
REMUNERATION REPORT 2021

Introduction

This report describes how the guidelines for salary and other remuneration to senior executives within the Sweco Group, adopted by the Annual General Meeting 2020, were implemented in 2021. The report also provides information on remuneration to the CEO of Sweco AB and a summary of the company's outstanding and during 2021 completed share-related and share price-related incentive schemes. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Corporate Governance Board.

Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554) is available in note 6 (Employees and personnel costs) on pages 95-97 in the Annual and Sustainability report 2021. Information on the work of the Remuneration Committee in 2021 is set out in the corporate governance report available on pages 75 in the Annual and Sustainability report 2021.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 6 on page 97 in the Annual and Sustainability report 2021.

Key developments 2021

The CEO summarises the Company's overall performance in her statement on pages 4-5 in the Annual and Sustainability report 2021.

The company's remuneration guidelines: scope, purpose, compliance and deviation

A prerequisite for the successful implementation of the company's business strategy and safeguarding its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. Sweco's remuneration guidelines enable the company to offer the executive management a competitive total 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.

The remuneration under the remuneration guidelines consists of the following components: base salary (fixed cash salary), short term incentive ("STI") and pension and other benefits. 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 guidelines are found on page 96 in the Annual and Sustainability report 2021. During 2021, the company has complied with the remuneration guidelines adopted by the Annual General Meeting in 2020. No derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on www.swecogroup.com. No remuneration has been reclaimed. In addition to

remuneration covered by the remuneration guidelines, the Annual General Meetings of the company have resolved to implement long-term share-related incentive schemes.

Table 1 – Total CEO remuneration in 2021 (kSEK)*

Position	1 Fixed remuneration		2 Variable remuneration		3 Extraordinary	4 Pension	5 Total	6
	Base salary	Other benefits	One-year variable	Multi-year variable**	Extraordinary items	Pension cost	Total remuneration	Proportion of fixed and variable remuneration***
Åsa Bergman (CEO)	8,303	174	3,541	1,098	0	2,673	15,789	71/29

* Except for Multi-year variable remuneration, the table reports remuneration earned in 2021. Multi-year variable remuneration is reported if vested in 2021, as set out in table 2 and table 3 below (as applicable). Disbursement of any payments may or may not have been made the same year.

** Vested share awards as set out in table 2 below

*** Pension expense, which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration

Share-based remuneration

Outstanding and during 2021 completed share-related and share price-related incentive schemes

The 2017, 2018, 2019, 2020 and 2021 annual general meetings resolved to implement long-term share savings schemes (the 2017 Share Savings Scheme, 2018 Share Savings Scheme, 2019 Share Savings Scheme, Share Savings Scheme 2020 and the Share Savings Scheme 2021) directed at senior executives and other key personnel in the Sweco Group. During 2021, the 2017 Share Savings Scheme was completed with allotment being made in February 2021.

Under the share savings schemes, participants use their own funds to acquire Class B shares in Sweco (“Savings Shares”) over NASDAQ Stockholm for an amount equivalent to a maximum of 5–10 per cent of the participant’s annual base salary for that year. If the Savings Shares are held until the fourth business day following the day of the publication of the year-end report for the 2020 financial year for the 2017 Share Savings Scheme, the 2021 financial year for the 2018 Share Savings Scheme, the 2022 financial year for the 2019 Share Savings Scheme, the 2023 financial year for the Share Savings Scheme 2020 and the 2024 financial year for the Share Savings Scheme 2021 (respectively the “Retention Period”) and the participant remains employed on the same, equivalent and/or 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”) as follows: i) for the 2017 Share Savings Scheme, without any additional requirement, ii) for the Share Savings Scheme 2018-2020, if the absolute total shareholder return (“TSR”) for the Class B share in Sweco is positive during the Retention Period, and iii) for the Share Savings Scheme 2021, if the absolute TSR for the Class B share and the accumulated earnings per share (“EPS”) is positive during the Retention Period, and,
- provided that certain performance criteria have been met, to an additional number of not more than one to four Class B shares in Sweco (“Performance Shares”). The granting of Performance Shares is 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 Scheme 2021 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 Scheme 2021, 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 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.

In total, 141,130 Matching Share and Performance Shares was allotted under the 2017 Share Savings Scheme, which correspond to a dilution of yield per share of up to 0.04 per cent (number of shares after the share split (ratio 3:1) mention below). Information of the outcome, performance criteria etc. of the 2017 Share Savings Scheme is found in Table 3(b) below.

Due to the share split (ratio 3:1) that was implemented in the company in the autumn of 2020, the 2017 Share Savings Scheme has been and the Share Savings Schemes 2018–2019 will be recalculated in accordance with the terms of respective scheme. The Share Savings Scheme 2020 was implemented after the completion of the share split. However, the scope of the scheme (the maximum number of shares that may be transferred to participants and the maximum number of shares that may be transferred over Nasdaq Stockholm to cover costs for social security contributions) will be recalculated as the scheme was adopted by the Annual General Meeting prior to the share split.

Further information regarding the schemes is available on www.swecogroup.com.

