

SUSTAINABILITY REPORT 2023.

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About the report: This Sustainability Report has been prepared in accordance with the Global Reporting Initiative Standard (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.



ADDING NEW PERSPECTIVES ON TECHNOLOGY.

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



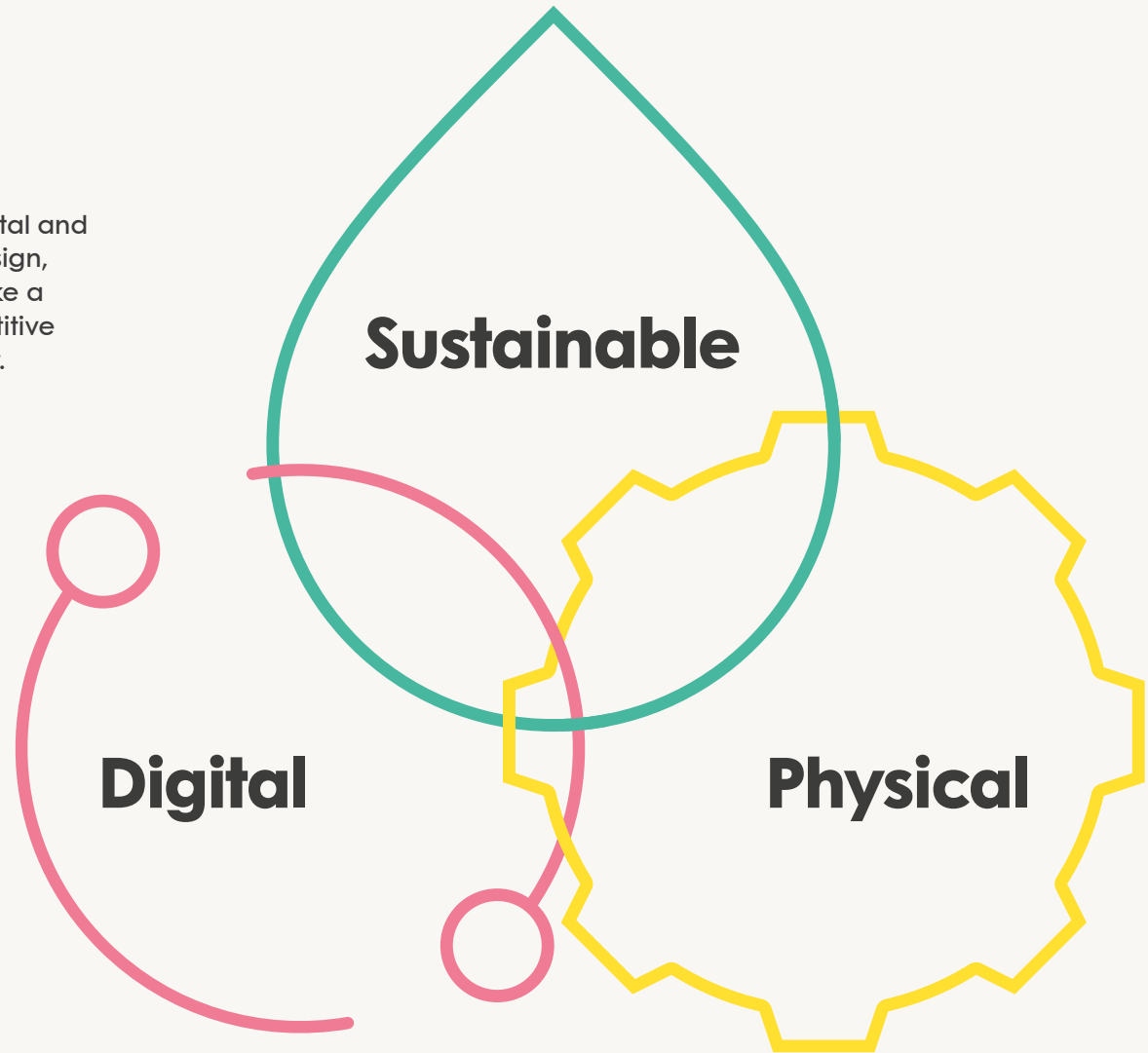
THIS IS SEMCON

Semcon combines more than 40 years of engineering, digital and sustainability expertise in a unique offering for business design, product, production and service development. We can take a holistic approach and help our customers develop competitive solutions that support the transition to a sustainable society.

Our areas of expertise

- Strategic Business Design
- Product Development
- Digital Solutions
- Production Development
- Quality Excellence
- Sustainable Business
- Project Excellence

Read more on pages 10-11.



THIS IS SEMCON

REVENUE

1.3
SEK BILLION

COUNTRIES

3

SWEDEN, NORWAY, BRAZIL

OFFICES

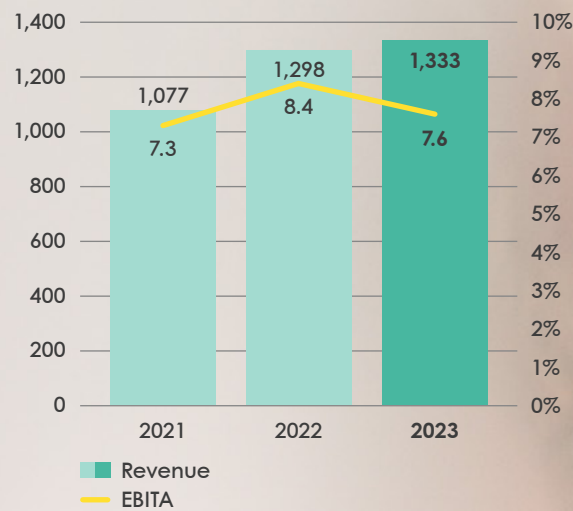
24

EMPLOYEES

>1,300

- In 2023, the spinoff of Semcon's Product Information business area to stand-alone company Aleido was completed.
- Financial and non-financial information in this Sustainability Report excludes the operations of Aleido (unless otherwise explicitly stated herein).
- The margin development in 2023 was impacted by the spinoff.

Revenue and operating margin



CUSTOMERS AND DELIVERY MODELS

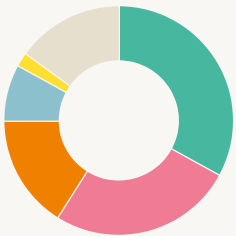
Different needs require different solutions; it's as simple as that. Our customers work in various industries and environments, and they all have different needs. Therefore, we adapt our delivery models to support our customers in the best way possible.

Customers

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

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

Revenue per industry, 2023



- Automotive/mobility 33% (33%)
- Manufacturing industry 26% (26%)
- Life science 16% (16%)
- Energy 8% (9%)
- Telecom & IT 2% (2%)
- Public sector and other 15% (14%)

Flexible delivery solutions

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

Project/team deliveries

Semcon can set up a team, with the right competencies, to complete a project within the given time frame and budget. We provide project management and take on the responsibility for driving the project towards targets defined together with the customer. Our experience within a wide range of different industries and areas of expertise gives our customers a clear advantage – they are given the optimal project team based on customer needs and cost demands. We can use our satellite solutions to set up the most suitable way of working for different organisations.

Specialist services

Semcon also provides specialists, based at customer sites or at Semcon's offices. We offer a vast number of skills within engineering, digital and sustainability services that strengthen our customers' expertise or ensure access to additional specialists.



CEO'S COMMENTS

THE FUTURE DEPENDS ON OUR ACTIONS TODAY

2023 was a year of change for Semcon, and I am proud of the steps we have taken to bring our strong combined offering within engineering, digital and sustainability services to market in an even better way. Our experienced teams of experts support our customers with different perspectives on their journey towards future-proof operations, contributing a holistic approach to business design, product, production, and service development.

In many ways, 2023 meant a fresh start for Semcon. It was our first year as a member of the Ratos Group, the spinoff of the Product Information business area was completed and we put a new organisation in place to seize further opportunities from our strong combined offering within engineering, digital and sustainability services. We continued to integrate the three companies that joined the Semcon family in 2021-2022, Squeed, Tedsys and Goodpoint, and we won several new framework agreements with companies in the public sector, e.g. within digital services, sustainability and project management.



