

Adding new
perspectives
on technology.

SUSTAINABILITY REPORT 2022



CONTENTS

INTRODUCTION

- 4 This is Semcon
- 7 CEO's comments
- 9 Progress in 2022
- 10 Our operations

STRATEGY

- 16 A changing world
- 19 Our approach to sustainability
- 22 Our contributions to the SDGs

ROADMAP

- 24 Sustainable operations and value chain
- 39 Sustainable projects
- 50 Sustainable society

GOVERNANCE

- 53 Materiality assessment and stakeholder dialogue
- 55 Governance
- 58 Risk and opportunity assessment

NOTES

- 61 Sustainability notes
- 71 GRI index
- 74 TCFD index
- 75 Sustainability report index

OTHER

- 76 Board of directors and Group management

Contact: Heidi Östlund, Head of Sustainability,
heidi.ostlund@semcon.com

About the report: The Sustainability Report has been prepared in accordance with the Global Reporting Initiative Standards (GRI 2021) and we strive to align with the Task Force on Climate-Related Financial Disclosures (TCFD) standard. It also meets the requirements of the Swedish Annual Accounts Act.



A high-speed train is shown in motion, curving through a lush green landscape. A person with long, wavy hair is leaning out of the window of the train, looking towards the camera. The train is dark blue with a yellow stripe. The background is a dense forest of green trees under a cloudy sky.

ADDING NEW PERSPECTIVES ON TECHNOLOGY.

Semcon is an international technology partner for companies in transformation. We make our customers more competitive, improve the user experience and support the transition to a sustainable planet. Because a smart and sustainable future requires us to rethink – adding new perspectives on technology.

THIS IS SEMCON

Semcon unites physical and digital worlds to create user experiences that make a difference – for people and our planet. Whether you are striving to upgrade an existing product or service, invent new, sustainable technology or think in completely new ways about future needs, our focus is always on human needs and behaviours.

40+ years at the forefront of development

By combining more than 40 years of advanced engineering skills, strategic innovation, digital services and aftersales solutions, we provide professional services that are pushing developments forwards in several sectors, including life science, industry, telecom & IT, automotive/mobility and energy.

With experts within green and innovative technologies, digitalisation and sustainability, we help companies transition to a more sustainable future.

An eventful year

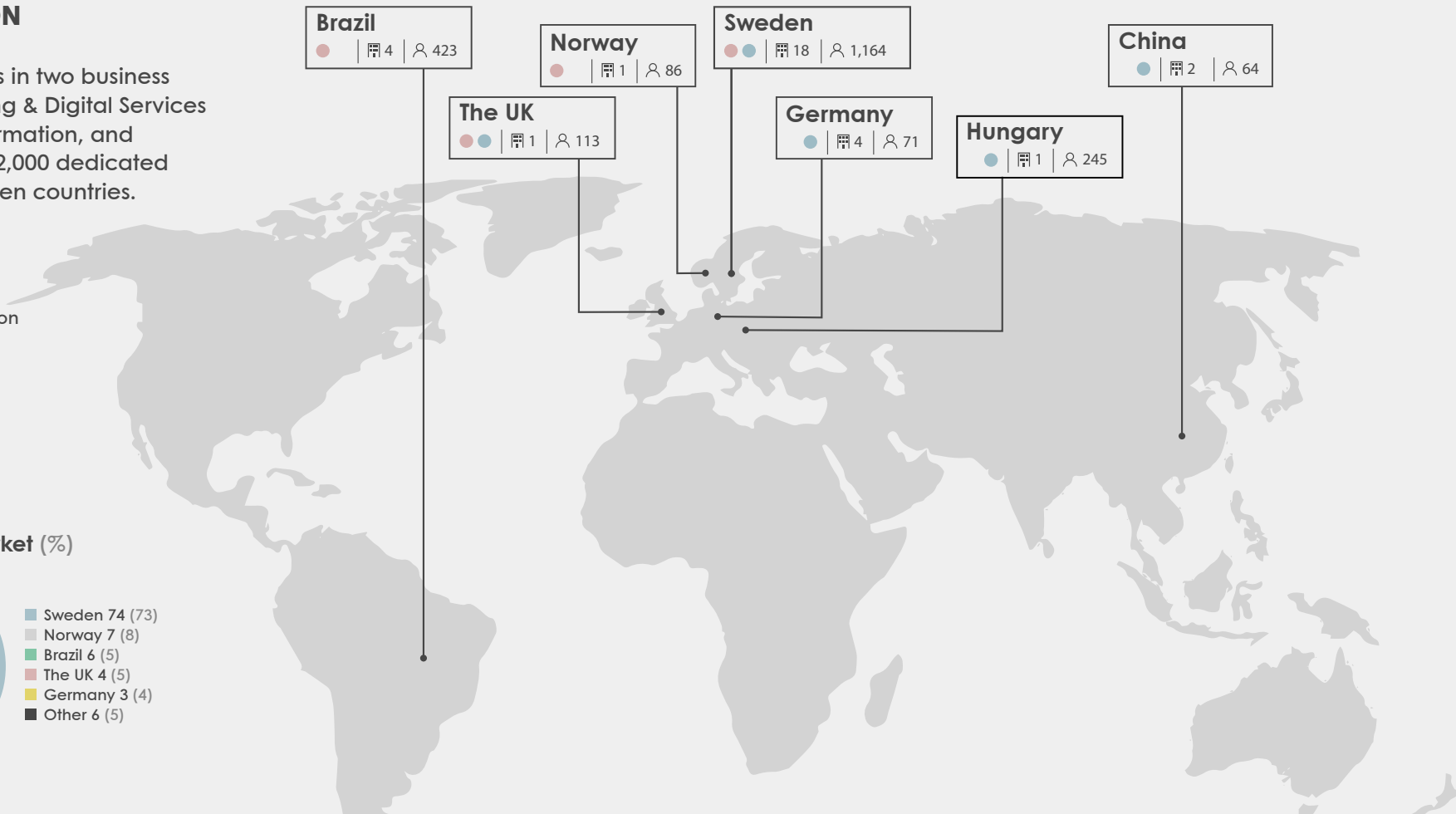
2022 was an eventful year for Semcon. The split that was initiated in 2021, aiming to make two independent companies of Semcon's two business areas, was paused due to the two separate tender offers directed to Semcon's shareholders in August and September respectively. In November, Semcon was de-listed from Nasdaq Stockholm and today Semcon is a wholly owned subsidiary of Ratos AB (publ). Ratos is listed on Nasdaq Stockholm, large cap, and the business group currently consists of 16 companies. Read more on www.ratos.com.



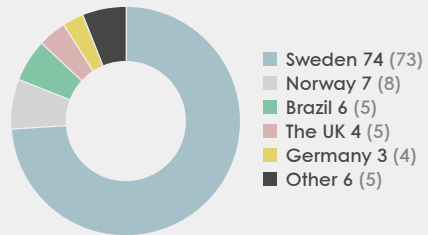
THIS IS SEMCON

Semcon operates in two business areas: Engineering & Digital Services and Product Information, and have more than 2,000 dedicated employees in seven countries.

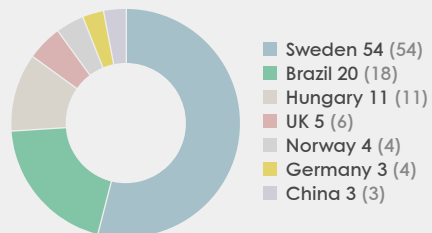
- Engineering & Digital Services
- Product Information
- Offices
- Employees



Revenue per market (%)



Employees per market (%)



¹ Adjusted EBITA margin, excluding items affecting comparability related to acquisitions, the internal separation project and the public tender offers.

BUSINESS MODELS AND CUSTOMERS

Semcon's business model includes three flexible delivery solutions with the ability to tie together our expertise around the world and give our customers the solution that best suits their need.

Business models

"By uniting physical and digital solutions, we create user experiences that make a difference. To people and our planet."

Offering

- Advanced engineering services
- Digital hub
- Strategic design and innovation
- Sustainability
- Product information
- Digital learning

Delivery solutions

- Specialist services
- Solution-based deliveries
- Managed service

Delivery solutions

Semcon's main business model is based on three flexible delivery solutions with the ability to provide tailor-made customer solutions.

Specialist services

Semcon offers specialists in a number of areas. We work integrated in our customers' organisations, providing knowledge that strengthens their expertise.

Solution-based deliveries

Semcon is comprehensively responsible for all or part of a project. Delivery consists of a specified result.

Managed service

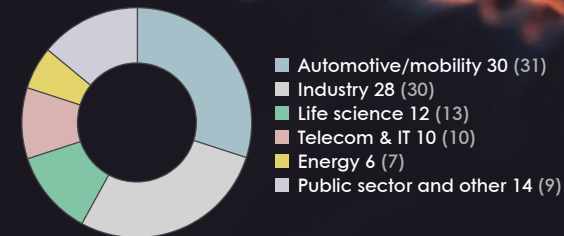
Semcon assumes overall responsibility for a defined function designed to provide products and services, such as product information.

Customers

The need for a digital and sustainable transformation is evident in all industries and highly interconnected. Semcon's broad expertise and industry presence means that we can transfer knowledge and experience between industries that are in different stages of the transition.

The main part of our net sales derive from customers in the following sectors:

Revenue per industry (%)





CEO'S COMMENTS

LET'S BE BOLD AND SPEED UP CHANGE!

During 2022, we grew our business with continued high profitability and delivered great projects to our customers. Projects that in many cases support the transition to a sustainable society. But given the current state of our planet, we need to do more. Change needs to be bolder. And we need to move faster. In addition to the possibility to contribute to a healthier planet, this provides increased business opportunities for Semcon.

To support our customers on their transformation journeys in the best way possible, we must have talented and inspired colleagues on board, and I am very pleased that many skilled **people** joined the Semcon team in 2022. This is obviously a key success factor for a company like ours, and we must continue to strengthen Semcon as an employer to attract the best employees. Part of this is about professional development and interesting and purposeful projects, but of course it is also about a welcoming and inclusive workplace. The employee promoter score continued to rise in 2022 and we closed the year on an all-time high of 48¹. The fact that we scored the highest on questions relating to diversity and inclusion, and leadership in the 2022 employ-

¹ employee Net Promoter Score (eNPS) is used as a measure for how willing employees are to recommend their workplace to others (from -100 to +100). Even if the benchmark varies between countries, industries and cultures, a value above 0 is generally good, and a value above +20 is very good.

LET'S BE BOLD AND SPEED UP CHANGE!

ee surveys makes me proud. However, we did not meet our ambitious gender distribution target of 40/60 for 2022 and need to take new steps in the years to come. In 2022, several sustainability initiatives were paused due to the changing ownership situation. With Ratos as our new owner, these initiatives will now be reinitiated.

The basis is a sustainable strategy

At a time when our society faces a planetary crisis and there is a need to rethink "business as usual", it feels comforting and empowering to be part of a company that contributes to the solutions. At Semcon, we have fantastic opportunities to develop technology and solutions that make a difference – for people and the planet. This is our purpose. Semcon has a broad service offering and is one of few companies that can help holistically, including expertise within both physical and digital technology, and sustainability. All the way from start to finish, from theory to practice, from business design and product and service development to production and aftersales solutions.

To succeed in the climate transition, there is an obvious need for green technologies such as electrified transports and renewable energy solutions. But we must also transition into a circular economy. The latter is also critical to stop the depletion of finite resources and the loss of species. Product development based on human needs and behaviours, in combination with digital solutions and smarter business models can enable a circular economy. Semcon has experts within green technologies, strategic business design, sustainable product and production development, digitalisation, sustainability and much more, and we can support our customers in their climate transition and shift to circular business operations. The strategic acquisition of sustainability consulting company Goodpoint in 2022 was an important piece of the puzzle as it added extensive expertise within the entire field, from climate and environmental to

social sustainability. It strengthened our integrated product and service development offering even further, but also added valuable, new expertise within areas such as sustainable strategy and governance, sustainability-related compliance, non-financial reporting, human rights, etc.

By building a strong combined offering, we are now eager to take on even more strategic projects, thereby maximising our handprint and positive contribution to a sustainable future. It is a win-win-situation for our customers, employees, and society at large, as well as a prerequisite for Semcon's long-term value creation, which is why we integrate sustainability into the very heart of our business strategy.

We need to do our part

In a way, everyone at Semcon has two jobs. In our customer projects, we need to be innovators, problem solvers, developers, and project leaders, but on top of that we need to challenge old ways of thinking and strive to integrate sustainability aspects into everything we do. In 2022, we launched a sustainability e-learning for all employees to increase knowledge of how to drive sustainability in our customer assignments. Change rarely comes easily and at Semcon, we need to be bold and contribute new perspectives.

We must also walk the talk and do our part in our own operations and value chain. In 2022, we submitted Semcon's proposed targets to the Science Based Targets initiative for validation, and they will be reviewed in 2023. Our target is to halve Semcon's value chain emissions by 2030 and be net-zero no later than 2040. We are now taking decisive steps in prioritised areas to reduce our climate and environmental footprint, for example actions to cut emissions from business travel, commuting and purchased goods and services, shifting to renewable energy in our offices, and striving for more circular business operations.

Overall, we aim for a holistic approach to sustainability that integrates the people, planet, and principles perspectives in our own operations and value chain, in customer projects, and in relation to society. This is a continuous journey.

The need is now

The current macroeconomic situation is resulting in greater uncertainty in the world around us. Geopolitical tension, high interest rates and limited economic growth are impacting companies' willingness to invest on the one hand, but on the other hand they need to transform. And it cannot wait. Sustainability matters are high up on all agendas as many business leaders now realise that they are not only crucial to reach the targets of Agenda 2030, but also decisive for long-term profitability and growth. Despite this, and all commitments and plans, the negative curves have not yet started to bend. We need to accelerate change.

For us at Semcon, it is as always important to stay close to our customers and potential customers and make clear what value and perspectives we add. I am confident that we are well-positioned and have attractive expertise that is also needed in a tougher reality. Given our new owner's high sustainability ambitions for companies within the Ratos Group, we also have great potential for cooperation and further business opportunities to explore going forward. I look forward to working with my colleagues to do our part. And to be bold and speed up change.

Göteborg, 2 May 2023

Markus Granlund
President and CEO

PROGRESS AND HIGHLIGHTS IN 2022

15%

sales growth driven by the need for digital and sustainable solutions

Sustainability e-learning launched to all employees

63%

of employees were ambassadors¹

Strategic acquisitions of Goodpoint and Walkgrove

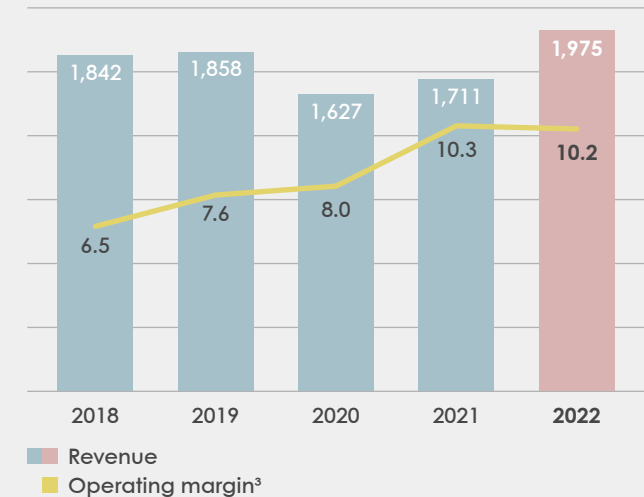
Strategic focus on an integrated sustainability offering

48

All-time-high eNPS²

Proposed science-based targets submitted to the SBTi for validation

Revenue and operating margin



CO₂e emissions reduced by 46% compared with 2019

Continued high profitability of **10.2%**

0

cases of corruption and discrimination⁴

¹ Share of employees who recommend Semcon as a great place to work, i.e. employees reporting 9 or 10 on a scale to 10 in regards to the employee Net Promoter Score question. Read more on page 27.

² The willingness to recommend Semcon as a workplace to others. Read more on page 27.

³ For 2022, adj. EBITA margin excluding items affecting comparability related to acquisitions, the internal separation project and the public tender offer.

⁴ Refers to confirmed cases of corruption and discrimination respectively.

ENGINEERING & DIGITAL SERVICES

We unite physical and digital worlds. Our unique offering combines experience and expertise in both physical and digital services, in advanced engineering and digital excellence. Many providers can develop these separately, but few can improve them together. We do this based on human needs and behaviours, and with the planet in mind.

Advanced Engineering

Semcon has more than 40 years of experience in product and production development and we develop new products, systems and services in close collaboration with customers.

In the transition to net-zero and circular business operations we can support our customers in the areas of eco-design, life-cycle assessments, chemical management and product compliance as well as helping them to optimise their production systems to limit emissions and resource consumption.

Supported by our proprietary project methodology, Semcon's experts in project management help customers become more successful in their projects. We also have extensive experience of working in all of the different roles that are part of quality control, requirements management and validation to ensure the products are safe for end users when they reach the market.

- Product development
- Production development
- Project excellence
- Quality & validation
- Sustainability

Digital Hub

Semcon has digital excellence and the experience needed to help our customers move from an initial concept to a complete service or product. This could involve the development of new, sustainable and digital business models, the electrification of vehicles and machinery or making products smart and connected through the Internet of Things (IoT).

We have broad experience in autonomous solutions, artificial intelligence (AI) and data management. We are also experienced in a range of other disruptive technologies that will play a crucial role in the climate transition, including AI, IoT, digital twins, 3D printing, blockchain and AR/VR.

- Software development
- Digital experience
- Smart products
- Autonomous solutions
- Electrification
- AI & data management
- Simulation
- Sustainability

Strategic Design & Innovation

In order to help our customers create solutions for the future, we need to understand what the future will entail. And what will impact people's lives, and thereby the companies around them. In this work, Semcon can create value for customers through our services in strategic design work and servitisation.

Design is the discipline that links together innovation capacity, trend insights, technology and an understanding of the end user and the planet into a single strong concept. We explore human needs and behaviours and how they can be enabled within the limits of our planet and how digital technologies, business models and partnerships can work as enablers.

- Design management
- Semcon studios
- Digital experience
- Servitisation
- Electrification
- Sustainability

EMPLOYEES

1,332
NUMBER

SHARE OF

67
GROUP REVENUE

REVENUE

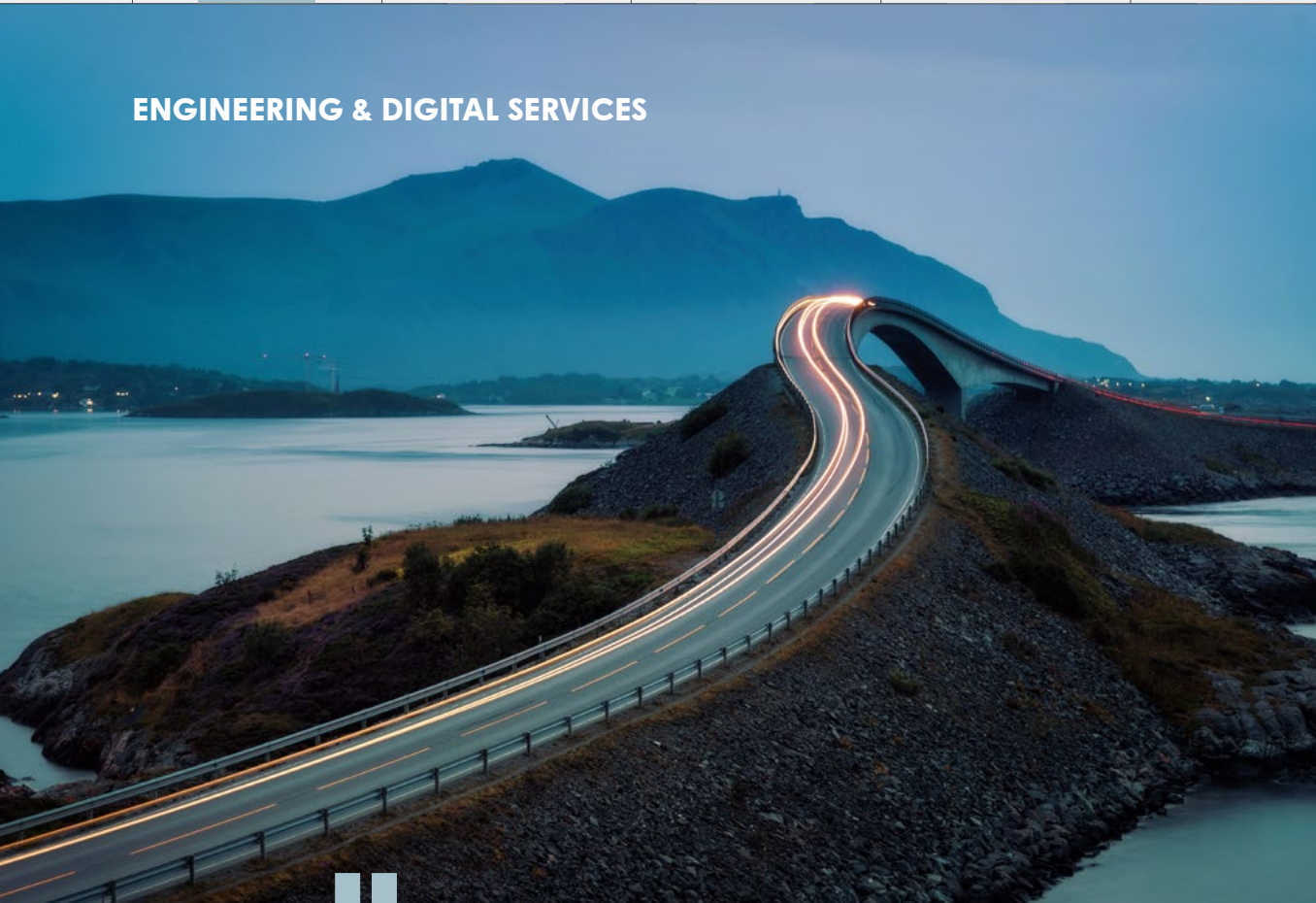
1,315
SEK MILLION

OPERATING RESULT¹

131
SEK MILLION

¹) EBITA

ENGINEERING & DIGITAL SERVICES



Incremental change is no longer enough. To tackle the planetary crisis, we need a rapid shift to a net-zero and circular economy. By uniting our expertise within business design, engineering, digitalisation and sustainability, we aim to support our customers' transformation journeys.

