3,088	450	6,931	10,590	5	10,595
Proposed capital distribution to the shareholders								
Dividend	26, 36				-1,072	-1,072		-1,072

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Parent Company income statement

SEK M	Note	2023	2022
Net sales	3, 34	1,166	1,061
Total operating income		1,166	1,061
Other external expenses	3, 4, 5, 34	-1,062	-981
Personnel costs	6	-145	-129
Amortisation/depreciation and impairment losses	3, 7	-36	-34
Total operating expenses		-1,243	-1,145
Operating profit/loss	3	-77	-84
Profit from investments in group companies	8	869	1,169
Financial income	8, 34	119	40
Financial expenses	8, 34	-254	-74
Net financial items	8	734	1,135
Profit after net financial items		656	1,051
Appropriations	9	59	-189
Profit before tax		715	862
Income tax expense	10	-77	-115
PROFIT FOR THE YEAR		638	748

Parent Company statement of comprehensive income

SEK M	Note	2023	2022
Profit for the year		638	748
COMPREHENSIVE INCOME FOR THE YEAR		638	748

Parent Company balance sheet

SEK M	Note	2023	2022
ASSETS	3, 33		
Intangible assets	13	10	15
Property, plant and equipment	14	97	59
Financial assets			
Investments in group companies	16	4,699	4,699
Receivables from group companies	21	1,835	1,836
Other non-current securities	20	1	1
Other non-current receivables		–	43
Total financial assets		6,535	6,578
Total non-current assets		6,642	6,652
Current assets			
Receivables from group companies	21	2,842	2,574
Current tax assets		46	13
Other receivables	24	21	20
Prepaid expenses and accrued income	24	435	496
Cash and bank	25	35	134
Total current assets		3,380	3,236
TOTAL ASSETS		10,022	9,889

SEK M	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>	26		
Share capital		121	121
Statutory reserve		188	188
Development expenditure fund		7	10
Total restricted equity		316	319
<i>Non-restricted equity</i>	26		
Share premium reserve		2,900	2,900
Retained earnings		510	673
Profit for the year		638	748
Total non-restricted equity		4,048	4,320
Total equity		4,363	4,639
Untaxed reserves	9	895	954
LIABILITIES	3, 33		
Non-current liabilities			
Liabilities to credit institutions	27	978	1,161
Other non-current liabilities	27	–	43
Total non-current liabilities		978	1,204
Current liabilities			
Current interest-bearing liabilities		1,415	495
Trade payables		63	416
Liabilities to group companies		2,246	2,129
Other current liabilities	31	2	3
Accrued expenses and prepaid income	31	61	49
Total current liabilities		3,786	3,092
Total liabilities		4,764	4,296
TOTAL EQUITY AND LIABILITIES		10,022	9,889

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

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Parent Company cash flow statement

SEK M	Note	2023	2022
Operating activities			
Profit after net financial items		656	1,051
Adjustments for non-cash items			
Amortisation/depreciation and impairment losses	7	36	34
Group contributions	8	-495	-835
Difference between interest recognised and received/paid	8	1	2
Other items		3	2
Total non-cash items		202	254
Income taxes paid		-110	-73
Cash flow from operating activities before changes in working capital		91	181
Changes in working capital			
Change in current receivables		-490	1,782
Change in current liabilities		-234	-1,797
Cash flow from operating activities		-633	166

SEK M	Note	2023	2022
Investing activities			
Purchase of intangible assets	13	1	-4
Purchase of property, plant and equipment	14	-71	-19
Disposal of property, plant and equipment	14	1	3
Acquisition of subsidiaries, net cash effect	16	0	0
Shareholder contribution		-	-30
Group contributions		835	552
Cash flow from investing activities		766	503
Financing activities			
Capital distribution to owners of the Parent Company	26	-968	-876
Borrowings		5,920	2,170
Repayment of borrowings		-5,183	-2,164
Cash flow from financing activities		-232	-870
CASH FLOW FOR THE YEAR			
Cash and cash equivalents at beginning of year	25	134	335
Cash and cash equivalents at year end	25	35	134

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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
Equity at 1 January 2022	26	121	188	11	320	2,900	1,463	4,363	4,683
Profit for the year		–	–	–	–	–	748	748	748
Comprehensive income for the year		–	–	–	–	–	748	748	748
Capital distribution to the shareholders – dividend		–	–	–	–	–	-876	-876	-876
Development expenditure fund		–	–	-1	-1	–	1	1	–
Share bonus scheme – value of employee service		–	–	–	–	–	78	78	78
Share savings scheme – value of employee service		–	–	–	–	–	6	6	6
EQUITY AT 31 DECEMBER 2022	26	121	188	10	319	2,900	1,421	4,320	4,639
Profit for the year		–	–	–	–	–	638	638	638
Comprehensive income for the year		–	–	–	–	–	638	638	638
Capital distribution to the shareholders – dividend		–	–	–	–	–	-968	-968	-968
Development expenditure fund		–	–	-3	-3	–	3	3	–
Share bonus scheme – value of employee service		–	–	–	–	–	50	50	50
Share savings scheme – value of employee service		–	–	–	–	–	5	5	5
EQUITY AT 31 DECEMBER 2023	26	121	188	7	316	2,900	1,148	4,048	4,363
Proposed capital distribution to the shareholders									
Dividend	26, 36						-1,072	-1,072	-1,072

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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 22 March 2024. The income statements and balance sheets of the Parent Company and the Group will be presented to the Annual General Meeting for adoption on 19 April 2024.

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 2023: IFRS 17; amendments to IAS 8, IAS 12 and IAS 1; and IFRS Practice Statement 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 that have been published do not take effect until financial years commencing after 1 January 2024. 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 (APMs) 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 Sweco's definitions can be found on pages 151–152.

- 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 is 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 current 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 are recognised as other external expenses.

In business combinations where the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of any previously held equity interest in the acquiree (for 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 and is remeasured at each reporting date. 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

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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 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.

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.

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. The Group's share of profit is included in consolidated income and its share of other comprehensive income in other comprehensive income. These shares in profit, less dividends received from associated companies, constitute the main change in the carrying amount of investments in associates.

Transaction costs 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 AF Healthcare Systems AB, VK Asia Pacific Limited and VK Vietnam Limited Liability Company are classified as joint operations 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.

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:

	2023		2022	
	Closing	Average	Closing	Average
EUR	11.11	11.46	11.14	10.62
NOK	0.99	1.00	1.06	1.05
DKK	1.49	1.54	1.50	1.43
GBP	12.81	13.19	12.59	12.46

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. Sweco's consulting services are recognised over time since Sweco's performance does not create an asset with an alternative use to the entity; most of Sweco's services are unique and are adapted to our clients' specific requirements, and Sweco has an enforceable right to payment for performance completed to date.

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. Progress toward completion of a performance obligation is measured to ensure that revenue is recognised in a pattern that reflects the transfer of control of the promised good or service to the client. Progress evaluation is conducted per performance obligation and not per contract. Sweco uses the input method "cost incurred in relation to total estimated costs" to measure progress towards completion.

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

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Contract modifications

Contract modification is a change to the scope and/or both price in an existing contract. All parties to the contract acknowledge and agree upon these changes. An assessment is often needed to determine whether changes to existing rights and obligations should be 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 in which it is accounted for.

Contract cost

Cost may be incurred in projects prior to services performance; example include sales commissions payable in the event Sweco wins the contract, and specific guarantee costs for longer projects. If costs are expected to be recoverable and the project is scheduled to continue more than 12 months, cost are capitalised as an asset and amortised over the contract period. Sweco applies the practical expedient under which contract costs are not capitalised if the contract duration is less than 12 months.

Contract assets and liabilities

Service contracts are recognised in the balance sheet at the value of the work performed less confirmed losses and anticipated risk of loss. Service contracts in which 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 comprise of interest expenses on credit facilities and other costs related to credit facilities less interest income on cash and cash equivalents and current investments.

Interest cost of leasing comprise interest expenses on lease liabilities.

Other financial items are comprised 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 expense.

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, financial instruments 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 a 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.

Financial investments

Financial investments comprise either financial assets or current 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 current 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 current investments with original maturities of less than three months. Highly liquid current 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

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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	3–5 years
– licences	3–5 years
– client relationships	5–10 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.

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 are 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 assets 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). 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 including:

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

Right-of-use assets are measured at cost and are 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.

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- Any initial direct cost incurred by Sweco.
- An estimated cost to be incurred after the lease term which for Sweco is mainly 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; for Sweco, this mainly due to a change in an index or a rate.

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 uses 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 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.

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 2019–2023 resolved to implement long-term share savings schemes for Sweco Group senior executives and other key personnel for each respective year. 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 through the end of the fourth business day following publication of the year-end report for the financial year ending approximately three years after the scheme's implementation (the "Retention Period") and the participant remains employed in the same, an equivalent and/or a higher position in the Sweco Group throughout the Retention Period, then each Savings Share shall thereafter grant entitlement, without consideration, to one Class B share in Sweco ("Matching Share") if the absolute total shareholder return ("TSR") for the Class B share in Sweco is positive during the Retention Period (for the

2019–2020 Share Savings Schemes), and if the TSR for the Class B share in Sweco and the accumulated earnings per share ("EPS") are positive during the Retention Period (for the 2021–2023 Share Savings Schemes), 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"). For all above-referenced share saving schemes, 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 relative to the TSRs of a group of benchmark companies. The granting of Performance Shares for the 2021–2023 Share Savings Schemes is also conditional on a positive accumulated EPS for Sweco during the Retention Period and on Sweco's accumulated EPS relative to a minimum and maximum EPS growth target set by the Board of Directors for the Retention Period. Under the 2021–2023 Share Savings Schemes, up to 50 per cent of Performance Share allocation will depend on EPS performance, and up to 50 per cent on TSR performance. The cost is expensed on a straight-line basis over the Retention Period as a personnel cost, with a corresponding increase in equity. 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 are recalculated in accordance with the schemes' respective terms.

Share bonus scheme

Sweco Group currently offers a share bonus scheme (the 2023 Share Bonus Scheme) under which bonuses are paid in the form of Sweco shares to those employees in Sweden who are covered by the scheme. 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, less the amount corresponding to the dividend per share for the 2023 financial year. The base share price is recalculated in generally accepted terms if events have transpired that affect the share price, such as decisions to conduct share splits or reverse splits, bonus issues, cancellation and similar events 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.

Provisions

A provision is recognised in the balance sheet when the Group has an obligation that has arisen as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably. 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. For disputes in which the estimated cost is covered by the company's insurance, the related insurance reimbursement is reported as non-current other receivables and current other receivables.

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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.

Net sales

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.

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.

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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.

Nature of the service	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.			
Contract asset and liabilities	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.			
Timing of satisfaction of performance obligations	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.			
General invoice frequency and payment terms	Invoice frequency	Invoice frequency	Payment terms	Payment terms
	Fixed price	Time & material	Fixed price	Time & material
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 (Estonia: Quarterly)	On a monthly basis	14 days (Estonia: 30 days)	14 days (Estonia: 14–21 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	30 days
Sweco Germany & Central Europe	Monthly, milestones achieved or predefined schedule in contract	On a monthly basis	30 days (Germany: 14–30 days) (Lithuania: 60 days)	30 days (Germany: 14–30 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 2023 amounts to approximately SEK 24,100 million (20,200). Management estimates that around 56 per cent (67) 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 17 per cent to SEK 28,523 million (24,296). Organic growth was approximately 8 per cent after adjustment for estimated calendar effects. 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.

	2023	2022	Growth, % 2023 vs 2022
Reported net sales	28,523	24,296	17
Adjustment for currency effects		903	4
Net sales, currency-adjusted	28,523	25,199	14
Adjustment for acquisitions/divestments	-1,418	-30	6
Comparable net sales, currency-adjusted	27,104	25,169	8
Adjustment of calendar effects	90		0
COMPARABLE NET SALES, ADJUSTED FOR CURRENCY AND CALENDAR EFFECTS	27,194	25,169	8

	2022	2021	Growth, % 2022 vs 2021
Reported net sales	24,296	21,792	11
Adjustment for currency effects		722	3
Net sales, currency-adjusted	24,296	22,514	8
Adjustment for acquisitions/divestments	-490	-39	2
Comparable net sales, currency-adjusted	23,807	22,476	6
Adjustment of calendar effects	6		0
COMPARABLE NET SALES, ADJUSTED FOR CURRENCY AND CALENDAR EFFECTS	23,812	22,476	6
Adjustment of items affecting comparability		16	0
COMPARABLE NET SALES, ADJUSTED FOR CURRENCY, CALENDAR EFFECTS AND ITEMS AFFECTING COMPARABILITY	23,812	22,492	6

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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 and Luxembourg.
Sweco UK	Sweco's operations in the UK and Ireland.
Sweco Germany & Central Europe	Sweco's operations in Germany and Lithuania, Czech Republic and Poland.

In addition, group-wide staff functions, IT and other assets (such as Dutch real estate operations and Twinfinity AB) are reported as group-wide and eliminations.

NET SALES PER OPERATING SEGMENT

	External sales		Internal sales		Total sales	
	2023	2022	2023	2022	2023	2022
Sweco Sweden	8,332	7,724	73	61	8,405	7,785
Sweco Norway	3,463	3,237	20	8	3,483	3,245
Sweco Finland	3,602	3,171	39	39	3,641	3,210
Sweco Denmark	2,807	2,204	11	14	2,818	2,218
Sweco Netherlands	2,740	2,230	59	44	2,799	2,274
Sweco Belgium	3,652	2,299	13	11	3,665	2,310
Sweco UK	1,457	1,407	23	4	1,480	1,411
Sweco Germany & Central Europe	2,444	2,022	99	77	2,542	2,099
Group-wide and eliminations	26	4	-337	-259	-311	-255
TOTAL GROUP	28,523	24,296	-	-	28,523	24,296

EBITA AND AMORTISATION PER OPERATING SEGMENT

	EBITA		Amortisation/depreciation and impairments ¹	
	2023	2022	2023	2022
Sweco Sweden	952	915	-57	-54
Sweco Norway	259	263	-29	-27
Sweco Finland	243	297	-20	-18
Sweco Denmark	350	263	-27	-23
Sweco Netherlands	258	183	-35	-30
Sweco Belgium	459	272	-31	-17
Sweco UK	-55	71	-19	-17
Sweco Germany & Central Europe	160	65	-22	-34
Group-wide and eliminations	-94	-102	-40	-35
TOTAL GROUP	2,531	2,225	-280	-256

1) Amortisation/depreciation and impairment included in EBITA.

RECONCILIATION OF OPERATING PROFIT (EBIT) AND THE APMS EBITA AND EBITDA

	2023	2022
Operating profit (EBIT)	2,416	2,245
Acquisition-related items ¹	192	43
Lease expenses ²	-972	-829
Depreciation and impairments, right-of-use assets	895	767
EBITA³	2,531	2,225
Amortisation/depreciation and impairment of tangible and intangible assets	280	256
EBITDA⁴	2,811	2,481

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.

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 1,166 million (1,061). One hundred per cent (100) of Parent Company net sales were comprised of sales to group companies. Thirty-two per cent (33) of the Parent Company's other external expenses were comprised of purchases from group companies.

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BALANCE SHEET AND INVESTMENT INFORMATION PER OPERATING SEGMENT

	Assets		Investments Property, plant and equipment		Investments Intangible assets		Liabilities	
	2023	2022	2023	2022	2023	2022	2023	2022
Sweco Sweden	6,195	5,796	65	78	67	54	4,067	3,962
Sweco Norway	1,878	1,889	23	35	72	286	1,166	1,207
Sweco Finland	3,070	3,129	28	12	42	2	1,579	1,531
Sweco Denmark	3,106	2,652	25	21	295	73	1,843	1,593
Sweco Netherlands	2,163	1,458	56	28	259	38	974	622
Sweco Belgium	4,716	2,480	60	69	1,275	222	3,480	1,216
Sweco UK	1,414	1,433	34	16	31	3	900	852
Sweco Germany & Central Europe	2,772	2,457	22	13	1	1	1,438	1,320
Group-wide	12,583	11,408	71	19	17	4	6,563	5,068
Eliminations	-15,052	-13,379					-10,347	-8,434
Unallocated	2,669	2,594					3,254	3,037
TOTAL GROUP	25,512	21,916	385	291	2,059	682	14,917	11,974

The breakdown of intangible assets is shown in Note 13. Group-wide items include cash and cash equivalents of SEK 35 million (134).