CEO'S COMMENTS

We have also continued to deliver successful projects to existing and new customers. Our customer projects are our largest opportunity to drive change, but we also have an ambitious internal sustainability agenda. In 2023, we updated our sustainability targets and took several measures to ensure that we move in the right direction. To mention a few things, we have shifted to renewable electricity in almost all our offices, initiated a switch to a fully electric vehicle fleet, and situated several new offices close to public transport hubs to make it easier for our employees to commute using public transportation.

The investment priorities of our customers were, and still are, impacted by the world situation with war in Europe and the Middle East, as well as high inflation and interest rates. The slowdown in investments is unfortunate, as the world urgently needs to address the planetary crisis. I hope the situation will change soon. It must. The world is not on the right track to limit global warming to 1.5°C and during COP 28, the UN member states agreed on further measures to speed up change. Extensive regulations, not least within the EU, are pushing companies and organisations to act. In addition to new transparency requirements in the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy, the EU is now also introducing detailed requirements to make sustainable products the new norm. This as a very large part of emissions, biodiversity loss, pollution, and water scarcity derive from the extraction and processing of materials and the production and consumption of products and services. Change is possible. And Semcon and its peers are here to help. History has taught us that challenging times spur new innovations and opportunities, we just have to challenge ourselves and dare to think in new ways.

Artificial Intelligence (AI) has been embedded in many aspects of our lives over the last decade, but 2023 will probably be remembered as the year when AI broke through



AI and other digital solutions will without doubt accelerate the development of sustainable products and could, if used wisely, enable smarter business models with significantly less emissions and resource consumption."

Markus Granlund, CEO

with the general public. AI and other digital solutions will without doubt accelerate the development of sustainable products and could, if used wisely, enable smarter business models with significantly less emissions and resource consumption. To enable a twin transition, companies need to combine their digital and sustainability transformation agendas. Data can be used to analyse, predict, and proactively reduce companies' negative impact and to explore smarter solutions and business models. Knowledge can be transferred from one industry to another. We have only seen the beginning of AI so far, and I am really looking forward to seeing how Semcon can be part of this development in 2024 and beyond.

The complexity of today's business landscape makes it important to collaborate between different areas of expertise to come up with holistic and competitive solu-

tions. Semcon's golden ticket is that we have many skilled experts, within different areas of expertise, who can transfer their experience from one industry to another. Our broad offering allows us to take a holistic approach to business design, product, production and service development and put together experienced teams of experts who can support the development of green and innovative technologies as well as the transition to net-zero and circular value chains. We all need to take responsibility and do what we can today to speed up the transition to a sustainable society. The future depends on it.

Göteborg, 2 May 2024

Markus Granlund
President and CEO

PROGRESS AND HIGHLIGHTS 2023

95%
renewable electricity¹

Spinoff of the Product Information business area to **new company Aleido**

65%
of employees were ambassadors²

Updated
sustainability targets

Read more on page 19

53

All-time-high eNPS³

Integrated
sustainability offering

Read more on page 10–11

43%
female leaders in Group Management

CO₂ emissions reduced by **39%** compared with 2019

0
cases of corruption and discrimination⁴

¹ Share of renewable electricity in our operations as of 31 December 2023. The remaining 5% relates to small offices and has not yet been addressed.

² 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 23.

³ The willingness to recommend Semcon as a workplace to others. Read more on page 23.

⁴ Refers to confirmed cases of corruption and discrimination reported through Semcon's internal reporting channels or whistleblower function.



OUR AREAS OF EXPERTISE

Sustainability is an integral part of Semcon's business strategy and our service offerings. Our greatest contribution to a sustainable society is created through our customer assignments. This is where we make a difference, by combining engineering expertise, digital services and sustainability know-how in a unique offering for product, production and service development. For us, technology has no purpose of its own, it's the value it creates for people and the planet that matters.

Strategic Business Design

To stay relevant, companies in all industries need to reshape their strategic agendas. While today's business landscape is complex, it also offers great opportunities. We take pride in our holistic perspective, addressing the bigger picture. To help our customers future-proof their operations, we delve into prospective scenarios shaped by megatrends and their impact on individuals and communities.

By employing design thinking, we explore the intricate interplay among various perspectives – people, planet, business, and technology – and guide our customers in finding true insights and navigating the path from optimisation to transformation.

- Business design workshops
- Opportunity landscapes and strategic roadmaps
- Training and educational programmes

Product Development

The journey towards a finished product is filled with challenges and demands to consider. And 80% of a product's environmental footprint is decided in the design phase. Semcon helps its customers turn ideas to reality, creating innovative, sustainable products and solutions with the help of new technologies.

Our experience from many different industries, comprehensive expertise and focus on research make Semcon a long-term technology partner to our customers.

- Design & User Experience
- Ecodesign of Products & Services
- Lifecycle Assessments
- Electrification
- Energy Efficiency
- Product Related Compliance
- Mechanical Engineering
- Simulation & Analysis
- Test & Verification

Digital Solutions

At Semcon, we have gathered the expertise to support our customers' digital development from start to finish, from concept idea to industrialised solution – and beyond. When a product or service has been introduced to the market, we can support its longevity through, for example, predictive maintenance solutions and data management platforms.

Semcon has long experience in developing digital solutions for customers in many different industries. And we make sure to take advantage of that experience and expertise, turning our learnings from one industry into benefits in another.

- Digital Experience
- Data Management & AI
- Product as a Service (PaaS)
- Autonomous Solutions
- Connectivity Solutions
- Cyber Security
- Embedded Systems
- Software Development
- Digital Sustainability
- Digital Product Passports

OUR AREAS OF EXPERTISE

Production Development

We are in the middle of Industry 4.0, also known as the fourth industrial revolution. Now is the time for manufacturing companies to take advantage of the many opportunities offered by, for example, digitalisation and automation. Used wisely, this could ensure more sustainable and efficient production designed for low emissions and resource consumption as well as a safer work environment and new business models.

With Semcon's 40+ years of experience in production development combined with a unique mix of engineering, digital and sustainability expertise, we understand the entire production process and can help our customers take advantage of the great opportunities that come with more sustainable, digitalised and automated operations.

- CQV
- Industrial Automation
- Machinery Safety
- Nuclear Power
- Hydrogen Gas
- Production Analysis
- Production Simulation
- Smart Factory
- Remanufacturing

Quality Excellence

Meeting quality requirements is not something you do once and then it's done. Quality work is continuous and takes place at all levels in an organisation. Semcon offers a wide range of services and extensive knowledge in highly regulated industries. We use this experience to help our customers meet operational requirements and directives while keeping their business goals and deliveries on track.

- Pharma Specific Requirements
- Quality Assurance
- Quality Management
- Quality Training
- Requirement Management
- Validation

ISO 13485 certified medtech supplier

As life science is governed by strict regulations and specific standards to increase safety, the development and production of new products can be a long and complicated process. Semcon has a great deal of experience in validation and quality assurance in medtech, primarily based on ISO 13485 and the EU Medical Device Regulation (MDR). This means, among other things, that we help our customers ensure quality and streamline the process of getting their products to market.

Sustainable Business

At Semcon, we integrate sustainability into the customers offerings in all of our areas of expertise: business design, product, production and service development. By joining forces with Goodpoint, Semcon has expanded its expertise within sustainability and is now in a unique position to help companies and organisations on their entire journey towards more sustainable operations and value chains – from climate and environment to social sustainability.

- Sustainable Strategy & Governance
- Double Materiality Assessments & Stakeholder Dialogues
- Non-financial Reporting
- Management Systems & ISO Standards
- Chemistry & Lifecycle Solutions
- Energy Audits, Climate Calculations & Energy Efficiency
- Human Rights Programmes
- Responsible Marketing & Communications

Project Excellence

At a time when most businesses are undergoing rapid change, it is important to do the right things and to do things right. At Semcon, we help our customers to develop and streamline their project operations. We provide support throughout the entire journey – from preliminary studies to the desired results.

Our basis for delivering market-leading services in the project arena is our own project methodology XLPM – Excellence in Project Management. Under continuous development for over 30 years, it is a world-class, flexible and scalable project and programme methodology for all types of organisations, large or small, private or public.