Markus Granlund, Business Area President Engineering & Digital Services



Prolonging the life of Oslo's subway trains

Semcon is supporting Sporveien on their journey towards a more data-driven and future-proof workshop. Data analysis and condition-based monitoring will prolong the life of Oslo's subway trains, enabling Sporveien to deliver more sustainable public transport. In this project, collection of real-time data from the Oslo subway is correlated with other measurements to update lifetime analyses. These analyses provide the basis for challenging existing maintenance plans for the bearings in the gearboxes. Based on the outcomes, the refurbishment cycle could be prolonged from 16 to 57 years and the use of materials and resources could be reduced.

Storage of renewable energy

In order for us to be able to use solar and wind energy, not only when it is available but whenever the need exists, smart solutions for energy storage are needed. Semcon has supported the greentech company Azelio, which develops solutions for the storage of solar and wind energy, by providing expertise in software development, mechanics, simulation, testing and CE marking. All so that Azelio can develop smart solutions for a stable supply of renewable energy, something that is necessary for the transition to a sustainable future.



Adding sustainable perspectives on technology

In 2022, Semcon acquired Swedish sustainability consulting company Goodpoint, with extensive expertise spanning the entire field from climate and environmental to social sustainability.

With this acquisition, Semcon is strengthening its existing expertise in areas such as sustainable strategy and governance, climate calculations and lifecycle assessments, chemical and materials, sustainability-related compliance, non-financial reporting, business ethics, human rights and more. Read more about Goodpoint and Semcon joining forces on pages 40 and 48.



PRODUCT INFORMATION

We bridge the gap between advanced technology and its users. With cutting-edge offerings in aftersales/product information and digital learning, we make sure that both products and people are up to date. For a safer, more cost-effective and sustainable life with technology.

Product Information

The right information available at the right time can be crucial if a user needs to understand how a product or system can be used, or how it can be maintained and repaired efficiently to achieve maximal uptime. Semcon is an expert in aftersales information with a leading offering of services and solutions that aims to improve the experiences of different users of complex and advanced technology.

Semcon's product information offering also includes many types of proprietary system solutions and tools, such as AI tools, platforms for dynamic digital distribution, portals to make information accessible, digital spare-parts catalogues and content management systems (CMS).

- Information strategy & design
- User & operator information
- Diagnostics information
- Service & repair information
- Parts breakdown & information
- Information management
- Software & digital solutions

Digital Learning

Today, Semcon is the largest provider of digital learning in the Nordic region and also has a presence in the UK through the acquisition of Walkgrove. We have all of the necessary expertise to develop effective and engaging learning for companies and organisations. This covers everything from learning advisors, instructional designers, art directors, developers, animators, sound and film producers to LMS consultants and experts in UX and web accessibility.

Our experienced project managers and well-defined processes support our customers all the way from learning strategy to effective digital learning. We also have broad and profound knowledge of various learning platforms such as Totara and Thrive.

- Learning advisory services
- Bespoke e-learning
- Off-the-shelf e-learning
- Learning management systems
- Authoring tools

EMPLOYEES

834

NUMBER

SHARE OF

33

GROUP REVENUE

REVENUE

671

SEK MILLION

OPERATING RESULT¹⁾

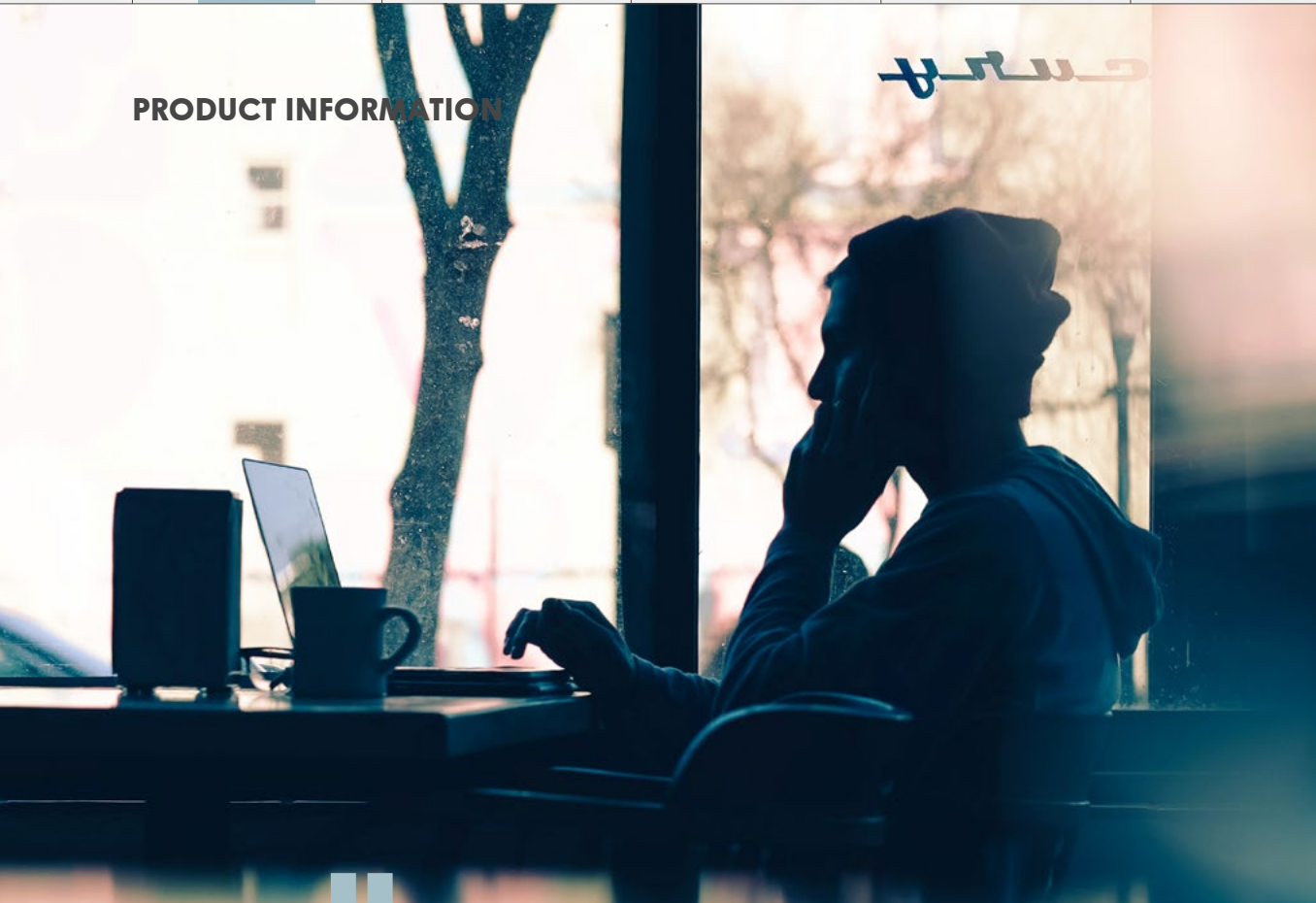
89

SEK MILLION

¹⁾ EBITA



PRODUCT INFORMATION



By making complex products and systems easily understood, we add value from both a people and planet perspective. For example, predictive maintenance solutions increase utilisation and prolong the useful life of products.

Johan Ekener, Business Area President Product Information



Digital learning for Lynk & Co

As the core of the Lynk & Co brand is connectivity, customers find a range of connected technologies in the vehicles, all to make life easier and a bit more fun. Lynk & Co targets a young, urban, and sophisticated clientele with a new generation of automotive experiences and car-sharing options. In a new joint project, Semcon has developed a digital learning programme for Lynk & Co's technicians, aiming to ensure they have the proper knowledge and skills to service the cars. The programme includes practical, short, and highly engaging training made to fit a technician's workday. The training supports the technicians in focusing on the unique aspects of Lynk & Co and is mandatory to become an authorised Lynk & Co technician.

User-friendly manual for X Shore

Electric boat manufacturer X Shore wanted its customers to experience sustainable luxury in every encounter with the company. But the user manual had fallen behind – usability-wise, aesthetically and environmentally. With Semcon's help, the new, digital user information has caught up with the brand – and has the potential to make the boats even more sustainable.



Expanding in digital learning in the UK

Digital learning solutions offer learning that is flexible and targeted to the audiences. They also reduce the need for travel. The acquisition of the UK company Walkgrove expanded Semcon's leading offering in digital learning with a local presence in a new geographic market. Semcon is the largest Nordic provider of digital learning solutions and has extensive expertise in the production of interactive online and mobile learning material as well as the implementation of distribution platforms for learning (Learning Management Systems and Learning eXperience Platforms).



A CHANGING WORLD

Today's society is facing significant challenges which are having disruptive effects on the markets where we operate. Based on an analysis of key trends, we take the necessary actions to identify our risks and opportunities. As a consultancy organisation, we have a great opportunity to support our customers in their necessary transformation towards a sustainable society.

TREND 1

Geopolitical tensions and macroeconomic uncertainty

The current geopolitical situation is characterised by the war in Ukraine and increasing tensions between countries. The COVID-19 pandemic and the war in Ukraine have spurred a situation with rising inflation and worldwide economic stress. Global supply chains are being affected by shortages, causing long delivery times and high prices and there is high competition for scarce materials and minerals that are critical for the climate transition. We are also starting to see increasing geopolitical tensions due to climate change. In addition to conflicts and cybercrime, the World Economic Forum lists climate action failure, biodiversity loss and ecosystem collapse, natural resource crisis, climate adaptation failure and related consequences such as extreme weather events and natural disasters as the major global risks during the next decade¹. In a world where certain regions are already severely affected by climate change and may eventually become uninhabitable, there are increasing risks for geopolitical conflicts, climate refugees and increased polarisation.

¹ WEF_Global_Risks_Report_2023.pdf (weforum.org) page 6



TREND 2

Extensive regulations and funding

The EU has committed to be climate neutral by 2050 and to reduce its emissions with 55% by 2030 compared with 1990 levels. To achieve this, the EU has presented the EU Green Deal, a transformation roadmap, and we now see a rapid increase of sustainability-related legislation at the EU level. A key objective is to drive the transition to a net-zero and circular society. The EU Taxonomy has entered into force for some of the objectives, i.e. climate change mitigation and climate change adaptation, and is a driver in the shift towards green technologies. Companies have started to prepare for the Corporate Sustainability Reporting Directive (CSRD) which will enter into force in 2024 with significantly stricter requirements on non-financial reporting. Other relevant legislative proposals at the EU level are the Corporate Sustainability Due Diligence Directive (CSDDD), which stipulates mandatory due diligence on both the environmental and the human rights side, and the Eco-design for Sustainable Products Regulations (ESPR). The latter includes requirements on eco-design for all types of products, except food, feed and pharmaceuticals, together with requirements on digital passports for transparent information about environmental and social footprint. In addition to this, we are seeing massive funding of green technologies both at the EU level and in the USA, which is also impacting the competitive landscape. →

A CHANGING WORLD

TREND 3

Planetary crisis

Many companies are now setting ambitious climate targets in line with the 1.5°C target of the Paris Agreement where they commit to halve their emissions by 2030 and be net-zero no later than 2050. But climate change is just one of the problems. Our society is facing other significant challenges such as the overconsumption of natural resources, land use change and the escalating loss of biodiversity. These crises are deeply interconnected and there is a need for

a holistic approach to avoid implementing solutions to solve climate change that push any of the other problems in the wrong direction. Global warming is intensifying, and already at a global warming of around 1.1°C there is an increase in the frequency of extreme weather events and natural disasters. At the same time, deforestation and land use change are causing a loss of natural carbon sinks, biodiversity loss and increasing emissions. To avoid the most

severe consequences of global warming and the risk for triggering tipping points and eco-system collapse, global warming must be limited to 1.5°C above pre-industrial levels, and the depletion of natural resources must come to an end. To achieve that, there is a need for an exponential climate transition and a shift to a circular economy. The energy, industry, transport, construction, food, agriculture and forestry sectors are all critical sectors in this transition.

TREND 4

Towards a circular economy

Only a few decades ago, a linear economy was feasible within the limits of our planet. Today, exponential population growth in combination with a linear economy has reached a dead end. We now use nearly twice the amount of virgin resources during a year than our planet can regenerate, and that figure is still growing. On a global basis, more than 90% of resource usage still comes from the extraction of virgin resources¹. This put a huge pressure on our planet and the linear economy is one of the root causes of climate change, the depletion of natural resources and the escalating loss of biodiversity. But the lack of resources is not only a sustainability matter. We are already seeing shortages of certain materials and minerals and there is a high risk that the increasing shortage of resources will accelerate geopolitical tensions and spur inflation. In light of the above, consensus is now growing that there is a need to shift into a circular economy where products and materials are kept in use and used more efficiently. Circular business models such as service-based and function-based business models create the right incentives for a circular economy, while at the same time they have the potential to be more profitable in a world with a lack of clean energy and materials. A shift to a circular economy is not only a key solution to stop the overconsumption of virgin resources, but can also cut emissions by 45%².

¹ The Circularity Gap Report 2023

² Ellen MacArthur Foundation



A CHANGING WORLD

TREND 5

Twin transition

Our society is undergoing a quick digital transformation, affecting all sectors. The potential to use digital solutions as an enabler for a sustainable transformation is quickly gaining attention. Digital technologies reduce unsustainable production and consumption, or - better yet - to avoid them altogether. Designed wisely, digital solutions can enable new business models and a shift to smarter and more sustainable production and consumption patterns. Physical products can be replaced by digital ones and companies can shift to service-based or function-based business models which, if designed wisely, offer the potential to decouple profits from emissions and resource consumption. Furthermore, digital solutions can be used for efficient tracking of environmental and social sustainability data. This enables companies to address their major sources of emissions and resource usage and supports compliance with upcoming regulations on non-financial reporting and due diligence. While digital technologies offer huge opportunities, the escalating climate and environmental footprint of the ICT industry is a growing concern and there is an urgent need to address the quickly escalating problem with e-waste and the increasing energy consumption of ICT solutions.



TREND 6

Green and disruptive technologies

There is a strong focus on green technologies, such as renewable energy solutions, green energy storage, electrified transport solutions, carbon capture solutions, vertical farming, precision agriculture, biomaterials etc. Some of these technologies are disruptive and offer huge opportunities for rapid change as they scale exponen-

tially. Green technologies such as solar cells and battery technology are growing quickly and have started to replace some predecessor solutions. Disruptive digital technologies such as IoT, cloud, AI, digital twins, VR/AR, 3D printing and robotics are revolutionising many sectors. However, digital technologies are powerful tools and

to enable a shift in the right direction it is important to ensure that the usage of these technologies is sustainable and ethical. Designed wisely, these new technologies offer huge potential to cut emissions and resource consumption and thereby support the transition to a net-zero and circular society.

OUR APPROACH TO SUSTAINABILITY

At Semcon we develop technology that matters – for people and our planet. While we take decisive steps to minimise our own environmental and social footprint, our greatest contribution to a sustainable society is through our customer projects. To change fast enough, we must integrate sustainability into our strategy and culture. This is a continuous journey.

The decade of action

This is a defining moment in our history. Choices made over the next decade will impact the world for centuries. We are still far from achieving the goals of Agenda 2030, and to have a chance to limit global warming to 1.5°C, global emissions must be halved by 2030. Despite ambitious political and corporate climate targets, the curves have not yet started to bend. Emissions are still increasing, and so is the depletion of finite resources and the loss of species.

To solve the planetary crisis, there is a need to shift to a net-zero and circular society within a few decades.

That is a daunting task, but the greatest challenges offer the greatest opportunities. The solutions are available and a focus on opportunities and disruptive and scalable solutions is key. Today's focus on incremental change and optimising solutions is a step in the right direction, but not sufficient in itself. To change fast enough, we must also implement transforming solutions – and at Semcon we intend to take an active role in the necessary transition to a net-zero and circular society. Through our combination of engineering, digital and sustainability expertise, we have a great opportunity to support our customers on their sustain-

ability journeys. And we can assist with both optimising and transforming solutions.

A sustainable strategy

At Semcon, it is our firm belief that sustainable business is profitable business. Our owner expects long-term stable value growth, and to be able to deliver on that expectation we must integrate sustainability into the core of our strategy and culture. Our overall ambition is to maximise our positive impact, while we minimise our negative impact. We assess market trends and sustainability-related risks and opportunities to ensure that we have an ambitious internal sustainability agenda as well as the right expertise and offering to be a trusted partner to our customers in their transformation journeys. We strive to work with customers in sectors that contribute to a sustainable society and see great potential to increase our share of more strategic customer projects. →



OUR APPROACH TO SUSTAINABILITY

Semcon's sustainability agenda is based on various international frameworks, including the UN Agenda 2030, the UN Global Compact, the UN Guiding Principles on Business and Human Rights as well as the four-pillar framework in the Exponential Roadmap Initiative's 1.5°C Business Playbook. While the Exponential Roadmap Initiative's four-pillar framework has a specific focus on climate action, we have used the four-pillar framework as the basis for our entire sustainability agenda.

During 2022, we developed a new process to identify, address and follow up on our material topics, see pages 53-54. Based on our material topics which we have clustered into four overarching categories – **attractive and responsible employer**, **minimise footprint**, **maximise handprint** and **ethical business conduct** – we have adopted the following sustainability agenda. Our focus is on people, planet and principles – in our own operations, in our value chain, in our customer projects and through our role in society.



Purpose

At Semcon, we put people first. As far as we are concerned, technology has no purpose of its own – it's the value it adds to people and our planet that matters.

| | Pillar 1 Sustainable operations | Pillar 2 Sustainable value chain | Pillar 3 Sustainable projects | Pillar 4 Sustainable society |
|-------------------|--|---|---|--|
| People | Be an attractive and responsible employer with an inclusive workplace where employees can thrive and develop. | Strive to ensure a value chain where people are treated fairly and decently, and human rights are respected. | Support our customers in the development of solutions that improve people's lives. | Work together with like-minded partners with the aim to contribute to the transition towards a society where human rights are protected and respected. |
| Planet | Reduce the climate and environmental footprint of our own operations and strive towards more circular business operations. | Reduce the climate and environmental footprint of our value chain and strive towards a more circular value chain. | Support our customers in the development of green technologies and in their climate transition and shift to circular business operations. | Work together with like-minded partners with the aim to contribute to the transition towards a net-zero and circular society. |
| Principles | Ensure ethical business conduct in our own operations. | Ensure ethical business conduct in relation to our suppliers, customers, and other business partners. | Support our customers in securing responsible business operations. | Work together with like-minded partners with the aim to contribute to a society with responsible corporations. |

OUR APPROACH TO SUSTAINABILITY

Material topics, targets and ambitions

| Pillars | Material topics | Targets & ambitions | Outcome | Comments |
|---|---|---|--|---|
| Pillar 1 & 2 Sustainable operations & Sustainable value chain | Attractive & responsible employer <ul style="list-style-type: none"> Attraction & retention Health & wellbeing Diversity & inclusion Learning & development | Target: eNPS > + 25 | +48 | All-time-high eNPS score. |
| | | Target: Gender split of 40/60 at all levels by 2022 <ul style="list-style-type: none"> All employees Managers Group management Board of directors | 33% 31% 20% 20%¹ | Despite significant efforts, our 2022 target of a gender split of 40/60 at all levels has not been met and we will take further actions going forward. |
| | | Ambition: Zero incidents of discrimination | 0 | No incidents of discrimination were reported through our ordinary reporting channels or our whistleblowing function. |
| | Minimise footprint <ul style="list-style-type: none"> Reduce emissions Renewable energy | Target: Halve value chain emissions by 2030 and be net-zero no later than 2040 | -46% | We have almost reached our target to halve value chain emissions by 2030. The tCO _{2e} emissions in 2022 were 3,141 compared with 5,813 in 2019. |
| Pillar 3 & 4 Sustainable projects & Sustainable society | Ethical business conduct <ul style="list-style-type: none"> Anti-corruption & fair competition Privacy & IT security Responsible purchasing | Ambition: Zero incidents of corruption | 0 | No incidents of corruption were reported through our ordinary reporting channels or our whistleblowing function. |
| | | Maximise handprint <ul style="list-style-type: none"> Economic performance Sustainable services & solutions | Ambition: Increase number of projects that contribute to the UN SDGs | ↗ |

¹⁾ Before 30 November 2022 the gender split of the Board was 40/60 (W/M). The figure only includes board members elected by a general meeting.

OUR CONTRIBUTION TO THE SDGs

The UN Agenda 2030 and its 17 Sustainable Development Goals (SDGs) is known as the world's most important checklist. The world is still far from achieving the SDGs and the pandemic reversed some positive trends. While the UN Agenda 2030 is an international framework between the UN member states, companies are an important piece of the puzzle.

Companies have positive as well as negative impacts on the SDGs. Many companies develop innovative solutions that contribute to the SDGs, such as renewable energy solutions, electrified transports, pharmaceuticals, medical devices, foodtech solutions, precision agriculture, biobased materials and so on. But many companies also have a significant negative impact on the SDGs. In the linear economy, the production and consumption of goods and services drive emissions and resource consumption, which is a root cause of climate change, the depletion of natural resources and the loss of biodiversity. Furthermore, there are significant human rights risks in global supply chains linked to poor working conditions, health and safety risks, discrimination, modern slavery and even child labour. It is time for a society where we live within the limits of our planet and where human rights are

respected. And it is critical to take a holistic perspective when designing the solutions so that they do not contribute to one SDG but have a significant negative impact on other SDGs. The SDGs are deeply interconnected and must be solved together.

The UN Agenda 2030 is one of the international frameworks that Semcon's sustainability agenda is based on. We have evaluated which of the 17 SDGs that Semcon contributes to in our own operations and value chain, and in our customer projects and CSR projects, as further detailed below. Due to a wide variety of projects, we may also contribute to other SDGs. Our ambition is to continuously increase the number of projects and assignments that contribute to one or more SDGs. To be able to do that in a transparent and responsible way and with realistic targets, we will investigate how this can be tracked and measured going forward. →

OUR CONTRIBUTION TO THE SDGS

PILLAR 1 AND 2

Sustainable operations and value chain (SDG 3, 5, 8, 10, 12, 13, 16)

Our employees are our most valuable asset, and to be able to attract and retain the best people, we need to ensure an attractive workplace with a culture that aligns with our purpose and values. As a consultancy company, our climate and environmental footprint is limited, but like all other companies we must take the necessary steps to shift to net-zero and circular business operations. We compete on the merits of our services and solutions and have zero tolerance for corruption, unfair competition and other unethical business practices. Read more about our work to be an attractive and responsible employer on pages 24-31, how we work to reduce our climate and environmental footprint pages 33-35 and how we strive to ensure responsible business conduct throughout our value chain on pages 36-38.