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 CEO.

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

	2023	2022
Buildings and urban areas	10,595	9,090
Water, energy and industry	9,575	7,915
Transportation infrastructure	8,352	7,292
TOTAL	28,523	24,296

INFORMATION ABOUT MAJOR CLIENTS

Sweco's largest client in 2023 was the Swedish Transport Administration. Net sales to this client totalled SEK 1,590 million (1,363) and were reported in Business Area Sweco Sweden. See also the section on credit risk in Note 34.

SALES AND NON-CURRENT ASSETS PER GEOGRAPHIC AREA

	External sales		Non-current assets ¹	
	2023	2022	2023	2022
Sweden	8,294	7,711	2,912	2,826
Norway	3,516	3,292	1,232	1,324
Finland	3,423	2,981	2,376	2,381
Belgium	3,278	2,071	2,460	1,370
Netherlands	2,841	2,336	977	649
Denmark	2,673	2,031	2,298	2,007
Germany	1,907	1,525	870	912
UK	1,385	1,307	1,011	909
Poland	303	279	41	51
Rest of Europe	232	189	16	7
Asia	145	128	11	7
Czech Republic	132	117	53	57
Luxembourg	94	27	172	6
Lithuania	92	99	20	25
Africa	75	60	–	–
Estonia	63	53	28	22
North America	36	29	–	–
Vietnam	13	19	8	10
South America	13	21	–	–
Oceania	7	11	–	–
Bulgaria	1	12	–	–
TOTAL	28,523	24,296	14,484	12,563

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.

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4 FEES TO AUDITORS

	Group		Parent Company	
	2023	2022	2023	2022
PricewaterhouseCoopers				
– audit services	19	18	2	2
– audit services other than statutory audit	0	1	0	0
– tax consulting	1	0	–	–
– non-audit services	0	1	0	0
Total	20	20	2	2
Other auditing firms				
– audit services	7	2	–	–
Total	7	2	–	–
TOTAL	27	22	2	2

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. Tax consulting refers to advice for regulatory compliance.

Of the total fee for audit services, SEK 5 million (4) 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.)).

5 LEASE EXPENSES

GROUP	2023		2022	
	2023	2022	2023	2022
Expensed lease charges				
Depreciation and impairment of right-of-use assets	895	767		
Interest expense	68	44		
Expenses related to short-term leases	1	2		
Expenses related to leases of low-value assets that are not shown above as short-term leases	17	17		
Expenses related to variable lease payments not included in lease liabilities	42	39		
TOTAL EXPENSED LEASE CHARGES	1,023	869		

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 2023, and there is no knowledge of any such future transactions.

PARENT COMPANY

	2023		2022	
	2023	2022	2023	2022
Charges under signed leases				
TOTAL CHARGES PAID DURING THE YEAR	8	6		
Future minimum lease payments				
– within one year	8	7		
– between one and five years	1	4		
TOTAL FUTURE LEASE PAYMENTS	9	11		

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	
	2023	2022	2023	2022
Personnel costs				
Salaries and remuneration, other employees	14,121	11,941	44	41
Salaries and remuneration, senior/other executives	100	98	40	34
Total salaries and remuneration¹	14,221	12,039	84	75
Social fees, excl. pension costs	2,570	2,165	31	28
Pension costs, senior executives ^{2,3}	12	14	7	6
Pension costs, others ²	1,281	1,155	10	9
Other personnel costs	859	715	13	11
TOTAL PERSONNEL COSTS	18,943	16,087	145	129

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 42 (54) individuals in the Group and 12 (12) individuals in the Parent Company.

2) See also Note 28, Provisions for Pensions.

3) A total of 36 (48) senior executives in the Group and 6 (6) in the Parent Company received pension contributions.

	2023		2022	
	Total	of which, % men	Total	of which, % men
Number of full-time employees				
Sweden				
Parent Company	44	24	40	28
Subsidiaries	6,232	64	5,844	64
Total Sweden	6,276	64	5,884	64
Outside Sweden				
Finland	2,853	71	2,781	73
Norway	2,082	64	1,925	65
Belgium	1,680	71	1,380	72
Netherlands	1,639	77	1,453	77
Denmark	1,547	74	1,361	69
Germany	1,490	58	1,460	58
UK	1,225	72	1,160	72
Poland	479	48	461	47
Lithuania	198	54	190	52
Czech Republic	164	62	158	60
Luxembourg	83	82	17	94
Estonia	62	42	71	61
Serbia	31	39	26	42
Ireland	19	58	20	55
Bulgaria	–	–	49	50
Rest of Europe	26	65	18	78
India	177	79	136	81
Vietnam	124	69	98	76
Africa	1	100	3	100
Total, outside Sweden	13,881	68	12,767	69
TOTAL GROUP	20,157	67	18,651	67

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Percentage of women		2023	2022
Group			
Board members in all companies		24	28
Other senior executives, 36 (48) individuals		28	31
Parent Company			
Board members		43	43
Other senior executives, 6 (6) individuals		67	67

	Group		Parent Company	
Sickness absence, %	2023	2022	2023	2022
Total sickness absence	3.7	3.8	1.3	2.0
– sickness absence for men	2.9	3.3		
– sickness absence for women	5.3	5.0		
– employees – 29 years	2.7	3.0		
– employees 30 – 49 years	3.8	4.0		
– employees 50 – years	4.2	4.0		

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 2020. 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 contribute 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.

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Remuneration and other benefits expensed in 2023 (SEK 000s)

	Board fees decided at the 2023 AGM ¹	Base salary/board fee	Variable salary	Remuneration expensed			Total remuneration expensed
				Share savings scheme ²	Other benefits	Pension cost	
Chair of the Board Johan Nordström	1,390	1,370	–	–	–	–	1,370
Board member Alf Göransson	830	820	–	–	–	–	820
Board member Johan Hjertonsson	720	710	–	–	–	–	710
Board member Susanne Pahlén Åklundh	720	710	–	–	–	–	710
Board member Johan Wall	750	740	–	–	–	–	740
Board member Christine Wolff	750	740	–	–	–	–	740
President & CEO	–	10,113	6,512	1,273	165	3,465	21,528
Other senior executives (13 individuals)	–	39,173	13,254	2,281	1,838	7,714	64,260
TOTAL	5,160	54,376	19,766	3,554	2,003	11,179	90,878

1) Board fees and compensation for committee work in accordance with AGM resolution for the period from 2023 AGM through 2024 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 2022 (SEK 000s)

	Board fees decided at the 2022 AGM ¹	Base salary/board fee	Variable salary	Remuneration expensed			Total remuneration expensed
				Share savings scheme ²	Other benefits	Pension cost	
Chair of the Board Johan Nordström	1,330	1,263	–	–	–	–	1,263
Board member Gunnel Duveblad ³	–	230	–	–	–	–	230
Board member Elaine Grunewald ³	–	197	–	–	–	–	197
Board member Alf Göransson	800	737	–	–	–	–	737
Board member Johan Hjertonsson	690	657	–	–	–	–	657
Board member Susanne Pahlén Åklundh ⁴	690	460	–	–	–	–	460
Board member Johan Wall ⁴	720	480	–	–	–	–	480
Board member Christine Wolff	720	683	–	–	–	–	683
President & CEO	–	9,209	3,597	1,371	173	2,970	17,320
Other senior executives (13 individuals)	–	36,068	8,811	2,348	1,792	7,204	56,223
TOTAL	4,950	49,984	12,408	3,719	1,965	10,174	78,250

1) Board fees and compensation for committee work in accordance with AGM resolution for the period from 2022 AGM through 2023 AGM.

2) The cost of share savings scheme corresponds to the cost reported in the Group pursuant to IFRS.

3) Until 2022 AGM.

4) From 2022 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 2023 and 2022.

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Share savings schemes

The Annual General Meetings in 2019–2023 resolved to implement long-term share savings schemes for Sweco Group senior executives and other key personnel for each respective year. 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 through the end of the fourth business day following publication of the year-end report for the 2022 financial year for the 2019 Share Savings Scheme, the 2023 financial year for the 2020 Share Savings Scheme, the 2024 financial year for the 2021 Share Savings Scheme, the 2025 financial year for the 2022 Share Savings Scheme, and the 2026 financial year for the 2023 Share Savings Scheme (the "Retention Period") and the participant remains employed in the same, an equivalent and/or a higher position in the Sweco Group throughout the Retention Period, then each Savings Share shall thereafter grant entitlement, without consideration, to one Class B share in Sweco ("Matching Share") if the absolute total shareholder return ("TSR") for the Class B share in Sweco is positive during the Retention Period (for the 2019–2020 Share Savings Schemes), and if the absolute TSR for the Class B share in Sweco and the accumulated earnings per share ("EPS") are positive during the Retention Period (for the 2021–2023 Share Savings Schemes), 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"). For all above-referenced share saving schemes, 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 relative to the TSRs of a group of benchmark companies. The granting of Performance Shares for the 2021–2023 Share Savings Schemes is also conditional on a positive accumulated EPS for Sweco during the Retention Period and on Sweco's accumulated EPS relative to a minimum and maximum EPS growth target set by the Board of Directors for the Retention Period. Under the 2021–2023 Share Savings Schemes, up to 50 per cent of Performance Share allocation will depend on EPS performance, and up to 50 per cent on TSR performance. The cost for the Group is accounted for pursuant to IFRS and is expensed on a straight-line basis over the Retention Period.

During 2023 Sweco transferred 35,037 treasury shares to 42 participants in the 2019 Share Savings Scheme, at a total expense of approximately SEK 5 million inclusive of social fees.

Share savings scheme	Group				Parent Company			
	2023	2022	2021	2020	2023	2022	2021	2020
No. of employees/key personnel still participating	53	49	44	46	11	12	10	9
No. of shares acquired	51,067	53,479	31,878	30,530	16,872	20,002	11,376	10,821
No. of Matching Shares granted per Savings Share	1	1	1	1	1	1	1	1
Maximum no. of Matching Shares	51,067	53,479	31,878	30,530	16,872	20,002	11,376	10,821
No. of Performance Shares granted per Savings Share ¹	1–4	1–4	1–4	1–4	1–4	1–4	1–4	1–4
Maximum no. of Performance Shares	128,556	131,451	78,680	72,852	52,678	59,604	34,683	32,555
Provision for the year, SEK M ^{2,3}	0.5	2.8	2.6	2.6	0.2	1.2	1.0	0.8
Accumulated provision, SEK M ^{2,3}	0.5	3.0	5.5	7.9	0.2	1.3	2.0	2.4
Estimated total cost, SEK M ^{2,3}	10.0	9.1	8.6	8.3	4.2	3.9	3.1	2.6
Retention period	Dec 2023– Feb 2027	Dec 2022– Feb 2026	Dec 2021– Feb 2025	Dec 2020– Feb 2024	Dec 2023– Feb 2027	Dec 2022– Feb 2026	Dec 2021– Feb 2025	Dec 2020– Feb 2024

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.

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7 AMORTISATION/DEPRECIATION, IMPAIRMENT AND ACQUISITION-RELATED ITEMS

	Group		Parent Company	
	2023	2022	2023	2022
Other intangible assets – depreciation and impairments	-36	-43	-5	-7
Buildings – depreciation and impairments	-4	-1	–	–
Equipment – depreciation and impairments	-240	-211	-31	-27
Total amortisation/ depreciation and impairments – tangible and intangible fixed assets	-280	-256	-36	-34
Right-of-use-assets, premises – depreciation and impairments	-738	-642	–	–
Right-of-use-assets, equipment – depreciation and impairments	-158	-125	–	–
Total depreciation and impairment – right-of-use-assets	-895	-767	–	–
Intangible assets capitalised on acquisition – amortisations	-178	-94	–	–
Cost for received future service	-15	-17	–	–
Revaluation of purchase price	0	11	–	–
Profit/loss on divestment of companies and operations	1	58	–	1
Total acquisition-related items	-192	-43	–	1
TOTAL	-1,367	-1,065	-36	-33

8 NET FINANCIAL ITEMS

	GROUP	
	2023	2022
Net financial items		
Interest income – bank	26	6
Interest expenses – bank	-175	-34
Other financial expenses	-22	-23
Total financial items	-172	-51
Interest cost of leasing	-68	-44
Other financial items		
Dividends on financial assets at fair value	0	0
Fair value losses on financial assets at fair value	3	0
Profit for the year from associated companies and joint ventures	0	1
Interest income – trade receivables	3	3
Interest expenses – trade payables	-1	0
Other financial income	2	2
Net exchange rate fluctuations	-4	1
Total other financial items	4	7
TOTAL NET FINANCIAL ITEMS	-236	-89
PARENT COMPANY		
	2023	2022
Profit from participation in group companies		
Dividends	374	334
Group contributions	495	835
Total profit from participation in group companies	869	1,169
Financial income		
Interest income from group companies	96	32
Other interest income	23	7
Total financial income	119	40
Financial expenses		
Interest expenses to group companies	-71	-12
Other interest expenses	-124	-32
Foreign exchange losses	-41	-15
Other financial expenses	-18	-16
Total financial expenses	-254	-74
TOTAL NET FINANCIAL ITEMS	734	1,135
Interest income received during the year	118	40
Interest expenses paid during the year	-193	-41

9 APPROPRIATIONS AND UNTAXED RESERVES

	PARENT COMPANY	
	2023	2022
Appropriations		
Accelerated depreciation	-4	-8
Transfer to tax allocation reserve	-126	-181
Dissolution of tax allocation reserve	189	–
TOTAL	59	-189
Untaxed reserves		
	2023	2022
Accelerated depreciation	11	7
Tax allocation reserve	884	947
TOTAL	895	954

10 TAXES

	Group		Parent Company	
	2023	2022	2023	2022
Current tax expense				
Tax expense for the period	-551	-488	-78	-112
Adjustment of tax attributable to prior years	10	-13	1	-3
Total current tax expense	-542	-502	-77	-115
Deferred tax income/expense				
Deferred tax – temporary differences	21	-17	–	–
Deferred tax – adjustment of tax attributable to prior years	7	12	–	–
Deferred tax – change in tax rate	1	2	–	–
Total deferred tax income/expense	29	-3	–	–
TOTAL REPORTED TAX EXPENSE	-513	-505	-77	-115

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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			
	2023, %	2023	2022, %	2022	2023, %	2023	2022, %	2022
Profit before tax		2,179		2,156		715		862
Income tax calculated pursuant to national profit tax rates in each country	22.5	489	22.1	476	20.6	147	20.6	178
Tax effects of:								
– Non-taxable dividends	0.0	0	0.0	0	-10.8	-77	-8.0	-69
– Other non-taxable income	-4.2	-90	-0.5	-10	0.0	2	–	–
– Non-deductible expenses	6.0	130	1.9	41	0.8	6	0.3	3
Utilisation of previously uncapitalised loss carry-forwards	-0.2	-4	-0.1	-1	–	–	–	–
Tax effect of uncapitalised loss carry-forwards	0.3	6	0.0	0	–	–	–	–
Effect on deferred tax – reduced tax rate	-0.1	-1	-0.1	-1	–	–	–	–
Adjustment of previous years' tax expense	-0.8	-17	0.0	1	-0.2	-1	0.3	3
TAX EXPENSE FOR THE YEAR	23.5	513	23.4	505	10.8	77	13.3	115

New regulations will take effect 1 January 2024, designed to ensure that multinational enterprises, with net sales above a certain level, pay a minimum level of tax on income arising from each jurisdiction in which they operate (Pillar II). As the Pillar II legislation has not entered into force as at the balance sheet date, there is no current tax exposure for Sweco in 2023.