- Change Management
- PMO
- Project Management
- Project Methodology
- Project Training
- Risk Management

Adding sustainable perspectives on technology

Goodpoint, with extensive expertise spanning the entire field from climate and environmental to social sustainability, has been part of the Semcon Group since 2022. Goodpoint provides professional services in areas such as sustainable strategy and governance, climate calculations and lifecycle assessments, chemicals and materials, sustainability-related compliance, non-financial reporting, business ethics, human rights and more.



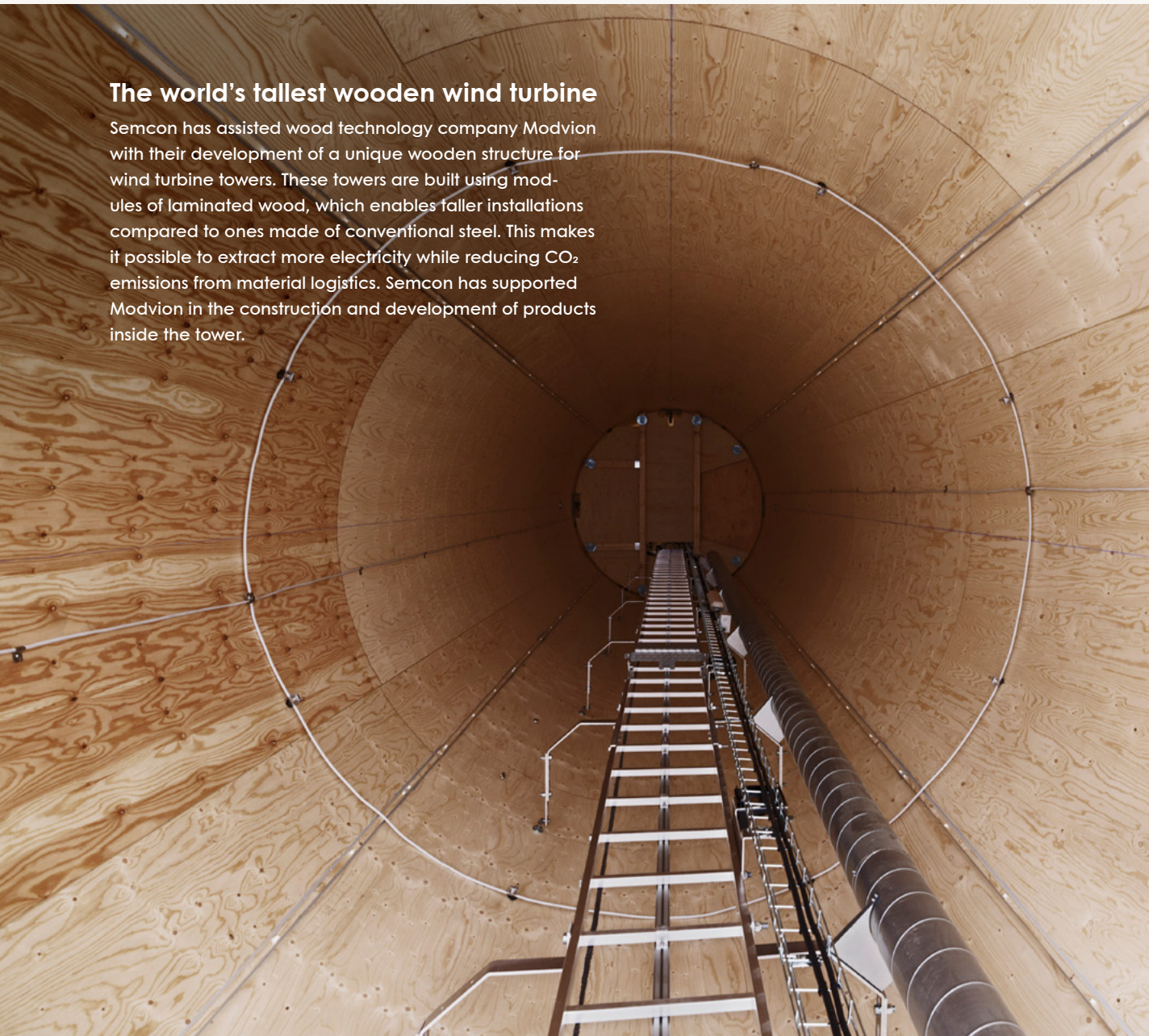
Thanks to its strength in physical and digital product and production development combined with Goodpoint's depth and breath in sustainability, Semcon has unique expertise within the shift to a net-zero and circular economy. This is important to enable the necessary transformation of our society."

Magnus Boman, CEO of sustainability consulting company Goodpoint



The world's tallest wooden wind turbine

Semcon has assisted wood technology company Modvion with their development of a unique wooden structure for wind turbine towers. These towers are built using modules of laminated wood, which enables taller installations compared to ones made of conventional steel. This makes it possible to extract more electricity while reducing CO₂ emissions from material logistics. Semcon has supported Modvion in the construction and development of products inside the tower.



GHG reporting for Icomera

Semcon and Goodpoint have supported Icomera in building the model for calculating their Scope 1, 2 and 3 GHG emissions according to the GHG Protocol. Our experts helped Icomera handle the climate calculations for the years 2020-2023 as well as with proposals for how Icomera can continue to work with emission reductions. Icomera is a global provider of integrated connectivity solutions for trains, trams, buses and coaches, serving millions of passengers and tens of thousands of vehicles on a daily basis.

Expert team to support carbon negative roads

Keeping roads in shape can be costly, time consuming, and require a lot of new, unsustainable materials. Semcon's multi-disciplinary team of experts is supporting the commercial scale-up of Carbon Crusher with insight on data and sensor use in their mission to refurbish roads in a faster, cheaper and more durable way – while also increasing circularity and sequestering carbon.



A CHANGING WORLD

Today's society is facing substantial challenges that are causing disruptive effects globally. Through a continuous analysis of key societal trends, we assess our risk and opportunity landscape to form our strategic agenda. As a consultancy organisation specialising in engineering, digitalisation, and sustainability, we are well-positioned to support our customers in navigating future scenarios and determining the path forward.

TREND 1

Geopolitical tensions and macroeconomic uncertainty

Conflicts and escalating tensions between and within countries are contributing to increased uncertainty at the macroeconomic level. Many nations and businesses are still struggling with the aftermath of the COVID-19 pandemic and the still ongoing conflict in Ukraine, which has resulted in rising inflation and global economic stress. Global supply chains are being disrupted by conflicts, rising protectionism, and intensified competition for scarce resources. The recent advancements in AI come with great potential but also introduce a new ethical risk landscape on the geopolitical level, such as use of AI for mis- and disinformation purposes. Climate change and other environmental risks have broader geopolitical consequences. Over a ten-year perspective, the World Economic Forum identifies extreme weather events, critical changes to Earth systems, biodiversity loss and ecosystem collapse, and natural resource shortages as the top four major risks on a global level, closely followed by AI-related and cybersecurity risks.¹ Many of today's risks are global and interconnected, and a failure to address them holistically increases the risk of economic distress, food scarcity, involuntary migration, dedemocratisation, conflicts, and polarisation.

¹ [WEF_The_Global_Risks_Report_2024.pdf \(weforum.org\)](#)



TREND 2

AI & other disruptive technologies

In 2023, a revolutionary breakthrough occurred within generative AI. The increased adoption of AI across all sectors is driving innovation and efficiency, rapidly reshaping the business landscape in conjunction with other disruptive digital technologies such as Internet of Things, cloud computing, 5G, digital twins, VR/AR, 3D printing, and robotics, often in combination. There is a continued strong focus on green technologies, including renewable energy and storage solutions, battery and fuel cell technology, and biomaterials. Some of these technologies are disruptive and offer significant opportunities for rapid change as they scale exponentially. However, it is essential to recognise that technologies are tools, and to ensure a resilient and sustainable society, it is crucial to steer digital transformation in the right direction. AI, while offering substantial benefits, also poses significant ethical risks related to dis- and misinformation, security, privacy, transparency and other concerns. Designed wisely, digitalisation holds great potential to accelerate the transition to a net-zero and circular economy and to enable the fulfilment of human rights. Conversely, if used without due consideration, it has the potential to drive change in the opposite direction.