PILLAR 3

Sustainable projects (SDG 3, 4, 7, 9, 10, 11, 12, 13, 15)

We have great potential to contribute to the SDGs through our customer assignments. We support our customers in their development of green technologies as well as solutions that contribute to people's health, safety and wellbeing. Through sustainable product and production development, we can support our customers in the transition towards more sustainable production and consumption, which reduce their climate and environmental footprint as well as their resource consumption. We also participate in research, develop-

ment and innovation projects together with our customers. Furthermore, following our acquisition of Goodpoint we now have the expertise to support our customers in setting up complete sustainability programmes covering climate and environment, social and human rights as well as business ethics. Read more about how we strive to integrate sustainability into our business models and customer offering on 39-49, and see examples of projects where we contribute to the SDGs on 11, 14, 41, 43, 46 and 49.

PILLAR 4

Sustainable society (SDG 17)

Our greatest contribution to a sustainable society is through our customer assignments. In addition to that, Semcon co-operates in various initiatives with like-minded partners with the aim to accelerate the transition to a net-zero, circular and inclusive society where all people have the possibility to lead good lives. Read more about our partnerships, our CSR programmes and other activities where we aim to contribute to a more sustainable society on 50-52.

PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN

PEOPLE

We are people who put people first. This guides us in our interactions with each other, our customers and business partners. As we develop physical and digital solutions for all types of end users, we must continuously widen our perspectives to ensure that we understand the people who use our customers' products and services in the end. We are driven by a genuine curiosity about human needs and behaviours. This is always our starting point when developing technology that matters.

| Target | Result |
|--|---|
| Employee Net Promoter Score (eNPS) > +25. | 2022 employee Net Promoter Score (eNPS) of +48. |
| Gender equality 40/60 at all levels by 2022. | 2022 gender split of all employees 33/67 (W/M). For other levels see page 30. |

Attractive & responsible employer

Our employees are our most important asset and a prerequisite for Semcon's success. To develop the best solutions, we need a diverse workforce with a wide range of experiences and backgrounds. Driven by trends such as sustainability and digitalisation, there is a high demand for Semcon's services. To meet customer demand, we need to recruit the right people and make sure that our employees choose to stay at Semcon. Our work includes the following areas:

- Attraction & retention
- Learning & development
- Equality, diversity & inclusion
- Health & wellbeing

We also partner with skilled subconsultants in specific projects. They are contracted for shorter or longer assignments and either complement our expertise or provide additional resources when needed. →



SUSTAINABLE OPERATIONS & VALUE CHAIN

What perspectives do we bring?

Semcon's greatest strength is our people. Curious, driven and diverse - everyday we contribute with more sustainable perspectives on technology. Here is a selection of our skilled and dedicated employees:



Anna Nelvig

Creative director and copywriter

Creative director and copywriter with experience of developing concepts and content for digital learning solutions about climate and environmental topics as well as the area of social sustainability.



Daniel

Gunnarsson-Ohlson

Senior product & sustainability designer

Designer, lecturer and workshop facilitator with expertise in e.g., eco-design, lifecycle thinking, circular design & circular economy strategies.



Helen Göthe

Sustainability consultant

Senior sustainability expert with vast experience of sustainability related topics, including ethics, human rights in global supply chains, sustainable strategy and governance, materiality analysis and stakeholder dialogues, non-financial reporting etc. Previously Head of Sustainability at a large Swedish fashion company.



Elin Nilsson

Sustainability consultant

Sustainability consultant with expertise within sustainable strategy and governance, implementation and reporting of the EU taxonomy, non-financial reporting in line with applicable laws and standards (including the CSRD, CSDDD, GRI, and TCFD), sustainable public procurement etc.



Erik Fiedler

Senior project manager

Project manager and sustainable business developer with senior expertise within green technologies including hydrogen gas. Certified energy auditor.



Firat Koca

Management consultant

Quality management consulting, supporting life-science companies e.g. with My Green Lab Certifications (global standard for laboratory sustainability best practices).



SUSTAINABLE OPERATIONS & VALUE CHAIN



Daniel Rubin

Strategic advisor

Expert in agile business transformation and automated, data driven solutions for sustainability reporting, simulation and risk management, in line with applicable and upcoming laws and standards (e.g. CSRD and GRI).



Jürgen Bauer

Technical writer

Sustainability lead in Germany. Expert within sustainable product development, including recycling calculations, product related compliance to hazardous substance restrictions (e.g. REACH) and environmental product declarations based on lifecycle assessment.



Kristina Schnell

Senior Project Manager

Senior project manager and head of strategic expert group on sustainability in Norway. Expertise within responsible business development, circular economy and resource efficiency, digitalisation and sustainability, and quality and risk management.



Martin Trieu

Embedded software developer

Software developer and head of an internal digital sustainability network, with expertise within digital sustainability, automated and data driven solutions for sustainability reporting in line with laws and standard (e.g. CSRD and GRI), digital product passport solutions etc.



Sanna Romell

Sustainability consultant

Engineer within energy, environment and management working as an expert in climate accounting applying a holistic approach to sustainable development and data analysis within various industries including energy, service, retail and medical technology.



Örjan Hansson

Design engineer

Senior design engineer and project manager with extensive expertise in fuel cell systems for different types of vehicles and machinery, hydrogen gas storage systems etc.

SUSTAINABLE OPERATIONS & VALUE CHAIN



Attraction and retention

Semcon strives to be an attractive workplace with competitive working conditions and sound values, where all sorts of people can thrive and develop. Our Employee Net Promoter score (eNPS), which is the most important figure in the employee survey, has improved steadily over the past five years. In 2022, it improved even further to a new record high of +48. We are also satisfied to see an overall increase in our total people index, covering factors such as work environment/wellbeing, collaboration, diversity and inclusion, engagement, leadership, professional development, and strategy.

Semcon's ability to create sustainable innovations for our customers is based on the creativity and teamwork of our employees. While the workplace is an important place for inspiration and belonging, we strive to support our employees in achieving a better work-life balance. In line with our Policy for Remote Work, we offer our employees an opportunity to alternate between working at Semcon's offices, onsite at the customer and remotely – based on what best suits the customer, team and employee. To enable a good working environment for those working from home, Semcon offers training and provides recommendations for remote work, as well as a contribution for purchases of IT equipment and furniture for a home office.

As a large number of our employees work at different customer locations, at home or remotely from other locations, it is important to foster a strong team spirit to ensure that our employees feel engaged and proud to be a part of Semcon. There are numerous initiatives driven by our local communities, including lunch seminars, training sessions, afterwork events, film and reading groups, gaming communities, etc. As employees are increasingly purpose-driven, a proactive and credible sustainability agenda is seen as an important tool for attraction and retention. With a customer offering that enables us to support our customers within green and innovative technologies and in their transition

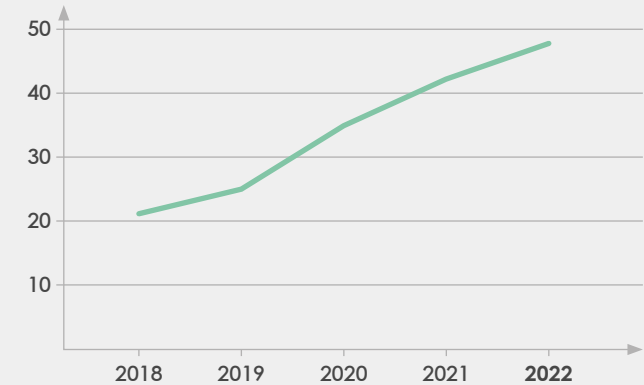
towards sustainable business operations, we have great potential to allow our employees to work on a variety of interesting and important customer projects. We also have sustainability networks, sustainability skills development, sustainability webinars, and a sustainability channel on the Intranet, where employees can interact around their individual and professional sustainability agendas.

A strong result for leadership in our employee survey indicates that Semcon's managers are working successfully with communication, cooperation, learning and development, health and wellbeing, and diversity and inclusion. To attract and retain the right personnel, it is important for us to engage in dialogue with employees, on all levels, to ensure that we understand their needs as well as their expectations of Semcon as an employer. Relevant topics include flexibility and work-life balance, skills development, and career planning. Exit interviews is an important tool to understand why some employees choose to leave Semcon.

The expertise of our employees is highly sought after by both customers and competitors, and in 2022 we saw a continued high level of mobility in the post-pandemic labour market. This affects the employment duration distribution of Semcon's employees. The duration is further impacted by Semcon's business model and delivery solutions, where many of our consultants work in close collaborations with our customers. In new recruitments, we attract both senior and junior consultants and have an overall senior competence and balanced age split in our teams, see page 30.

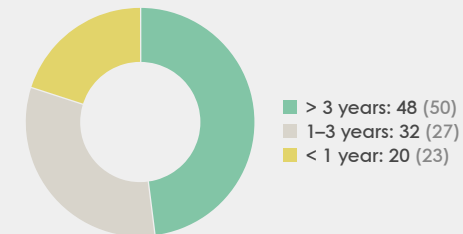
| Employee survey | 2022 | 2021 | 2020 |
|--|------|------|------|
| Share of ambassadors: Loyal enthusiasts promoting Semcon as a workplace. | 63% | 57% | 51% |
| Engagement: I feel engaged in my work. | 81% | 78% | 71% |
| Leadership: My immediate manager guides and encourages my professional development. | 81% | 81% | 76% |

Employee Net Promoter Score



Our internal employee survey, which is carried out twice a year, measures Semcon's attractiveness as an employer. The primary key figure is the employee Net Promoter Score (eNPS), which is used as a measure for how willing employees are to recommend their workplace to others (from -100 to +100). Even if the benchmark varies between countries, industries and cultures, a value above 0 is generally good, and a value above +20 is very good. During 2022, Semcon's eNPS increased to +48 compared with +41 in the 2021 employee survey (Q4).

Employment duration² (%)



¹⁾ Leadership is an important area of Semcon's overall people index and in the 2022 Q4 survey, the combined result for all leadership questions further improved to 83% (82 and 79 in 2021 and 2020 respectively).

²⁾ 31 December 2022



Semcon's value principles

Inspiration is at the very heart of everything we do. Inspired people broaden their perspectives and drive innovation.

We believe in the power of collaboration. Teamwork built on trust and engagement is key to success. Because we are always stronger when working together.

We want to make the world a better place – a little bit every day. We create sustainable solutions that improve lives all over the world.

We embrace diversity. People with different backgrounds and experiences make us see things from various perspectives. With every new perspective, we broaden our understanding of human needs and behaviours.

We believe that work needs to be fun. Because fun is the basis of creativity and it makes people want to go to work. We always strive to have a healthy work environment in which people enjoy themselves.

Good relationships mean good business. Which is why we constantly aim to challenge and exceed customer expectations in everything we do. Always people and the planet first.



SUSTAINABLE OPERATIONS & VALUE CHAIN



Learning and development

Our society is changing and for Semcon it is crucial that we stay up to date with the rapid development of disruptive technologies, digital transformation and sustainability. We must ensure that our employees have the right expertise to meet our customers' current needs, while we at the same time assess and prepare for our customers' upcoming needs. Employees are increasingly purpose-driven and to be an attractive employer it is important for Semcon to work for a more sustainable society and support its employees in driving sustainability within their respective assignments and projects. A purpose-driven and dynamic learning environment is an important tool to retain existing employees and attract new ones. Our employees are offered relevant training opportunities through employee onboarding

programmes, digital training platforms, weekly professional development webinars, sites with recommendations for external training programmes, skills days, internal networks, sustainability talks, etc. Consultants in between assignments participate in add value programmes where we, among other things, strive to explore and further integrate sustainability into our customer offering or participate in pro-bono projects. Furthermore, to ensure the necessary competencies for certain customer assignments, tailor-made learning programmes are set up for major customers. Continuous learning is part of what we do and regular skills development and learning is a natural part of our daily work.

Our ambition is to help all our employees to prosper and develop. All employees within Semcon shall receive at least annual performance reviews, including individual skills devel-

opment and career path plans. There are also specific leadership programmes for managers to further develop their leadership skills as well as talent development programmes where we educate and support talents, helping them to become our next generation of leaders. Learning and performance reviews are assessed in Semcon's employee survey and are two areas where our score increased further in 2022.

| Employee survey | 2022 | 2021 | 2020 |
|---|------|------|------|
| Professional development & learning: At Semcon there are good opportunities for my professional development. | 74% | 71% | 66% |
| Professional development: The Career and Development Dialogue with my manager adds value. | 77% | 76% | 67% |



SUSTAINABLE OPERATIONS & VALUE CHAIN



Equality, diversity and inclusion

It is our firm belief that different perspectives lead to a more dynamic and inspiring work environment as well as better customer solutions. As expressed in our Code of Conduct, and Diversity & Inclusion Policy, we do not accept any form of discrimination based on background, religion, disability, sexual orientation, gender identity, or any other physical or

social factors. Furthermore, employees may not engage in any form of behavior that could be perceived as offensive, threatening or degrading, including any form of unwanted attention of a sexual nature. Semcon works actively to increase diversity and inclusion and to avoid discrimination of employees or job applicants. We strive for broad advertising in different types of media to attract diverse candidates, and we have specific recruitment guidelines to ensure non-biased decisions. Non-prejudiced search methods and competence-based tests are other methods we use to ensure that all candidates are given the same opportunities.

Semcon has implemented several initiatives with the aim to ensure a more diverse workforce, including our "Add perspectives" campaign on social media and specific campaigns to increase the proportion of female applicants in male-dominated professions. We have also had several business area-specific initiatives such as female talent programmes, female trainee programmes, and internal "Women in Tech" networks in some locations with the aim to attract and retain female employees, etc.

During 2022, we arranged a digital as well as a physical training session together with WestPride. The purpose of the training was to raise the general awareness of the LGBTQI community's everyday challenges and to help our employees to avoid unconscious bias in their private as well as professional life. Furthermore, one of our business areas had a digital training programme on diversity and inclusion.

Semcon had a target to ensure a gender split of 40/60 at all levels by 2022. Despite significant efforts, this target has not been met. While we have made continuous efforts to increase the number of female employees and managers, including the initiatives described above, no efforts were made to change the composition of Group management during 2022 due to an internal restructuring process, where Semcon prepared for the split of the Group into two stand-

alone companies, and later due to the tender processes with two competing bids for Semcon by Etteplan and Ratos respectively.

No cases of discrimination were reported through our standard processes or whistleblowing system in 2022.

| Employee survey | 2022 | 2021 | 2020 |
|--|------|------|------|
| Equal opportunities: We have equal opportunities in my team irrespective of gender, ethnicity, age, etc. | 88% | 87% | 84% |

Gender split¹

Board of directors²

20% 80%

Group management

20% 80%

Managers

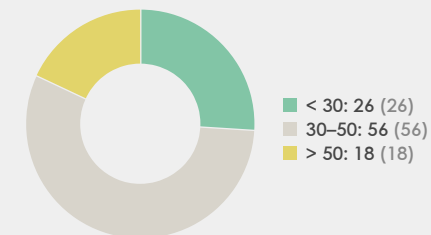
31% 69%

All employees

33% 67%

■ Women ■ Men

Age split¹ (%)



¹ 31 December 2022

² Before 30 November 2022 the gender split of the Board was 40/60 (W/M). The figure only includes board members elected by a general meeting.



SUSTAINABLE OPERATIONS & VALUE CHAIN 



Health and wellbeing

At Semcon we strive to offer a workplace and working conditions that benefit employees' health and wellbeing. In line with our Health and Wellbeing Policy, we assess the health and safety risks of our operation and take action to promote the health, safety and wellbeing of our employees. The initiatives include a wellness contribution to promote physical activity, training and yoga classes as well as inspirational lectures on health and wellbeing. We have

also had several business area-specific initiatives such as a "Health Year" with different types of sports competitions for employees, a "People Talk" campaign to promote the health and wellbeing of our employees (including mental health workshops), increased wellness contribution, and one business area now grants two extra flexible days off. Employees in all countries receive various types of occupational healthcare offerings.

Our Policy for Remote Work enables our employees to

achieve a higher degree of flexibility and work-life balance. During the pandemic, it became evident that work-life flexibility reduced illness and increased the productivity rate. However, some attention is required as there is a risk for deteriorated work-life balance and reduced social interaction linked to remote work, which could have an adverse health effect. Since increased remote working poses new requirements on the work environment, Semcon offers a contribution for the purchase of IT equipment and furniture for the home office.

During 2022, our sick leave absence increased, but remained at a very low level. The increase was mainly due to societies opening up after the COVID-19 pandemic, resulting in an increase in infection rates. According to our employee survey, a high number of our employees experience that they have a good work-life balance and that their managers promote a positive environment for health and wellbeing. Evaluations of the working environment and the health and wellbeing of our employees are carried out through various methods, including physical inspections of our operations, and dialogues with employees in connection with performance reviews, department meetings, and employee surveys.

Customer agreements include requirements for a safe and sound working environment at the customer site and there are internal guidelines that govern how the work environment at the customer site shall be evaluated, including an action list if risks are identified.

| Employee survey | 2022 | 2021 | 2020 |
|---|------|------|------|
| Health & wellbeing: My manager promotes a positive environment for health and wellbeing. | 85% | 84% | 80% |
| Health & wellbeing: I have a good work-life balance. | 80% | 79% | 76% |
| Health & wellbeing: Sick leave. ¹⁾ | 2.9% | 2.2% | 2.1% |

¹⁾ Information about sick leave is retrieved from the HR systems.

SUSTAINABLE OPERATIONS & VALUE CHAIN

Human rights

Semcon has initiated the journey to have a human rights programme that is aligned with the UN Guiding Principles on Business and Human Rights (the UNGPs) as well as to prepare for the upcoming due diligence directive at the EU level. We will now take the necessary steps to ensure that we fulfil the basic requirements of the UNGPs, including a policy commitment to respect human rights, a due diligence process as well as a grievance mechanism and remediation process. Our human rights work aims to identify, prevent, and mitigate potential or actual adverse human rights risks and impacts. This is a continuous process.

Semcon's Code of Conduct stipulates that Semcon respects human rights and that we undertake to ensure that Semcon does not violate or contribute to any human rights violations. Requirements related to our material human rights topics are included in our Code of Conduct, including principles about diversity, inclusion and equal treatment, zero-tolerance of modern slavery and child labour, freedom of association, fair labour standards and fair working hours, as well as health, safety and wellbeing. Semcon has performed a basic desktop assessment of country-specific human rights risks in our own operations and value chain. Based on this, our assessment is that our human rights-related risks are low in most of the countries where we operate, but we also have operations in some countries with a higher risk for negative human rights impacts, such as China, Brazil, and Hungary. Due to our type of operation, where most of our employees have office-based work, we have assessed that our main risks in our own operations relate to general risks of discrimination based on gender, ethnicity, nationality, religion, and sexual preference. Hence the need for a strong internal programme on equal opportunities, diversity and inclusion. In addition to that, we have potential human rights risks in our supply chain, such as country and sector-specific risks



linked to the supply chain of cars, laptops, smartphones and other IT equipment.

As regards due diligence and follow-up, human rights-related risks linked to our employees are handled and assessed as part of our employee programme (see pages 27, 29-31), human rights risks linked to our suppliers are handled through our responsible purchasing programme (see page 38) and human rights risks linked to our customers are handled through our responsible sales process (see page 38).

Alleged human rights violations can be reported via Semcon's internal reporting structure as well as our whistleblowing function, see page 38.

Some initiatives were delayed during 2022 due to the changing ownership situation, but we will now take the necessary steps to ensure due diligence processes, grievance mechanisms and remediation processes are in place, in line with the requirements of the UNGPs and the upcoming due diligence directive at the EU level.

SUSTAINABLE OPERATIONS & VALUE CHAIN

PLANET

To enable a sustainable future, we must learn to live within the limits of our planet. While Semcon's best opportunity to contribute to the transition to a sustainable society is through our customer projects, we take decisive steps to reduce the climate and environmental footprint of our own operations and value chain.



| Target | Result |
|---|--|
| Halve value chain emissions by 2030 and be net-zero no later than 2040 (base year 2019) | Emissions have been reduced by 46% since 2019. |

Science Based Targets

Semcon submitted its proposed climate targets for validation to the Science Based Targets initiative in 2022 and the targets will be reviewed during 2023.

Minimise footprint

Semcon is a consultancy organisation and we therefore have a relatively limited climate and environmental impact within the scope of our own operations and value chain. Our climate and environmental footprint is mainly linked to electricity, heating and cooling in our offices, IT equipment and services, business travel and employee commuting. In light of the above, topics that are material for companies in many other sectors, such as materials, waste, water and biodiversity, are not considered material topics for Semcon.

We have a Climate and Environmental Policy that includes our effort to minimize the footprint of our own operations and value chain. Our prioritised areas are:

- Reduce value chain emissions
- Shift to renewable energy
- More circular business operations



SUSTAINABLE OPERATIONS & VALUE CHAIN



Reduce value chain emissions

Although Semcon's emissions are limited, our reduction must still be in line with the 1.5°C ambition of the Paris Agreement. Semcon's target is to halve value chain emissions by 2030 and be net-zero no later than 2040 (with 2019 as the base year). In 2022, the process to submit Semcon's climate targets for validation to the Science Based Targets initiative was temporarily halted due to two competing takeover bids for Semcon. With Ratos as our new owner, we submitted Semcon's proposed targets to the Science Based Targets initiative for validation in December 2022. The targets will be reviewed in 2023.

For many years, we have taken decisive steps to reduce Semcon's emissions linked to business travel and commuting, and we have prioritised offices in environmentally certified buildings, see page 69. We have also worked to reduce the climate and environmental impact of purchased goods and services through requirements in our purchasing policy. Since 2021, we calculate our Scope 1, 2 and 3 emissions in line with the GHG Protocol including a retroactive calculation of our climate data for 2019-2020. In 2022, we performed a second opinion of our climate calculations with the support of experts in Semcon's subsidiary Goodpoint. In connection with the review, certain data for 2019-2021 was updated as further specified on pages 67-68. Our major sources of emissions are linked to employee commuting, business travel and electricity, heating and cooling. Other sources of emissions are purchased goods and services and capital goods.