The legislation provides for a transitional safe harbour for financial years 2024–2026, predominately based on Country-by-Country Report (CbCR) data, which Sweco is already required to file. The safe harbour applies if the Country-by-Country Report is "qualifying" and conditions of one of three tests is met for each jurisdiction in which Sweco operates. Sweco fulfils at least one of these tests in each jurisdiction Sweco operates in.

Based on the above, Sweco Group expects that no global minimum tax under Pillar II will be payable. Given the complexity involved in applying the legislation and in the requisite calculations, Sweco will continue to evaluate its exposure

GROUP

Tax attributable to other comprehensive income	2023			2022		
	Pre-tax	Tax	After tax	Pre-tax	Tax	After tax
Translation differences – translation of foreign operations	-66	–	-66	539	–	539
Hedges of net investments in subsidiaries	3	-9	-6	-111	20	-92
Revaluation of defined benefit pensions	-38	9	-29	53	-14	39
TOTAL	-101	0	-101	480	6	486

Deferred tax assets and liabilities

Change in carrying amount for the year	Group		Deferred tax at year end	Group	
	2023	2022		2023	2022
Opening carrying amount – deferred tax assets	207	228	Deferred tax asset – loss carry-forwards	124	126
Increase through acquisitions	5	2	Deferred tax asset – consolidated pension deficits	2	-10
Measurement period adjustment	7	–	Deferred tax asset – temporary differences	82	90
Decrease through divestitures	–	-0	Total deferred tax assets	207	207
Reclassification to deferred tax liability	-1	-3			
Other deferred tax income/expense in the income statement	-6	-32	Deferred tax component of companies' reported untaxed reserves	-362	-379
Deferred tax income/expense in other comprehensive income	1	-2	Deferred tax liability – temporary differences	-319	-150
Foreign currency translation differences	-5	14	Total deferred tax liabilities	-682	-529
CLOSING CARRYING AMOUNT – DEFERRED TAX ASSETS	207	207	TOTAL DEFERRED TAX, NET	-474	-322
Opening carrying amount – deferred tax liabilities	-529	-544			
Increase through acquisitions	-179	-14			
Measurement period adjustment	-14	–			
Reclassification from deferred tax asset	1	3			
Change in component of untaxed reserves in the income statement	18	-48			
Other deferred tax income/expense in the income statement	17	76			
Deferred tax income/expense in other comprehensive income	-1	9			
Foreign currency translation differences	6	-10			
CLOSING CARRYING AMOUNT – DEFERRED TAX LIABILITIES	-682	-529			

The gross amount of deferred tax assets (linked to lease liabilities) amounts to SEK 573 million, whereas the deferred tax liabilities (linked to right-of-use assets) amounts to SEK 547 million. Of total deferred tax assets, SEK 58 million is expected to be utilised within 12 months. Of total deferred tax liabilities, SEK 93 million is expected to be paid within 12 months. Unrecognised loss carry-forwards in the Group total SEK 46 million (32); these are not expected to be utilised against future profits. Approximately SEK 2 million (3) of unrecognised loss carry-forwards have a duration of up to 5 years, approximately SEK 5 million (5) have a duration of 6–15 years and the remainder of approximately SEK 39 million (24) have an indefinite duration.

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Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Net	
	2023	2022	2023	2022	2023	2022
Property, plant and equipment incl. right-of-use assets	38	33	11	7	50	40
Intangible assets	-2	-2	-279	-164	-281	-166
Financial assets	20	28	22	22	42	51
Current assets	16	20	-165	-151	-149	-131
Current liabilities	3	4	-1	-2	2	1
Untaxed reserves	–	–	-362	-379	-362	-379
Pensions	2	-10	4	6	6	-3
Other provisions	6	7	10	11	16	18
Loss carry-forwards	124	126	78	121	203	247
TOTAL	207	207	-682	-529	-474	-322

Movements in net deferred taxes can be summarised as follows:

2023	Opening carrying amount 2023	Recognised through profit or loss	Recognised in other comprehensive income	Acquisitions/ measurement period adjustment/ divestitures	Reclassifications	Foreign currency translation differences	Closing carrying amount 2023
Property, plant and equipment incl. right-of-use assets	40	11	-0	-0	-0	-1	50
Intangible assets	-166	39	–	-158	-0	5	-281
Financial assets	51	–	-9	–	-0	–	42
Current assets	-131	18	–	-33	-4	1	-149
Current liabilities	2	1	–	–	-1	-0	2
Untaxed reserves	-379	18	–	-1	-0	0	-362
Pensions	-3	-1	9	2	-0	-0	6
Other provisions	18	-1	–	-0	0	-1	16
Loss carry-forwards	246	-55	–	10	1	1	203
TOTAL	-322	29	0	-182	-5	5	-474

2022	Opening carrying amount 2022	Recognised through profit or loss	Recognised in other comprehensive income	Acquisitions/ measurement period adjustment/ divestitures	Reclassifications	Foreign currency translation differences	Closing carrying amount 2022
Property, plant and equipment incl. right-of-use assets	49	-6	–	0	-5	2	40
Intangible assets	-172	25	–	-14	2	-8	-166
Financial assets	31	-0	20	–	0	–	51
Current assets	-183	63	–	0	1	-12	-131
Current liabilities	0	-3	–	–	4	–	2
Untaxed reserves	-331	-48	–	-0	0	–	-379
Pensions	15	-2	-14	-0	-2	-0	-3
Other provisions	18	-1	–	-0	0	1	18
Loss carry-forwards	257	-32	–	2	-0	20	246
TOTAL	-316	-3	6	-13	–	4	-322

11 EARNINGS PER SHARE

GROUP

	2023	2022
Average number of shares before dilution	358,881,667	358,269,726
Dilution due to share bonus scheme and share savings schemes	760,799	990,481
Average number of shares after dilution	359,642,466	359,260,207
Earnings per share on profit attributable to owners of the Parent Company		
Basic earnings per share, SEK	4.65	4.61
Diluted earnings per share, SEK	4.64	4.60

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.

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12 ACQUISITION AND DIVESTITURE OF SUBSIDIARIES AND OPERATIONS

GROUP

	Country	Date	Acquired share, % ¹	Holding post-transaction, % ¹	Annual net sales, SEK M ²	Number of employees (individuals)
Acquisitions 2023						
VAN AKEN concepts, Architecture & Engineering B.V.	Netherlands	9 January 2023	100	100	78	48
Pro-Consult	Norway	31 January 2023	100	100	66	35
VK architects+engineers Group	Belgium ³	20 March 2023	100	100	888	520 ⁴
Metria, asset deal	Sweden	2 May 2023			139	102
Ball & Berry Limited	UK	2 May 2023	100	100	46	42
Arkkitehtitoimisto Neva Oy	Finland	2 May 2023	100	100	36	25
DS-Engineering, asset deal	Belgium	27 June 2023			12	8
FPC Risk Group	Belgium	4 July 2023	100	100	44	23
Medins Havs och Vattenkonsulter AB	Sweden	26 September 2023	100	100	37	35
OJ Rådgivende Ingeniører Group	Denmark	2 October 2023	100	100	433	325
					1,778	1,163
Acquisitions 2022						
Swedish Net Engineering AB	Sweden	1 February 2022	100	100	31	28
Vitech	Belgium	26 April 2022	100	100	8	4
Stema Group	Norway	2 May 2022	100	100	186	86
AB Soil Remediation Experts BV	Belgium	10 May 2022	100	100	16	12
Arcasa Group	Norway	31 May 2022	100	100	130	69
RK-TEC SRL	Belgium	27 June 2022	100	100	68	39
Dayspring Group	Sweden	1 September 2022	100	100	44	40
Venac	Belgium	11 October 2022	100	100	9	4
Via Trafik Rådgivning A/S	Denmark	1 November 2022	100	100	75	60
V2S Stabilitieit bv	Belgium	16 November 2022	100	100	20	10
Futureproofed bv	Belgium	14 December 2022	100	100	9	14
JHK Architecten B.V.	Netherlands	21 December 2022	100	100	25	21
					621	387

1) Ownership share corresponds to equity interest.

2) Estimated annual sales at acquisition date.

3) Part of VK Group was consolidated into Sweco Netherlands, representing about 14 per cent of net sales.

4) The number of employees in the table excludes self-employed. Including self-employed, VK Group has some 600 experts.

In 2023, Sweco acquired 10 companies and businesses with more than 1,200 experts (individuals), generating annual net sales of approximately SEK 1,800 million.

On 9 January, Sweco acquired the Dutch firm VAN AKEN concepts, Architecture & Engineering with extensive experience in the private sector as well as from urban studies. The company has around 50 specialists and had net sales of SEK 78 million in 2022. The acquisition was consolidated into Sweco Netherlands as of January.

On 31 January, Sweco acquired Pro-Consult in Norway with 35 experts specialising in project management and constructional engineering. In 2022, the company had net sales of SEK 66 million. The acquisition was consolidated into Sweco Norway as of February.

On 20 March, Sweco completed the acquisition of the Belgian group VK architects+engineers, specialised in architectural, technical and infrastructure design solutions. VK is primarily active in the Belgian market but also has presence in the Netherlands, Luxembourg, the UK and Vietnam. The VK group has some 600 experts and annual net sales of around SEK 890 million. The acquisition was consolidated into Sweco as of 31 March.

On 2 May, Sweco acquired Metria AB's planning and survey business in Sweden. The business has around 100 employees and annual net sales of SEK 139 million. The acquisition was consolidated into Sweco Sweden as of May.

On 2 May, Sweco acquired the Approved Inspector Building Control firm Ball & Berry in the UK. Ball & Berry has around 40 employees. In 2022, the company had a turnover of SEK 46 million. The acquisition was consolidated into Sweco UK as of May.

On 2 May, Sweco acquired Neva Architects in Finland with 25 employees. The acquisition contributes to Sweco now being one of Finland's largest architecture consultancies. In 2022, Neva Architects had a turnover of SEK 36 million. The acquisition was consolidated into Sweco Finland as of May.

On 27 June, Sweco acquired the business in DS-Engineering in Belgium. The business has 8 employees and annual net sales of SEK 12 million. The acquisition was consolidated into Sweco Belgium as of 30 June.

On 4 July, Sweco acquired the fire protection consultancy firm FPC Risk in Belgium. The company has 23 employees in fire risk and emergency management, and annual net sales of approximately SEK 44 million. The acquisition was consolidated into Sweco Belgium as of July.

On 26 September, Sweco acquired Medins Havs och Vattenkonsulter. The company has 35 employees and annual net sales of approximately SEK 37 million. The acquisition was consolidated into Sweco Sweden as of September.

On 2 October, Sweco acquired OJ Rådgivende Ingeniører in Denmark. With the acquisition, Sweco almost doubles the size of its building business in Denmark and strengthens its position as a top engineering and architecture firm in the country. OJ Rådgivende Ingeniører has 325 employees and annual net sales of approximately SEK 433 million. The acquisition was consolidated into Sweco Denmark as of October.

During the year, the acquired companies contributed SEK 1,092 million in net sales, SEK 122 million in EBITA and SEK 20 million in operating profit (EBIT). If the companies had been owned as of 1 January 2023, they would have contributed approximately SEK 1,770 million in net sales, about SEK 190 million in EBITA and about SEK 21 million in operating profit (EBIT).

Acquisition-related costs for the above acquisitions during the year and previous periods total SEK 42 million (12) and are chiefly comprised of financial advisory and consulting fees associated with due diligence and tax. The expenses for the year, totalling SEK 30 million (12), were reported in other external expenses in the income statement.

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Net assets of acquired and divested companies at the acquisition date

	2023		2022	
	Acquired value	Acquired value	Acquired value	Divested value
Intangible assets	669	62	8	
Property, plant and equipment	48	16	0	
Right-of-use assets	168	22	2	
Financial assets	18	3	0	
Current assets ¹	725	142	18	
Cash and cash equivalents	161	71	6	
Non-current lease liabilities	-111	-13	-2	
Other non-current liabilities	-504	-7	-1	
Deferred tax	-193	-14	-	
Current lease liabilities	-52	-8	-1	
Other current liabilities	-443	-144	-10	
Non-controlling interest	0	-	-3	
Consolidated goodwill recognised on acquisition	1,356	608	-	
Capital gain/loss recognised on divestiture	-	-	53	
Total purchase price	1,843	739	72	
Purchase price outstanding	-16	-2	-	
Payment of deferred purchase price	20	9	-	
Cash and cash equivalents in acquired and divested companies	-161	-71	-6	
DECREASE/INCREASE IN GROUP CASH AND CASH EQUIVALENTS	1,686	675	65	

1) Of acquired current assets, receivables total SEK 688 million (122).

Acquisitions completed in 2023 and 2022 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 all acquisitions made in 2023, the acquisition analyses are preliminary.

Of the considerations paid, SEK 97 million is classified in accordance with IFRS as the cost for future service of staff. The cost for future service is thus accounted for as a prepaid asset and will be expensed over the coming three years in Acquisition-related items. Since the amount is prepaid, it impacts the operating cash flow presented in changes in working capital.

The acquisitions, excluding cost for future service, had a negative impact of SEK 1,686 million (675) on Group cash and cash equivalents. No divestments were made during the year, although last year divestitures had an impact of SEK 65 million on the Group's cash and cash equivalents. The net impact on Group cash and cash equivalents is SEK 1,686 million (-610).

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 and synergy effects.

Of the unsettled purchase price commitment of net SEK 16 million, SEK 10 million pertains to conditional purchase consideration entered as liability.

Contribution of acquired and divested companies to consolidated net sales and operating profit

	2023		2022	
	Acquisition	Acquisition	Acquisition	Divestiture
Contribution to net sales in the year's accounts	1,092	293	30	
Contribution to net sales if acquired company had been owned for the full year	1,770	599	-	
Contribution to EBITA in the year's accounts	122	20	4	
Contribution to EBITA if acquired company had been owned for the full year	190	27	-	
Contribution to operating profit (EBIT) in the year's accounts	20	12	4	
Contribution to operating profit (EBIT) if acquired company had been owned for the full year	21	13	-	

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13 INTANGIBLE ASSETS

GROUP

	2023			2022		
	Goodwill	Other intangible assets	Total	Goodwill	Other intangible assets	Total
Opening acquisition costs	9,269	1,389	10,659	8,214	1,308	9,523
Purchases	–	5	5	–	11	11
Developed internally	–	29	29	–	37	37
Increase through acquisitions	1,388	621	2,009	610	62	672
Measurement period adjustment	-32	49	17	-2	–	-2
Decrease through divestiture	–	–	–	-7	-6	-13
Reclassification	–	0	0	–	2	2
Sales/disposals	–	-2	-2	–	-95	-95
Foreign currency translation differences	-89	-11	-101	454	70	524
Closing accumulated acquisition costs	10,536	2,080	12,616	9,269	1,389	10,659
Opening accumulated amortisation/depreciation and impairments	-71	-1,116	-1,187	-71	-1,024	-1,095
Decrease through divestiture	–	–	–	–	5	5
Reclassification	–	0	0	–	0	0
Sales/disposals	–	2	2	–	95	95
Foreign currency translation differences	–	2	2	–	-54	-54
Impairment losses	–	–	–	–	-5	-5
Amortisation/depreciation for the year	–	-214	-214	–	-133	-133
Closing accumulated amortisation/depreciation and impairments	-71	-1,326	-1,397	-71	-1,116	-1,187
CLOSING CARRYING AMOUNT	10,465	754	11,219	9,198	273	9,472
By business area						
Sweco Sweden	2,158			2,112		
Sweco Norway	872			878		
Sweco Finland	1,739			1,724		
Sweco Denmark	1,693			1,532		
Sweco Netherlands	570			396		
Sweco Belgium	1,872			1,011		
Sweco UK	798			779		
Sweco Germany & Central Europe	763			766		
Capitalised development costs for software		93			90	
Assets capitalised on acquisition		661			183	
CLOSING CARRYING AMOUNT	10,465	754	11,219	9,198	273	9,472

Internally developed software was capitalised for an amount of SEK 29 million (37) during the year, mainly related to Twinfinity product development and software projects in the Netherlands. Other intangible assets were acquired through acquisition or purchase. See also Note 12 regarding intangible assets arising from acquisitions. No impairment losses were made during the year. Previous year impairment losses of SEK 5 million was made for software in Germany. In the above table, borrowing costs are not included in asset acquisition costs.

