
SWECO UK TAX STRATEGY

This UK Tax Strategy applies to Sweco UK Holding Limited and its UK subsidiaries ('Sweco UK') in accordance with Schedule 19 to the Finance Act 2016. It is effective for the year ending 31st December 2021 and will remain in effect until any amendments are approved by the Board of Directors. Sweco UK Holding Limited and its UK subsidiaries are ultimately owned by Sweco AB, a Swedish listed multinational group ('Sweco Group').

BACKGROUND

Sweco plans and designs the cities and communities of the future. Our main contribution to society is from the work we perform for our customers in projects. However, we also create value for society by generating employment and taxable profits. A large share of our customers are public authorities and their projects are financed by taxpayers. Taking responsibility for paying tax is one way for Sweco to contribute to a sustainable society.

Sweco Group's vision is to become Europe's most respected knowledge company in the fields of consulting engineering, environmental technology and architecture. Acting as a responsible corporate citizen and paying our fair share of tax is imperative to gain respect.

UK TAX STRATEGY

Sweco's tax strategy can be summarised as follows:

"Sweco will act as a responsible taxpayer, paying our fair share of tax, thereby contributing to the local society, taking care of our brand and reputation. We will pursue an efficient and robust tax position within the tax laws and without obstructing the business operations."

Risk management and tax governance

Sweco Group operates a group-wide Tax Policy which aims to ensure that Sweco has a clear governance framework around taxes. The Tax Policy is aimed at enabling UK management to control Sweco's tax situation by setting out the general principles within which Sweco operate when considering tax related issues.

The Tax Policy is adopted by Sweco Group's Board of Directors. The Group CEO has overall responsibility to implement the policy throughout the group. The Group CFO, acting on delegation from the CEO, and the Group tax manager acting under supervision of the CFO are responsible for ensuring that the overall Group tax position is adequately managed and compliant with this policy, by defining and developing standards and tax guidelines for the entire Group.

Sweco's UK finance team works with Sweco Group to manage UK taxes, and to meet Sweco's UK tax compliance requirements. The UK Finance Director is ultimately responsible for Sweco's UK tax affairs. Sweco UK also uses external tax advisors in relation to day to day tax compliance and in respect of more complex matters which may carry tax risks.

Cross-border collaboration and consequently intercompany transactions play a significant role in the success of Sweco Group. The OECD has issued guidelines for transfer pricing of cross-border transactions in multinational groups. Sweco adheres to these guidelines to ensure that a

correct pricing model is deployed and that a correct amount of tax is paid in each country, including the UK. The general principle is that taxable profits should be allocated to the country where value is created. This also fits well with the decentralised business model applied in Sweco Group.

Tax planning

Tax actions and decisions should always be:

- in line with the overall strategy;
- in compliance with the tax laws, disclosure requirements and regulations; and
- protecting Sweco's reputation and brand.

Sweco UK avoids arrangements that could be perceived as aggressive tax planning and with the sole or main purpose to avoid a fair tax burden. Sweco UK seeks to be compliant with UK tax laws. UK tax laws can be subject to interpretation at times but to support us with that interpretation and intended application we seek support from large accountancy firms as appropriate.

Tax Risk

Tax compliance and associated tax risks are managed as any other compliance and business risk within Sweco UK. Sweco Group and Sweco UK have a delegation framework in place that clearly regulate the allocation of powers and rules of procedure at every level covering all business aspects. To mitigate the levels of tax risk associated with its operations, Sweco UK operates by the Sweco Group Tax Policy and seeks advice from external tax advisors, as appropriate.

Relationship with HM Revenue and Customs ('HMRC')

Being a responsible taxpayer comes with accountability and disclosure. Compliance with all relevant legal disclosure requirements comes naturally. Openness, honesty and transparency is paramount in all our interactions with HMRC and other public bodies. Sweco UK welcomes the ability to work collaboratively with HMRC in respect of the Group's UK tax affairs.

Sweco UK Holding Limited
9 December 2021

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