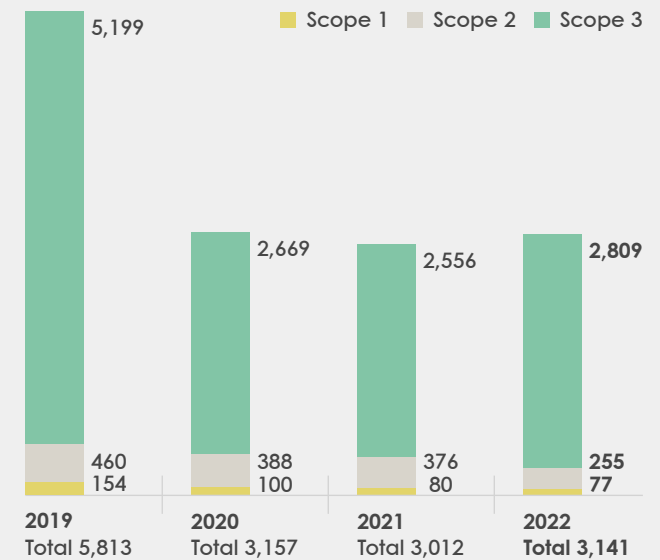
It is of course not possible for us to decide how our employees commute to and from work, but we can choose where we locate our offices and nudge our employees in the right direction to facilitate climate-friendly choices. Furthermore, as an international company with offices, colleagues and customers in many countries, we need to travel to meet in person now and then. While we cannot

cease with business trips completely, we can travel more responsibly. According to our Business Travel Policy, business trips shall be made on a need basis only and with the travel mode that has the lowest environmental impact. Air travel is only allowed in the event of high efficiency gains. One successful initiative, which has enabled a significant reduction of our commuting and business travel-related emissions, has been the implementation of a Policy for Remote Work. This enables most of our employees to split their time between the office, customer sites and home or any other preferred location. Going forward, we must take a long-term approach where we carefully consider the best actions to continue to support our employees' ability to work remotely and to choose alternative low-carbon commuting methods. Since 2022, our Company Car Policy only allows the purchase of electric vehicles, or on a need basis, hybrid vehicles. With the aim to nudge employees to select more climate-friendly commuting methods, a few of our offices offer employee benefit bikes.

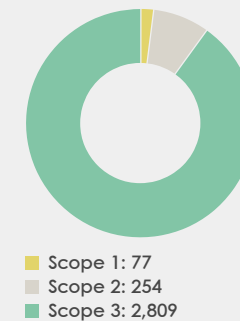
Semcon's emissions have decreased by 46% since 2019 (the base year), which means that we are already close to reaching the target to halve value chain emissions by 2030. While we see a reduction of all emission categories in all three scopes, the main reductions are linked to employee commuting and business travel. Underlying factors include new commuting and business travel patterns, where remote meetings and training are now mainstream as a result of our Policy for Remote Work and post-pandemic effects, as well as a quick transition to electric and hybrid vehicles. As expected, our total emissions increased during 2022 as commuting and business travel increased after the pandemic, but these categories still remained at very low levels compared to 2019.

A complete specification of our Scope 1, 2 and 3 emissions for 2019-2022, including our emission intensity ratio, is provided on page 67.

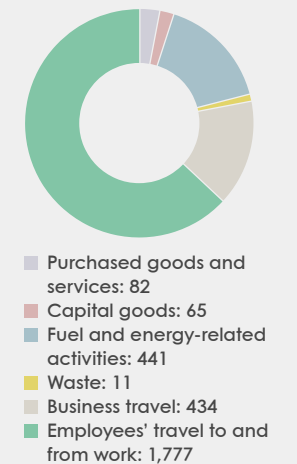
Emissions 2019–2022 (tCO₂e)



Emissions 2022 (tCO₂e)



Scope 3 2022 (tCO₂e)



SUSTAINABLE OPERATIONS & VALUE CHAIN



Emission reduction initiatives

We take various actions to reduce our Scope 1, 2 and 3 emissions, including:

- Policy for Remote Work
- Business Travel Policy with requirements on low-emission business travel
- Increased share of offices in environmentally certified buildings
- Shift to renewable energy
- Prioritise offices near public transport
- Company Car Policy only allows electric and, on a need basis, hybrid cars
- Energy-efficient IT hardware & take back programme for IT equipment

Shift to renewable energy

For many years, offices in environmentally certified buildings have been a prioritised matter for Semcon, with the aim of ensuring clean energy and state-of-the-art energy efficiency solutions. Our emissions linked to electricity, heating, and cooling are included in our Scope 2 emissions, as further detailed on pages 34 and 67-68. During 2022, we engaged with Semcon's landlords to get a better understanding of the energy mix in our offices. The aim is to increase electricity, heating and cooling from renewable sources.

A complete specification of our energy consumption during 2019-2022 together with information on our energy intensity ratio is provided on page 69.

More circular business operations

At Semcon, we strive to work towards more circular business operations based on the principles of reduce, repair, reuse and recycle. As a consultancy company, our purchases are limited and mainly include IT equipment, mobiles, furniture and general offices supplies. We buy high-quality furniture, and we strive to refurbish and reuse old furniture within our operations. Laptops and other IT equipment that are no longer in use within Semcon are sold to a trusted partner through a take back program, where such equipment is refurbished and sold on to secondhand users. If the equipment has reached end of life and cannot be refurbished and reused, it is instead shipped to a credible recycling partner who ensures that the equipment is recycled through environmentally certified recycling methods. Other types of hazardous waste, such as batteries and lightbulbs, are sent for specific recycling of hazardous waste. In addition to the above, each office is expected to ensure recycling of materials such as paper, food leftovers, glass, batteries, plastics, and packaging materials to the greatest extent possible, subject to limitations in local waste handling. Waste-related emissions are covered by our Scope 3 calculations (see pages 34 and 67-68). Adequate recycling opportunities are one of the criteria considered in connection with the rental of new premises.

According to our Purchasing Policy, everyone at Semcon who is authorised to make purchases should purchase environmentally certified products and services, provided that such environmentally certified alternatives are reasonably priced and satisfy functional specifications. If no environmentally certified products and services are available, the most eco-friendly alternative that is available considering the aforementioned criteria should be chosen.



SUSTAINABLE OPERATIONS & VALUE CHAIN

PRINCIPLES

Ethical business conduct is not only the right thing to do – it is also good for our business and a prerequisite for our strong reputation. Responsible business practices create trust in relation to business partners and help us attract and retain the best people.







| Ambition | Result |
|---|---|
| It follows from Semcon's Code of Conduct that we do not tolerate any forms of corruption. | No cases of corruption were reported in 2022. |

Ethical business conduct

Ethical business conduct is embedded into our strategy and we compete fairly, on the merits of our services and solutions. To safeguard our strong brand and reputation, we place high demands on ethical business conduct for ourselves as well as our suppliers, customers and other business partners. By implementing strong security practices, we take the necessary precautions to protect our own as well as our partners' and employees' confidential information and personal data. And we strive to further improve our due diligence practices to ensure that we work with the right suppliers and customers.

In our effort to drive ethical business conduct throughout our own operations and value chain, we prioritise the following areas:

-  Anti-corruption & fair competition
-  Privacy & IT security
-  Responsible sourcing
-  Responsible sales



SUSTAINABLE OPERATIONS & VALUE CHAIN



Anti-corruption & fair competition

At Semcon we compete on the merits of our services and solutions. In line with our Code of Conduct, we do not accept corruption and anti-competitive practices. We evaluate our risks related to business ethics on a regular basis as part of the enterprise risk management (ERM) process, including country and sector-specific risks, see page 58. As an international group, we have operations, customers, suppliers and other business partners in certain countries where there is an elevated risk of corruption, including Brazil, China, and Hungary.

General training programmes in business ethics-related issues with a specific focus on anti-corruption and fair competition are held to ensure that our employees have adequate awareness of internal requirements and their purpose. In addition, in-depth training in anti-corruption and competition law is provided for certain functions and countries where the risks are higher. In addition to training

initiatives, guidelines (including dos and don'ts), are distributed to our employees to provide guidance on how they should act in certain situations. The same requirements and guidelines that apply to Semcon's employees also apply for our subconsultants, something which is secured through our subconsultancy agreements.

In countries where we have identified higher risks for corruption, we take additional precautions, including more restrictive authorisation rules and a double signatory approach where local managers must sign together with a local board member from Semcon's parent company or a reputable local law firm. Auditors perform regular check-ups of agreements and other relevant documentation to confirm that the authorisation rules are followed.

No incidents of corruption or unfair competition were reported through our whistleblower function or via our internal channels in 2022.

Privacy & IT security

Semcon handles confidential information from various stakeholders, as well as personal data including employee, subconsultant, supplier and customer personal data. A general obligation to handle confidential information and personal data in accordance with applicable laws and agreements is stated in Semcon's Code of Conduct. In addition, Semcon has several complementary policies within the privacy field, including an employee privacy policy (which also covers subconsultants), a candidate privacy policy, a business partner privacy policy and privacy policies for our whistleblowing function. We hold regular trainings on data privacy-related matters and have processes and internal requirements and adequate controls in place with the aim to ensure that confidential information, trade secrets and personal data are managed in accordance with applicable laws, agreements and guidelines. All employees have confidentiality undertakings in their employment contracts, →

SUSTAINABLE OPERATIONS & VALUE CHAIN



which cover all types of confidential information including personal data, and which also apply following the completion of assignments and when their employment has terminated.

Semcon has internal IT security requirements and guidelines for the Group's and its suppliers' IT environment and conducts penetration tests on a frequent basis and acts on these to strengthen its protection. Furthermore, we work actively to evaluate and test internal security systems in respect of, for example, ransomware attacks and to increase employee awareness of IT-related threat scenarios. Actual and potentially critical IT incidents are managed within the framework of Semcon's crisis management process for IT and security incidents. In addition, Semcon's IT systems are evaluated by our customers on a frequent basis in order to ensure compliance with our internal security requirements, usually in accordance with ISO 27001. When procuring IT systems, supplier evaluations are conducted that include checks for relevant certifications. Together with Semcon's legal function, an assessment is conducted of whether separate supplemental agreements are necessary for more stringent IT security requirements and the processing of personal data.

Responsible sourcing

Semcon's supply chain is limited and consists of subconsultants, landlords and suppliers of cars, furniture, equipment, IT equipment, consumables, etc. We generally use local suppliers in the countries where operations are conducted.

It follows explicitly from Semcon's Code of Conduct that it applies to and must be applied in relation to Semcon's suppliers and subconsultants. In line with our internal guidelines, our Code of Conduct shall be included in all subconsultant and supplier agreements, but exceptions may be made in individual cases if special circumstances prevail. In respect of major international suppliers where Semcon

has no realistic possibility of including Semcon's Code of Conduct in the supplier agreement, the supplier's code of conduct can be assessed to ensure that it, in all significant respects, corresponds with Semcon's Code of Conduct in relation to climate and environmental aspects, fair working conditions and labour rights and business ethics. Semcon has a self-assessment questionnaire that shall be completed with new suppliers in which Semcon includes expectations on ISO 14001 certification, ISO 9001 certification and compliance with Semcon's Code of Conduct. During 2023, we intend to include new assessment criteria such as Science Based Targets and due diligence programmes in line with international standards such as the UNGPs or the OECD Guidelines for Multinational Enterprises. As a small player with many large international companies as suppliers of standard goods or services such as leased cars, laptops, mobiles and other IT equipment, we do not have the possibility to perform audits of all these suppliers to evaluate potential risks throughout their supply chains but need to rely on an assessment of the credibility of these suppliers or, as the case may be, the manufacturers' policies and due diligence programmes.

In addition to the above, Semcon has a Purchasing Policy, including additional specific guidelines for those who are authorised to make purchases. For example, Semcon shall continuously assess and strive to purchase eco-friendly alternatives (for example, environmentally certified products), evaluate the products' energy consumption, and strive to minimise transport, inter alia through local purchases. Given Semcon's decentralised business model, the country and division heads are responsible for ensuring compliance with the requirements in our purchasing programme in connection with local procurement.

Responsible sales

It is no longer sufficient to address negative impacts in the

supply chain. Companies must take adequate measures to ensure that they do not cause or contribute to any significant negative impacts throughout their entire value chain.

Semcon has identified certain sectors and activities where there is a risk that Semcon could be involved in projects that contribute to negative impacts on the climate and environment, human rights or which may otherwise be considered controversial from an ethical perspective. Such assignments shall be evaluated by an ethical committee, which consists of the Group management and the Head of Sustainability. During 2022, no cases were formally evaluated by the ethical committee. However following internal dialogues we did not pursue certain tenders in sensitive sectors.

Whistleblowing function

Semcon has a whistleblower policy and a whistleblowing function publicly available on its website where employees, customers, suppliers, other business partners or third parties can report suspected breaches of applicable laws, violations of Semcon's Code of Conduct and any other material irregularities that they are reluctant to report via our regular channels. Information is submitted to the whistleblowing function using an online tool and is completely anonymous. Retaliation against whistleblowers is forbidden. Submitted reports are reviewed by both internal and external recipients to ensure that the information is handled in a correct and impartial manner.

No cases were reported via the whistleblowing function in 2022.

PILLAR 3

SUSTAINABLE PROJECTS

Semcon's expertise can contribute to the transition to a net-zero and circular society and improve people's lives. We take decisive steps to integrate sustainability aspects into our customer projects and strive to maximise our positive impact. By supporting customers in projects that contribute to the SDGs, we strive to make a difference – to people and our planet. This is Semcon's handprint.



Maximise our handprint

Today, sustainability is no longer an option – it is a business necessity. Semcon's service offering ranges across the entire value chain and includes expertise in business design, sustainable product development, production optimisation and much more. We have the possibility to help companies in all sectors to address their entire range of sustainability-related risks and opportunities. To what extent we can influence our customers' sustainability journeys depends on factors such as company size, type of assignment, sector, and customer maturity level.

Many companies have a clear focus on the climate transition, but we are now also seeing an increasing attention from companies on other interconnected problems such as the overconsumption of natural resources and the escalating loss of biodiversity. While renewable energy solutions and electrified transport solutions are important to cut emissions, the shift to a circular economy is necessary to address the depletion of natural resources and loss of species. In addition, a circular economy enables smarter solutions, which can cut global emissions by 45%¹.

As part of the EU Green Deal, there is

increasing legislative pressure within the EU to drive the shift to a net-zero and circular economy as well as stronger protection for human rights throughout global supply chains. Existing and upcoming legislation such as the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD), the EU Corporate Sustainability Due Diligence Directive (CSDDD) will oblige companies to perform due diligence and be fully transparent about their environmental as well as social footprint. Moreover, the Eco-design for Sustainable Products Regulation (ESPR) will force companies to use eco-design practices in their product development and to have digital product passports for almost all types of products. The latter include information on how products can be repaired, maintained, and upgraded as well as information about their climate, environmental, and social footprint.

This transition offers huge business opportunities for us at Semcon as well as an opportunity for our employees to participate in interesting and purposeful projects.

¹ Ellen MacArthur Foundation

SUSTAINABLE PROJECTS

Adding sustainable perspectives on technology

Expanding our expertise

Through the acquisition of sustainability consulting company Goodpoint in 2022, Semcon has complemented its expertise within sustainable product and production development with in-depth expertise within sustainable business design, climate calculations, lifecycle assessments, chemicals, materials and product-related compliance. But the acquisition of Goodpoint not only complements our existing offering, but also gives us the opportunity to offer completely new services to our customers such as non-financial reporting, business ethics, human rights and much more. Today, we have the possibility to support our customers with sustainability transformation roadmaps, see page 42 and 47.

Educating our employees

In a turbulent world where the need for green technologies and sustainability-related consulting services is growing rapidly, it is important to ensure that Semcon has the right expertise to be a trusted partner to our customers in their transformation journeys. It is our ambition that everyone within Semcon should have a good understanding about our customers' sustainability related risks and opportunities, the existing solutions for different sectors as well as the difference between, and need for, optimising and transforming solutions. During 2022, we carried out several initiatives with the aim of leveraging the overall knowledge within Semcon on how we can support our customers' sustainability journeys. Our CEO participated in Stockholm Resilience Centre's executive programme on resilience thinking, we launched a sustainability e-learning for all employees on how we can drive sustainability in our customer projects, and one of our business areas held a one-day sustainability management training programme.



Semcon's sustainability e-learning

In 2022, Semcon was assigned the task of developing an e-learning programme by eight other members of Digitaliseringskonsulterna. The aim was to increase the general awareness and knowledge of sustainability-related matters among our respective employees. The e-learning programme was developed by Semcon's experts within sustainability and digital learning and with Chalmers Industriteknik as a subject matter expert. The e-learning programme has eight modules and a specific focus on climate and environmental challenges and solutions, and covers how we can support our customers in their climate transition and transition to circular business operations. The e-learning programme is also used internally at Semcon and offered to our customers.

SUSTAINABLE PROJECTS

People – Improving people's lives

People and their needs and behaviours are the starting point when Semcon develops physical and digital solutions. The challenges of an ageing population, lifestyle-related diseases and rapid technological advances are increasing demands for user-friendly medical devices, quality-assured pharmaceuticals, and efficient digital information solutions, etc. In these areas, we contribute to increased quality of life for many people in their everyday lives.

Another dimension of the people perspective is that products and services need to be secure for the end users. Businesses today are becoming increasingly complex, and ensuring that the products, systems and services released onto the market are secure and accessible is a must. Legal requirements and other demands for quality assurance, system validation and documentation are on the increase, and Semcon contributes its experience and expertise in quality management and validation to many projects. We also have strong expertise within chemical management, including documentation, reporting, and declaration in line with applicable laws and regulation.



Artificial intelligence supports efficient healthcare

New technology is paving the way for major improvements in the healthcare sector. One example is the AI-based operation system from medtech company Ortoma that enhances quality and streamlines the process for hip joint, knee joint and back surgery. In a new collaboration, Semcon is supporting Ortoma with specialist skills in software development and technical information.



Verifying a new medical device

When the concept for a medical device to prevent bedsores was to be verified, Mölnlycke Health Care chose to place the entire responsibility on Semcon's expert team.

Proofing the concept for a newly developed medtech product is a resource-intensive work that is largely about extensive documentation. By outsourcing

the verification work, Mölnlycke was able to focus its resources where they do the greatest good, namely on developing new medtech solutions.

In addition to the verification, Semcon was also given the task of making the construction drawings of the new product.

SUSTAINABLE PROJECTS

Planet – Towards a healthier planet

Green technologies

Semcon has been a trusted partner in our customers' development of green and innovative technologies for many years. We work on many customer projects within green technology, for example renewable energy, where we support the development of solar cells, green hydrogen, energy storage solutions, electrified transport solutions, etc., where we have solid expertise in both battery technology and fuel cell technology. We perform digitalisation and automation projects within many sectors which offer great opportunities to streamline processes and to reduce emissions and resource consumption. We also have expertise within various Industry 4.0 technologies that will play an increasingly important role in the shift to net-zero and circular business operations including IoT, AI, digital twins, 3D printing/additive manufacturing, blockchain, AR/VR, etc. Moreover, green technologies must be designed for circularity and low emissions. Eco-design in combination with detailed product information and training solutions, enabling efficient repair and maintenance and disassembly and recycling, will be key in a circular economy.

Net-zero and circular business operations

Many companies are now setting 2030 targets in line with the 1.5°C ambition of the Paris Agreement, where they commit to halve their value chain emissions by 2030. Today, in addition to an overall effort to switch to renewable energy, there is a clear focus on optimising solutions such as energy efficiency, smart logistics, electric company cars, eco-design, etc. Optimising solutions are necessary but often not sufficient for companies with targets to halve value chain emissions by 2030, as such targets include lifecycle-related emissions of products and services (i.e. all emissions linked to production, use phase and end of life). Progressive



companies are now exploring transforming solutions such as disruptive technologies and/or smarter business models, including service-based or function-based business models, as a means to reach their targets. In a world with a lack of green energy and resources, such business models are also gaining increasing attention from a profitability perspective. If designed wisely, they can offer an opportunity to limit production while maintaining or increasing profitability. At Semcon we can provide support through all types of services that are necessary for companies in their shift towards net-zero and circular business operations. The first step is to help our customers with climate calculations and lifecycle assessments as these are necessary for companies to understand their operational and product-related climate and environmental impact. Moreover, we assist with optimising solutions, including energy efficiency, eco-design (including circular design), recyclability, remote support and maintenance, remanufacturing, etc. We can also support our customers in exploring transforming solutions through our strategic business design process, see page 44 below.

Digital product information is becoming an increasingly important part of companies' sustainability agendas. Upcoming legal requirements on digital passports at the EU level will force manufacturers to be fully transparent about the climate, environmental and social footprint of their products. Moreover, well-structured and easily accessible product information and digital training solutions facilitate service and repair that prolong the lifecycle of products, and enable disassembly and recycling at the end of life. Digital learning solutions also offer a great possibility to reduce emissions linked to business travel and can support companies' escalating need for competence development within sustainability.

Digital solutions are key enablers in the shift to net-zero and circular business operations. However, the footprint of the ICT industry is escalating, for example with respect to e-waste and energy consumption. Not only hardware, but also digital solutions must therefore be carefully designed to minimise the footprint, for example through eco-design, green coding and sustainable service design.

SUSTAINABLE PROJECTS

Digital product information for Polestar's upcoming car model

Semcon is developing the digital workshop information for one of Polestar's upcoming electric vehicle models. Digital product information tailored to the target group brings several benefits such as increased uptime, more efficient service and maintenance, and a better user experience. At the same time, it brings important sustainability benefits such as longer useful life, less repairs, and better and more efficient utilisation.



Electrified and energy efficient maritime solutions

For light personnel and equipment transport, Yinson is developing the all-electric Hydroglyder, a harbour craft equipped with advanced hydrofoil technology in collaboration with (Norwegian company) Lift Ocean AS, enabling the craft to fly above water. The hydrofoil solution greatly reduce water resistance and thereby increases energy efficiency. Semcon has supported Lift Ocean with design and test of the hydrofoil control system and structural integrity.