PARENT COMPANY

	2023	2022
Other intangible assets		
Opening acquisition costs	167	168
Purchases	-1	4
Sales/disposals	–	-5
Closing accumulated acquisition costs	166	167
Opening accumulated amortisation	-151	-149
Sales/disposals	–	5
Amortisation for the year	-5	-7
Closing accumulated amortisation	-156	-151
CLOSING CARRYING AMOUNT	10	15

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 left 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.

Given the weak performance of Business area Sweco UK in 2023, the assumptions concerning this unit have been taken into special consideration. The conclusion is that the recoverable value is larger than the carrying value of Sweco UK and there is thus no impairment loss. The sensitivity analysis indicates that relatively small changes in the assumptions could lead to an impairment. A reduction of 1.0 percentage point in the EBITA margin would result in an impairment loss of goodwill of SEK 27 million for Sweco UK. An increase in the discount rate of 1.0 percentage point would result in an impairment loss of goodwill of totally SEK 13 million for Sweco UK. The recoverable value of Sweco UK will be monitored closely during 2024.

For the other cash-generating units, Sweco's assessment is that adjusted values in the table on the next page do not represent a reasonable change in assumptions. The impairment testing therefore indicates no need for impairment.

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Impairment tests for cash-generating units with goodwill, years 1–5

2023	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Denmark		Sweco Netherlands		Sweco Belgium		Sweco UK		Sweco Germany & Central Europe		
	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	
Variable																	
Average sales growth, %	3.3	-26.8	5.0	-29.6	3.3	-18.0	5.5	-10.8	3.4	-26.9	6.0	-5.9	3.4	1.3	4.0	-15.7	
Average EBITA margin, %	8.4	2.9	8.2	1.6	8.4	3.0	8.8	4.6	7.7	2.5	8.8	5.4	5.4	4.9	5.3	3.4	
Pre-tax discount rate, %	8.3	22.9	9.2	44.1	9.0	22.6	8.4	14.5	8.7	25.3	10.3	15.4	12.1	12.9	9.4	15.8	
2022	Sweco Sweden		Sweco Norway		Sweco Finland		Sweco Denmark		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	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	Assumed value	Adjusted value	
Average sales growth, %	2.6	-23.5	5.4	-25.4	3.3	-13.7	2.5	-5.4	3.6	-31.9	7.0	-7.6	4.9	-1.2	5.2	-6.9	
Average EBITA margin, %	8.3	3.2	8.1	2.0	8.5	3.9	8.6	6.2	7.6	1.9	8.5	5.2	6.6	5.2	5.0	3.6	
Pre-tax discount rate, %	9.8	24.2	10.7	42.2	10.6	21.5	9.9	12.8	10.1	42.0	12.0	19.1	11.6	14.4	11.5	17.2	

14 PROPERTY, PLANT AND EQUIPMENT

GROUP

	2023			2022		
	Buildings and land	Equipment	Total	Buildings and land	Equipment	Total
Opening acquisition costs	85	1,755	1,840	54	1,668	1,722
Purchases	0	336	336	26	248	274
Increase through acquisitions	0	43	43	4	10	14
Measurement period adjustment	5	0	5	3	–	3
Decrease through divestiture	–	–	–	–	-4	-4
Reclassification	-1	1	0	–	-5	-5
Sales/disposals	–	-296	-296	-8	-256	-264
Foreign currency translation differences	0	-10	-10	6	93	99
Closing accumulated acquisition costs	89	1,829	1,918	85	1,755	1,840
Opening accumulated depreciation and impairments	-14	-1,236	-1,250	-15	-1,196	-1,211
Decrease through divestiture	–	–	–	–	4	4
Reclassification	1	0	1	–	3	3
Sales/disposals	–	283	283	4	237	241
Foreign currency translation differences	0	3	3	-2	-73	-75
Depreciations for the year	-4	-240	-244	-1	-211	-212
Closing accumulated depreciation	-17	-1,191	-1,208	-14	-1,236	-1,250
CLOSING CARRYING AMOUNT	71	638	709	70	518	589
of which, land:						
Opening acquisition costs	2		2	2		2
Sales/disposals	–		–	-1		-1
Foreign currency translation differences	0		0	0		0
Increase through acquisitions	–		–	0		0
Closing carrying amount, land	2		2	2		2

PARENT COMPANY

	2023	2022
Equipment		
Opening acquisition costs	122	205
Purchases	71	19
Sales to group companies	-1	–
Sales/disposals	-1	-102
Closing accumulated acquisition costs	193	122
Opening accumulated depreciation	-64	-135
Sales to group companies	1	–
Sales/disposals	–	98
Depreciation for the year	-31	-27
Closing accumulated depreciation	-95	-64
CLOSING CARRYING AMOUNT	97	59

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15 RIGHT-OF-USE ASSETS

GROUP

	2023			2022		
	Premises	Equipment	Total	Premises	Equipment	Total
Change in carrying amount for the year						
Opening carrying amount	2,180	257	2,438	2,234	274	2,508
New leases	241	217	458	96	91	187
Increase through acquisitions	109	59	168	18	4	22
Decrease through divestiture	–	–	–	-2	–	-2
Changes in existing leases	472	5	477	372	2	374
Sales/disposals	-88	-8	-96	-18	-7	-25
Impairment losses	-3	–	-3	–	–	–
Depreciations for the year	-735	-158	-893	-642	-125	-767
Foreign currency translation differences	-23	-3	-27	122	18	141
CLOSING CARRYING AMOUNT	2,153	369	2,522	2,180	257	2,438

Impairment losses of SEK 3 million have been made during 2023. The impairment losses mainly relate to unused office space in the UK.

16 SHAREHOLDINGS AND PARTICIPATION IN GROUP COMPANIES

PARENT COMPANY

Change in carrying amount for the year	2023	2022
Opening carrying amount	4,699	4,669
Acquisition of subsidiaries	0	0
Shareholder's contribution	–	30
CLOSING CARRYING AMOUNT	4,699	4,699

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares	Carrying amount
Directly owned companies					
Sweco Central Europe AB ¹	556633-5831	Stockholm	100	1,000	59
Sweco Norge AS	967032271	Norway	100	152,349	112
Sweco Finland Holding Oy ¹	0871165-9	Finland	100	21,000	1,104
Sweco Sverige Holding AB ¹	556032-2496	Stockholm	100	100,000	887
Vattenbyggnadsbyrån Export AB ²	556079-1336	Stockholm	100	4,500	1
Twinfinity AB	559382-4815	Stockholm	100	100	30
Sweco NewCo AB ²	559446-8091	Stockholm	100	25,000	0
Sweco Holdco B.V. ¹	30029428	Netherlands	100	76,114,143	2,506
Total shareholdings and participation in group companies					4,699

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares
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 Design Center Poland Sp. z o.o.	1008485	Poland	100	100
Sweco Polska Sp. z o.o.	0000140225	Poland	100	30,469
Sweco Projekt AS	11304200	Estonia	100	383,569
Sweco EST OÜ	10633373	Estonia	100	1

Through Sweco Norge AS

Sweco Architects AS	894607262	Norway	100	1,250
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Through Sweco Finland Holding Oy

Kiinteistö Oy Sammonpiha ³	0770284-4	Finland	75	166
Sweco PM Oy	2635438-4	Finland	100	10,000
Sweco Finland Oy	2661738-3	Finland	100	120
Arkkitehtitoimisto Neva Oy	1793624-3	Finland	100	100
Gaia Consulting Oy	2008574-2	Finland	100	11,099

1) Holding company

2) Dormant company

3) Real estate company

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Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares
Through Sweco Sverige Holding AB				
Sweco International AB	556862-9918	Stockholm	100	500
Sweco Business Information Consulting Co.	91310000MA1K349X1E	China	100	10
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
Sweco International AB Saudi Arabia & Partner for Engineering Consulting	1010443168	Kingdom of Saudi Arabia	75	5,000
Medins Havs och Vattenkonsulter AB	556389-2545	Härbyda	100	1,000
Dayspring AB	556731-1336	Stockholm	100	108,814
Dayspring Göteborg AB	556732-8447	Stockholm	100	1,050
Dayspring Malmö AB	556963-7480	Stockholm	100	1,000
Through Sweco Holdco B.V.				
Sweco Nederland Holding B.V. ¹	30161447	Netherlands	100	5,000
Sweco Capital Consultants B.V.	27091285	Netherlands	100	32,305
Sweco Nederland B.V.	30129769	Netherlands	100	1,816
Sweco Vastgoedmanagement B.V.	23064728	Netherlands	100	1,816
JHK Architecten B.V.	30164248	Netherlands	100	400
VAN AKEN Concepts, Architecture & Engineering B.V.	66462649	Netherlands	100	100
Grontmij Assetmanagement Holding B.V. ¹	30136340	Netherlands	100	182
Grontmij Nederland Projecten B.V. ³	30163316	Netherlands	100	200
PAR 2 Ontwikkeling B.V. ³	37128584	Netherlands	100	900
PAR 2 Ontwikkeling C.V. ³	37131835	Netherlands	100	
Assutex C.V. ⁴	30122026	Netherlands	100	
Sweco Denmark Holding ApS ¹	31862671	Denmark	100	600,000
Sweco Denmark A/S	48233511	Denmark	100	62,800,896
GSA Gesellschaft für Strassenanalyse GmbH	HRB 2231	Germany	100	1
Sweco Asset Management Technologies AS	961168848	Norway	100	1,500
Sweco Asset Management Technologies AB	556228-0361	Gothenburg	100	10,006
OJ Rådgivende Ingeniører A/S	32762646	Denmark	100	10,800
OJ Brandrådgivning A/S	43073168	Denmark	100	400,000
Sweco Belgium bv	0405647664	Belgium	100	218,248
GM Contracting nv	0419330703	Belgium	100	18,252
Studiebureau Boydens Raymond nv	0416968059	Belgium	100	264
Sustainable Engineering Vietnam Ltd.	0106224296	Vietnam	100	
Futureproofed bv	0466180824	Belgium	100	13,006
VK Global nv	0686579658	Belgium	100	9,700,000
VK-Astana Architects and Engineers	090340001877	Kazakhstan	100	
VK Engineering nv	0439529962	Belgium	100	2,651
Betic	B79447	Luxembourg	100	100
Infranea nv	0869742679	Belgium	100	860
VK Group nv	0422734314	Belgium	100	1,215

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares
Cont. Through Sweco Holdco B.V.				
VK Studio architects, planners and designers nv	0477809231	Belgium	98	1,497,920
AD Architectes Limited	4501559	UK	100	1,200
Van Looy Group nv	0432104910	Belgium	100	131,479
Exilab NV	0648745797	Belgium	100	615
One Simulations B.V.	27318168	Netherlands	100	80,000
DENC Netherlands B.V.	32078883	Netherlands	100	500
Infranea Holland B.V.	20171457	Netherlands	100	180
Infranea Espana srl	B98970981	Spain	100	3,000
Fire Protection Consultants International nv	0465892879	Belgium	100	250,000
FPC Risk B.V.	75330970	Netherlands	100	100,000
Fire Protection Consultants nv	0415219782	Belgium	100	2,000
Safety Centre Europe bvba	0873234085	Belgium	100	100
Arteum Architects bv	0896004242	Belgium	98	2,100
Sweco UK Holding Limited ¹	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 ²	2748664	UK	100	56
Sweco Services UK Limited	2707426	UK	100	200
Roger Preston Group Ltd	6546246	UK	100	1
MLM Holdings Ltd ¹	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
Ball & Berry Limited	6450441	UK	100	500
Sweco GmbH	HRB21768HB	Germany	100	200
Jo. Franzke Generalplaner GmbH	HRB102538	Germany	100	1
imp GmbH	HRB207026	Germany	100	3
Sweco Prüf- und Sachverständigen GmbH	HRB129739	Germany	100	25,000
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.

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17 SHAREHOLDINGS AND PARTICIPATION IN ASSOCIATED COMPANIES

During 2023 Sweco acquired SOM+ASSAR sprl as part of VK-Group. From 2023 Arteum Architects BVBA is reported as a subsidiary instead of as an associated company. During 2022 Sweco invested SEK 1 million in Arteum Architects in Belgium. 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:	2023	2022
Profit for the year	1	1
TOTAL COMPREHENSIVE INCOME	1	1

Shareholdings at year end	Corp. ID number	Domicile	Share of equity, %	No. of shares	Carrying amount
2023					
Through Sweco Denmark A/S					
Odeon A/S	26391253	Denmark	22	130,500	2
PavEx Consulting s.r.o.	cz63487624	Czech Republic	50	250,000	1
Projektgruppen Akutcenter Viborg ApS	35046445	Denmark	26	20,500	0
Through Sweco Belgium NV					
SOM+ASSAR sprl	0871.696.735	Belgium	24	48	0
Total shares and participation					3
2022					
Through Sweco Denmark A/S					
Odeon A/S	26391253	Denmark	22	130,500	2
PavEx Consulting s.r.o.	cz63487624	Czech Republic	50	250,000	1
Projektgruppen Akutcenter Viborg ApS	35046445	Denmark	26	20,500	0
Through Sweco Belgium NV					
Arteum Architects BVBA	BE0896004242	Belgium	40	840	1
Total shares and participation					4

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:	2023	2022
Profit for the year	0	0
TOTAL COMPREHENSIVE INCOME	0	0

Holdings in joint operations at year end	Corp. ID number	Domicile	Share of equity, %
2023			
Through Sweco Sverige AB			
Sweco ÅF Healthcare Systems AB	556881-5764	Stockholm	50
Through Sweco Belgium bv			
VK Asia Pacific Limited	1427489	Hong Kong	51
VK Vietnam One Member Limited Liability Company	411043001775	Vietnam	51

2022

Through Sweco Sverige AB			
Sweco ÅF Healthcare Systems AB	556881-5764	Stockholm	50

Group's shareholdings in joint operations	2023	2022
Operating income	1	1
Operating costs	0	-1
PROFIT FOR THE YEAR	0	0
<hr/>		
Current assets	1	1
Total assets	1	1
<hr/>		
Current liabilities	-2	-1
Total liabilities	-2	-1
NET ASSETS	-1	0

There are no pledged assets or contingent liabilities relating to holdings in joint operations.