Table 2 – Share Savings Schemes (CEO)

Position	The main conditions of the share savings plans					Information regarding the reported financial year			
	1 Share Saving Scheme	2 Retention period (Performance period)	3 Start of retention period (Award date)	4 Vesting date*	5 End of retention period	Opening balance	During the year		Closing balance
						6 Share awards held at beginning of the year**	7 Awarded***	8 Vested****	9 Subject to performance condition
Åsa Bergman (CEO)	2021	2021-2025	2021-12	2025-02	2025-02	0	25,975	0	25,975
	2020	2020-2024	2020-12	2024-02	2024-02	24,930	0	0	24,930
	2019	2019-2023	2019-12	2023-02	2023-02	28,155	0	0	28,155
	2018	2018-2022	2018-12	2022-02	2022-02	50,400	0	0	50,400
	2017	2017-2021	2017-12	2021-02-26	2021-02-26	13,272	0	12,207	
Total						116,757	25,975	12,207	129,460

* Within 40 days from the day of the publication of the year-end report for each respective financial year

** Maximum output of matching [M] and performance shares [P] for each respective scheme 2018 [M10,080-P40,320], 2019 [M5,631-P22,524], 2020 [M4,986-P19,944]

*** Maximum output of matching and performance shares 2021 [M5,195-P20,780]

**** Vested shares after allotment was 12,207 and has been recalculated after share split [M3,318] and [P8,889]

Sweco Group further currently offers a share bonus scheme, the Share Bonus Scheme 2021, under which bonuses are paid to employees in Sweden, who are covered by the scheme, in the form of Sweco shares. During 2021, the previous share bonus scheme, the Share Bonus Scheme 2020, was completed with allotment being made in May 2021.

The Share Bonus Scheme 2021 apply for the 2021 financial year and allotment of shares in Sweco shall take place during the first half of 2022. The Share Bonus Scheme 2020 applied for the 2020 financial year. The Share Bonus Scheme 2020 covered, and the Share Bonus Scheme

2021 covers all employees with long-term employments in Sweden in accordance with the rules for employee bonuses established by the Board of Directors but exclude senior executives and other key personnel who participate in Sweco's other incentive schemes (i.e., the share savings schemes). A precondition for being awarded shares through the share bonus scheme is that the participant's employment at the time of the awarding of the bonus has not expired nor been terminated. Under this equity-managed scheme, the number of shares to be received by each employee is calculated based on a fixed base share price (corresponding to the average volume-weighted price paid for the Sweco Class B share during a specified period). The base share price is restated in accordance with standard terms in the event the general meeting of the company resolves to conduct a share split, preferential rights issue or similar during the duration of the scheme. Estimated bonuses are expensed on a straight-line basis during the vesting period as a personnel cost, with a corresponding increase in equity. The expense recognised corresponds to the fair value of the estimated number of shares expected to vest. This expense is adjusted in subsequent periods to reflect the actual number of vested shares. Social fees relating 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.

In total, 2,146,469 Class B shares were allotted under the Share Bonus Scheme 2020, which correspond to a dilution of the yield per share of no more than 0.06 per cent.

Due to the share split (ratio 3:1) that was implemented in the autumn of 2020, the Share Bonus Scheme 2020 was recalculated in accordance with the terms of the scheme.

For the avoidance of doubt, the CEO is not covered by any share bonus scheme.

Further information regarding the share bonus schemes is available on www.swecogroup.com.

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives, and short-term and long-term business priorities for 2021 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

Table 3a - Performance of the CEO in the reported financial year: variable cash remuneration

Position	1 Description of the criteria related to remuneration component	2 Relative weighting of the performance criteria	3 a) measured performance and b) actual award/remuneration outcome
Åsa Bergman (CEO)	Operating margin own unit (EBITA %)	35%	a) 8.5% b) 540 kSEK
	Operating margin superior unit (EBITA%)	35%	a) 8.5% b) 540 kSEK
	Sales growth own unit (%)	30%	a) 1.1% b) 0 kSEK
	EBIT*	Each tenth of a per cent in E is equal to 0.1 monthly salaries though maximized at 3 monthly salaries	a) 3.0 b) 1,875 kSEK
	* The bonus for the CEO consists of one additional part, which is based on: E = EBIT margin (%) for the own operating unit compared with the average EBIT margin (%) for a group of comparison companies consisting of AFRY, Multiconsult, Reijers, Arcadis, WSP and RPS. Each tenth of a per cent in E is equal to 0.1 monthly salaries though maximized at 3 monthly salaries		

Table 3b - Performance of the CEO in the reported financial year: share-based incentives

Position	Share Savings Scheme	1 Description of the criteria related to remuneration component	2 Relative weighting of the performance criteria	3 a) measured performance and b) actual award/remuneration outcome
Asa Bergman (CEO)	Share Savings Scheme 2017	a) Absolute TSR - Positive b) Relative TSR - Benchmark vs. Peer Group	100%	a) Positive TSR b) 89.3% of maximum performance shares

Comparative information on the change of total remuneration and company performance

Table 4 – Change of total remuneration and company performance over the last five reported financial years (“RFY”) (kSEK)

	RFY 2017 vs RFY 2016	RFY 2018* vs RFY 2017	RFY 2019 vs RFY 2018	RFY 2020 vs RFY 2019	RFY 2021 vs RFY 2020	RFY 2021
CEO Remuneration	-419 (-3%)	-775 (-6%)	-455 (-4%)	+ 1,911 (+15%)	+ 1,444 (+10%)	15,789
Group Operating profit	+176,000 (+14%)	+193,000 (+14%)	+274,000 (+17%)	-126,000 (-7%)	+248,000 (+14%)	2,014,000
Average remuneration on a full-time equivalent basis of employees of the parent company**	-237 (-14%)	-208 (-14%)	+163 (+13%)	-70 (-5%)	-118 (-9%)	1,267
Average remuneration on a full-time equivalent basis of employees of the Sweco Group**	+23 (+4%)	+36 (+6%)	+21 (+3%)	+2 (0%)	+13 (+2%)	669

* During April 2018 Sweco changed CEO

** Excluding members of the group executive management

Stockholm, February 2022

SWECO AB (publ)

The Board of Directors