Green hydrogen gas can secure rural energy supply in times of crisis

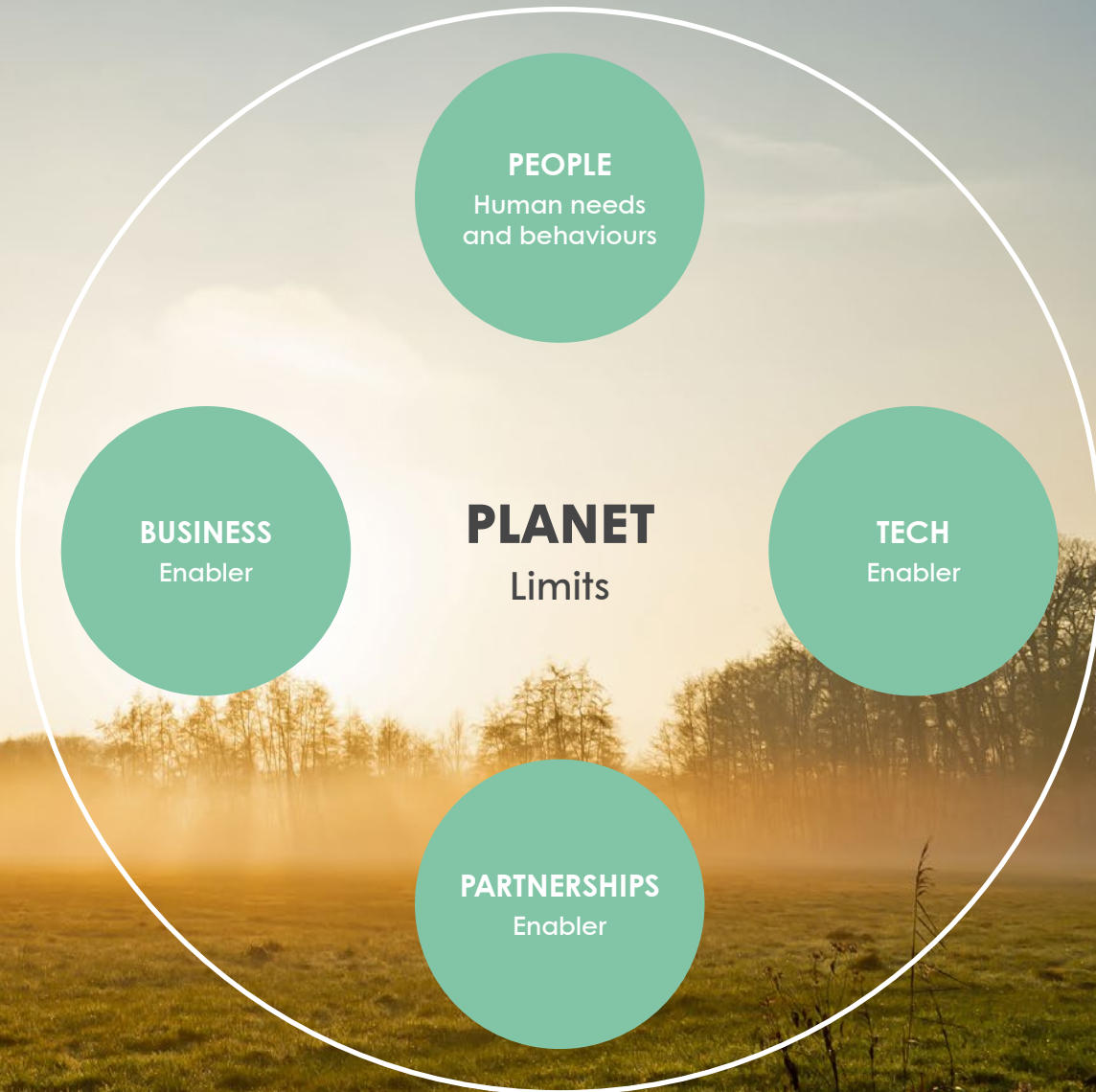
The village of Häradsbäck in Småland wanted to investigate the possibilities of producing and storing green hydrogen gas – both as a backup for its own energy supply and to sell onwards. In a development project, Semcon is creating a technical concept for the production of green hydrogen gas using solar cells. In the concept study, which is being financed by Vinnova, Semcon's experts in energy solutions are working to develop a modular, scalable open-source concept for how green hydrogen gas can be produced and stored for crisis-preparedness purposes and, if needed, supply parts of Häradsbäck with electricity.



SUSTAINABLE PROJECTS

Strategic Design & Innovation

In our strategic design and innovation process, we can explore alternative scenarios for sustainable solutions to enable a future where profit is decoupled from emissions and resource consumption. The focus is on human needs and behaviours, how they can be achieved within the limits of our planet and how we can use more sustainable business models, digital technologies, and partnerships as enablers. Through 2030 backcasting, we shift the focus from continuous improvements to explore transforming solutions – i.e. where we need to be tomorrow and the best way to get there.



SUSTAINABLE PROJECTS

Principles – Enabling responsible business operations

Sustainability matters have been on the corporate agenda for many years, but due to slow progress, we are now seeing the emergence of an extensive regulatory framework. This is especially true at the EU level, where new legislation is now forcing companies to address their sustainability-related risks and opportunities. While most large businesses already have ambitious sustainability targets and extensive ESG programmes, small and mid-size companies must now also prepare for upcoming legislation. Within the next few years, most companies will need a sustainability programme that covers climate and environmental topics, as well as social sustainability topics, including human rights. They must also implement robust governance and due diligence processes.

We provide strategic advice on how to set up a sustainable strategy, including sustainable business models, and also provide hands-on advice and support to ensure that commitments are put into action. We have expertise within topics such as materiality assessments, stakeholder dialogues, governance models, and non-financial reporting in line with applicable and upcoming laws, regulations, and standards (e.g., the EU Taxonomy, CSRD, CSDDD, ESPR, GRI, TCFD, UNGPs¹⁾). We provide support for energy audits, climate calculations, science-based targets applications and the set-up and implementation of management systems, responsible purchasing programmes, business ethics programmes and much more. To help customers meet the extensive requirements linked to non-financial reporting, we explore automated and data-driven solutions for sustainability reporting. And we offer sustainability managers as a service for companies who need an interim sustainability manager or support to kick-start a sustainability programme. See page 46 for some customer examples.

¹⁾ Corporate Sustainability Reporting Initiative (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), Eco-design for Sustainable Products Regulations (ESPR), Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), UN Guiding Principles on Business and Human Rights (UNGP).



SUSTAINABLE PROJECTS



Sustainability advisor for Varberg Energi

On behalf of Varberg Energi, Semcon's subsidiary Goodpoint has acted as a sustainability advisor and business developer together with the company's quality, environment and work environment coordinator (KMA coordinator). Goodpoint has contributed expertise in EU legislation and has analysed the company's climate impact based on Scope 1, 2 and 3. Goodpoint is also participating in the preparation of Varberg Energi's sustainability report for 2022. Through these efforts, Goodpoint is taking a comprehensive approach to Varberg Energi's sustainability work.

Goodpoint has:

- carried out a systematic mapping of Varberg Energi's sustainability work
- produced, among other things, materiality analyses, GAP analyses and stakeholder analyses, where various indicators and parameters are evaluated in order to find a suitable sustainability path forward
- helped the company set new sustainability goals and provided Varberg Energi with ongoing advice
- held workshops that have increased the climate competence of Varberg Energi's employees

Sustainability specialist at Vitrolife

Goodpoint has also acted as a substitute sustainability specialist on behalf of Vitrolife Sweden, with the aim of ensuring continued progress in the company's sustainability work. The temporary expert role has involved collaboration and development of sustainability initiatives at Vitrolife Sweden, with the main focus on due diligence at the supplier level as well as climate reporting.

Goodpoint has:

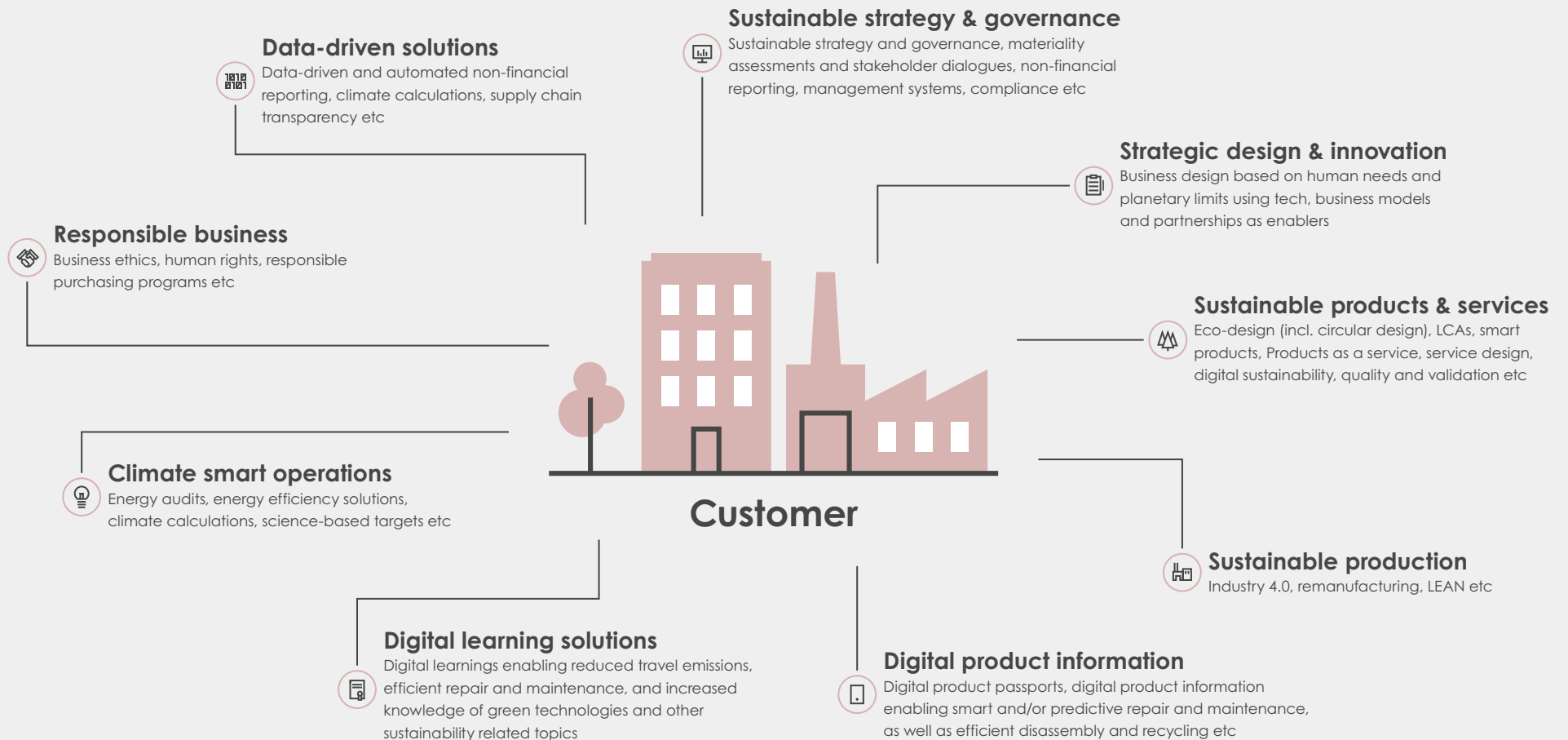
- identified the company's main sustainability risks in the supply chain
- supported the purchasing organisation in developing objectives within sustainability
- acted as an advisor to create a systematic way of working for delivery follow-up
- carried out a gap analysis of the company's current working methods, policies and processes
- developed a data collection template that can visualise the company's emissions
- created a climate calculation tool for Scope 1, 2 and 3
- held workshops and training for the company's personnel linked to the company's essential sustainability issues
- provided ongoing guidance, support and expert advice



SUSTAINABLE PROJECTS

Our offering – a roadmap for the future

While we can provide support to our customers in specific sustainability matters, we can also assist with a complete roadmap for the future. All the way from a sustainable strategy and a future-proof business model to product and service design, aftersales solutions, and sustainable and responsible business operations and value chains.



SUSTAINABLE PROJECTS



“Together we have unique expertise”

Three quick questions to Magnus Boman, CEO of sustainability consulting company Goodpoint that joined forces with Semcon in 2022.

How does Goodpoint complement and strengthen Semcon's expertise?

“Semcon's strength in design, technology development, and digitalisation in combination with Goodpoint's depth and breadth in sustainability give us unique expertise within the circular economy. This is so important to support the transformation towards a more sustainable world.”

What do you see as the main challenges for our customers from a sustainability perspective?

“Many Swedish companies and organisations have worked with sustainability for a long time and are good at identifying their risks and following up on them. The challenge now is to see the opportunities

and value that sustainability work brings. Another challenge is to stay ahead of new requirements and regulations. I am thinking about, for example, the EU Taxonomy and the upcoming EU Corporate Sustainability Reporting Directive (CSRD). This also requires new skills and follow-up systems.”

And on the contrary, what are the main opportunities?

“Already today we see that creative and talented start-ups and large companies are developing new sustainable products and services. Goodpoint and Semcon's consultants want to be involved in creating value for our customers so that they become tomorrow's winners.”

SUSTAINABLE PROJECTS

Research, development and innovation

Semcon participates, on a continuous basis, in different research projects together with academia, institutes, authorities, and customers. This provides us with the latest theoretical knowledge, and also valuable practical experience of future technologies and user needs. The emphasis of these research projects is in line with our focus areas such as green technologies, digital technologies including AI and automation, and sustainability. We leverage the expertise we have gained from research projects in our customer projects. Hence, they can benefit from our expertise within various technology fields and our effective innovation process. Thanks to a structured process for sustainable innovation and extensive experience within this field, we know what is needed to succeed with an innovative approach. With an innovation team that includes the right expertise and the right people, we can create the best sustainable solution together with the customer, based on human needs and behaviours.



Automation supports large-scale production of green hydrogen

Semcon is supporting Norwegian company Hystar in the development of their new electrolyser technology for the production of green hydrogen. The aim is to produce up to 150% more hydrogen without using more energy than in conventional processes today. Semcon is providing expertise in order to automate the produc-

tion of electrolyser stacks, which convert electricity to hydrogen and oxygen. Hystar has received funding from the Research Council of Norway for developing high-efficiency PEM electrolysers. The EU strategy for hydrogen gas identifies renewable, green hydrogen as crucial to achieving the European Green Deal.

PILLAR 4

SUSTAINABLE SOCIETY

At Semcon we want to be a driving force in the shift towards a better society. In addition to many customer assignments that contribute to a sustainable society we have a pro-bono program where we support non-profit organisations' important work. And we partner with like-minded partners that share our vision of a better tomorrow.

CSR PROGRAM AND OTHER SOCIETAL ACTIVITIES

At Semcon, we want to be involved and take responsibility in all markets where we conduct operations. Within the scope of our CSR programme, Semcon's employees can spend 2,000 hours each year contributing knowledge and commitment to local CSR projects that contribute to the UN Sustainable Development Goals. We strive to find pro-bono projects for local non-profit organizations where our employees can contribute with their technical or other relevant expertise, but we also participate in local initiatives with local charity organisations. Every part of the organisation has its own CSR representative who is responsible for planning and organising the local activities.

During 2022, we performed a number of pro-bono projects, as well as local initiatives to support the communities where we operate. The latter include for example aid to Ukrainian refugees, food donations, LED lights refurbishment, park cleaning, and various aid activities related to the COVID-19 pandemic.



Busting myths around sexual abuse for WONSA

Semcon's digital learning experts have created new educational material for the organisation WONSA (Worlds of Non Sexual Abuse). The project resulted in a printed, illustrated book aiming to bust the common myths around sexual abuse and letters to decision-makers as well as an in-depth educational page on WONSA's website, targeting different audiences that WONSA is working towards.



Design and UX for Fair Action

For the non-profit organisation Fair Action, the number of members is crucial to be able to put pressure on companies to improve working conditions and pay living wages. The association has many followers in social media but decided to ask Semcon for help in converting the commitment into memberships. Semcon's team mapped the journey from first contact to membership and proposed concepts and measures to reach the goal.



Fundraisers supporting the people of Ukraine

During 2022, Semcon organized two fundraisers to support the people of Ukraine in their dire situation. The donations made by Semcon employees were matched by the company – and together we contributed SEK 600 thousand to UNHCR's important work in Ukraine.



SUSTAINABLE SOCIETY

PARTNERSHIPS

Exponential Roadmap Initiative

The Exponential Roadmap Initiative (ERI) unites innovators, transformers and disruptors to drive the transformation to halve global emissions by 2030 through exponential climate action and solutions. Its work is based on science as assessed by the UN's Intergovernmental Panel on Climate Change (IPCC). Semcon has been a partner of ERI since 2021 and we participate in various initiatives run by the ERI and its partners. Through the membership, Semcon is also part of the UN Race to Zero initiative and the We Mean Business Coalition.

Digitaliseringskonsulterna

Since 2019, Semcon is a member of Digitaliseringskonsulterna, a Swedish organisation that works to support politicians, the business community and the public sector in understanding the huge potential that digitalisation and innovation offer in terms of achieving a rapid reduction of emissions. Digitaliseringskonsulterna has formulated a roadmap for how the digitalisation consultancy industry can contribute to making Sweden fossil-free by 2045. Semcon takes an active role in Digitaliseringskonsulterna and participates in various working groups, including the Strategy & business development and Society & planet working groups.

UN Global Compact

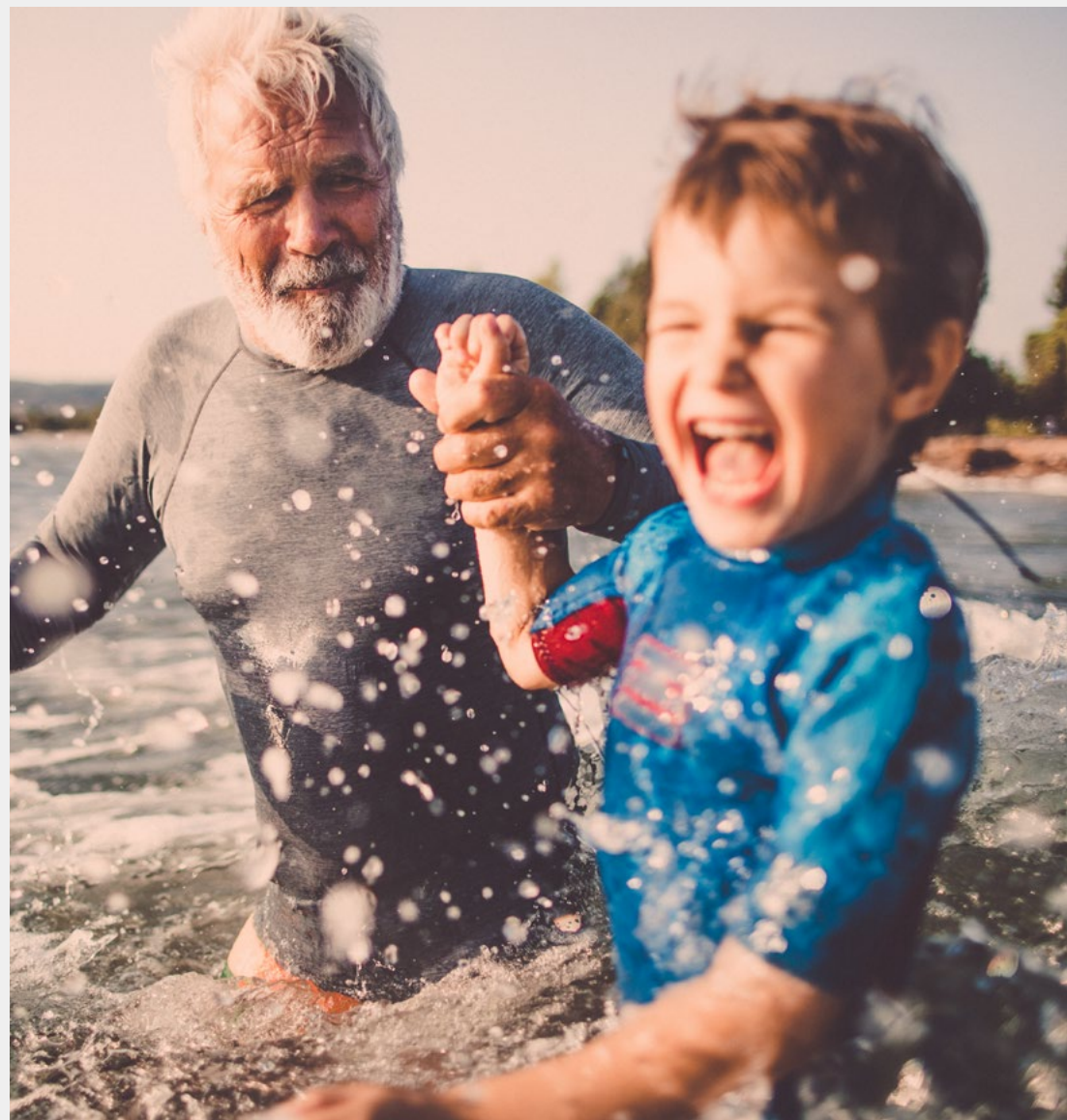
In 2021, Semcon became a member of the UN Global Compact, a global sustainability initiative by the UN to align corporate strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.

Science Based Targets initiative

The Science Based Targets initiative (SBTi) supports the transition to a net-zero economy by validating that corporate emission reduction targets are in line with science. In 2022, Semcon submitted its proposed science-based targets to the SBTi for validation.

Cradlenet

As from 2023, Semcon is a member of Cradlenet, a Swedish platform for knowledge sharing and networking within the circular economy. Cradlenet supports companies and organisations with the transition to a circular economy by offering e.g., advisory services, market intelligence, studies, and seminars. Cradlenet also participates in national projects aiming to increase knowledge, develop tools and networking opportunities around circular economy, and works with political institutions to speed up the transition.



SUSTAINABLE SOCIETY

Frihamnsdagarna

In 2022, Semcon was a friendship partner to Frihamnsdagarna. This is a new arena in Göteborg, established in 2021, for discussions between the general public, politicians and the business community, with a particular focus on democracy, sustainability and integration. At the 2022 event, Semcon arranged a seminar together with RISE Research Institutes of Sweden, Foxway and Nornorm on circular business models.

Westpride

Semcon is a partner to WestPride, a non-profit association that creates an annual pride festival and educates schools, companies and organizations on LGBTQI matters all year round in the Western part of Sweden. In 2022, WestPride held a digital as well as a physical training session with Semcon employees to raise the general awareness of the LGBTQI community's everyday challenges and to support our employees to avoid unconscious bias in their private as well as professional life.

Innovationsföretagen

Semcon is a member of the Federation of Swedish Innovation Companies (Swe: Innovationsföretagen), which is an industry and employer organisation that represents 850 innovative member companies (about 40,000 employees) in the knowledge-intensive service sector. It is part of Almega, which is Sweden's leading organisation for service companies.



OTHER INITIATIVES

Semcon says "We Can Do It"

Ahead of the UN Climate Change Conference (COP 27) meeting in Egypt in 2022, Semcon joined 500 business leaders and scientists in "We Can Do It", a global call to action to channel the spirit of inspiration, determination, and optimism of the famous Second World War campaign. Today's call to action is about finding solutions to the climate crisis, and was initiated and supported by We Don't Have Time, Exponential Roadmap Initiative, United Nations Development Programme, UN Climate Change High-Level Champions, the We Mean Business Coalition, GoClimate, and others.

Politicians, make change happen!

Ahead of the Swedish elections in September 2022, Semcon was part of a call urging politicians to provide means for a successful climate transition. 227 Swedish companies asked for a clear, long-term game plan with incentives and regulations that accelerate the necessary investments. Allowing Swedish companies to stay relevant and secure future business success.

MATERIALITY ASSESSMENT & STAKEHOLDER DIALOGUE

At Semcon we assess our sustainability-related risks and opportunities together with relevant stakeholders, to identify our material risks and opportunities. All with the ambition to ensure that we can address our material risks in a responsible manner, while at the same time acting on our sustainability-related opportunities.