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19 FINANCIAL INVESTMENTS

GROUP

Change in carrying amount for the year	2023	2022
Opening carrying amount	11	10
Acquisition of other shares	0	0
Disposal of other shares	-1	0
Increase through acquisition	0	0
Revaluation of holdings	0	0
Foreign currency translation difference	0	1
CLOSING CARRYING AMOUNT	10	11

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
2023					
BRF Störtloppet	716414-8764	Åre			1
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	5
Dansk Konstruktions- og Betoninstitut A/S	15179589	Denmark	14	1,143	1
Other shares and participation					2
Total shares and participation					10

2022					
BRF Störtloppet	716414-8764	Åre			1
Kiinteistö Oy Paalupuisto	0575992-1	Finland	13	444	7
Dansk Konstruktions- og Betoninstitut A/S	15179589	Denmark	14	1,143	1
Other shares and participation					2
Total shares and participation					11

20 OTHER NON-CURRENT SECURITIES

PARENT COMPANY

Change in carrying amount for the year	2023	2021
Opening carrying amount	1	1
CLOSING CARRYING AMOUNT	1	1

Shareholdings at year end	Corp. ID number	Domicile	Carrying amount
2023			
BRF Störtloppet	716414-8764	Åre	1
Total shares and participation			1

2022			
BRF Störtloppet	716414-8764	Åre	1
Total shares and participation			1

21 RECEIVABLES FROM GROUP COMPANIES

PARENT COMPANY

Change in carrying amount for the year	2023	2022
Non-current assets		
Opening carrying amount	1,836	1,833
Lending to group companies	–	1
Recovered receivables	-1	–
Foreign currency translation difference	0	2
Closing carrying amount	1,835	1,836

Current assets		
Opening carrying amount	2,574	1,329
Change for the year	268	1,245
Closing carrying amount	2,842	2,574
TOTAL RECEIVABLES FROM GROUP COMPANIES	4,677	4,410

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	2023	2022
Opening carrying amount	97	107
Increase through acquisition	9	1
Increase in receivables	13	4
Decrease in receivables	-9	-20
Reclassification	-46	2
Foreign currency translation difference	0	4
CLOSING CARRYING AMOUNT	65	97
Non-current receivables at year end		
Insurance reimbursement	30	33
Lease receivables – employee cars	9	6
Other non-current receivables	25	57
CLOSING CARRYING AMOUNT	65	97

Other receivables comprise 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.

	2023		2022	
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	2,936	-1,567	2,643	-1,557
Increase through acquisitions	331	-72	12	0
Measurement period adjustment	-1	-3	–	–
Decrease through divestiture	–	–	-14	3
Progress billings	-21,003	-4,936	-17,558	-4,767
Value of work completed	21,628	4,340	17,657	4,886
Reclassification	-300	300	38	-38
Foreign currency translation difference	-23	8	156	-93
CLOSING CARRYING AMOUNT	3,568	-1,930	2,936	-1,567

A major part of the opening balance for progress billings in excess of work in progress was recognised as income in 2023. No significant revenue from performance obligations fulfilled during previous periods has been reported.

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24 PREPAID EXPENSES, ACCRUED INCOME AND OTHER CURRENT RECEIVABLES

	Group		Parent Company	
	2023	2022	2023	2022
Prepaid rent-related expenses	52	40	–	0
Prepaid insurance premiums	62	35	0	2
Prepaid IT expenses including licence expenses	459	492	420	470
Prepaid expenses for future service ¹	79	–	–	–
Other prepaid expenses	120	114	14	23
Accrued interest income	0	1	–	0
Other accrued income	3	1	1	1
TOTAL	775	683	435	496

1) Prepaid expenses for future service 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	
	2023	2022	2023	2022
Other current receivables	2023	2022	2023	2022
VAT	27	29	9	8
Deposits	32	29	–	–
Insurance reimbursement	189	147	–	–
Lease receivables – employee cars	10	10	–	–
Derivatives	1	–	0	–
Other current receivables	425	270	12	12
TOTAL OTHER CURRENT RECEIVABLES	685	485	21	20

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 current 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 short-term highly 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.

Cash and cash equivalents in the balance sheet	Group		Parent Company	
	2023	2022	2023	2022
Cash/bank	1,103	850	35	134
TOTAL CASH AND CASH EQUIVALENTS	1,103	850	35	134

26 EQUITY

Change in number of outstanding shares ¹	A shares	B shares	Total
Number of shares at 1 January 2022	31,086,598	326,398,472	357,485,070
Issuance of treasury shares – share savings scheme	–	113,734	113,734
Issuance of treasury shares – share bonus scheme	–	1,020,600	1,020,600
NUMBER OF SHARES AT 31 DECEMBER 2022	31,086,598	327,532,806	358,619,404
Conversion of A shares to B shares	-21,000	21,000	–
Issuance of treasury shares – share savings scheme	–	35,037	35,037
Issuance of treasury shares – share bonus scheme	–	487,011	487,011
NUMBER OF SHARES AT 31 DECEMBER 2023	31,065,598	328,075,854	359,141,452

1) After deduction for treasury shares.

A statement of changes in equity is found on page 97 for the Group and on page 101 for the Parent Company. Additional information about the Sweco share is provided on pages 142–145.

The total number of shares, including treasury shares, at the end of the period was 363,251,457 (31,065,598 Class A shares and 332,185,859 Class B shares.) The total number of votes was 64,284,183.9, of which 31,065,598 are represented by Class A shares and 33,218,585.9 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 2023 the Group's holding of treasury shares amounted to 4,110,005 (4,632,053) Class B shares. The treasury shares were purchased at an average price of SEK 65.17 each, for a total of SEK 268 million. The market value at 31 December 2023 was SEK 555 million. The repurchased shares correspond to 1.1 per cent of the total number of shares and 0.6 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 19 April 2024.

	2023	2022
Dividend of SEK 2.95 per common share (2.70 SEK)	1,072	968

Amounts for 2023 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 2023 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 36.

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.

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27 CURRENT AND NON-CURRENT INTEREST-BEARING DEBT

	Group		Parent Company	
	2023	2022	2023	2022
Non-current interest-bearing debt				
Liabilities to credit institutions	2,628	1,410	978	1,161
Total	2,628	1,410	978	1,161
Current interest-bearing debt				
Bank overdraft facilities	375	20	354	–
Commercial Paper Program	1,061	495	–	–
Total	1,437	516	354	–
TOTAL INTEREST-BEARING DEBT	4,065	1,926	1,332	1,161

All financial liabilities above are recognised at amortised cost. Liabilities to credit institutions were mainly raised to finance acquisitions. The main bank credit facility is a EUR 400 million revolving credit facility established in July 2021 with a tenor of 3 years and two 1-year extension options, currently maturing July 2026. During the year Sweco converted the revolving credit facility to a sustainability-linked loan. The terms and conditions are linked to targets for Sweco's long-term initiatives to reduce GHG emission in own operations and to increase gender equality among employees. 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. Sweco borrows short-term under a Swedish Commercial Paper Program with a framework amount of SEK 2,000 million. The refinancing risk is mitigated through available committed bank credit facilities. The bank overdraft facilities are renewed yearly and are not associated with any special conditions or obligations.

	Group		Parent Company	
	2023	2022	2023	2022
Loan maturity structure				
0–1 year	1,437	516	354	–
1–5 years	2,626	1,408	978	1,161
>5 years	2	2	–	–
TOTAL	4,065	1,926	1,332	1,161

The fixed interest rate period for all loans is less than one year.

Bank credit facilities and debt programme

	Group		Parent Company	
	2023	2022	2023	2022
Credits granted	5,841	5,449	5,611	5,222
Credits utilised on balance sheet date	-4,065	-1,926	-1,332	-1,161
– whereof Commercial Paper Program	-1,061	-495	–	–
UNUTILISED CREDITS	2,837	4,018	4,279	4,061
Average interest rate, %¹	4.56	2.13	4.65	1.32

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 debt¹

	2023	2022
Non-current interest-bearing debt	2,628	1,410
Current interest-bearing debt	1,437	516
Cash and cash equivalents incl. current investments	-1,103	-850
NET DEBT	2,961	1,075

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 current investments. Lease liabilities are excluded from net debt.

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
Carrying amount at 1 January 2022	896	-1,805	-4	-913	-90	-1,003
Non-cash items						
Increase through acquisitions	–	-7	-1	-8	0	-8
Impairment	–	–	–	–	11	11
Reclassification	–	–	0	0	1	1
Foreign currency translation differences ¹	35	-111	-1	-77	-2	-79
Total non-cash items	35	-118	-2	-85	10	-75
Cash flow ¹	-80	513	-510	-77	19	-58
CARRYING AMOUNT AT 31 DECEMBER 2022	850	-1,410	-516	-1,075	-61	-1,137
Non-cash items						
Increase through acquisitions	–	-477	-27	-504	-25	-529
Measurement period adjustment	–	–	0	0	-5	-5
Reclassification	–	0	0	–	50	50
Foreign currency translation differences	-6	40	0	34	0	33
Total non-cash items	-6	-437	-27	-471	19	-451
Cash flow	259	-782	-893	-1,416	20	-1,396
CARRYING AMOUNT AT 31 DECEMBER 2023	1,103	-2,628	-1,437	-2,961	-22	-2,983
PARENT COMPANY						
Carrying amount at 1 January 2022	335	-1,650	–	-1,315	-44	-1,359
Cash flow	-201	489	-495	-207	1	-206
CARRYING AMOUNT AT 31 DECEMBER 2022	134	-1,161	-495	-1,522	-43	-1,565
Reclassifications	–	–	–	–	43	43
Cash flow	-99	184	-920	-835	–	-835
CARRYING AMOUNT AT 31 DECEMBER 2023	35	-978	-1,415	-2,357	–	-2,357

1) 2022 has been updated to reflect related items in the Consolidated cash flow statement.

Analysis of changes in lease liabilities can be found in Note 30.

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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 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 year-end 2023 Alecta's surplus measured as a collective consolidation ratio amounted to a preliminary 157 per cent (172). 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.

Belgium

Sweco Belgium funds several open and soft-frozen defined contribution (DC) pension plans and one soft-frozen defined benefit (DB) plan. The company funds its pension plans through group insurance contracts with guaranteed interest rates via an external party. Pursuant to Belgian legislation applicable to 2nd pillar pension plans (Law Vanderbroucke), all Belgian DC plans for which the legal minimum guaranteed return is applicable are treated as DB plans under IFRS. Liabilities and costs of these DC plans are therefore calculated pursuant to the projected unit credit method.

During 2023, the acquisition of VK architects+engineers brought in additional pension liabilities as the VK group funds several open DC plans with the same characteristics as the existing plans in Sweco Belgium.

Other countries

As at the close of 2023, Sweco Norway has two defined benefit pension plans with similar demographic and financial assumptions. These plans apply to 28 retired members. The plans' assets and liabilities are calculated using identical actuarial assumptions.

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 66 retired members, 28 active employees, and 46 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, the UK and the Netherlands participate in defined contribution pension plans with local pension funds or insurance companies. The Group also participates in defined benefit pension plans with local pension funds or insurance companies in India, and did so previously in Bulgaria. The Bulgarian company was divested during 2022. The Netherlands, Germany, Belgium and Denmark also have provisions for jubilee benefits.

	2023				
Breakdown of net asset/liability for defined benefit plans by country	Norway	Germany	Belgium	Other	Total
Present value of defined benefit pension obligations	-51	-30	-454	-2	-538
Fair value of plan assets	38	-	394	0	432
Liability for jubilee benefits	-	-3	-27	-15	-45
NET ASSET/LIABILITY FOR DEFINED BENEFIT PLANS	-12	-33	-88	-17	-151

	2022				
Breakdown of net asset/liability for defined benefit plans by country	Norway	Germany	Belgium	Other	Total
Present value of defined benefit pension obligations	-52	-37	-343	-5	-437
Fair value of plan assets	40	-	299	3	343
Liability for jubilee benefits	-	-3	-	-16	-19
NET ASSET/LIABILITY FOR DEFINED BENEFIT PLANS	-11	-40	-44	-17	-113

Defined benefit pension plans in the balance sheet

	2023	2022
Present value of defined benefit pension obligations	-538	-437
Fair value of plan assets	432	343
Liability for jubilee benefits	-45	-19
NET LIABILITY FOR DEFINED BENEFIT PLANS	-151	-113

Non-current pension provisions	-145	-108
Current pension provisions	-5	-5
NET BALANCE SHEET AMOUNT	-151	-113

Change in defined benefit pension obligations for the year

	2023	2022
Defined benefit pension obligation at beginning of year	-437	-421
Current service costs	-37	-30
Interest expense	-15	-5
Revaluations:		
– Actuarial gains and losses on changed financial assumptions	-8	52
– Experienced-based adjustments	-9	-14
Reclassification	2	-
Benefits paid	14	13
Increase through acquisition	-55	-
Decrease through divestiture	-	1
Foreign currency translation difference	7	-32
Defined benefit pension obligation at year end	-538	-437

Change in fair value of plan assets for the year	2023	2022
Fair value of plan assets at beginning of year	343	278
Employer contributions	41	34
Contributions from plan participants	10	7
Interest income	14	3
Return on plan assets, excluding interest income	6	13
Actuarial gains and losses	-2	2
Reclassification	-2	-
Benefits paid	-22	-17
Administration cost	-2	-1
Increase through acquisition	51	-
Foreign currency translation difference	-6	23
Fair value of plan assets at year end	432	343

Plan assets are comprised of

	2023	2022
Shares	1	2
Government bonds	33	36
Real estate	1	1
Other ¹	397	304
TOTAL PLAN ASSETS	432	343

1) Refers to assets in Sweco Belgium pension plans with pension insurance contracts. 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.

Defined benefit pension plans	2023	2022
Net expense in the income statement		
Current service costs	-38	-31
Net interest income/interest expense	-1	-1
TOTAL NET EXPENSE	-39	-32

Net expense is recognised in the income statement as

Personnel costs	-39	-32
Net expense in profit for the year	-39	-32

Expense recognised in other comprehensive income

Revaluations:		
Actuarial gains (-) and losses (+)	-10	39
Difference between actual return and return on discount rate on plan assets	-4	13
Effects of change in asset limit, excluding amounts reported in net interest income	0	1
Net expense recognised in other comprehensive income	-14	53
NET EXPENSE RECOGNISED IN COMPREHENSIVE INCOME	-53	21

The defined benefit plans are exposed to actuarial risks such as life expectancy, currency, interest rate and investment risks.

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	Norway		Germany		Belgium	
	2023	2022	2023	2022	2023	2022
Actuarial assumptions, %						
Discount rate	3.1	3.0	3.8	3.1	3.5	3.6
Anticipated return on plan assets	3.1	3.0	–	–	3.5	3.6
Annual rate of salary increase	3.5	3.5	2.5	2.5	3.5	3.0
Annual rate of pension increase	2.8	2.6	2.0	2.0	0.0	0.0
Inflation	2.3	2.0	5.9	10.0	2.5	2.0
Discount rate, jubilee	–	–	3.1	3.1	3.5	–
Life expectancy assumption, years						
– pensioned at end of period:						
Men	20.0	20.0	12.0	12.0	21.6	21.6
Women	23.0	23.0	16.0	16.0	25.3	25.3
Life expectancy assumption, years						
– pensioned 20 years after end of period:						
Men	22.0	22.2	22.0	22.0	–	–
Women	25.0	25.0	25.0	25.0	–	–
Other information						
Weighted average maturity of obligation, years	9.8	10.2	13.0	13.0	6.3	2.5
Number of active members in relation to total number of individuals, %	0	0	20	19	58	62

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)	41	28
Annual rate of salary increase (+/- 1% change)	17	11
Annual rate of pension increase (+/- 1% change)	8	7
Life expectancy (+/- 1 year)	5	5

The Group estimates that approximately SEK 58 million will be paid to defined benefit pension plans during 2024.

DEFINED CONTRIBUTION PENSION PLANS

	2023	2022
Allocation of expenses by pension plan		
Sweden	-373	-370
Finland	-359	-310
Netherlands	-174	-147
Norway	-163	-149
Denmark	-121	-94
UK	-54	-62
Germany	-6	-3
Belgium	-3	-1
Other countries	-1	-1
TOTAL	-1,254	-1,137

29 OTHER PROVISIONS**GROUP**

Change in fair value for the year	2023				2021			
	Legal claims	Restructuring	Other provisions	Total	Legal claims	Restructuring	Other provisions	Total
Opening carrying amount	276	3	54	333	193	11	39	243
Increase through acquisitions	4	–	7	11	–	–	–	–
Measurement period adjustment	0	–	–	0	0	–	–	0
Provision for the year	85	2	20	107	90	1	10	101
Utilised provision	-44	-3	-32	-79	-41	-9	-14	-64
Reversal of unutilised provision	-7	-1	0	-8	-11	-1	-2	-14
Interest	–	–	–	–	–	0	–	0
Foreign currency translation difference	-4	0	1	-3	16	1	3	20
Reclassification	11	1	-8	4	28	–	19	47
CLOSING CARRYING AMOUNT	320	2	43	365	276	3	54	333
OF WHICH, CURRENT OTHER PROVISIONS	262	1	17	282	215	3	33	251

Legal claims

The amount of the provision is the estimated future cost associated with disputes that have not been settled. Reported provision 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).