A CHANGING WORLD

TREND 3

Planetary crisis

Global warming is accelerating more rapidly than anticipated, and there is now almost global consensus that we must limit it to 1.5°C above pre-industrial levels, aligning with the goals of the Paris Agreement. This is necessary to avert the most severe consequences of global warming such as the risk of triggering Earth system tipping points and self-reinforcing global warming effects. Despite the need to decrease greenhouse gas emissions exponentially to curb climate change, global emissions are still increasing. In 2023,

fuelled by El Niño, the average global temperature reached a new record level at 1.48°C above pre-industrial levels¹. Elevated temperatures contribute to a higher frequency of temperature records, fires, extreme weather events, and natural disasters. Climate change is just one part of a larger problem, and deeply interconnected with other planetary problems such as land use change, pollution, water scarcity and biodiversity loss.² A holistic approach is necessary to avoid implementing climate solutions that inadvertently drive

other problems in the wrong direction. The exploitation of nature causes loss of biodiversity and loss of carbon sinks. Resolving the planetary crisis demands a swift and profound transformation of our society, including a shift to a net-zero and circular economy where nature is protected and restored. The energy, industry, transport, construction, food, agriculture, and forestry sectors all play crucial roles in this transformation.

¹⁾ [Copernicus report](#)

²⁾ [Planetary boundaries - Stockholm Resilience Centre](#)

TREND 4

Towards a circular economy

The linear economy has reached its limits. Today, we use nearly twice the amount of virgin resources in a year than Earth can regenerate during the same period. Only 7.2% of used resources are recycled; the rest are virgin resources¹. Overproduction and overconsumption as well as an unsustainable food system drive unnecessary emissions and resource consumption. Massive amounts of discarded products end up in landfills, particularly in developing countries, where they emit pollutants and contaminate groundwater while our oceans fill with trash and microplastics. The linear economy is a root cause of climate change, land use change, pollution, and biodiversity loss. Additionally, increasing risks related to scarce resources and critical minerals are heightening geopolitical tensions and sparking inflation. A shift to a circular economy is now seen by many as a key solution, not only to stop the overconsumption of natural resources, but also to cut emissions, halt the loss of biodiversity and reduce pollution.² Hence, the EU is driving a shift to a net-zero and circular economy in all sectors. While transitioning to net-zero and circular value chains presents significant challenges for companies with linear business models, impacting their entire organisation and value chain, it also offers great opportunities. Amid the convergence of various megatrends such as sustainability, digitalisation, resource scarcity, and geopolitical risks, companies are beginning to explore the opportunities of a circular economy, including smarter business models where products and materials are kept in use and used more efficiently.

¹⁾ [The Circularity Gap Report 2024](#)

²⁾ [UNEP Global Resources Outlook 2024](#)

A CHANGING WORLD

TREND 5

Extensive regulations and funding

While companies' sustainability agendas were once primarily driven by standards and voluntary initiatives, many companies now struggle to ensure compliance with the explosion of legal requirements at the EU level. The EU Taxonomy has introduced transparency requirements to ensure investments in green technologies and activities, and many companies must now align with the comprehensive reporting requirements of the CSRD. Other upcoming EU regulations include the Corporate Sustainability Due Diligence Directive (CSDDD), mandating value chain due diligence covering both environmental and human rights risks, the Ecodesign for Sustainable Products Regulation (ESPR), imposing firm requirements on eco-design and digital product passports, and the Green Claims Directive, prohibiting misleading green claims for products and services. Further, the recently introduced EU Carbon Border Adjustment Mechanism (CBAM) aims to prevent "carbon leakage" by equalising carbon prices between products produced within the EU and imported products. Companies of all sizes and in many countries will be directly or indirectly affected by these regulations as companies begin to push corresponding requirements throughout their global supply chains to ensure compliance. Furthermore, substantial funding for green technologies, both at the EU level and in the USA, is significantly impacting the competitive landscape and global cooperation.



TREND 6

Twin transition

Our society is undergoing a rapid digital transformation, impacting all sectors. There is significant potential to leverage AI and other digital solutions to enhance healthcare and education and accelerate innovation. Further, the prospect of utilising digitalisation to facilitate a green transition is gaining increasing attention. Digital solutions can track environmental and social sustainability data, enabling companies to address major sources of emissions and resource consumption

and compliance with upcoming regulations on non-financial reporting and due diligence. Moreover, digital solutions can facilitate new business models, fostering a shift towards smarter and more sustainable production and consumption patterns. Physical products can be replaced by digital ones, and companies can transition to service-, function- or sharing-based business models. If designed wisely, such alternative business models can offer the opportunity to decouple

growth from emissions and resource consumption. While digital technologies present significant opportunities for a green transition, the escalating climate and environmental footprint of the ICT industry is a growing concern. To enable a digital and sustainable transition – a "twin transition" – there is an urgent need to address the rapidly escalating problem of e-waste and accelerating energy consumption of information and communication technology solutions.

OUR APPROACH TO SUSTAINABILITY

At Semcon, we develop technology that matters – for people and the 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. We continuously assess our sustainability-related risks and opportunities, along with other key trends, as the foundation for our strategic initiatives. It is a continuous journey.

The decade of action

This is a defining moment in our history. Choices made over the next decade will impact our society for centuries. We are still far from achieving the sustainable development goals of Agenda 2030 and to have a chance to limit global warming to 1.5°C, global greenhouse gas emissions must be halved by 2030 and reach net-zero no later than 2050. Despite ambitious political and corporate climate

targets, we are not moving in the right direction. In 2023, it was established that humanity has transgressed six out of nine planetary boundaries (i.e. climate change, biosphere integrity, land-system change, freshwater change, biogeochemical flows and novel entities) and that we are moving rapidly in the wrong direction.¹

To address the planetary crisis, we must transition to a net-zero and circular society in a few decades. And we

need to restore nature. Solutions are available, and a focus on opportunities and disruptive, exponentially scalable solutions is crucial. While today's emphasis on incremental change and optimising solutions is a step in the right direction, it is not sufficient. To change fast enough, we must also explore and implement transformative solutions. At Semcon, we strive to play an active role in the necessary transition to a net-zero and circular economy. Leveraging our expertise in engineering, digitalisation, and sustainability, we have significant opportunities to support our customers in the development of green technologies and/or their transformation journeys towards net-zero and circular value chains. And we can support both optimising and transformative solutions.

¹ [Planetary boundaries - Stockholm Resilience Centre](#)



OUR APPROACH TO SUSTAINABILITY

A sustainable strategy




At Semcon, we firmly believe that sustainable business is profitable business. Our owner expects long-term stable value growth, and to meet that expectation, we must integrate sustainability into the core of our strategy and culture. Our overarching ambition is to maximise our positive impact (our handprint) while at the same time minimising our negative impact (our footprint). We continuously assess market trends and our sustainability-related risks and opportunities, aiming to ensure an ambitious and credible internal sustainability agenda. We also strive to possess the right expertise and offerings to be a trusted partner to our customers on their sustainability journeys. Our ambition is to increase the number of customer projects that contribute to a sustainable society, seeing significant potential to increase our share of more strategic customer projects.

Semcon's sustainability agenda is rooted in 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. We have initiated work on a credible double materiality assessment, enabling us to continuously identify, address, and follow up on our material sustainability topics (see pages 46-52). Based on our identified 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 the 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, fostering a diverse and inclusive workplace where our 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 developing solutions that improve people's lives.	Participate in social sustainability initiatives.
Planet 	Reduce the climate and environmental footprint of our own operations and work for more circular business operations.	Reduce the climate and environmental footprint of our value chain.	Support our customers in developing green technologies and/or their transition to net-zero and circular value chains.	Participate in initiatives for 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 and value chains.	Participate in initiatives that contribute to ethical business conduct.

OUR APPROACH TO SUSTAINABILITY

Updated sustainability targets

Following the spinoff of Semcon's Product Information business area in 2023, we have updated our sustainability targets. We measure progress towards some targets already today, whereas some new targets will be measured and followed up from 2024 (as further detailed below).