Materiality assessment

Semcon performed a new materiality assessment during 2022 in line with the updated GRI standard (GRI 2021). Our process to identify our material topics is based on the recommended steps in GRI 3: (i) understand Semcon's context; (ii) identify actual and potential impacts; (iii) assess the significance of the impacts; (iv) prioritise the most significant impacts. We have taken the first steps to perform a double materiality analysis where we assess Semcon's actual and potential negative regulatory, and positive impact on the world (outward impact) as well as how the world affects Semcon from a financial and other perspectives (inward impact).



Our process to understand Semcon's sustainability context includes a yearly assessment of key societal trends linked to political, economic, social, technological, regulatory, and climate and other environmental factors that can potentially affect Semcon's business operations, from a risk as well as an opportunity perspective. GRI topics that are relevant for our business operations as well as additional company-specific topics that have been identified through the above macro analysis are used as the basis for our materiality assessment. Together with internal and external stakeholders and relevant subject matter experts, including both internal experts and sustainability consultants, we assess Semcon's actual and potential positive and negative impacts linked to the identified topics. The significance of the actual and potential impacts are assessed through numeric indicators for scope, scale and irremediability. Furthermore, for potential negative and positive impacts, likelihood, time perspective (short, medium and long-term perspective) as well as potential negative or positive financial impact (low, medium or high) are assessed. Based on the results, we have identified material topics for Semcon.

We have clustered the material topics into four strategic focus areas – attractive & responsible employer, minimise footprint, maximise handprint and ethical business conduct. The material topics have been reviewed by the Board and serve as the foundation for our internal and external sustainability agenda, see "Our approach to sustainability" on pages 19-21. Semcon has targets and roadmaps to address its material topics, see pages 19-21 and 24-52.

Attractive & responsible employer

- Attraction & retention
- Health & wellbeing
- Diversity & inclusion
- Learning & development

Minimise footprint

- Reduce emissions
- Renewable energy

Maximise handprint

- Economic performance
- Sustainable services and solutions¹

Ethical business conduct

- Anti-corruption & fair competition
- Privacy & IT security
- Responsible purchasing

¹ Company-specific

MATERIALITY ASSESSMENT & STAKEHOLDER DIALOGUE

Stakeholder dialogue

We engage in regular dialogues with our shareholders, employees, customers, business partners and other stakeholders to understand which sustainability-related topics they consider material for Semcon. The stakeholders have been selected to ensure that we can identify our potential and actual positive and negative impact throughout our entire value chain and include our owners, employees, customers, suppliers and other business partners. Dialogues with our stakeholders are conducted on many levels and through many types of activities throughout our business operations as further detailed below. The views of our stakeholders serve as input in our process to decide Semcon's material topics as described on page 53.

| Stakeholders | Dialogue | Purpose |
|--------------------------------------|--|---|
| Board of Directors ¹ | <ul style="list-style-type: none"> Board meetings Business review meetings Stakeholder survey | Identify and decide on strategic direction, risks and opportunities, material sustainability topics etc. |
| Employees | <ul style="list-style-type: none"> Employee engagement surveys Internal communication channels Career & development dialogue (CDD) Department meetings Skills days & training Sustainability networks Management and employee dialogues Stakeholder survey | Identify and address employees' expectations of Semcon, including actual and potential negative and positive impacts linked to working conditions, learning and development, health and wellbeing, diversity and inclusion, discrimination and harassment, customer offerings, etc. |
| Customers | <ul style="list-style-type: none"> Customer surveys Customer projects and meetings Customer events and workshops Sales meetings Supplier assessment questionnaires & dialogues Stakeholder survey | Identify and address our customers' expectations and requirements of Semcon's internal sustainability agenda (i.e. in our own operations and value chain) and external sustainability agenda (i.e. how we can support our customers' sustainability journeys). |
| Other business partners ² | <ul style="list-style-type: none"> Co-operation projects Membership meetings Seminars Stakeholder survey | Identify and address joint opportunities to drive change in customer projects or in society. |
| Suppliers | <ul style="list-style-type: none"> Purchasing dialogue Supplier assessments Stakeholder survey | Identify and address actual and potential negative and positive impacts in the supply chain linked to human rights, climate and environment, and business ethics. |

¹ The stakeholder dialogue in 2022 was conducted with the previous Board of Directors. The new Board has reviewed the selection of material topics, see list on page 53.

² NGOs, universities, research institutions, etc

GOVERNANCE STRUCTURE

To be a trusted partner to our customers and an attractive employer, we strive to integrate sustainability into our strategy and culture. One part of that is to have a credible governance structure to ensure that sustainability risks and opportunities are addressed from the top.

Governance structure

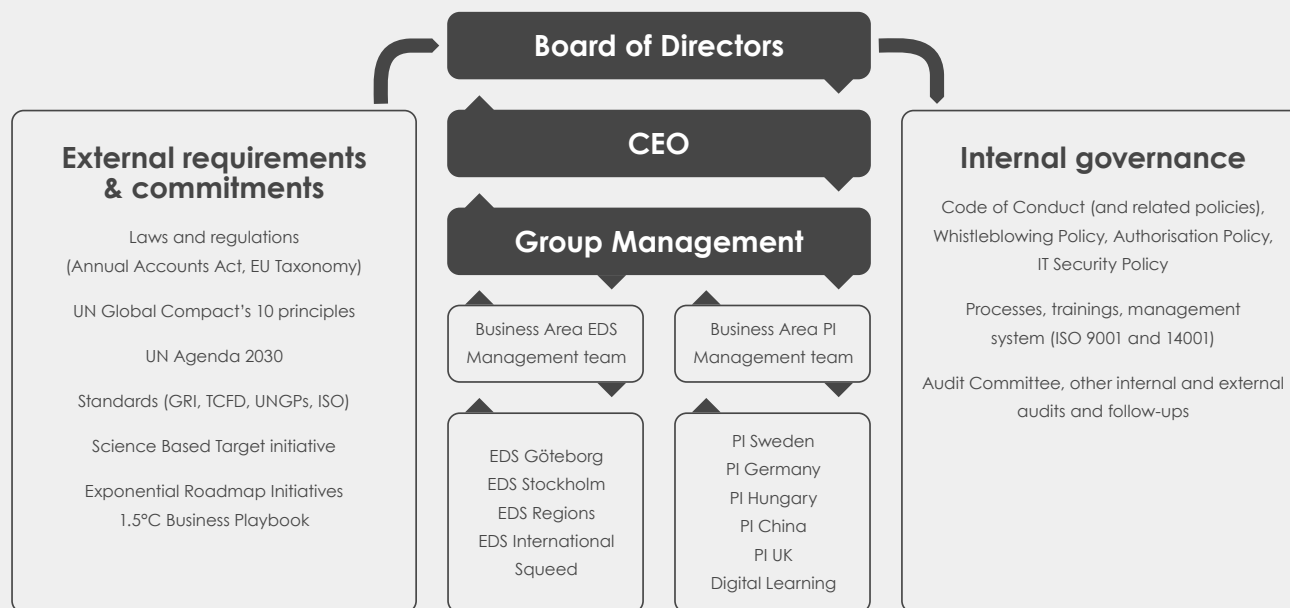
2022 was an eventful year for Semcon. The split of Semcon that was initiated in 2021, aiming to make two independent companies of Semcon's two business areas, was paused due to the two separate tender offers directed to Semcon's shareholders in August and September, by Efteplan and Ratos respectively. The processes ultimately resulted in Semcon being acquired by Ratos and in November, Semcon was de-listed from Nasdaq Stockholm. Today, Semcon is a wholly owned subsidiary of Ratos AB (publ). A new Board of Directors was elected by Ratos on 30 November 2022. Below we describe our current governance structure (which is similar to our governance structure during 2022).

The Board of Directors has the overall responsibility for ensuring that Semcon has a sustainable strategy with relevant targets, that is aligned with applicable laws and regulations and selected standards. The responsibility for developing and proposing updates of Semcon's strategy, sustainability targets, purpose, values and mission statements, Code of Conduct, etc. is delegated to the CEO and material revisions thereof shall be evaluated together with, and approved by, the Board. The CEO is supported by Semcon's Head of Sustainability, who reports directly to the CEO (but is not a member of Group management), as well as other parts of the organisation, see page 57.

Semcon has an internal sustainability agenda, addressing material sustainability topics and targets linked to its own operations and value chain, see pages 24-38, and an external sustainability agenda addressing material sustainability topics linked to its customer offerings and projects, see pages 39-49. The CEO and Group manage-

ment have the overall responsibility for Semcon's internal sustainability agenda and for ensuring that set targets are met. Furthermore, the CEO and Group management, including the business area presidents, are responsible for integrating relevant sustainability aspects into the business plans. In line with our decentralised business model, it is the responsibility of each business area to ensure that identified sustainability-related opportunities are integrated into customer offerings and put into practice in customer projects.

The size of Semcon allows the Board members to have a good overview of all topics, and except for the Audit Committee, the Semcon Board does not have any specific committees. Sustainability-related risks are included in Semcon's overall ERM process, as further detailed on page 58, and assessed by the Audit Committee. The Board is updated on a regular basis on the progress of Semcon's internal sustainability agenda by the CEO and/or the Head of Sustainability. The external sustainability agenda is integrated into Semcon's ordinary business development process and business plans, which are presented to the Board of Directors and assessed in business review meetings. A sustainability update is included on all ordinary Board meetings.



GOVERNANCE STRUCTURE

Policies, processes and follow-up

Semcon's Code of Conduct applies for all companies within the Semcon Group and has been adopted by the Board of Directors. It includes a reference to the UN Global Compact and covers commitments linked to non-discrimination, zero tolerance for forced labour and child labour, freedom of association, fair working hours and compensation, health, safety and wellbeing, anti-corruption, fair competition, money laundering and environmental sustainability. The Code of Conduct includes a policy commitment on human rights stating that Semcon respects the protection of internationally proclaimed human rights and that Semcon shall make sure that the company is not complicit in any human rights abuses (i.e. an implicit due diligence commitment). It is further stated that Semcon supports a precautionary approach to environmental challenges, undertakes initiatives to promote greater environmental responsibility and encourages the development and diffusion of environmentally friendly technologies.

The Code of Conduct is publicly available on Semcon's website and complemented with various other external and internal topic-specific policies which have been approved by Group management. It applies for all employees, subconsultants, suppliers, customers and other business partners (see page 38). Our employment agreements include the Code of Conduct and relevant training is included in the onboarding process for new employees as well as in connection with business ethics and other training. All employees must adhere to the requirements set out in the Code of Conduct as well as the requirements in all other policies. They are encouraged to report any deviations or violations thereof through Semcon's internal reporting processes or, if no other option feels comfortable, through Semcon's whistleblowing function which is available for employees as well as third parties on Semcon's website. See page 38 for further information. On the next page, see a short description of the actions we take to manage our material topics.

Semcon Group policies

- Code of Conduct
- Climate & Environmental Policy¹
- Diversity & Inclusion Policy
- Health & Wellbeing Policy
- Privacy policies
- Whistleblowing Policy
- Policy for Remote Work
- Business Travel Policy²
- Purchasing Policy
- Quality Policy
- IT Security Policy

¹ Adopted in 2023.

² Applicable in Sweden.

GOVERNANCE STRUCTURE

| Material topics & targets | Impacts | Policies | Governance, processes, training & follow up | Operational responsibility | Actions & more info |
|--|---|---|--|---|-------------------------------------|
| Maximise handprint <ul style="list-style-type: none"> Economic performance Sustainable services and solutions <p>Ambition: page 21</p> | <p>Actual and potential positive impact: Customer assignments, where Semcon supports its customers: (i) to develop sustainable solutions (e.g. green technologies and med tech); (ii) in their transition to net-zero and circular business operations; and (iii) with other sustainability consulting services.</p> <p>Potential negative impacts: Customer assignments can have a material negative impact on people/human rights and/or climate/environment.</p> | <ul style="list-style-type: none"> Climate & Environmental Policy | <ul style="list-style-type: none"> Business Plan process Business review meetings (opportunity mapping) ERM process Audit committee (risk mapping) Responsible sales process Sustainability e-learning | Business area presidents | Pages 19-23, 39-49, 55-60 |
| Attractive & responsible employer <ul style="list-style-type: none"> Attraction & retention Diversity & inclusion Learning & development Health & wellbeing <p>Targets and outcome: page 21</p> | <p>Actual Positive impacts: Many of our employees can participate in purposeful and important assignments and all employees have the possibility to continuous learning and development.</p> <p>Potential negative impacts: Risks for discrimination and harassment, ill health due to stress and poor work-life balance exists in all types of organisations.</p> | <ul style="list-style-type: none"> Code of Conduct Health & Wellbeing policy Diversity & Inclusion policy Whistleblowing policy Employee privacy policies Policy on remote work | <ul style="list-style-type: none"> ERM process Audit committee (risk mapping) Management system Internal audits Employee onboarding Employee engagement surveys Career & development dialogue Management and employee dialogues | Finance HR (business area level) | Pages 19-23, 24-32, 55-60 and 66 |
| Minimise footprint <ul style="list-style-type: none"> Reduce emissions Renewable energy <p>Targets and outcome: page 21</p> | <p>Actual negative impact: Emissions linked to Semcon's business operations e.g. energy usage, business travel, commuting, purchase of goods and services, capital goods etc.</p> | <ul style="list-style-type: none"> Code of Conduct Climate & Environmental Policy Policy on remote work Business travel policy | <ul style="list-style-type: none"> ERM process Audit committee (risk mapping) Management system Emission end energy reporting Employee commuting survey ISO 14001 audits (HQ) | Finance Sustainability Purchasing | Pages 19-23, 33-35, 55-60 and 67-69 |
| Ethical business conduct <ul style="list-style-type: none"> Anti-corruption & fair competition Privacy & IT security Responsible purchasing <p>Ambition: page 21</p> | <p>Potential negative impacts: Risks for corruption, unfair practices, human rights violations in global supply chains, privacy breach and cyberattacks exists in all types of organisations.</p> | <ul style="list-style-type: none"> Code of Conduct Authorization policy Privacy policies Whistleblowing policy Purchasing policy IT Security policy | <ul style="list-style-type: none"> Compliance program ERM process Audit Committee (risk mapping) Management system Authorization processes Internal and external audits Supplier SAQ and follow-up Business ethics and GDPR training IT security stress tests | Finance Legal Purchasing Sustainability IT department | Pages 19-23, 36-38, 55-60 |



RISK & OPPORTUNITY ASSESSMENT

At Semcon we take a precautionary approach and assess our sustainability-related risks and opportunities from an outward perspective – the negative and positive impacts that Semcon's business operations have on people and our planet, as well as an inward perspective – how various sustainability-related risks and opportunities impact Semcon's business operations.

Risk management process

Sustainability-related risks are included in Semcon's ordinary ERM process. Various risks are assessed including risks on a macro level (including political, climate and environmental, technological and regulatory) and micro level (compliance, competition, customers, suppliers, employees, health, safety and work environment, finance, assets, legal, quality, IT and sustainability). All identified actual and potential risks are subject to a materiality analysis where likelihood, consequence and risk level are identified. Moreover, the time frame of each identified risk is considered as well as mitigation activities. Risks that have the potential alone or in combination with other risks, to have a material adverse effect on Semcon from a business, financial, reputational, legal or technological perspective are categorised as material risks. The ERM process is performed every second year. However, we now see a need to evaluate these types of risks and the related financial impact on a more frequent basis due to the current market situation with increasing risks and opportunities linked to various macro-economic trends. We aim to investigate that further during 2023.

In addition to the general risk assessment in our ERM process, we perform a more detailed break down of our climate-related risks and opportunities on a yearly basis to assess actual and potential climate-related risks and opportunities, including time horizon and negative and positive financial impact. In line with the TCFD, our climate-related risks are divided into transitional climate risks and physical climate risks. Transitional climate risks in-

clude technology, legislation, market and reputational risks. Physical climate risks include both acute physical risks, such as extreme weather events, and chronic physical risks, such as changing weather patterns, rising mean temperature and sea level rise. While Semcon is exposed to several climate-related risks, as further specified on page 60, all such risks also offer significant business opportunities for Semcon.

Scenario analysis

Semcon has not performed an in-depth scenario analysis, but we have performed a basic assessment of how our business operations could be affected by rising global temperatures of up to 2°C. Whereas our physical risks are considered manageable, Semcon has transition-related risks, as further specified on page 60 below. Escalating global warming, overconsumption of natural resources and biodiversity loss in combination with a disruptive technology landscape are likely to have significant consequences for our customers in a medium to long-term perspective. It is important for Semcon to keep up with this development and to make necessary investments to remain relevant as a supplier.



RISK & OPPORTUNITY ASSESSMENT

Sustainability-related risks and opportunities

Below is an overview of Semcon's actual and potential negative and positive impact on the world (outward impact) as well as how the world affects Semcon from a financial and other perspectives (inward impact), extracted from Semcon's ERM process.

| | Risks | Mitigations | Opportunities |
|---|--|---|---|
| Financial & business | <ul style="list-style-type: none"> Disruptive market and twin transition related to digitalisation and sustainability. Failure to adapt to technological and sustainability-related trends or to integrate sustainability into strategy and culture can cause a loss of customers and new business opportunities. War for talent. Lack of, and difficulty to recruit, employees with critical expertise. High employee turnover. | <ul style="list-style-type: none"> Increased focus on adapting our customer offering and increasing expertise within sustainability, including acquisition of Goodpoint, integration of sustainability into our customer offering and sustainability training for employees. See pages 39-49. Strong focus on integrating sustainability into our customer offering to enable our employees to work on purposeful projects and to offer an extensive learning and development agenda, a flexible workplace, employee engagement activities and more. See pages 24-31. | <ul style="list-style-type: none"> Support customers with our combined expertise within engineering, digitalisation and sustainability. See pages 39-49. High-profile sustainability agenda as a tool to attract and retain talents. |
| Climate & environment | <ul style="list-style-type: none"> Climate and environmental footprint in Semcon's own operations and value chain. | <ul style="list-style-type: none"> Semcon has set 2030 targets and submitted its proposed climate targets to the Science Based Targets initiative for validation in 2022. We have identified activities to reduce emissions in line with set targets. See table on climate related risks and opportunities on page 60 and pages 33-35. | <ul style="list-style-type: none"> Support customers in their development of green technologies and their transition towards net-zero and circular business operations. See table on climate related risks and opportunities on page 60 and pages 39-49. |
| Employees, social & human rights | <ul style="list-style-type: none"> Health and wellbeing risks linked to consultancy role. Negative human rights impact in the supply chain. | <ul style="list-style-type: none"> Policy for Remote Work to enable better work-life balance and many other activities to promote employee health and wellbeing, see page 31. Responsible sourcing programme to prevent and mitigate negative human rights impacts in our supply chain. See page 38. | <ul style="list-style-type: none"> Support customers in setting up and implementing human rights programmes. See page 45. |
| Compliance & business ethics | <ul style="list-style-type: none"> Corruption, specifically in countries with high risk for corruption. Loss or leakage of personal and/or confidential information data due to cyberattacks. | <ul style="list-style-type: none"> Compliance programme for anti-corruption and data protection, including specific controls for high-risk countries, and strong focus on IT security controls. See pages 36-38. | <ul style="list-style-type: none"> Support customers in setting up and implementing business ethics programmes. See page 45. |



RISK & OPPORTUNITY ASSESSMENT

Climate-related risks and opportunities

Below is a more detailed overview of Semcon's main climate-related risks and opportunities (inward impact).

| Risk categories | Risks | Time S/M/L ¹ | Mitigations | Opportunities |
|--|--|-------------------------|--|---|
| Transition risks | | | | |
| <u>Technological</u> The technological and digital landscape is disruptive and highly interconnected with the climate transition and transition to a circular economy. | Failure to adapt to technological and sustainability-related trends or to integrate sustainability into strategy and culture can cause a loss of customers and new business opportunities. War for talent. Lack of, and difficulty to recruit, employees with the right expertise can cause loss of customers and lost opportunities. | S | Increased focus on accelerating our sustainability agenda and offering, including expertise in green technologies, acquisition of Goodpoint, integrating sustainability into our customer offering, sustainability training for employees and extensive employee engagement activities. See pages 31-49. | Further develop combined expertise within engineering, digitalisation and sustainability. See pages 39-49. High-profile sustainability agenda as a tool to attract and retain talents. |
| <u>Market</u> Disruptive market. Companies are affected by several interconnected risks including, geopolitical challenges, inflation, shortage of clean energy and natural resources, etc. | Failure to adapt our offering to new market conditions can cause a loss of customers, assignments and new business opportunities. | M | Same as above. See pages 39-49. | Support customers in their development of green technologies and their transition towards net-zero and circular business operations. See pages 39-49. |
| <u>Legal</u> A quickly increasing regulatory landscape specifically on the EU level pose a high regulatory burden on companies. | Failure to address compliance-related risks linked to non-financial reporting and due diligence can lead to fines and lost business opportunities. | M | Prepare for upcoming legislation such as CSRD ² and CSDDD ² e.g. through education and networks. Basic training for Semcon's employees to ensure that we understand our customers' regulatory risks. | Support customers with sustainability-related compliance e.g. CSRD ² , EU Taxonomy, CSDDD ² , ESR ² , etc. See page 45. |
| <u>Reputational</u> Failure to meet climate targets can have a negative reputational effect. | Failure to cut emissions in line with set targets or to deliver on high sustainability profile can have a negative reputational impact. | M | Climate targets to be validated by the Science Based Target initiative in 2023. Initiatives to reduce Semcon's climate and environmental footprint, see pages 33-35. | An ambitious internal and external climate agenda increases our credibility as a supplier. See pages 33-35. |
| Physical risks | | | | |
| <u>Acute risks</u> Global warming has increased the likelihood for extreme weather events and natural disasters. | Semcon's risks due to extreme weather events and natural disasters are limited. We rent all offices and the COVID-19 pandemic has shown that we can perform work remotely. | L | Integrate climate and other environmental aspects into our customer offering. | Support customers in their development of green technologies as well as their climate change mitigation and climate change adaptation activities. See pages 39-49. |
| <u>Chronic risks</u> Global warming causes long-term shifts in climate patterns. | No specific risk identified that is not already covered by acute risks. | N/A | Integrate climate and other environmental aspects into our customer offering. | Same as above. |

¹ Short > 1 year, Medium 2-5 years, Long > 5 years

² Corporate Sustainability Reporting Initiative (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), Eco-design for Sustainable Products Regulations (ESPR).

NOTES

These notes include additional information, which is not included elsewhere in this Sustainability Report.