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.

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30 LEASE LIABILITIES

GROUP

			2023	2022
Cash outflow, premises			848	752
Cash outflow, equipment			197	160
CASH OUTFLOW, TOTAL LEASES			1,045	913

	2023		2022	
	Present value	Nominal value	Present value	Nominal value
Current lease liabilities				
Due within one year	805	868	773	810
Total current lease liabilities	805	–	773	–

Non-current lease liabilities				
Due within more than one but less than five years	1,353	1,461	1,295	1,364
Due within more than five years	418	433	445	459
Total non-current lease liabilities	1,770	–	1,740	–
TOTAL LEASE LIABILITIES	2,575	–	2,513	–
TOTAL FUTURE LEASE PAYMENTS	–	2,762	–	2,633

GROUP

Change in lease liabilities attributable to financing activities	Lease liabilities
Carrying amount at 1 January 2022	2,611
Cash flow 2022	
Amortisation of debt	-790
Non-cash items 2022	
New leases and revaluation	527
Increase through acquisition	21
Decrease through divestiture	-2
Foreign currency translation differences	146
CARRYING AMOUNT AT 31 DECEMBER 2022	2,513

Cash flow 2023

Amortisation of debt	-889
Non-cash items 2023	
New leases and revaluation	817
Increase through acquisition	163
Foreign currency translation differences	-29
CARRYING AMOUNT AT 31 DECEMBER 2023	2,575

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 2023 amount to approximately SEK 810 million, mainly related to a few new and extended major office contracts.

Sweco's lease portfolio contains approximately 3,400 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

	Group		Parent Company	
Accrued expenses and prepaid income	2023	2022	2023	2022
Accrued payroll costs	467	449	14	11
Accrued holiday and overtime pay	1,205	1,086	4	4
Accrued social and pension costs	635	517	26	24
Other personnel-related costs	29	39	–	–
Accrued IT expenses	21	9	–	–
Accrued audit and consulting costs	15	14	1	–
Accrued rent-related costs	39	38	–	–
Accrued interest	9	3	5	3
Prepaid income	5	1	–	–
Other accrued expenses	200	194	11	7
TOTAL ACCRUED EXPENSES AND PREPAID INCOME	2,626	2,349	61	49

	Group		Parent Company	
Other current liabilities	2023	2022	2023	2022
VAT	942	920	–	–
Employee withholding tax	391	310	2	2
Derivatives	1	3	0	1
Other current liabilities	46	38	0	1
TOTAL OTHER CURRENT LIABILITIES	1,381	1,271	2	3

32 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent Company	
Contingent liabilities	2023	2022	2023	2022
Corporate guarantees	474	481	435	316
Total corporate guarantees	474	481	435	316
Bank guarantees				
Advance payment guarantees	61	57	56	30
Performance guarantees	315	315	177	72
Other guarantees	405	358	205	182
Total bank guarantees	781	730	438	285
TOTAL CONTINGENT LIABILITIES	1,256	1,211	873	601

There were no pledged assets in Sweco Group on 31 December 2023 or 2022. 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.

2023	Carrying amount				Total carrying amount	Fair value hierarchy			Total
	Hold to collect	Hold to collect and sell	Other assets	Other liabilities		Level 1	Level 2	Level 3	
Financial assets measured at fair value through comprehensive income									
Shares	–	10	–	–	10	–	–	10	10
TOTAL	–	10	–	–	10	–	–	10	10
Financial assets measured at fair value through profit and loss									
Currency forwards for hedging	–	–	1	–	1	–	1	–	1
TOTAL	–	–	1	–	1	–	1	–	1
Financial assets measured at amortised cost									
Non-current receivables	34	–	–	–	34	–	–	–	–
Trade receivables	4,611	–	–	–	4,611	–	–	–	–
Cash and cash equivalents	1,103	–	–	–	1,103	–	–	–	–
TOTAL	5,748	–	–	–	5,748	–	–	–	–
Financial liabilities measured at fair value through profit and loss									
Contingent considerations	–	–	–	10	10	–	–	10	10
Currency forwards for hedging	–	–	–	1	1	–	1	–	1
TOTAL	–	–	–	10	10	–	1	10	10
Financial liabilities measured at amortised cost									
Liabilities to credit institutions	–	–	–	3,004	3,004	–	–	–	–
Commercial Paper Program	–	–	–	1,061	1,061	–	–	–	–
Other non-current liabilities	–	–	–	17	17	–	–	–	–
Trade payables	–	–	–	925	925	–	–	–	–
TOTAL	–	–	–	5,006	5,006	–	–	–	–

2022	Carrying amount				Total carrying amount	Fair value hierarchy			Total
	Hold to collect	Hold to collect and sell	Other assets	Other liabilities		Level 1	Level 2	Level 3	
Financial assets measured at fair value through comprehensive income									
Shares	–	11	–	–	11	–	–	11	11
TOTAL	–	11	–	–	11	–	–	11	11
Financial assets measured at fair value through profit and loss									
Currency forwards for hedging	–	–	0	–	0	–	0	–	0
TOTAL	–	–	0	–	0	–	0	–	0
Financial assets measured at amortised cost									
Non-current receivables	64	–	–	–	64	–	–	–	–
Trade receivables	4,056	–	–	–	4,056	–	–	–	–
Cash and cash equivalents	850	–	–	–	850	–	–	–	–
TOTAL	4,970	–	–	–	4,970	–	–	–	–
Financial liabilities measured at fair value through profit and loss									
Currency forwards for hedging	–	–	–	3	3	–	3	–	3
TOTAL	–	–	–	3	3	–	3	0	3
Financial liabilities measured at amortised cost									
Liabilities to credit institutions	–	–	–	1,431	1,431	–	–	–	–
Commercial Paper Program	–	–	–	495	495	–	–	–	–
Other non-current liabilities	–	–	–	61	61	–	–	–	–
Trade payables	–	–	–	1,078	1,078	–	–	–	–
TOTAL	–	–	–	3,064	3,064	–	–	–	–

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PARENT COMPANY

Fair value and carrying amount are recognised in the balance sheet as shown below:

2023	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
Cash and cash equivalents	35	–	–	35	–	–
TOTAL	35	1	–	36	1	1
Non-current interest-bearing liabilities	–	–	978	978	–	–
Current interest-bearing liabilities	–	–	1,061	1,061	–	–
Trade payables	–	–	63	63	–	–
TOTAL	–	–	2,102	2,102	–	–

2022	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	43	–	–	43	–	–
Cash and cash equivalents	134	–	–	134	–	–
TOTAL	176	1	–	177	1	1
Non-current interest-bearing liabilities	–	–	1,161	1,161	–	–
Current interest-bearing liabilities	–	–	495	495	–	–
Trade payables	–	–	416	416	–	–
TOTAL	–	–	2,073	2,073	–	–

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.

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 2022	10
Total reported gains and losses	
– recognised in profit for the year	0
– recognised in other comprehensive income	1
Cost of acquisitions	0
Disposal of financial investments	0
Gained through acquisitions	0
CLOSING CARRYING AMOUNT AT 31 DECEMBER 2022	11
Gains and losses recognised in profit for the year for assets included in the closing carrying amount at 31 December 2022	0
Opening carrying amount at 1 January 2023	11
Total reported gains and losses	
– recognised in profit for the year	0
– recognised in other comprehensive income	0
Cost of acquisitions	0
Disposal of financial investments	-1
Gained through acquisitions	0
CLOSING CARRYING AMOUNT AT 31 DECEMBER 2023	10
Gains and losses recognised in profit for the year for assets included in the closing carrying amount at 31 December 2023	0
	Financial liabilities
Opening carrying amount at 1 January 2022	15
Payments	-4
Changes in value reported in the income statement	-11
Foreign currency translation differences	0
CLOSING CARRYING AMOUNT AT 31 DECEMBER 2022	–
Estimated liabilities, acquisition	14
Payments	-4
Foreign currency translation differences	0
CLOSING CARRYING AMOUNT AT 31 DECEMBER 2023	10

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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 group finance function 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 2023 can be broken down into the following significant currencies:

2023

SEK M	DKK	EUR	GBP	NOK	USD	CNH
Income	92	729	67	144	81	16
Expenses	-17	-596	-46	-101	-163	-4
NET	75	133	21	43	-82	12

2022

SEK M	DKK	EUR	GBP	NOK	USD	CNH
Income	75	727	53	107	52	3
Expenses	-35	-901	-42	-68	-79	-3
NET	41	-175	12	39	-27	-1

On the balance sheet date, the Group had the following open forward exchange contracts with a remaining time to maturity of between 0 and 34 months (0 and 45 months).

SEK M	Contract amount		Unrealised gains + / losses -		Average rate	
	2023	2022	2023	2022	2023	2022
EUR buy	-3	-336	0	-1	11.15	11.13
EUR sell	17	36	0	-1	11.20	10.85
CNH	12	15	0	0	1.46	1.48
USD	22	20	0	-2	10.09	9.39
Other	-	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 2023 was NOK 694 million (615), GBP 44 million (45), DKK 765 million (663) and EUR 522 million (487). 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 was no ineffectiveness to be reported from hedges of net investments in foreign operations.

	Group	
	2023	2022
Net investment in foreign operation		
Carrying amount foreign currency loan, SEK M	-1,182	-1,408
Carrying amount foreign currency loan, EUR M	-106	-126
Hedge ratio for both loans	1:7	1:6
Change in carrying amount of the loans as a result of changed foreign currency rate	42	-95
Change in value of hedged item used to determine hedge effectiveness	509	1,187
<i>of which, due to changed foreign currency rate</i>	-20	559

During 2023, an amount of EUR 20 million (10) 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.

	Group	
	2023	2022
Foreign exchange differences recognised in the income statement		
Other operating income	-	-
Other operating expenses	-4	-4
Total foreign exchange differences in operating profit	-4	-4
Other financial items	-4	1
Total foreign exchange differences in total net financial items	-4	1
TOTAL FOREIGN EXCHANGE DIFFERENCES IN PROFIT AFTER TAX	-8	-3

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 3,941 million (4,869). Sweco has a centralised funding strategy where funds are mainly raised by Sweco AB. The aim is to utilise different funding sources and distribute the maturities over time. In this way the refinancing risk is managed, while retaining the option to use excess cash to repay outstanding debt. Cash pools are in place to use surplus liquidity in the Group and minimise the borrowing requirement. The bank overdraft facilities are renewed every year and are not associated with any special conditions or obligations; see also Note 27 for more information.

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An age analysis of financial liabilities is shown in the table below:

2023	Nominal amount in original currency				
	Total	0–1 year	1–5 years	>5 years	
Interest-bearing liabilities	4,465	1,640	2,824	2	
Forward exchange contracts, EUR	1	13	13	1	–
Forward exchange contracts, USD	2	22	19	3	–
Forward exchange contracts, CNH	9	12	12	–	–
Lease liabilities	2,762	868	1,461	433	
Trade payables	925	922	3	–	
Other liabilities	1,403	1,381	22	–	
TOTAL FINANCIAL LIABILITIES	9,602	4,855	4,314	435	

2022	Nominal amount in original currency				
	Total	0–1 year	1–5 years	>5 years	
Interest-bearing liabilities	2,087	593	1,492	2	
Forward exchange contracts, EUR	-27	-298	-304	6	–
Forward exchange contracts, USD	2	22	15	7	–
Forward exchange contracts, CNH	10	16	16	–	–
Forward exchange contracts, other	0	0	–	–	
Lease liabilities	2,633	810	1,364	459	
Trade payables	1,078	1,075	3	–	
Other liabilities	1,332	1,271	61	–	
TOTAL FINANCIAL LIABILITIES	6,870	3,476	2,933	461	

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 41,000 clients in both the private and public sectors. The public sector accounts for 38 per cent of total sales, property and construction companies for 17 per cent, industrial companies for 21 per cent and other private sector companies for 24 per cent.

The ten largest clients account for 14 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 0.12 per cent (0.17 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 the uncertainty regarding future market development that might 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	2023			2022		
	Gross	Reserve	Net	Gross	Reserve	Net
Trade receivables not yet due	3,777	-20	3,757	3,380	-5	3,375
Overdue trade receivables 0–30 days	464	-3	462	358	-6	353
Overdue trade receivables 31–90 days	159	-3	156	136	-21	115
Overdue trade receivables 91–180 days	111	-16	95	57	-5	52
Overdue trade receivables > 180 days	275	-134	142	241	-79	162
TOTAL	4,787	-176	4,611	4,172	-116	4,056

Trade receivables by currency	2023	2022
	SEK	1,387
EUR	1,878	1,735
DKK	568	366
NOK	503	491
GBP	153	190
PLN	67	40
CZK	30	48
USD	9	14
Other currencies	16	13
TOTAL	4,611	4,056

Changes in reserve for doubtful receivables	Trade receivables		Work in progress less progress billings	
	2023	2022	2023	2022
Opening reserve for doubtful trade receivables	-116	-108	-30	-14
Increase through acquisitions	-23	-2	–	–
Decrease through divestiture	–	1	–	–
Measurement period adjustment	0	0	–	–
Provisions to reserve for doubtful trade receivables	-152	-89	-26	-16
Write-offs of non-collectible receivables/non-invoiceable for the year	18	51	–	–
Reversal of unutilised amount	96	39	30	–
Translation difference	1	-7	–	–
CLOSING RESERVE FOR DOUBTFUL RECEIVABLES	-176	-116	-26	-30

Other non-current receivables at amortised cost amounted to SEK 65 million (97), comprised of lease receivables related to employee cars, insurance reimbursement, 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. The table has been updated for 2022 and includes only the impact on transaction exposure.

Factor	Change +/-	2023 Impact on earnings +/- SEK M	2022 Impact on earnings +/- SEK M
Currency	%	SEK M	SEK M
EUR	10	10	11
NOK	10	3	3
DKK	10	6	3
GBP	10	2	1
USD	10	6	2
Interest rate on lending/borrowing	1 p.p.	27	13

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 24.0 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	2023	2022
Equity	10,590	9,939
Non-controlling interests	5	4
TOTAL	10,595	9,943

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 2024 Annual General Meeting approve a dividend of SEK 2.95 per share, equal to a dividend share of 64 per cent of profit after tax. Through the dividend, a maximum of SEK 1,072 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 60 per cent of profit after tax.

Sweco's 2022 Annual General Meeting granted authorisation for the Board to repurchase treasury shares to enable delivery of shares under the 2023 Share Savings Scheme and the 2023 Share Bonus Scheme, under which bonuses are paid in shares for operations in Sweden.

The Board proposes that the 2024 Annual General Meeting authorise the Board to decide on the repurchase and transfer of treasury shares and to enable delivery of shares for the 2024 Share Savings Scheme and the 2024 Share Bonus Scheme.

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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 1 million (1) 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 2023 amounted to SEK 0 million (0). Consulting services totalling SEK 1 million (1) 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 2023 amounted to SEK 0 million (0).

The Group had insignificant sales to associated companies and joint ventures. Dividends from associated companies totalled SEK 0 million (0). Trade receivables against associated companies at 31 December 2023 amounted to SEK 1 million (0). There were no trade payables with associated companies on 31 December 2023 or 2022.