Pillars	Material topics	Updated sustainability targets from 2024	Status 2023	Comments
Pillar 1 & 2 Sustainable operations & value chain	Attractive & responsible employer <ul style="list-style-type: none"> Attractive employment Health, safety & wellbeing Diversity & inclusion Learning & development 	eNPS > + 50 (each year)	+53	
		Gender split (%) <ul style="list-style-type: none"> 40/60 managers by 2028 40/60 all employees by 2030 	34% 28%	
		Zero incidents of discrimination (each year) ¹	0 ¹	
	Minimise footprint <ul style="list-style-type: none"> Value chain emissions Renewable energy Circular operations 	Halve value emissions by 2030 and be net-zero no later than 2040	-39%	
	Ethical business conduct <ul style="list-style-type: none"> Anti-corruption & fair competition Privacy & IT security Responsible purchasing Responsible sales 	95% of our employees have completed our Code of Conduct training (each year) ² Zero incidents of corruption (each year)	- 0 ¹	To be measured from 2024.
Pillar 3 Sustainable Projects	Maximise handprint <ul style="list-style-type: none"> Economic performance Sustainable services & solutions 	Increase the share of sustainability-related customer assignments/projects	-	Reporting mechanism piloted. To be measured in 2024.
		95% of our employees have completed our sustainability e-learning (each year) ²	-	To be measured from 2024.

¹) No incidents of discrimination or corruption were reported through our ordinary reporting channels or our whistleblowing function.

²) Refers to employees that were employed by year-end for a minimum of 6 months.



OUR CONTRIBUTION TO THE SDGs

The UN Agenda 2030 and its 17 Sustainable Development Goals (SDGs) constitute the world's most important checklist. Despite some progress between 2015 and 2019, advancement has stalled since the outbreak of the pandemic and other macroeconomic crises, and is now significantly off track.¹

Companies impact the SDGs both positively and negatively. Many companies develop innovative solutions that contribute to the SDGs, such as renewable energy and storage solutions, electrified transport solutions, pharmaceuticals, medical devices, foodtech solutions, precision agriculture, biobased materials, and so on. However, many companies also have a significant negative impact on the SDGs. The linear economy is a root cause of climate change, natural resource depletion, biodiversity loss, and pollution and 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 protected and respected. When designing solutions, it is critical to take a holistic perspective, so that we don't implement solutions that contribute positively to one SDG but have a significant negative impact on other SDGs. The SDGs are deeply interconnected and must be addressed collectively.

At Semcon, we assess how we contribute to Agenda 2030 in our own operations and value chain, in our customer projects and beyond. Due to the diverse nature of our customer projects, we may also positively impact other SDGs than the ones identified below. We strive to continuously increase the number of projects and assignments contributing to one or more SDGs and to avoid customer projects with a significant negative impact on the SDGs. To achieve this transparently and responsibly, and with realistic targets, we have initiated a project to track which of our customer assignments and projects contribute positively to identified sustainability objectives, based on the SDGs and the EU Taxonomy. To take the necessary precautions to ensure that we can avoid participating in customer projects with significant negative impacts, we are in the process of implementing a formal responsible sales process, see page 33.

¹⁾ s3.amazonaws.com/sustainabledevelopment-report/2023/sustainable-development-report-2023.pdf

OUR CONTRIBUTION TO THE SDGS

PILLAR 1 AND 2

Sustainable operations and value chain



Our employees are our most important asset, and to attract and keep the right people, we are committed to providing an attractive workplace with a culture that aligns with our purpose and values. As a consultancy company, our climate and environmental footprint is limited, yet we recognise the need to transition to a net-zero and circular value chain. We compete based on the merits of our services and solutions, maintaining zero tolerance for corruption, unfair competition and other unethical business practices. Learn more about our efforts to be an attractive and responsible employer on pages 22-27, our initiatives to reduce our climate and environmental footprint and enable more circular operations on pages 28-30, and how we strive to ensure responsible business conduct throughout our value chain on pages 31-33.



PILLAR 3

Sustainable projects



At Semcon, we engage in many customer assignments that contribute to the SDGs. We help our customers develop green technologies, such as renewable energy and electrified vehicles, and solutions that enhance people's health, safety and wellbeing. Through our services in business

design, sustainable product and service development, and production development, we can facilitate our customers' transition to net-zero and circular value chains. With Goodpoint as part of the Semcon family, we have the expertise to help our customers integrate sustainability into their strategy and governance processes and much more. Learn more about how we integrate sustainability into our business models and customer offering and explore examples of projects where we contribute to the SDGs on pages 10-13 and 34-43.

PILLAR 4

Sustainable society



Our primary contribution to a sustainable society stems from our customer assignments. In addition to this, Semcon collaborates on various initiatives with like-minded partners, aiming to accelerate the transition to a net-zero, circular and inclusive society where human rights are fulfilled. Read more about our partnerships, our CSR programme and other initiatives where we aim to contribute to a more sustainable society on pages 44-45.

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 diverse end users, we must continuously broaden and challenge our perspectives to truly understand the people who are using our customers' products and services. Our driving force is a genuine curiosity about human needs and behaviours.

Target	Status
Employee Net Promoter Score (eNPS) >+50	eNPS +53.
Gender split (%) <ul style="list-style-type: none"> • 40/60 managers by 2028 • 40/60 all employees by 2030 	34% 28%
Zero incidents of discrimination ¹⁾	0

¹⁾ No incidents reported through our ordinary reporting channels or whistleblowing system

Attractive & responsible employer

Semcon's employees are our most important asset and a key factor for our success. To develop the best solutions for our customers, it's essential to maintain a diverse workforce with a wide range of experiences and backgrounds. To meet our customers' evolving demands and expectations, we need to attract the right people and ensure a dynamic, innovative, healthy, and sustainable work environment so our employees choose to stay with Semcon. We prioritise the following areas:

- Attractive employment
- Learning & development
- Equality, diversity & inclusion
- Health, safety & wellbeing

We also collaborate with skilled subcontractors on specific projects. Contracted for shorter or longer assignments, they either complement our expertise or provide additional resources as needed.



PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN



Attractive employment

Semcon strives to be an appealing workplace with competitive working conditions and strong values, where all sorts of people can thrive and develop. Over the past five years, our Employee Net Promoter score (eNPS), an important metric in our employee survey, has steadily improved. In 2023, it reached a new record high of +53. We are also satisfied to note 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 innovative solutions for our customers is dependent 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 Work¹, 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.

With many of our employees working at customer sites or remotely, it is important to foster a strong team spirit and an engaged workforce who takes pride in being a part of the Semcon Group. The range of initiatives organised by local offices, including activities such as lunch seminars, training sessions, after-work events, film and reading groups, and gaming communities, are aimed at creating a vibrant and connected work environment. Considering the growing importance of sustainability matters in employees' career choices, the integration of a proactive and credible sustainability agenda is a strategic tool for attraction and retention. With a service offering that enables us to support our customers within green and innovative technologies as well as in their transition towards sustainable business operations, we have great opportunities to involve our employees a variety of interesting and important customer projects. Semcon

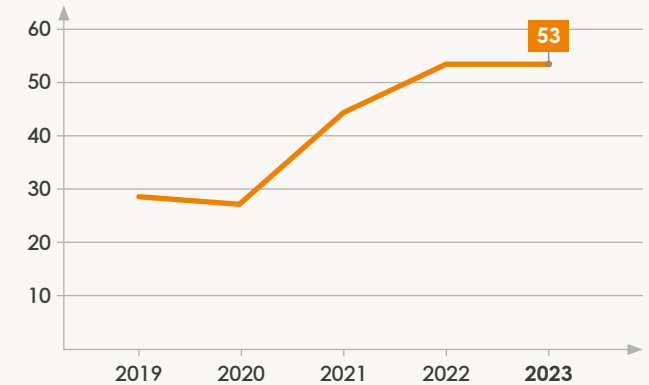
strives to increase the employees' knowledge and awareness about sustainability matters so they feel empowered to drive sustainability in our customer projects. The initiatives include e-learning and other training courses, webinars, local sustainability networks and a sustainability channel on the Intranet, see page 35.

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 keep the right people, it is important to engage in dialogue with employees, on all levels, to ensure that we understand their needs and expectations, including topics such as flexibility and work-life balance, skills development, and career planning. Exit interviews serve as a valuable tool to understand why some employees choose to leave Semcon. While most of our employees express satisfaction with Semcon as their employer and promote Semcon as a workplace, there is a high level of mobility in the labour market and our employees are highly attractive for both customers and competitors. We attract both senior and junior consultants and have an overall senior competence and balanced age split in our teams, see page 26.

