

# 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

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 64,500<sup>1</sup> 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.

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 <sup>1</sup>
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.

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

	Position	Year of birth	Nationality	Elected in	Independent of major shareholders	Board and committee fees, SEK <sup>2</sup>
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-

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.

## 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.

## 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](http://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.