For information on remuneration to the Board of Directors and senior executives, see Note 6.

36 EVENTS AFTER THE BALANCE SHEET DATE

On 8 February 2024 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 1,072 million (see Note 26).

On 10 January, Sweco announced the acquisition of Econsultancy B.V. in the Netherlands. The company offers solutions and support within the areas of climate change and the green transition, with a strong focus on ecological and environmental sustainability. Econsultancy has over 200 experts and annual net sales in 2022 of approximately SEK 160 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). Impairment tests for 2023 indicate no write-down requirement, nor does the sensitivity analysis indicate that reasonable changes in assumptions will result in impairment except for Business area Sweco UK where the sensitivity analysis indicates that relatively small changes in the assumptions could lead to an impairment. However, it cannot be ruled out that future outcomes may deviate from projections to such an extent as to affect the valuation of goodwill, which, if so, could have a material impact on Sweco's results and position.

Valuation of work in progress and remaining performance obligation

Approximately 29 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. In such cases, an assessment is made of Sweco's obligations and the likelihood of a negative outcome for Sweco. The assessment is made based on information and knowledge Sweco currently has and, where applicable, is made in consultation with insurance companies and legal advisors. The assessments are, in several cases, difficult to make and deviations of final outcomes from expected outcomes cannot be ruled out.

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 geopolitical instability

Geopolitical instability, including the war in Ukraine, and its impact on the global economy continues to create uncertainty regarding future development. During 2023, the general economy and Sweco's markets have been impacted by increased inflation, higher interest rates and energy supply risk. Although some of Sweco's market segments have been negatively affected, there has been increased demand in other segments. As long as the prevailing geopolitical instability continues, at least some of this market impact is expected to continue and the general uncertainty to persist. Although some of Sweco's market segments have been negatively affected, there has been increased demand in other segments. As long as the prevailing geopolitical instability continues, at least some of this market impact is expected to continue and the general uncertainty to persist.

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, Gjörwellsgatan 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, 22 March 2024

Johan Nordström
Board chairman

Alf Göransson
Board member

Johan Hjertonsson
Board member

Susanne Pahlén Åklundh
Board member

Johan Wall
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 22 March 2024
PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

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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 2023 except for the corporate governance statement on pages 37–43. The annual accounts and consolidated accounts of the company are included on pages 31–47 and 94–136 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 2023 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 2023 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 37–43. 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 significant 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

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 requires, 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. Examples 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 ties 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.

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KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Valuation of goodwill</p> <p>Sweco describes this area further in Note 1, 13 and 37 in this annual report.</p> <p>Sweco's growth has historically been partly driven by acquisitions. Acquisitions lead to goodwill. Sweco's goodwill amounts to MSEK 10,465, 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.</p>	<p>We have in our audit performed for example the following key audit activities:</p> <ul style="list-style-type: none"> • Examined Sweco's model for impairment testing in order to conclude on the mathematical accuracy and reasonability in assumptions applied. • 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 1–29, 48–91 and 140–153. 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 Director's 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.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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/revisornsansvar. 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 2023 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/revisornsansvar. This description is part of the auditor's report.

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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 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report 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 International Standard on Quality Management 1, 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 37–43 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 20 April 2023 and has been the company's auditor since 1995.

Stockholm 22 March 2024
PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

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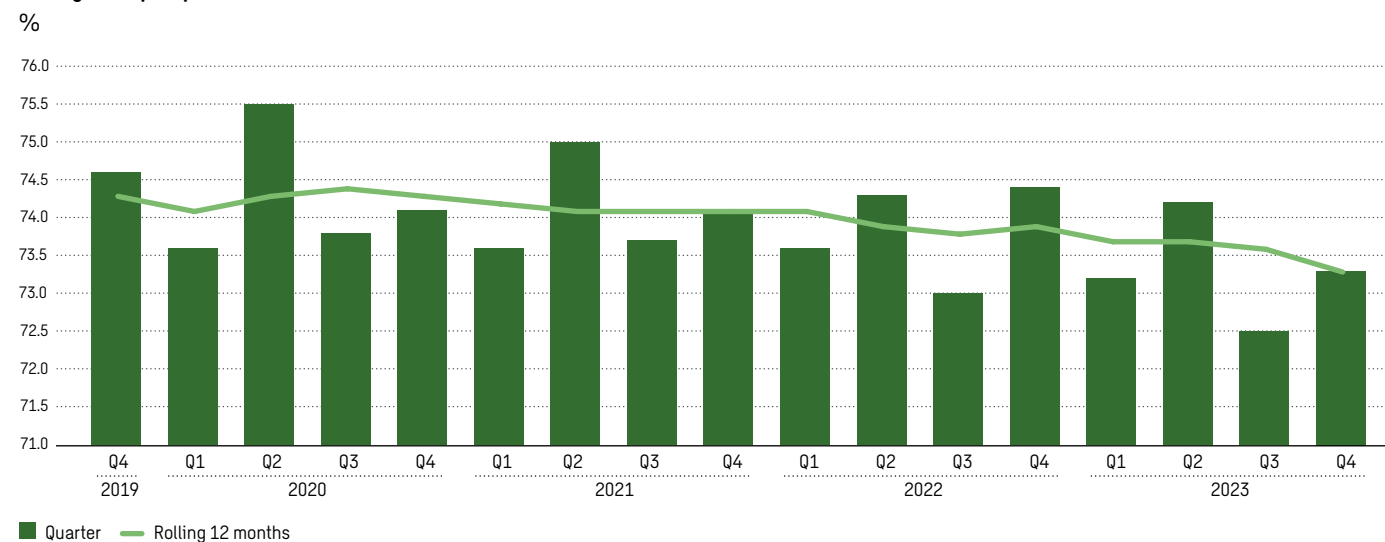
Sensitivity analysis

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 340 million. An increase of SEK 10 in the average hourly fee would lead to an increase in annual profit of around SEK 246 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 2023. For every assumed change, all other variables are assumed to be constant.

Factor	+/-	Effect +/-	
		Cash flow/operating profit	Earnings per share ¹
Net sales			
– average fee	1%	SEK 249 million	SEK 0.54
– average hourly fee	SEK 10	SEK 246 million	SEK 0.53
– billing ratio	1%-point	SEK 340 million	SEK 0.73
Personnel costs	1%	SEK 189 million	SEK 0.41
Overhead expenses	1%	SEK 36 million	SEK 0.08
Calendar effect	1 hour	SEK 13 million	SEK 0.03

1) After 22.5 per cent standard tax.

Billing ratio per quarter



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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 49 billion.

Share price performance and trading

The closing price for the Sweco B share was SEK 135.10 at year end 2023, representing a growth of 35 per cent during the year. Over the same period, Nasdaq Stockholm (OMXSPI) increased by 15 per cent. The highest closing price for the Class B share in 2023 was SEK 144.10 and the lowest was SEK 93.00. The highest closing price for the Class A share was SEK 144.00 and the lowest was SEK 93.20.

A total of 64,984,430 (257,205 A and 64,727,225 B) Sweco shares were traded on Nasdaq Stockholm during the year. The average trading volume per business day was 257,877 Class B shares and 1,025 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 17.69 per cent over the past five years. The corresponding figure for Nasdaq Stockholm was a total of 14.66 per cent.

Sweco AB's share¹

	Number		Holding, %	
	Shares	Votes	Shares	Votes
A	31,065,598	31,065,598.0	8.6	48.3
B	332,185,859	33,218,585.9	91.4	51.7
C	0	0.0	0.0	0.0
TOTAL	363,251,457	64,284,183.9	100.0	100.0

1) As at 31 December 2023, including a total of 4,110,005 treasury shares (all of which are Class B shares) and a total of 411,000.5 votes regarding repurchased shares.

Largest shareholders at 31 December 2023¹

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	243,496	6,217,276	9.3	1.7
Swedbank Robur Funds		18,914,458	18,914,458	2.9	5.2
NN Group N.V.		18,590,000	18,590,000	2.9	5.1
SEB Funds		16,683,163	16,683,163	2.6	4.6
Handelsbanken Funds		14,066,913	14,066,913	2.2	3.9
Första AP-fonden (First Swedish National Pension Fund)		11,250,000	11,250,000	1.8	3.1
Vanguard		7,508,073	7,508,073	1.2	2.1
ODIN Funds		7,299,849	7,299,849	1.1	2.0
Total, ten largest shareholders	28,676,207	220,084,958	248,761,165	78.8	68.5
Other ²	2,389,391	112,100,901	114,490,292	21.2	31.5
TOTAL	31,065,598	332,185,859	363,251,457	100.0	100.0

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 4,110,005 treasury shares (all of which are Class B shares) and a total of 411,000.5 votes regarding repurchased shares.

Treasury shares

At 31 December 2023 Sweco held a total of 4,110,005 treasury shares (all of which are Class B shares) with an average purchase price of SEK 65.17 corresponding to SEK 268 million. The market value of the

Class B treasury shares at the end of the year was SEK 555 million. The treasury shares correspond to 1.1 per cent of the total number of shares and 0.6 per cent of the votes.

Distribution of shareholdings at 31 December 2023¹

Number of shares	Number of known shareholders	Number of shares	Holding, %	Votes, %
1–500	18,443	1,904,205	0.5	0.4
501–1,000	2,444	1,784,586	0.5	0.4
1,001–10,000	4,005	11,946,094	3.3	2.3
10,001–50,000	490	9,660,536	2.7	2.2
50,001–100,000	69	4,773,340	1.3	1.1
100,001–	141	320,984,435	88.4	91.6
Anonymous ownership		12,198,261	3.3	2.0
TOTAL	25,592	363,251,457	100.0	100.0

1) Including a total of 4,110,005 treasury shares (all of which are Class B shares) and a total of 411,000.5 votes regarding repurchased shares.

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Incentive schemes for senior executives

The 2023 Annual General Meeting (like the 2011–2022 AGMs) resolved to implement a long-term share savings scheme for senior executives in the Sweco Group: Share Savings Scheme 2023. The conditions of Share Savings Scheme 2023 principally correspond to those applicable to Share Savings Scheme 2022. Participation in Share Savings Scheme 2023 requires 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 2023 (base salary). If the Savings Shares are retained up until and including the fourth business day following the day of publication of the year-end report for financial year 2026 (“the Retention Period”) and the participant remains in the same, equivalent or higher position in the Sweco Group during the entire Retention Period, then each Savings Share entitles the participant to receive, free of any consideration, one Class B share in Sweco (“Matching Share”) subject to the absolute total shareholder return (TSR) for the Sweco B share and absolute earnings per share (EPS) being positive during the Retention Period (i.e. absolute TSR and absolute EPS, respectively), and – provided that the established performance criteria are met – to an additional number of one to four Class B shares in Sweco (“Performance Shares”). The allocation of Performance Shares is dependent on the achievement of certain goals determined by the Board of Directors for Sweco’s EPS and the TSR of the Sweco B share (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. The evaluation of TSR performance is based on a combination of the Sweco Class B share’s TSR in relation to the TSR of a group of benchmark companies set by the Board of Directors (relative TSR) and the requirement that the Sweco Class B share’s TSR must be positive during the Retention Period (absolute TSR). The 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 (ranged EPS growth) and the requirement that Sweco’s accumulated EPS must be positive during the Retention Period (absolute EPS).

The participants and number of shares covered by each of the outstanding (as of 31 December 2023) share savings schemes are shown below. The data below is as of 31 December 2023, unless otherwise indicated.

	Share Savings Schemes				
	2020	2021	2022	2023	Total
Number of employees/key personnel still participating today	46	44	49	53	–
Number of Savings Shares acquired by participants through own funds at market rates	30,530	31,878	53,479	51,067	166,954
Maximum number of Matching and Performance Shares that can be allotted to the participants ¹	103,382 ²	110,558	184,930	179,623	578,493
The Retention Period runs until the fourth business day following the day of the publication of the year-end report for the financial year	2023	2024	2025	2026	–

1) Due to the share split (ratio 3:1) conducted during autumn 2020, the maximum numbers of shares for Share Savings Schemes 2020 have been recalculated in accordance with the schemes’ respective terms.

2) Following the end of the 2020 Share Savings Scheme in February 2024, the Board decided not to allocate any Class B shares to the remaining participants as the conditions for allotment were not fulfilled.

If the Savings Shares under the Share Savings Schemes 2020–2023 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, without consideration, to: 1) one Matching Share as follows: i) for the Share Savings Schemes 2019–2020, if the absolute TSR for the Class B share in Sweco is positive during the Retention Period, and ii) for the Share Savings Schemes 2021–2023, if the absolute TSR for the Class B share and the absolute EPS is positive during the Retention Period, and 2) 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 for all mentioned share savings schemes 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. For the Share Savings Schemes 2021–2023 the granting of Performance Shares is also conditional on that Sweco’s accumulated EPS is positive during the Retention Period and is also dependent on Sweco’s accumulated EPS in relation to a minimum and maximum EPS growth target set by the Board of Directors for the Retention Period. Under the Share Savings Schemes 2021–2023, up to 50 per cent of the Performance Share allocation will depend on the EPS performance, and up to 50 per cent of the Performance Shares allocation will depend on the TSR performance.

The Board may change the composition of the comparison group as required due to the delisting of a comparison company during the Retention Period. The table below lists the group of benchmark companies used for each outstanding share saving scheme (as of 31 December 2023).

2020	2021	2022	2023
AFRY	AFRY	AFRY	AFRY
Arcadis	Arcadis	Arcadis	Arcadis
Multiconsult	Multiconsult	Multiconsult	Multiconsult
Rejler Group	Rejler Group	Rejler Group	Rejler Group
RPS ¹	RPS ¹	WSP	WSP
WSP	WSP	Sitowise	Sitowise

1) Due to the delisting of RPS from the London Stock Exchange in January 2023, this company will drop out of the comparison group.

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Share Bonus Scheme

In accordance with the Board's proposal, Sweco's 2023 Annual General Meeting resolved to introduce the Share Bonus Scheme 2023 for the greater part of Group employees in Sweden. The terms and conditions for the Share Bonus Scheme 2023 essentially correspond to those of Share Bonus Scheme 2022. The resolution included decisions to implement the Share Bonus Scheme 2023 per se and to transfer Class B treasury shares to participants in the scheme. The Share Bonus Scheme 2023 comprises a maximum of 2,100,000 Sweco Class B shares, of which no more than 1,575,000 for delivery to participants and no more than 525,000 to cover social security contributions.

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 2023 financial year of SEK 2.95 per share (the total dividend for 2022 was 2.70), amounting to a maximum capital distribution of SEK 1 072 million (968).

Share capital development¹

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
2023, Mar: Conversion	-21,000	21,000	-	31,065,598	332,185,859	-	0.33	121.1

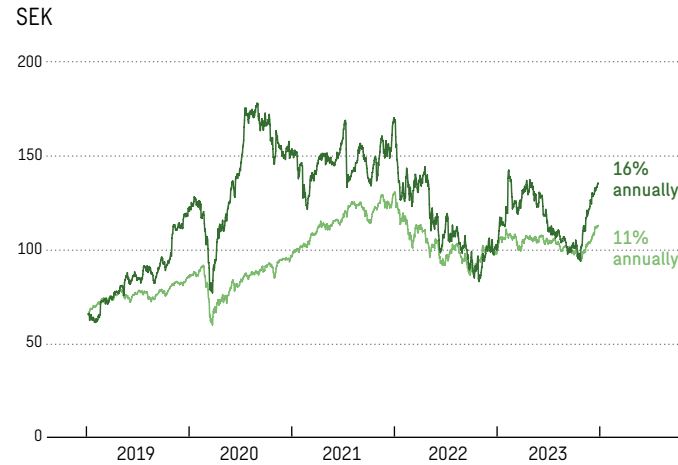
1) As at 31 December 2023, including a total of 4,110,005 treasury shares (all of which are Class B shares) and a total of 411,000,5 votes regarding repurchased shares.