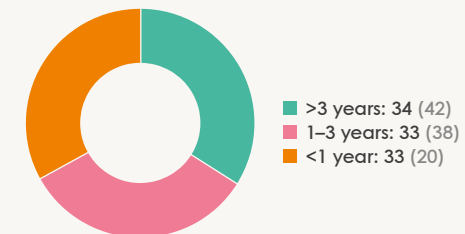
Employee survey	2023	2022	2021	2020
Share of ambassadors: Loyal enthusiasts promoting Semcon as a workplace.	65%	66%	59%	50%
Engagement: I feel engaged in my work.	82%	82%	79%	71%
Leadership: My immediate manager guides and encourages my professional development.	81%	79%	79%	74%

¹⁾ Applicable for Sweden only.

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 between +20 to +30 is very good. A value above +50 is considered to be extraordinary. During 2023, Semcon's eNPS remained at the level of +53, the same extraordinary result as in the 2022 employee survey (Q4).

Employment duration¹ (%)

¹⁾ 31 December 2023. The increase in the rate of employment duration of <1 year relates to our Brazil operations and was mainly due to a highly competitive job market together with an increased rate of temporary employee contracts.

PILLAR 1 AND 2



Semcon's values 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.

PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN



Learning and development

Our society is changing rapidly, and it is crucial to ensure that our employees stay up to date with key societal trends, disruptive technologies, digital transformation and relevant sustainability aspects. We need to ensure that our employees have the right expertise to meet our customers' current needs, while we assess and prepare for our customers' upcoming needs. Our employees are increasingly purpose-driven and inspiring customer projects as well as a dynamic learning environment are considered key tools for employee attraction and retention. Semcon offers its employees numerous training opportunities, including onboarding programmes, digital training platforms, weekly professional development webinars, external training

programmes, skills days, internal networks, and much more (see page 35). Employees in between assignments have the possibility to participate in add value programmes where one important part is skills development. Tailor-made learning programmes are established on a need basis to ensure the necessary competencies for specific customer assignments. Hence, continuous learning is part of what we do, and skills development and learning form a natural part of our daily work.

Our ambition is that all Semcon employees shall prosper and develop. Employee performance reviews are held at least annually, including individual skills development and career path plans. There are also specific leadership programmes for managers to further develop their leader-

ship skills. Learning and performance reviews are assessed in Semcon's employee survey and are two areas where our score increased further in 2023.

Employee survey	2023	2022	2021	2020
Professional development & learning: At Semcon there are good opportunities for my professional development.	77%	76%	74%	66%
Professional development: The Career and Development Dialogue with my manager adds value.	77%	76%	75%	65%



PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN



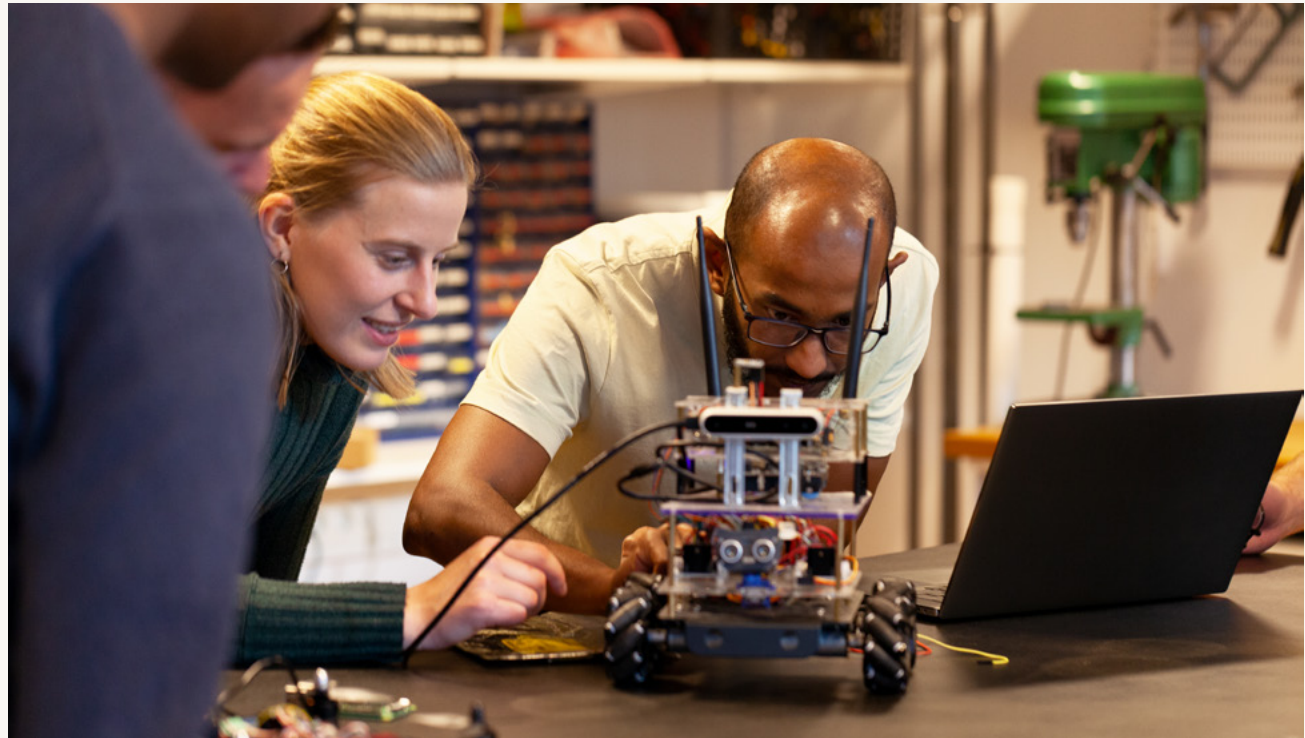
Equality, diversity and inclusion

At Semcon, we firmly believe that different perspectives lead to a more dynamic and inspiring work environment and better customer solutions. As expressed in our Code of Conduct, and Diversity & Inclusion Policy, we do not accept any form of discrimination of employees or job candidates based on background, religion, disability, sexual orientation, gender identity, pregnancy, or any other physical or social factors. In alignment with these policies, employees are prohibited from engaging in behaviors that could be perceived as discriminating, offensive, threatening, or degrading, including any form of unwanted attention of a sexual nature.

Semcon employs various strategies, such as broad advertising in different media channels, specific recruitment guidelines for unbiased decisions, non-prejudiced search methods, and competence-based tests, to ensure equal opportunities for all external and internal job candidates.

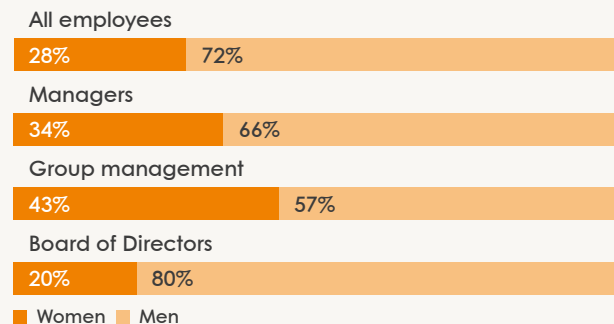
Semcon works proactively to ensure a more diverse workforce, including initiatives such as the "Add perspectives" campaign on social media, specific campaigns to increase the proportion of female applicants in male-dominated professions as well as internal "Women in Tech" networks in some locations.

No cases of discrimination were reported through our standard processes or whistleblowing function in 2023.