ABOUT THE SUSTAINABILITY REPORTING

Semcon's sustainability reporting is published annually, and this report covers the period from 1 January 2022 to 31 December 2022. The 2022 Sustainability Report was published on 2 May 2023. The preceding report covered the period 1 January 2021 to 31 December 2021 and it was published on 9 March 2022. The sustainability reporting period is aligned with the financial reporting. All Semcon group companies, including the recently acquired companies, are included in the reporting, refer to the list of entities on page 70. The financial information included refers to consolidated Semcon Group figures (same entities as in the sustainability reporting). Additional financial information is consolidated in Ratos AB (publ)'s Annual and Sustainability Report 2022.

Semcon's 2022 Sustainability Report has been prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Standards (GRI 2021), see GRI index on pages 71-73, and we strive to align with the Task Force on Climate-Related Financial Disclosures (TCFD) standard, see TCFD index on page 74. The 2022 Sustainability Report further meets the requirements of the Swedish Annual Accounts Act, see index on page 75. We provide a communication on progress report in line with the requirements of the UN Global Compact.

The Sustainability Report has been reviewed by Group management and the Board of directors and approved by a Board decision. Our auditors confirms that a sustainability report has been prepared in accordance with the Annual

Accounts Act, however the content of the report is not audited or otherwise externally assured.

The point of contact for the sustainability reporting is Head of Sustainability Heidi Östlund at heidi.ostlund@semcon.com.

GOVERNANCE, STRATEGY, POLICIES ETC.

NOTE 1

Composition, nomination and selection of the highest governance body

When appointing the new Board of directors, Ratos considered the candidates' qualifications and ensured that the combined expertise and experience of the new Board align with the needs of Semcon. To support the company's future growth and development, different stakeholder views are represented on the Board, including the views of shareholders, customers and employees, as well as competencies relevant to Semcon's sustainability work. The nomination process further takes aspects such as diversity and independence into account. That Board members also sit on the Boards of other Ratos group companies is considered a strength and is in line with Ratos' strategy to enable independent companies to excel by being part of something larger, where synergies, knowledge and experience are shared across companies.

NOTE 2

Evaluation of performance of the highest governance body

Before Ratos acquired Semcon, the Board was evaluated on an annual basis and the results were used to assess the performance of the Board and reported to the Nomination committee. Areas covered included sustainability aspects and responses were submitted anonymously and compiled by Semcon's legal counsel. No changes to the composition of the Board was made based on the assessment. In the Ratos Group, boards of subsidiaries are evaluated on a yearly basis and the evaluation covers sustainability governance matters.

NOTE 3

Policy commitment and implementation

Semcon's relevant policies are listed on pages 56-57. Further details on the Code of Conduct and related policies are provided on page 56 and further explained on pages 30-31 (employees), page 32 (human rights) pages 33-35 (climate and environment) and pages 36-38 (business ethics). The Code of Conduct, the Climate & Environmental Policy, the Whistleblowing Policy and some Privacy policies are publicly available on Semcon's website - www.semcon.com - and all other policies are available on Semcon's intranet. New and updated policies are communicated to our employees through various internal communication channels, and new and updated policies that cover business partners are communicated to such business partners through relevant forums depending on the type of business partner, e.g. through our partner site for subconsultants.



GOVERNANCE, STRATEGY, POLICIES ETC.

NOTE 4

Remediation process

Except for our standard HR processes, we do not have a formal remediation process. However, if it can be established that our activities have caused or contributed to any severe negative human rights impacts, we will engage in a remediation process with the aim to solve such matter in a responsible manner.

NOTE 5

Communication of critical concerns

Critical concerns that are reported through Semcon's whistleblowing function (page 38), or through any other channels, are reported to the Chair of the Board and are addressed at the subsequent Board meeting, or if needed, through an extraordinary Board meeting. No critical concerns linked to potential or actual negative impacts on stakeholders have been reported to the Board during 2022.

NOTE 6

List of material topics

We have performed a new materiality assessment in line with GRI 3 which has resulted in a few changes to our list of material topics compared with 2021. We no longer report on GRI 301 (Materials), GRI 306 (Waste), GRI 407 (Freedom of Association and Collective Bargaining) as these topics are not considered as material for Semcon's internal sustainability agenda. We have also re-assessed our company specific disclosures and we now have only one company specific disclosure – Sustainable services and solutions – which in details explains our sustainability related opportunities including our ambition to have a sustainable growth strategy.

NOTE 7

Remuneration

Board of Directors

Members of Semcon's Board of Directors are remunerated based on a fixed annual board fee. The Board members elected at the 2022 Annual General Meeting were remunerated until 30 November 2022 when the new Board of Directors was elected by an extraordinary general meeting. Until 30 November 2022, the Semcon Board had a separate remuneration committee and for information about the composition of the committee and its policies and principles for remuneration, refer to pages 116-117 in Semcon Annual and Sustainability Report 2021. The 2022 AGM voted in favour of determining remuneration to the Board (99.95%) and approved the Board's remuneration report for 2021 (100.00%).

In terms of the current Board of Directors, board members who are external to the Ratos Group are remunerated based on a fixed annual board fee, while board members who are employed by the Ratos Group do not receive compensation for board work in Semcon. Fees to external board members (Catharina Modahl Nilsson and Per Magnusson) are decided by Ratos. For information about the members of Semcon's Board of Directors, see page 76.

CEO and other senior executives

According to the terms of the CEO's employment contract, the period of notice is 12 months if termination of employment is initiated by Semcon. If the CEO resigns, the period of notice is six months. If notice is given by Semcon, six months of severance payment may be paid after the termination period according to which remuneration from other employment is to be deducted. A bonus may be paid in accordance with the rules established by the Board, which has been set at a maximum of nine times the fixed monthly salary. The variable cash remuneration is linked to

pre-determined and measurable criteria. They may consist of individualized quantitative or qualitative goals, for example criteria linked to operating result, cash flow, return on capital employed or sustainability goals. The criteria shall be designed to contribute to the group's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The Board has the right to deviate from the guidelines if there is just cause to do so in special circumstances. Due to the tender processes in 2022, the CEO's total bonus for 2022 exceeded nine times the fixed monthly salary. The CEO is entitled to a retirement benefit in the form of a pension scheme. The monthly premium for this pension scheme is 35 per cent of the salary. Benefits concerning company cars and health-care are included in the benefits of the CEO.

"Other senior executives" refers to the other members of Semcon's Group management (four in 2022). Other senior executives are in addition to a fixed monthly salary entitled to bonuses based on how well they meet their respective business targets. The variable cash remuneration is linked to pre-determined and measurable criteria. They may consist of individualized quantitative or qualitative goals, for example criteria linked to operating result, cash flow, return on capital employed or sustainability goals. The criteria shall be designed to contribute to the group's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The upper limit for bonuses has been set at 4.5–9 times the fixed monthly salary. The Board has the right to deviate from the guidelines if there is just cause to do so in special circumstances. Due to the tender processes in 2022, other senior executives' total bonuses exceeded 4.5-9 times their respective fixed monthly salary. The period of notice given to other senior executives is a maximum of 12 months. In

GOVERNANCE, STRATEGY, POLICIES ETC.

In addition, an executive may receive redundancy pay equivalent to six months of salary according to which remuneration from other employment is to be deducted. The pension agreements for senior executives are paid in accordance with the ITP plan, except for one executive whose monthly premium is 35 per cent of salary. Benefits concerning company cars and healthcare are included in the benefits of senior executives.

At the start of 2022, Semcon had two long-term performance-based share savings schemes for senior executives and key employees in the Semcon Group ("Performance-based share savings scheme 2018" and "Performance-based share savings scheme 2021"). Refer to page 78 in Semcon's 2021 Annual and Sustainability Report for more information about the programs. The 2018 share savings scheme ended in July 2022, while the 2021 program was settled prematurely in October 2022 through a cash payment.

Before 30 November 2022 (when the new Board was elected by Ratos), the AGM decided on remuneration principles and other employment guidelines for the CEO and senior executives who report to him, while the Board decided on remuneration to the CEO. Senior executives' remuneration was proposed by the CEO and approved by the Board. After 30 November 2022, remuneration to the CEO and senior executives in Semcon is approved by the Chair of the Board.

Annual total compensation ratio

This disclosure cannot be reported fully according to the definition in the GRI standard. Until we have information about the median annual total compensation ratio for all employees, average annual compensation is used as an indicator for compensation ratio. Between 2022 and 2021, the annual total compensation of the CEO was reduced by 13.5% while the average cost per employee increased by

21.9%. This gives a change in the annual total compensation ratio of -0.6.

| | 2022 | 2021 |
|---------------------------------------|-------|-------|
| Average full-time employees | 2,080 | 1,995 |
| Average cost per employee, SEK k | 555 | 455 |
| Total cost of CEO, SEK M ¹ | 10.0 | 11.6 |
| Ratio of CEO to average employee | 18.1 | 25.5 |

¹⁾ To increase comparability, the 2022 total cost of the CEO excludes one-time remuneration related to the tender processes.

SUSTAINABLE SERVICES AND SOLUTIONS

NOTE 8

Economic value creation

| Economic value creation | | | |
|--|---------------|---------------|---------------|
| Economic value generated | 2022 | 2021 | 2020 |
| Revenues and other operating income | 1,982 | 1,718 | 1,629 |
| Economic value distributed | | | |
| Operating costs, incl. depreciation/amortisation | -506 | -403 | -410 |
| Employee wages and benefits | -1,308 | -1,137 | -1,087 |
| Dividend | -70 | -52 | - |
| Interest on loans | -5 | -6 | -6 |
| Income tax and employer's contributions | -37 | -39 | -19 |
| Interest on pensions | - | - | - |
| Value of societal investment ¹ | -1 | -1 | -1 |
| Total economic value distributed | -1,927 | -1,638 | -1,523 |
| Economic value retained | 55 | 80 | 106 |

¹⁾ group-wide sponsorship and contributions.

NOTE 9

EU Taxonomy

As Semcon is a wholly-owned subsidiary of Ratos AB (publ), our report under the EU Taxonomy Regulation (EU 2020/852) is covered by Ratos' EU Taxonomy report (see Ratos' Annual and Sustainability Report 2022). At Semcon we support our customers in many projects within renewable energy, electrified transport solutions and digitalisation, however in line with the clarification of the EU Commission¹ that was released in December 2022, we have concluded that the scope for professional services is very limited under the current Delegated Acts. As the professional services sector is an important sector for the development of green and sustainable technologies, we expect that professional services will be covered to a larger extent further on.

¹⁾ 221219-draft-commission-notice-eu-taxonomy-climate.pdf

EMPLOYEES

Employee data refer to full-time employees at year-end, unless otherwise stated.

NOTE 10

Key figures

| Key figures | 2022 | 2021 | 2020 |
|---|-------|-------|-------|
| Number of employees at year-end | 2,166 | 2,045 | 1,821 |
| Average number of employees | 2,080 | 1,995 | 1,999 |
| Average age | 38 | 38 | 38 |
| New hires | 694 | 697 | 657 |
| Employee turnover, (%) | 25 | 23 | 15 |
| Employee Net Promoter Score | +48 | +41 | +34 |
| Sick leave (%) | 2.9 | 2.2 | 2.1 |
| Subconsultants, full-time at year-end ¹⁾ | 200 | 165 | 151 |

¹⁾ In response to strong demand for Semcon's services, the number of subconsultants increased during 2022.

NOTE 11

Age and gender distribution

| Age distribution | 2022 | | | 2021 | | |
|-------------------------------|---------|-------|-----|---------|-------|-----|
| | Age <30 | 30-50 | >50 | Age <30 | 30-50 | >50 |
| Distribution in % at year-end | | | | | | |
| All employees | 26 | 56 | 18 | 26 | 56 | 18 |
| Managers | - | 57 | 43 | 1 | 59 | 40 |
| Group management | - | 60 | 40 | - | 60 | 40 |
| Board of directors | - | 40 | 60 | - | 20 | 80 |
| Consultants | 29 | 56 | 16 | 28 | 56 | 15 |
| Other employees | 12 | 61 | 28 | 12 | 59 | 29 |

| Gender distribution | 2022 | | 2021 | | 2020 | |
|-------------------------------|-------|-----|-------|-----|-------|-----|
| | Women | Men | Women | Men | Women | Men |
| Distribution in % at year-end | | | | | | |
| All employees | 33 | 67 | 32 | 68 | 31 | 69 |
| Managers | 31 | 69 | 31 | 69 | 34 | 66 |
| Group management | 20 | 80 | 20 | 80 | 17 | 83 |
| Board of directors | 20 | 80 | 40 | 60 | 40 | 60 |
| Consultants | 30 | 70 | 29 | 71 | 30 | 70 |
| Other employees | 68 | 32 | 65 | 35 | 66 | 34 |

NOTE 12

Employment

| Average employment time (%) | 2022 | 2021 | 2020 |
|-----------------------------|------|------|------|
| < 1 year | 20 | 23 | 16 |
| 1-3 years | 32 | 27 | 34 |
| > 3 years | 48 | 50 | 43 |

Employees by type of employment, gender and market

| Number | Permanent | | Fixed-term | | Other forms of employment | |
|--------------|------------|--------------|------------|-----------|---------------------------|----------|
| | Women | Men | Women | Men | Women | Men |
| Sweden | 413 | 745 | 3 | 6 | - | - |
| Brasil | 78 | 317 | 2 | 26 | - | - |
| Hungary | 113 | 131 | - | - | - | - |
| UK | 26 | 81 | 1 | 1 | - | 4 |
| Norway | 18 | 65 | - | - | - | - |
| Germany | 21 | 51 | - | - | - | - |
| China | 7 | 8 | 30 | 19 | - | - |
| Total | 676 | 1,398 | 36 | 52 | - | 4 |

Employees by capacity utilisation rate and gender

| Number | Full time | | Part time | | Total | | Total |
|--------------|------------|--------------|-----------|-----------|------------|--------------|--------------|
| | Women | Men | Women | Men | Women | Men | |
| Sweden | 403 | 734 | 13 | 17 | 416 | 751 | 1,167 |
| Brasil | 80 | 343 | - | - | 80 | 343 | 423 |
| Hungary | 107 | 129 | 6 | 2 | 113 | 131 | 244 |
| UK | 24 | 85 | 3 | 1 | 27 | 86 | 113 |
| Norway | 17 | 64 | 1 | 1 | 18 | 65 | 83 |
| Germany | 12 | 42 | 10 | 8 | 22 | 50 | 72 |
| China | 37 | 27 | - | - | 37 | 27 | 64 |
| Total | 680 | 1,424 | 33 | 29 | 713 | 1,453 | 2,166 |



EMPLOYEES

NOTE 13

New hires and employee turnover

| New hires | | | | | | | | | | | | |
|--------------|------------|-------------|------------|-------------|------------|--------------|------------|-------------|------------|-------------|------------|--------------|
| | 2022 | | | | | | 2021 | | | | | |
| | Women | | Men | | Total | | Women | | Men | | Total | |
| | Number | % | Number | % | Number | % | Number | % | Number | % | Number | % |
| Sweden | 155 | 42.5 | 210 | 57.5 | 365 | 52.6 | 121 | 28.7 | 300 | 71.3 | 421 | 60.7 |
| Brasil | 43 | 23.4 | 141 | 76.6 | 184 | 26.5 | 26 | 16.7 | 130 | 83.3 | 156 | 22.5 |
| Hungary | 39 | 61.9 | 24 | 38.1 | 63 | 9.1 | 13 | 41.9 | 18 | 58.1 | 31 | 4.5 |
| UK | 6 | 21.4 | 22 | 78.6 | 28 | 4.0 | 12 | 27.9 | 31 | 72.1 | 43 | 6.2 |
| Norway | 4 | 28.6 | 10 | 71.4 | 14 | 2.0 | 4 | 16.7 | 20 | 83.3 | 24 | 3.5 |
| Germany | 4 | 28.6 | 10 | 71.4 | 14 | 2.0 | 1 | 16.7 | 5 | 83.3 | 6 | 0.9 |
| China | 12 | 46.2 | 14 | 53.8 | 26 | 3.7 | 13 | 81.3 | 3 | 18.8 | 16 | 2.3 |
| Total | 263 | 37.9 | 431 | 62.1 | 694 | 100.0 | 190 | 27.3 | 507 | 72.7 | 697 | 100.0 |
| Age < 30 | 111 | 42.2 | 142 | 32.9 | 253 | 36.5 | 81 | 42.6 | 154 | 30.4 | 235 | 33.7 |
| Age 30-50 | 132 | 50.2 | 239 | 55.5 | 371 | 53.5 | 96 | 50.5 | 290 | 57.2 | 386 | 55.4 |
| Age > 50 | 20 | 7.6 | 50 | 11.6 | 70 | 10.1 | 13 | 6.8 | 63 | 12.4 | 76 | 10.9 |

| Employee turnover | | | | | | | | | | | | |
|-------------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|
| | 2022 | | | | | | 2021 | | | | | |
| | Women | | Men | | Total | | Women | | Men | | Total | |
| | Number | % | Number | % | Number | % | Number | % | Number | % | Number | % |
| Sweden | 102 | 25.5 | 201 | 26.9 | 303 | 26.4 | 95 | 26.7 | 205 | 27.0 | 300 | 26.9 |
| Brasil | 36 | 43.4 | 94 | 30.0 | 130 | 32.8 | 16 | 20.1 | 69 | 27.2 | 85 | 25.5 |
| Hungary | 23 | 21.6 | 25 | 19.0 | 48 | 20.1 | 11 | 11.6 | 16 | 12.1 | 27 | 11.9 |
| UK | 6 | 22.1 | 42 | 43.8 | 48 | 39.0 | 8 | 37.7 | 13 | 13.1 | 21 | 17.6 |
| Norway | 2 | 12.1 | 13 | 19.4 | 15 | 18.0 | 1 | 8.0 | 12 | 17.6 | 13 | 16.1 |
| Germany | 4 | 21.6 | 7 | 13.5 | 11 | 15.8 | 4 | 16.0 | 4 | 7.4 | 8 | 10.0 |
| China | 11 | 30.1 | 5 | 22.5 | 16 | 27.1 | 15 | 40.5 | 4 | 21.6 | 19 | 34.2 |
| Total | 184 | 24.0 | 387 | 26.0 | 571 | 25.0 | 150 | 24.0 | 323 | 23.0 | 473 | 23.0 |
| Age < 30 | 61 | 33.2 | 72 | 18.6 | 133 | 23.3 | 36 | 24.0 | 70 | 21.7 | 106 | 22.4 |
| Age 30-50 | 106 | 57.6 | 257 | 66.4 | 363 | 63.6 | 99 | 66.0 | 215 | 66.6 | 314 | 66.4 |
| Age > 50 | 17 | 9.2 | 58 | 15.0 | 75 | 13.1 | 15 | 10.0 | 38 | 11.8 | 53 | 11.2 |



EMPLOYEES

NOTE 14

Freedom of association and collective bargaining

In line with our Code of Conduct, Semcon's employees have the right to join a labour union, as well as the right to refrain from such membership. We have conducted a desktop review to assess risks linked to freedom of association in the countries where we pursue business operations. Semcon does not conduct operations in any country where labour union membership is forbidden or where there is a high risk that union membership does not occur voluntarily. However, there are certain risks connected to the trade unions' independence as well as the possibility of conducting collective bargaining in certain countries where we operate. In 2022, 75 percent of our employees were covered by collective agreement, mainly in Sweden, Norway and Brazil. For employees who are not covered by bargaining agreements, terms and conditions are regulated by law, or separate local agreements. In such cases, terms and conditions are more favourable to the employee than requirements by law, such as, for example, parental leave conditions in the UK.

NOTE 15

Training and education

As a consultancy organisation, continuous learning is a part of our everyday work. We have numerous training initiatives and do not consider it relevant to calculate the number of training hours per employee. See page 29 and 40 for further information. All Semcon employees in Sweden with an employment duration of more than one year are connected to TRR (Swe: Trygghetsrådet), which inter alia support employees who have been made redundant to find the right career path.

NOTE 16

Operational health and safety

Semcon's Health and wellbeing policy includes minimum requirements on health and safety within our organisation and we have processes and guidelines in place with the aim to ensure that we comply with all applicable local health and safety related laws and regulations in the countries where we pursue business operations. In line with the requirements of our Health and wellbeing policy, all Group companies are required to e.g. proactively and responsibly design and operate company facilities in a manner that considers the safety, health and wellbeing of our employees. They are further required to regularly monitor, identify and actively strive to eliminate potential health and safety related risks, as well as to encourage employees to identify actual and potential unhealthy and unsafe conditions and take action by bringing improvement recommendations to the attention of management for follow-up, until risks are reduced or eliminated. Group companies must also build and maintain a workplace environment and culture that supports and empowers employees to make healthy lifestyle choices and ensure that business partners and other third parties follow the procedures established for the protection of our employees as well as visitors. We have a management system that covers health and safety in line with local laws and regulations covering all employees in Sweden. In our other countries of operations, we have a proactive work on health, safety and wellbeing which, as a minimum, is aligned with local legal requirements and the requirements in our Health and wellbeing policy. We perform regular audits and follow-ups to ensure that we, in line with our policy commitments, monitor, identify and address potential and actual health and safety related risk in our workplaces and that we act on potential negative impacts that are discovered in connection with such audits and follow-ups. We strive to have safety representatives in all our

offices. No significant negative impacts were discovered during 2022. We hold educations to address potential negative impacts, such as e.g. digital trainings to avoid negative impacts from working at home, as well as to drive positive impacts as further detailed on page 31.

EMISSIONS AND ENERGY

NOTE 17

Emissions

Emissions are calculated according to the Greenhouse Gas Protocol and reported in Scope 1, 2 and 3. Semcon has chosen 2019 as the base year because it is a year that can best be categorised as a normal year for our operations, compared with the pandemic years of 2020 and 2021.

| Emissions (tCO ₂ e) ¹ | | | | |
|--|--------------|--------------|--------------|--------------|
| | 2022 | 2021 | 2020 | 2019 |
| Scope 1 | | | | |
| Emissions, own vehicle fleet | 77 | 80 | 100 | 154 |
| Total Scope 1 | 77 | 80 | 100 | 154 |
| Scope 2 | | | | |
| Emissions, energy consumption – location-based method | 109 | 153 | 156 | 209 |
| Emissions, energy consumption – market-based method | 255 | 376 | 388 | 460 |
| Total Scope 2 (market-based method) | 255 | 376 | 388 | 460 |
| Scope 3 | | | | |
| 3.1 Purchased goods and services | 82 | 163 | 259 | 443 |
| 3.2 Capital goods | 65 | 163 | 130 | 120 |
| 3.3 Fuel and energy-related activities | 441 | 691 | 712 | 820 |
| 3.5 Waste | 11 | 12 | 22 | 43 |
| 3.6 Business travel | 434 | 265 | 458 | 1 181 |
| 3.7 Employees' travel to and from work | 1,777 | 1,262 | 1,087 | 2,593 |
| Total Scope 3 | 2,809 | 2,556 | 2,669 | 5,199 |
| Total emissions, Scopes 1, 2 and 3 | 3,141 | 3,012 | 3,157 | 5,813 |
| Intensity of GHG emissions, GHG emissions in relation to net sales (tCO ₂ e/SEK millions) | 1.59 | 1.76 | 1.94 | 3.13 |

¹⁾ Information on boundaries and calculation basis is presented below. A limited number of items have been excluded because reliable data is not yet available.