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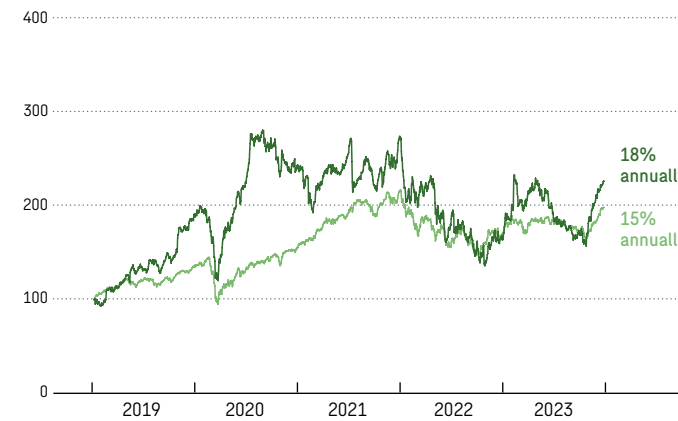
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Share price performance 5-year



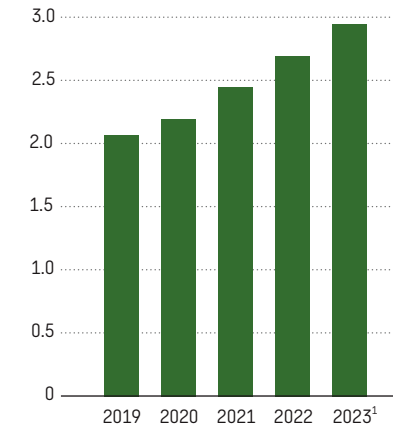
— Sweco B
— OMX Stockholm PI 28 December 2018 = share price for Sweco B
Due to the share split conducted during fourth quarter 2020, all historical share data have been restated according to IAS 33.

Total return 5-year
Index 100 = 28 December 2018



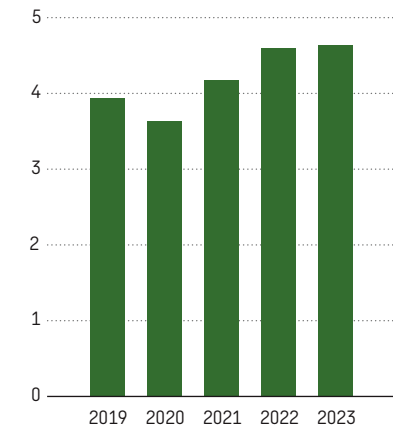
— Sweco B
— OMX Stockholm GI
Sweco's total return over the past five years has averaged at 18 per cent.

Dividend per share, SEK



1) Proposed dividend of SEK 2.95 per share.

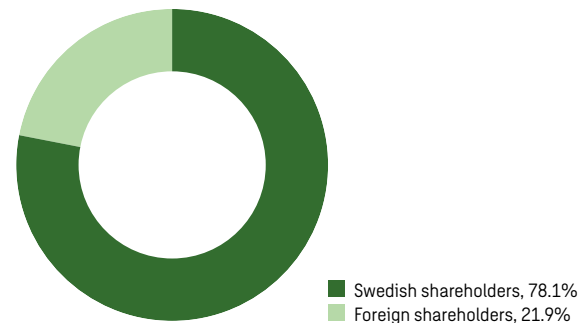
Earnings per share, SEK



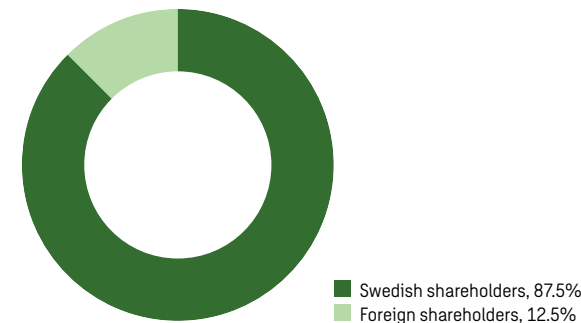
Due to the share split conducted during fourth quarter 2020, historical share data have been restated in accordance with IAS 33.

Shareholders per category at 31 December 2023

Holding as % of shares



Holding as % of votes



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Five-year overview

	2023	2022	2021	2020	2019
Income statement, SEK M					
Net sales	28,523	24,296	21,792	20,858	20,629
EBITA excl. IAC	2,531	2,225	2,070	2,056	1,869
EBITA	2,531	2,225	2,014	1,766	1,869
Operating profit (EBIT)	2,416	2,245	1,974	1,706	1,892
Net financial items	-236	-89	-77	-98	-115
Profit before tax	2,179	2,156	1,897	1,608	1,777
Profit for the year	1,667	1,652	1,492	1,293	1,393
Balance sheet, SEK M					
Balance sheet total	25,512	21,916	19,657	19,948	19,303
Equity	10,595	9,943	8,604	7,557	7,164
Cash and cash equivalents and current interest-bearing receivables	1,103	850	896	2,088	660
Interest-bearing liabilities	4,065	1,926	1,808	3,031	2,774
Net interest-bearing receivable/liability	-2,961	-1,075	-913	-943	-2,114
Cash flow, SEK M					
Cash flow from operating activities	2,504	2,515	2,199	3,249	2,299
Cash flow from investing activities	-2,042	-907	-578	-746	-985
Cash flow from financing activities	-203	-1,688	-2,841	-1,056	-1,404
Cash flow for the year	259	-80	-1,220	1,447	-90

	2023	2022	2021	2020	2019
Key ratios					
Operating profit (EBIT) per employee, SEK 000s	120	120	111	98	115
Value added per employee, SEK 000s	1,060	983	924	898	930
Billing ratio, %	73.3	73.9	74.1	74.3	74.3
EBITA margin excl. IAC, %	8.9	9.2	9.5	9.7	9.1
EBITA margin, %	8.9	9.2	9.2	8.5	9.1
Operating margin, %	8.5	9.2	9.1	8.2	9.2
Profit margin, %	7.6	8.9	8.7	7.7	8.6
Equity/assets ratio, %	41.5	45.4	43.8	37.9	37.1
Net debt/EBITDA, times	1.1	0.4	0.4	0.5	1.0
Net debt/equity, %	28.0	10.8	10.6	12.5	29.5
Debt/equity ratio, times	0.4	0.2	0.2	0.4	0.4
Interest coverage ratio, times	12	38	32	32	32
Return on equity, %	16.2	17.8	18.5	17.6	20.9
Return on capital employed, %	15.5	16.5	15.0	12.9	15.3
Return on total assets, %	9.7	9.2	10.0	8.7	10.4
Number of full-time employees	20,157	18,651	17,802	17,328	16,412

	2023	2022	2021	2020	2019
Share data¹					
Earnings per share, SEK	4.65	4.61	4.18	3.64	3.95
Diluted earnings per share, SEK	4.64	4.60	4.17	3.58	3.84
Dividend return, %	2.2	2.7	1.4	1.5	1.7
Equity per share, SEK	29.49	27.71	24.04	21.25	20.24
Diluted equity per share, SEK	29.37	27.60	23.89	21.07	19.71
Cash flow per share, SEK	0.72	-0.22	-3.42	4.08	-0.25
Diluted cash flow per share, SEK	0.72	-0.22	-3.41	4.00	-0.25
Closing price SWECO B at 31 December, SEK	135.10	99.85	170.20	151.00	120.40
Market capitalisation, SEK M	49,103	36,275	61,819	54,882	43,723
Ordinary dividend per share, SEK (2023 – proposed)	2.95	2.70	2.45	2.20	2.07
Number of shares at 31 December	359,141,452	358,619,404	357,485,070	355,197,471	353,395,377
Number of shares after dilution at 31 December	360,590,245	360,148,389	359,749,485	358,263,690	362,899,062
Number of shares after full dilution at 31 December	360,590,245	360,148,389	359,749,485	325,263,690	362,899,062
Number of Class B and C treasury shares	4,110,005	4,632,053	5,766,387	8,053,986	9,856,080

¹ Due to the share split conducted during fourth quarter 2020, all historical share data have been restated according to IAS 33.

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Statement of use Sweco AB has reported the information cited in this GRI content index for the period 2023-01-01 – 2023-12-31 with reference to the GRI Standards.
GRI 1 used GRI 1: Foundation 2021

GRI Standard	Disclosure	Page	Comment
GRI 2: General Disclosures 2021	2-1 Organizational details	31	
	2-2 Entities included in the organization's sustainability reporting	31	
	2-3 Reporting period, frequency and contact point	53	
	2-4 Restatements of information	53	
	2-5 External assurance	92	Sweco's external auditor, PricewaterhouseCoopers, has reviewed the company's Sustainability Report in accordance with RevR 12. The auditor's opinion regarding the statutory sustainability report issued by FAR (institute for the accountancy profession in Sweden).
	2-6 Activities, value chain and other business relationships	4–92	
	2-7 Employees	15–16, 72–80	
	2-8 Workers who are not employees	75	In addition to its employees, Sweco has an external workforce (sub-consultants and agency staff) that does not have a direct employment relationship with the company.
	2-9 Governance structure and composition	37–47	
	2-10 Nomination and selection of the highest governance body	37–47	
	2-11 Chair of the highest governance body	37–47	
	2-12 Role of the highest governance body in overseeing the management of impacts	37–47	
	2-13 Delegation of responsibility for managing impacts	37–47	
	2-14 Role of the highest governance body in sustainability reporting	37–47	
	2-15 Conflicts of interest	37–47	
	2-16 Communication of critical concerns	37–47	
	2-17 Collective knowledge of the highest governance body	37–47	
	2-18 Evaluation of the performance of the highest governance body	37–47	
	2-19 Remuneration policies	37–47, 111–114	
	2-20 Process to determine remuneration	43–53, 111–114	
	2-21 Annual total compensation ratio	43–53, 111–114	
	2-22 Statement on sustainable development strategy	11, 54–56	
	2-23 Policy commitments	81–85	
	2-24 Embedding policy commitments	81–85	
	2-25 Processes to remediate negative impacts	81–85	
	2-26 Mechanisms for seeking advice and raising concerns	81–85	
	2-27 Compliance with laws and regulations	81–85	
	2-28 Membership associations	83	
	2-29 Approach to stakeholder engagement	59–61	

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GRI Standard	Disclosure	Page	Comment
	2-30 Collective bargaining agreements	74, 91	Sweco has collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	58	
	3-2 List of material topics	58	
	3-3 Management of material topics	58	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	94–135	
	201-2 Financial implications and other risks and opportunities due to climate change	48–51	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	81–85, 91	
	205-2 Communication and training about anti-corruption policies and procedures	81–85, 91	
	205-3 Confirmed incidents of corruption and actions taken	81–85, 91	No confirmed cases of corruption during 2023.
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	81–85, 91	No legal actions during 2023.
GRI 207: Tax 2019	207-1 Approach to tax	84, 107, 115–117	
	207-2 Tax governance, control, and risk management	84, 107, 115–117	
	207-3 Stakeholder engagement and management of concerns related to tax	84, 107, 115–117	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	62–69, 87	
	302-3 Energy intensity	62–69, 87	
	302-4 Reduction of energy consumption	62–69, 87	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	62–69, 87	
	305-2 Energy indirect (Scope 2) GHG emissions	62–69, 87	
	305-3 Other indirect (Scope 3) GHG emissions	62–69, 87	
	305-4 GHG emissions intensity	62–69, 87	
	305-5 Reduction of GHG emissions	62–69, 87	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	91	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	80	
	403-8 Workers covered by an occupational health and safety management system	80	
	403-9 Work-related injuries	80	For Sweco the most important topic is sickness, which is measured in sickness absence.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	72–80	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 Programs for upgrading employee skills and transition assistance programs	72–80	
	404-3 Percentage of employees receiving regular performance and career development reviews	72–80	As part of Sweco Talk all employees are offered continuous employee performance reviews.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	79, 81	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	78–80, 91	

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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 fourth year, Sweco has prepared the

company's reporting in accordance with the recommendations in the TCFD framework to describe how the company works 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 2023, Sweco continued to assess climate-related risk and opportunities, which are presented on pages 50–51.

TCFD's Recommended and Supporting Recommended Disclosures	Page	Comment
Governance		
Describe the board's oversight of climate-related risks and opportunities.	48–51	
Describe management's role in assessing and managing climate-related risks and opportunities.	48–51	
Strategy		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	48–51	
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	48–51	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		During 2023, Sweco continued testing the resilience of Sweco's strategy in relation to various climate-related scenarios based on scientific reports from the IPCC, EIA and in accordance with TCFD recommendations.
Risk management		
Describe the organisation's processes for identifying and assessing climate-related risks.	48–51	
Describe the organisation's processes for managing climate-related risks.	48–51	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	48–51	
Metrics and targets		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	5, 62–68	
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	66–68, 87	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	5, 62–68	

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Sweco Group's value creation chain

Focus areas and material topics	Supplier	Sweco	Business partners	Clients	Society
Climate and external environment					
Climate mitigation and adaption	✓	✓		✓	✓
Biodiversity	✓			✓	✓
Energy efficiency, sources and systems	✓	✓		✓	✓
Water				✓	✓
Waste and circularity	✓	✓		✓	✓
Air quality				✓	✓
Employees					
Diversity and equality		✓			
Health and safety		✓			
Business ethics					
Human rights	✓	✓	✓	✓	
Business ethics	✓	✓	✓	✓	
Supply chain management	✓	✓			

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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.

CSRD

The EU's Corporate Sustainability Reporting Directive (CSRD) regulates how certain companies should report sustainability information in their annual reports.

Climate neutral

No net impact on the climate, including all greenhouse gas emissions as defined by the Intergovernmental Panel on Climate Change (IPCC).

CO₂e

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 2023) 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.

Emissions intensity

Carbon emissions intensity refers to the emissions attributed to a facet of the operations. It is calculated by dividing the total emissions by FTE or SEK million.

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.

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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.

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.

Value added per employee

Operating profit plus personnel costs divided by the full-time equivalents.

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Annual General Meeting

Annual General Meeting of SWECO AB (publ) will be held at 3:00 p.m. on Friday, 19 April 2024 at Fotografiska, Stadsgårdshamnen 22, Stockholm, Sweden. Registration for the AGM will begin at 2:00 p.m.

The Notice of the AGM and agenda are available on Sweco's website: www.swecogroup.com.

Notification

Shareholders who wish to participate in the Annual General Meeting must (i) be recorded as a shareholder in the share register prepared by Euroclear Sweden AB as of Thursday, 11 April 2024 (the record date) and (ii) give the company notice of their intention to participate no later than Monday, 15 April 2024 at the following address Sweco AB, "Sweco AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. Notification can also be made by telephone on +46 (0) 8 402 90 73 during weekdays between 9.00 a.m. and 4.00 p.m. CET, by email to generalmeetingservice@euroclear.com or through Sweco's website www.swecogroup.com.

The notification should include name, personal identity number (corporate identity number for legal entities), address and telephone number, as well as the registered number of shares and counsel, if applicable.

Nominee-registered shares

Shareholders whose shares are nominee-registered must, in order to be entitled to participate in the AGM, 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 (Thursday, 11 April 2024). 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 as the nominee decides. Voting right registrations that have been completed by the nominee no later than Monday, 15 April 2024 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 AGM. A proxy representing a legal entity shall provide a copy of a registration certificate, or other evidence of authority, showing the authorised signatories of the legal entity. A pro forma power of attorney is available at the company's website: www.swecogroup.com.

Dividend

The Board of Directors proposes that a dividend of SEK 2.95 per share be paid to the shareholders and that Tuesday, 23 April 2024, shall be the record date for the distribution. If the AGM decides in favour of the proposal, it is estimated that Euroclear Sweden AB will make dividend payments on Friday, 26 April 2024. The last day for trading in the company's shares including rights to receive dividends is Friday, 19 April 2024.

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