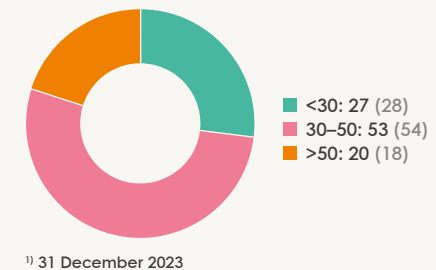


Employee survey	2023	2022	2021	2020
Equal opportunities: We have equal opportunities in my team irrespective of gender, ethnicity, age, etc.	88%	87%	87%	82%

Gender distribution¹



Age split¹ (%)



PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN



Health, safety and wellbeing

At Semcon, we strive to offer a workplace and working conditions that benefit employees' health and wellbeing. Aligned with our Health & Wellbeing Policy, we systematically assess the health and safety risks of our operation and implement actions to continuously enhance the health, safety and wellbeing of our employees. Semcon's initiatives include wellness contributions to promote physical activity, training activities and inspirational lectures. Starting in 2022, Semcon introduced extra flexible days off in Sweden and our Swedish operations are intensifying their focus on health and wellbeing through a dedicated health &

wellbeing year in 2024. This includes an increased wellness contribution, a benefit bicycle program and many joint activities to encourage a healthier lifestyle and improve employees' physical and mental wellbeing. Our Brazil operation has monthly "People Talks" which often focus on health & wellbeing and from 2024 offers its employees an affordable gym membership.

Semcon acknowledges the significance of fostering a flexible work environment and work-life balance. Through our Policy for Remote Work we strive to enable a higher degree of flexibility and work-life balance for our employees. During the pandemic, it became evident that work-life flex-

ibility reduced illness and increased the overall productivity level. While remote work offers many advantages, it also comes with certain challenges, including the risk of a deteriorated work-life balance and decreased social interaction, which could have adverse health effects. In response to a changing work landscape, Semcon supports remote work practices by offering employees a contribution for the purchase of IT equipment and furniture for the home office.

Semcon places a strong emphasis on creating a positive work-life balance for its employees, and this commitment is reflected in the results of employee surveys, indicating that a significant number of employees feel they have a good work-life balance. Semcon actively assesses this through dialogues during performance reviews, department meetings, and employee surveys. To ensure a secure working environment for employees in assignments that involve increased safety risks, Semcon employs various measures, including providing personal protective equipment and safety training as needed for specific roles. Our customer agreements incorporate requirements for a safe working environment at customer sites, including requirements on personal protective equipment (when needed) and other safety measures and there are internal guidelines that govern the evaluation of the work environment at customer sites, accompanied by action plans to address identified risks. During 2023, our sick leave absence remained at a low level.

Employee survey	2023	2022	2021	2020
Health & wellbeing: My manager promotes a positive environment for health and wellbeing.	85%	84%	83%	78%
Health & wellbeing: I have a good work-life balance.	81%	80%	80%	74%
Health & wellbeing: Sick leave. ¹⁾	2.5%	2.7%	2.4%	2.1%

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

PILLAR 1 AND 2

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 a sustainable society is through our customer projects, we are also taking 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 39% since 2019.

Minimise footprint

As a consultancy company, Semcon's climate and environmental footprint is limited and mainly associated with energy usage in our offices, employee commuting, business travel, and the procurement of goods and services. Our environmental management system is ISO 14001 certified for our headquarters, and our Code of Conduct and Climate and Environmental Policy address our material topics.

Our prioritised areas are:

- Reduce value chain emissions
- Shift to renewable energy
- Strive for more circular business operations



PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN



Reduce value chain emissions

Since 2021, we have been calculating our value chain emissions in line with the Greenhouse Gas Protocol, including a retroactive calculation of our climate data for 2019-2020.

Semcon committed to setting science based targets back in 2021, but the review and validation process has been delayed due to the acquisition of Semcon by Ratos in 2022 and the spinoff of Semcon's Product Information business area in October 2023.

Semcon's main sources of emissions include employee commuting and business travel. Other sources of emissions are energy, heating and cooling of our offices, purchased goods and services, and capital goods. Reducing emissions associated with employee commuting is challenging, as it is partly beyond our control. While we cannot decide how employees commute to and from work, we can locate our offices near public transport hubs to encourage climate-friendly choices. We are in the process of shifting our company cars to electric cars for Sweden and Norway by 2027 and in Brazil the use of bio-ethanol for business travel is mandatory since 2023. During 2024, we will offer our Swedish employees a bicycle benefit as part of our health & wellbeing year but also with the aim to encourage our employees to use low-carbon transport and to reduce commuting-related emissions. Additionally, our Policy for Remote Work enables the majority of our employees in Sweden to split their time between the office, customer sites and home or another preferred location. According to our Travel Policy, business trips should be made on a need basis and with the travel mode that has the lowest environmental impact. Air travel is limited to situations where significant efficiency gains can be made.

Our Purchasing Policy sets out specific sustainability requirements, including that purchases should be made on a need basis only, that we should prioritise durable, energy-

efficient products that can be repaired, refurbished, upgraded and recycled as well as products and services with credible eco-labels and low-emission transport options.

Semcon has achieved a notable reduction in absolute emissions, with a decrease of 39%, since 2019 (base year). Emissions per employee (FTE) have seen a 32% decline over the same time period. The year 2023 marked the first "normal" year post the COVID-19 pandemic, particularly regarding commuting and business travel-related emissions.

While observing emission reductions across all categories in all three scopes, the most significant decreases, compared to our base year in 2019, are associated with employee commuting, business travel and energy. Contributing factors include evolving commuting and business travel patterns, with remote meetings and training becoming commonplace. Further, the transition to electric vehicles and the shift to renewable electricity in our offices are two important factors in achieving these reductions.

A comprehensive breakdown of our Scope 1, 2 and 3 emissions for 2019-2023, including our emission intensity ratio, is provided on pages 57-58.

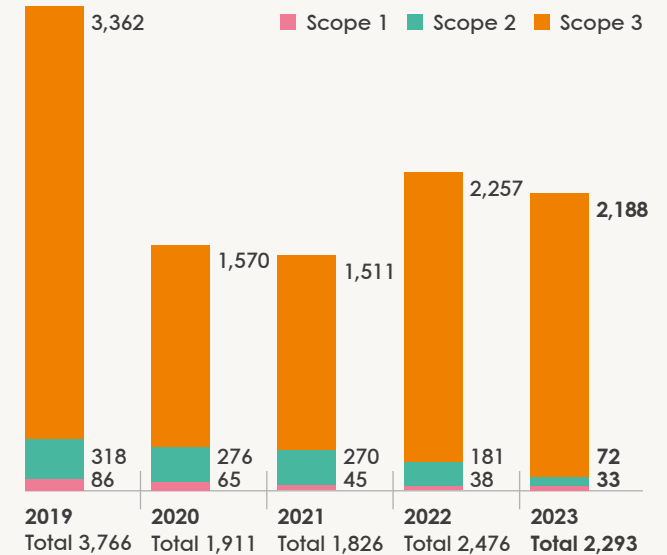


Emission reduction initiatives

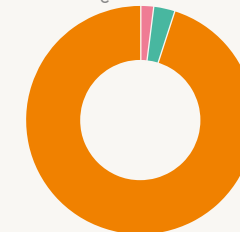
We take various actions to reduce our Scope 1, 2 and 3 emissions in line with our set climate targets, including:

- Remote work programme
- Offices close to public transport hubs
- Low-emission business travel
- Shift to renewable energy
- Shift to an electric vehicle fleet
- Conscious purchasing requirements
- Circular operations initiatives

Emissions 2019–2023 (tCO₂e)

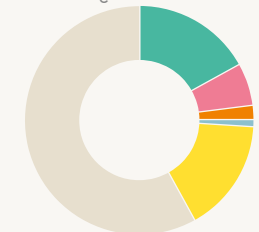


Scope 1, 2 & 3 2023 (tCO₂e)



- Scope 1: 33
- Scope 2: 72
- Scope 3: 2,188

Scope 3 2023 (tCO₂e)



- Purchased goods and services: 384
- Capital goods: 117
- Fuel and energy-related activities: 21
- Waste: 8
- Business travel: 346
- Employee commuting to and from work: 1,312

PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN

Renewable electricity and energy efficiency

Semcon has long prioritised offices in environmentally certified buildings, aiming to ensure clean energy and state-of-the-art energy efficiency solutions. Our emissions linked to electricity, heating, and cooling of our offices are included in our Scope 2 emissions, detailed further on pages 57-58. All Semcon's offices are rented and in 2022, we initiated discussions with our landlords to gain a better understanding of the energy mix in our offices. While all our large offices already utilised fossil-free electricity, we transitioned to renewable electricity in all our large offices during 2023. Therefore, at year-end 2023, 95% of our offices used renewable electricity. A comprehensive breakdown of our energy consumption from 2019 to 2023, along with information on our energy intensity ratio, is provided on page 59.