Boundaries and calculation basis

Semcon has worked together with a consultancy firm that is an accredited partner of CDP (and thereby also of the Science Based Target initiative) and during 2022, Semcon's subsidiary Goodpoint, a sustainability consulting firm performed a second opinion of our climate data. This led to certain changes of our climate data (see below). The emission calculations have been performed based on the operational control approach and emission factors have been obtained from DEFRA, IEA statistics and Ecoinvent, among others. The data presented in the table to the left also includes emissions for acquired companies. For these companies an estimation for emissions was made based on the number of employees for the years 2019-2021 and Semcon's emissions during the same period. The inclusion of acquired companies was made according to the GHG Protocol standard to assure that the base year, 2019, is comparable with the upcoming years. Emissions data for Semcon's former operations in India have been excluded for the period 2019–2020 since the company was sold in 2020. Following the guidelines of the GHG Protocol, biogenic emissions in scope 1,2 or 3 are not included in the calculations.

Changes from previous years calculations

Semcon has formed a recalculation policy based on the guidelines of the GHG Protocol standard and the Science Based Target initiative. The 2019-2021 calculations have been reviewed and updated during 2022 to include Semcon's subsidiaries, cloud services, and purchased material for Semcon EDS Regions, previously missing datapoints for scope 3 employee commuting and additional data for business travel. Well-to-tank emissions related to business travel have also been included. These additions have increased Semcon's total emissions compared to the reported emissions during 2021 (see our previously reported emis- →

EMISSIONS AND ENERGY

sions in Scope 1-3 in our Annual and Sustainability Report 2021). Further, emission factors used in scope 2 and 3 for electricity mixes, used in market based and location-based calculation methods, have been updated to assure consistency in future calculations. Emissions related to energy use in downstream leased offices is now included in scope 2 instead of its own separate scope 3 category. Similarly, emissions for offices with local heating with oil and natural gas have been included in scope 2 instead of scope 1 as this is outside of Semcon's operational control. Electricity used in workshops at Semcon Norway have been included as well. Emissions from district heating, during 2022, have been calculated with supplier specific emission data for the majority of Semcon's offices in Sweden. This results in lower emissions from heating, compared to 2019-2021 where average data was used. This is a reduction resulting from the need to improve the accuracy of the GHG calculations, not a physical reduction.

Scope 1: *Direct emissions from operations owned and controlled by Semcon.*

Refers to direct emissions from petrol and diesel for the company's fleet of vehicles.

Scope 2: *Indirect emissions in respect of consumed electricity, district heating and cooling and heating with oil and gas for leased premises.*

Refers to Semcon's leased premises and has been calculated based on actual consumption for the majority of our offices, based on information provided from Semcon's landlords and energy invoices. For smaller premises, data has been estimated based on area and the energy consumption for the aforementioned offices. Includes electricity for charging leased electric cars and charging at Semcon's offices.

Scope 3: *Indirect emissions from the value chain and sources not owned or controlled by Semcon.*

3.1 Purchased goods and services. Includes smartphones, office supplies and cloud services. Smartphones have been calculated based on purchased amounts. Emission data for office supplies was collected directly from the supplier and extrapolated based on office areas. Data also includes upstream emissions from material production for customised equipment designed and sold by Semcon EDS Regions. Upstream emissions from cloud services have been provided by the supplier. For the sake of clarity, we do not include purchases of services from subconsultants working at the customer's premises, using the customer's equipment, and working in the customer's networks.

3.2 Capital goods. Refers to IT equipment (desktop computers, laptops, screens and printers) and have been calculated based on number of purchased units. This category also includes purchases of furniture which has been calculated based on purchased amounts.

3.3 Fuel and energy-related activities. Refers to extraction, production, and transport of purchased fuel and energy.

3.4 Upstream transportation and distribution. Category excluded due to negligible volumes.

3.5 Waste from operations. As we are a consultant organization, waste constitutes a minimal part of our emissions. Waste amounts was extrapolated based on office areas and data from Semcon's head office in Gothenburg.

3.6 Business travel. Refers to flights, trains, hotel nights, travels with taxi, private cars, and public transportation. The category has been calculated based on spend data,

emission data received from the booking company and data on travelled distances.

3.7 Employee commuting. Based on data from the annual employee commuting survey which collects data on average travel distance and transportation mode. The survey conducted in 2022 included similar questions as year 2021 but the survey tool was updated to minimise uncertainties and increase the accuracy of the result.

3.8 Upstream leased assets. Emissions related to upstream leased assets are included in scope 1 (cars) and scope 2 (premises).

3.9 Upstream transportation and distribution. Category excluded due to negligible volumes.

3.10 Processing of sold products. Not applicable.

3.11 Use of sold products and services. Category excluded due to negligible volumes.

3.12 End-of-life treatment of sold products. Category excluded due to negligible volumes.

3.13 Downstream leased assets. Emissions related to downstream leased premises are fully included in scope 2.

3.14 Franchises. Not applicable.

3.15 Investments. Not applicable.

EMISSIONS AND ENERGY

NOTE 18

Energy consumption

| Energy consumption, Scope 2 (MWh) | | | | |
|--|------------|------------|------------|------------|
| | 2022 | 2021 | 2020 | 2019 |
| Total energy consumption ¹ | 3,408 | 4,157 | 4,101 | 4,779 |
| Of which, non-renewable fuels ² | 276 | 305 | 367 | 574 |
| Of which, renewable fuels ³ | 14 | 10 | 13 | 19 |
| Of which, electricity | 2,096 | 2,706 | 2,676 | 3,045 |
| Of which, heating | 734 | 835 | 720 | 762 |
| Of which, cooling | 288 | 301 | 325 | 379 |
| Energy intensity, energy consumption in relation to net sales (MWh/SEK millions) | 1.73 | 2.43 | 2.52 | 2.57 |
| ¹⁾ Total energy consumption corresponds to, MJ | 12,268,805 | 14,965,277 | 14,763,603 | 17,204,663 |
| ²⁾ Of which non-renewable fuels corresponds to, MJ | 993,584 | 1,098,148 | 1,321,267 | 2,065,809 |
| ³⁾ Of which renewable fuels corresponds to, MJ | 51,079 | 34,994 | 47,686 | 68,755 |

Changes from previous years calculations

Calculations of energy consumption have been reviewed and updated during the year to also include electricity consumption in workshops at Semcon Norway for the years 2019-2021, as well as use of district cooling in offices.

NOTE 19

Other climate-related information

| Other climate-related information | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2022 | 2021 | 2020 | 2019 |
| CO ₂ _e /-employee, business travel | 234 kg/employee | 128 kg/employee | 214 kg/employee | 393 kg/employee |
| Company cars ¹ | 95 g/km | 100 g/km | 114 g/km | 110 g/km |
| Proportion of offices in environmental-certified buildings (%) | 59 | 57 | 47 | 40 |

¹⁾ Average emissions per car based on WLTP calculations.

OTHER

NOTE 20

Reporting company and ownership

The legal name of the reporting company is Semcon AB (publ), a public limited company registered with the Swedish Companies Registration Office with the co.id.no. 556539-9549. The company is registered in Göteborg, Sweden and the head office is located on Lindholmsallén 2, Göteborg.

Semcon has one share class, ordinary shares, with a quotient value of SEK 1 and entitles the owner to one voting right. There were 18,112,534 (18,112,534) ordinary shares at year-end. Following a public tender process in autumn 2022, Semcon is since 27 October 2022 a subsidiary of Ratos AB (publ), which is listed on Nasdaq Stockholm. At year-end, Ratos controlled 98.75% of the capital and votes in Semcon AB and there was an ongoing redemption process for Ratos to become owner of the remaining shares. As of the publication of this Sustainability Report, Ratos is the owner of 100% of the capital and votes in Semcon AB.

OTHER

NOTE 21

List of entities

| Name of company | Corporate identification number | Country | Share of votes and capital (%) |
|---|---------------------------------|---------|--------------------------------|
| Goodpoint AB | 556469-7141 | Sweden | 100 |
| IVM Projetos Automotivos do Brasil Ltda | 07.691.639/0001-00 | Brazil | 100 |
| Semcon Communication GmbH | HRB 123021 | Germany | 100 |
| Semcon Engineering UK Ltd. | 02993766 | The UK | 100 |
| Semcon Förvaltnings AB | 556530-6403 | Sweden | 100 |
| Semcon Informativ AB | 556606-0363 | Sweden | 100 |
| Semcon (Beijing) Information & Consulting Co., Ltd. | 030108 | China | 100 |
| Semcon International AB | 556534-4651 | Sweden | 100 |
| Semcon Kft | 01-09-862498 | Hungary | 100 |
| Semcon Norway AS | 883 602 382 | Norway | 100 |
| Semcon Product Information GmbH | HRB 81386 | Germany | 100 |
| Semcon Product Information HAAS GmbH | HRB 105419 | Germany | 100 |
| Semcon Product Information Sweden AB | 556241-0638 | Sweden | 100 |
| Semcon Product Information UK Ltd. | 06132347 | The UK | 100 |
| Semcon UK Ltd. | 7024211 | The UK | 100 |
| Semcon Sweden AB | 556555-8193 | Sweden | 100 |
| Squeed AB | 556815-7472 | Sweden | 100 |
| Squeed Stockholm AB | 556960-1205 | Sweden | 100 |
| Squeed Göteborg AB | 559088-3376 | Sweden | 100 |
| Squeed AS | 924 421 746 | Norway | 100 |
| Tedsys AB | 556708-1574 | Sweden | 100 |
| Walkgrove Solutions Ltd | 04734622 | The UK | 100 |
| Walkgrove Ltd | 02938087 | The UK | 100 |
| Xtractor Interactive AB | 556540-0420 | Sweden | 100 |

GRI CONTENT INDEX 2022

Semcon has reported in accordance with the GRI standards for the period from 1 January 2022 to 31 December 2022.

GRI 1 used: GRI Foundation 2021. No specific GRI Sector Standards are applicable for Semcon's operations.

| GRI standard | Disclosure | Page | Omission/Comment |
|---------------------------------|--|-------------------------|--|
| General disclosures | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | 5, 69, 70 | |
| | 2-2 Entities included in the organization's sustainability reporting | 61, 70 | |
| | 2-3 Reporting period, frequency and contact point | 61 | |
| | 2-4 Restatements of information | 62, 67-69 | |
| | 2-5 External assurance | 61 | |
| | 2-6 Activities, value chain and other business relationships | 4-6, 10-15, 38, 50-53 | |
| | 2-7 Employees | 64-65 | |
| | 2-8 Workers who are not employees | 24, 64 | |
| | 2-9 Governance structure and composition | 55-57, 61, 76 | |
| | 2-10 Nomination and selection of the highest governance body | 61, 76 | |
| | 2-11 Chair of the highest governance body | 76 | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 53-57, 61 | |
| | 2-13 Delegation of responsibility for managing impacts | 55-57 | |
| | 2-14 Role of the highest governance body in sustainability reporting | 53-54, 61 | |
| | 2-15 Conflicts of interest | 61, 76 | |
| | 2-16 Communication of critical concerns | 62 | |
| | 2-17 Collective knowledge of the highest governance body | 40, 61 | |
| | 2-18 Evaluation of the performance of the highest governance body | 61 | |
| | 2-19 Remuneration policies | 62-63 | |
| | 2-20 Process to determine remuneration | 62-63 | |
| | 2-21 Annual total compensation ratio | 63 | |
| | 2-22 Statement on sustainable development strategy | 7-8 | |
| | 2-23 Policy commitments | 32, 56-57, 61 | |
| | 2-24 Embedding policy commitments | 30-35, 37-38, 56-57, 61 | |
| | 2-25 Processes to remediate negative impacts | 62 | |
| | 2-26 Mechanisms for seeking advice and raising concerns | 38 | |
| | 2-27 Compliance with laws and regulations | - | No significant non-compliance with laws and regulations has been reported during 2022. |
| | 2-28 Membership associations | 51-52 | |
| | 2-29 Approach to stakeholder engagement | 53-54 | |
| | 2-30 Collective bargaining agreements | 66 | |

GRI CONTENT INDEX 2022

| GRI standard | Disclosure | Page | Omission/Comment |
|--|---|--|-------------------------------------|
| Material topics | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 53 | |
| | 3-2 List of material topics | 21, 53 | |
| Economic performance | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 21, 39-49, 54, 56-57, 60 | |
| GRI 201: Economic performance 2016 | 201-1 Direct economic value generated and distributed | 63 | |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 39-49, 58-60, 63, 67-69, 74 (TCFD index) | |
| Sustainable services & solutions | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 21, 39-49, 54, 56-57 | |
| Company specific: Sustainable services and solutions | Increase number of projects that contributes to the SDGs | 21, 23, 39-50 | |
| Anti-corruption | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 21, 36-37, 54, 56-57 | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks relating to corruption | 37 | |
| | 205-3 Confirmed incidents of corruption and actions taken | 21, 37 | |
| Anti-competitive behavior | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 37, 54, 56-57 | |
| GRI 206: Anti-competitive behavior | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | - | No legal actions initiated in 2022. |
| Energy | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 21, 33-35, 54, 56-57 | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 34-35, 69 | |
| | 302-2 Energy intensity | 69 | |
| Emissions | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 21, 33-35, 54, 56-57, 67-69 | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 21, 33-35, 67-69 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 21, 33-35, 67-69 | |
| | 305-3 Other indirect (Scope 3) GHG emissions | 21, 33-35, 67-69 | |
| | 305-4 GHG emissions intensity | 67 | |
| | 305-5 Reduction of GHG emissions | 21, 33-35, 67-69 | |
| Supplier environmental assessment | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 38, 54, 56-57 | |
| GRI 308: Supplier environmental assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 38 | Incomplete data. |
| Employment | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 27, 29-31, 56-57 | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 27, 65 | |

GRI CONTENT INDEX 2022

| GRI standard | Disclosure | Page | Omission/Comment |
|---|--|-----------------------|-------------------------------|
| Occupational health and safety | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 31, 54, 56-57, 66 | |
| GRI 403: Occupational health and safety 2018 | 403-1 Occupational health and safety management system | 31, 66 | |
| | 403-10 Work-related ill-health | 31, 64 | We only report on sick leave. |
| Training and education | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 29, 54, 57 | |
| GRI 404: Training and education 2016 | 404-1 Average hours of training per year per employee | 29, 40, 66 | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 29, 66 | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 29 | Incomplete data. |
| Diversity and equal opportunities | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 21, 30, 32, 54, 56-57 | |
| GRI 405: Diversity and equal opportunity 2016 | 405-1 Diversity of governance bodies and employees | 30, 64 | |
| Non-discrimination | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 30, 32, 54, 56-57 | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 21, 30 | |
| Supplier social assessment | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 32, 38, 54, 56-57 | |
| GRI 414: Supplier social assessment 2016 | 414-1 New suppliers that were screened using social criteria | 38 | Incomplete data. |
| Privacy | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topic | 37-38, 57 | |
| GRI 418: Customer Health and Safety (2016) | 418-1 Substantiated claims concerning breach of privacy or loss of data | 38 | No claims during 2022. |

TCFD INDEX

We strive to align our non-financial report with the TCFD standards. Semcon's climate related risks and opportunities are covered by our overall sustainability agenda, see page 20. Hence, governance, strategy, risk management and metrics and targets in this report covers Semcon's entire field of sustainability related risks and opportunities, including climate related risks and opportunities.

| TCFD Index | | Page reference |
|---|--|----------------------|
| Governance The organisation's governance around climate-related risks and opportunities | The Board's oversight of climate-related risks and opportunities | 55-57 |
| | Management's role in assessing and managing climate-related risks and opportunities | 55-57 |
| Strategy The actual and potential impacts of climate-related risks and opportunities on the organisation's operations, strategy, and financial planning where such information is material | Climate-related risks and opportunities the organisation has identified over the short, medium, and long term | 60 |
| | Impact of climate-related risks and opportunities on the organisation's operations, strategy, and financial planning | 33-35, 38, 39-52, 58 |
| | The resilience of the organisation's strategy, taking into consideration different climate-related scenarios | 58 |
| Risk management The actual and potential impacts of climate-related risks and opportunities on the organisation's operations, strategy, and financial planning where such information is material | The organisation's processes for identifying and assessing climate-related risks and opportunities | 53-54, 57-60 |
| | The organisation's processes for managing climate-related risks and opportunities | 33-35, 39-49, 57 |
| | Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management | 53-54, 58-60 |
| Metrics and targets The actual and potential impacts of climate-related risks and opportunities on the organisation's operations, strategy, and financial planning where such information is material | The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process | 20-21, 33-35, 57 |
| | Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks | 34, 60, 67-68 |
| | The targets used by the organisation to manage climate-related risks and opportunities and performance against these targets | 20-21, 33-35, 67-68 |

SUSTAINABILITY REPORT INDEX

Semcon has prepared a sustainability report for Semcon AB and its subsidiaries for the period 1 January 2022 to 31 December 2022 as set out on page 61. Semcon has chosen to prepare the sustainability report as a report separate from the annual report. The report covers the reporting requirements about the environment, social conditions, employees, human rights and anti-corruption.

| Area | Disclosure | Page |
|-------------------------------|--|------------------|
| General | • Business model | 6-23 |
| Environment | • Policies | 33, 56-57 |
| | • Risks and risk management regarding environmental issues | 33-35, 58-60 |
| | • Targets and results related to environmental issues | 21, 33-35, 67-69 |
| Social conditions & employees | • Policies | 30-31, 56-57 |
| | • Risks and risk management regarding social issues | 24-31, 58-59, 66 |
| | • Targets and results related to social issues | 21, 24-31 |
| Human rights | • Policies | 56-57 |
| | • Risks and risk management regarding human rights | 30-32, 38 |
| | • Targets and results related to human rights | 21, 32 |
| Anti-corruption | • Policies | 37-38, 56-57 |
| | • Risks and risk management regarding anti-corruption | 36-37, 58-59 |
| | • Targets and results related to anti-corruption | 21, 36-37 |

BOARD OF DIRECTORS



Anders Slettengren

Chair of the board

Chair of the board since: December 2022

Board member since: December 2022
Born: 1968

Nationality: Swedish

Qualifications: M.Sc. in Economics
Professional background: EVP Ratos since 2018. Also President Business Area Consumer and Industry, Head of Talent Management. Previous CEO of Industrifonden and Novax. Positions with Novax, Microsoft and Unilever.
Other board assignments: KVD, Knightec, TFS, HL Display, Oase, and Plantasjen



Dimitris Gioulekas

Board member

Board member since: December 2022
Born: 1974

Nationality: Swedish

Qualifications: B.Sc. in Engineering, MBA

Professional background: CEO, founder and co-owner of Knightec since 2003. Previously, senior positions at WM data and Knight Industriteknik AB.

Other board assignments: Knightec, The foundation 'The Global Village', Three P



Catharina Modahl Nilsson

Board member

Board member since: December 2022
Born: 1963

Nationality: Swedish

Qualifications: M.Sc. in Engineering Group. Previously EVP R&D Permobil and several senior positions, including Engineering director and Project Director at Scania.

Other board assignments: Knightec and Chalmers University of Technology



Per Magnusson

Board member

Board member since: December 2022
Born: 1954

Nationality: Swedish

Qualifications: B.Sc. in Electrical engineering

Professional background: Previously Director Operations at Ratos, CEO ÅF Industry, CEO within the Sigma Group and senior positions with Benima, BFE, J&E, WSP and Sigma.

Other board assignments: DIAB, TFS, Knightec



Magnus Stephensen

Board member

Board member since: December 2022
Born: 1980

Nationality: Swedish

Qualifications: Master of Laws
Professional background: General Counsel at Ratos since 2017. Previously positions with MTG and Linklaters.

Other board assignments: HL Display, Knightec, TFS, Aibel



Maria Svedinger Andersson

Employee representative

Employee representative since: 2020
Employed since: 2017

Born: 1967

Nationality: Swedish

Qualifications: MSc in Chemical Engineering



Mats Sällberg

Employee representative

Employee representative since: 2014
Employed since: 1998

Born: 1967

Nationality: Swedish

Qualifications: Mechanical engineering qualifications from Erik Dahlberg upper-secondary school, Jönköping

From 1 January 2022 to 30 November 2022, Semcon's Board of Directors consisted of the following members:

- Eva Elmstedt, Chair of the Board
- Carl Backman, Board member
- Carsten Browall, Board member
- Jeanette Reuterskiöld, Board member
- Karl Thedéen, Board member
- Lars-Ove Jansson, Employee representative
- Maria Svedinger Andersson, Employee representative
- Mats Sällberg, Employee representative

GROUP MANAGEMENT



Markus Granlund

President and CEO and Business Area President Engineering & Digital Services

Employed since: 2008

Born: 1975

Qualifications: Bachelor of Law, Lund University. Master of International Trade Law, Bond University, Australia. Managerial Finance, Marketing & Accounting, Bond University, Australia.

Other board assignments: Board member of Alecta. Member of Nomination Committee for the Swedish Exhibition & Congress Centre Gothia Towers and Board member of Börssällskapet i Göteborg.



Carin Wiberg

General Counsel

Employed since: 2012

Born: 1978

Qualifications: Bachelor of Law, University of Gothenburg.

Other board assignments: Board member of Consafe Logistics.



Björn Strömberg

CFO

Employed since: 2007

Born: 1960

Qualifications: Master of Business Administration (MBA), School of Business, Economics and Law, University of Gothenburg.



Johan Ekener

Business Area President Product Information

Employed since: 2004

Born: 1964

Qualifications: Master of Science (MSc), Computer Technology Programme, Chalmers University of Technology. Master of Business Administration (MBA), School of Business, Economics and Law, University of Gothenburg.

In 2022, Per Nilsson was a member of Semcon's Group management as Director Corporate communications and Marketing.

Layout: Spoon Publishing.
Photos: Getty Images, Anna Sigvardsson, Evelina Carborn, Emil Gustafsson Ryderup, and customers.

PEOPLE FIRST, THEN TECHNOLOGY.

We put people first. As far as we are concerned, technology has no purpose of its own – it's the value it adds to people and our planet that matters. By uniting physical and digital solutions, we create user experiences that make a difference.