In 2023, our Norwegian operations managed to halve the energy consumption of their workshop through the use of IoT and smart energy management initiatives.

Towards circular business operations

At Semcon, we strive to work towards more circular business operations guided by the principles of reduce, repair, reuse and recycle. As a consultancy company, our purchases are limited and mainly comprise IT equipment, mobile phones, furniture and general office supplies. We prioritise high-quality products and make efforts to refurbish and reuse furniture and IT equipment within our operations. In Sweden, we sell laptops and other IT equipment that are no longer in use to a trusted partner through a take-back programme. The partner refurbishes the equipment, making it available for second-hand use. When IT equipment has reached end of life and cannot be refurbished or reused, we collaborate with credible recycling partners who ensure environmentally certified recycling methods. For other types of hazardous waste, such as batteries and lightbulbs, we ensure responsible recycling practices. Each office is also expected to maximise its recycling efforts for materials like paper, food waste, glass, batteries, plastics, and other packaging. Recycling aspects are factored into new premises rental criteria.



PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN

PRINCIPLES 

Ethical business conduct is not only the right thing to do, it is also essential for our business and a prerequisite for maintaining a strong reputation. Embracing responsible business practices fosters trust and credibility with our business partners and plays a crucial role in attracting and retaining individuals who share our values and mindset.



Target	Result
Zero incidents of corruption ¹	No cases of corruption were reported in 2023.

¹ No incidents reported through our ordinary reporting channels or whistleblowing system.

Ethical business conduct

Ethical business conduct is embedded into our strategy, and we compete fairly on the merits of our services and solutions. Upholding our strong brand and reputation is of great importance, and we set high standards for ethical business conduct for ourselves and our suppliers, customers, and other business partners. By implementing robust security practices, we take the necessary precautions to safeguard confidential information and personal data. We strive to continuously enhance our due diligence practices and to take precautions to ensure cooperation with responsible 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 purchasing
- Responsible sales

SUSTAINABLE OPERATIONS & VALUE CHAIN



Anti-corruption & fair competition

At Semcon, we compete fairly based on the merits of our services and solutions. Consistent with our Code of Conduct, we have zero tolerance of corruption and anti-competitive practices. As part of our enterprise risk management process, we regularly evaluate and follow up on risks associated with business ethics, including country and sector-specific risks.

Semcon's Code of Conduct includes guidance on the specific responsibilities of managers and employees concerning corruption and fair competition. As part of our onboarding programme, training sessions on business ethics are conducted to ensure that our employees possess a thorough understanding of internal requirements and their significance. Further, specialised training in anti-corruption and competition law is conducted for certain functions and countries where the risks are heightened. In addition to such training initiatives, guidelines (including dos and

don'ts) are available for employees, offering guidance on appropriate actions in specific situations. Semcon's Code of Conduct and other relevant policies and internal requirements applicable to our employees also extend to our subcontractors, a commitment secured through our subcontractor agreements.

In countries where higher country-specific risks for corruption are identified, Semcon has implemented additional precautions, including more restrictive authorisation rules and a double signatory approach where local managers sign together with a credible independent third party. Auditors conduct regular check-ups on agreements and other relevant documentation to ensure adherence to the authorisation rules.

No incidents of corruption or unfair competition were reported through our whistleblower function or via our internal channels in 2023.

Privacy & IT security

Semcon manages confidential information from various stakeholders, including personal data related to employees, subcontractors, suppliers, customers, and others. Our Code of Conduct outlines a general obligation to handle confidential information and personal data in accordance with applicable laws and agreements. Further, Semcon has several complementary policies within the privacy field, including an employee privacy policy (covering subcontractors), a candidate privacy policy, a business partner privacy policy and privacy policies for our whistleblower function. To ensure compliance, training sessions are held on data privacy matters. Semcon has established processes, internal requirements, and adequate controls with the goal of managing confidential information, trade secrets and personal data in accordance with applicable laws and agreements. All employees and sub-contractors are bound by confidentiality undertakings in their employment

PILLAR 1 AND 2

SUSTAINABLE OPERATIONS & VALUE CHAIN



contracts or in subcontractor agreements covering all types of confidential information including personal data. These undertakings remain in effect after assignment completion and after their employment ends.

Semcon maintains internal IT security requirements and guidelines for both the Group and its suppliers' IT environments. To ensure 24/7 protection, we have engaged a Security Operation Center (SOC) service provider. Frequent penetration tests are conducted, and the outcomes are used to fortify our protection against potential threats. We actively assess and test internal security systems, addressing areas such as ransomware attacks, and implement measures to enhance employee awareness of IT-related threat scenarios. The management of actual and potentially critical IT incidents is conducted within the framework of Semcon's crisis management process for IT and security incidents. Customer evaluations of Semcon's IT systems, often aligned with ISO 27001 standards, are conducted regularly to ensure compliance with internal security requirements. Procurement of IT systems involves supplier evaluations, including checks for relevant certifications. In collaboration with Semcon's legal function, assessments are conducted to determine whether separate supplemental agreements are necessary to meet our stringent privacy and IT security requirements.

Responsible sourcing

Semcon's supply chain is limited and composed of subcontractors, landlords, and suppliers of various goods and services, including cars, furniture, equipment, IT equipment, and office supplies. Generally, we engage local suppliers in the countries where we operate. Through our impact assessment we have identified potential risks linked to climate and the environment, human rights and business ethics in our supply chain which we address through our purchasing programme. A new Supplier Code of Conduct has been in-

troduced, along with updates to our Purchasing Policy and purchasing process. The Supplier Code of Conduct outlines both minimum requirements and expectations for our suppliers. Purchases shall be made from suppliers assessed against these requirements or other relevant criteria for certain suppliers in line with specific instructions in our Purchasing Policy. For international suppliers where it is not possible to demand compliance with Semcon's Code of Conduct, the supplier's own code of conduct shall be assessed to ensure substantial alignment with Semcon's Supplier Code of Conduct. Given our position as a smaller player with many large international suppliers of standard goods and services (e.g. laptops, mobiles, and other IT equipment and services), extensive audits throughout their supply chains are unrealistic. Instead, we rely on assessing the credibility of these suppliers or, if applicable, their suppliers' sustainability programmes including due diligence programmes and auditing processes. In addition to the above, Semcon's updated Purchasing Policy, along with other related policies, incorporates specific requirements with the aim of driving continuous reduction of the negative climate and environmental impact of our purchases as well as a shift towards more circular operations.

Responsible sales

Companies are not only expected, but in some cases even legally required, to conduct thorough due diligence across their entire value chain to identify, prevent, mitigate and remedy negative impacts related to the climate, environment, and human rights. As part of our impact assessment, we have identified specific sectors and activities where there are potential risks that Semcon could be involved in customer projects that could have significant negative impacts on the climate, environment, and/or human rights or which may otherwise be considered ethically controversial. Semcon has an informal process where ethical concerns,

including ethical concerns linked to customer assignments, shall be escalated and evaluated by Semcon's Ethical Committee (which consists of the Group Management and the Head of Sustainability). During 2023, Semcon made a more in-depth assessment of what type of assignments should be evaluated and escalated to the Ethical Committee. During 2024, the aim is to adopt a formal responsible sales policy and to integrate a responsible sales process into existing processes and follow-up procedures.

Whistleblower function

Semcon has a whistleblower policy and a whistleblower reporting system, accessible on our website, where employees, customers, suppliers, other business partners, and third parties can report suspected breaches of applicable laws, violations of Semcon's Code of Conduct, and any other material irregularities that they may be hesitant to report through regular channels. Reports are submitted anonymously through an online tool, available on our website, and the policy explicitly prohibits retaliation against whistleblowers. The submitted reports undergo thorough review by both internal and independent external recipients, ensuring that the information is handled correctly and impartially.

No cases were reported via the whistleblower function in 2023.

PILLAR 3

SUSTAINABLE PROJECTS

Our main contribution to a sustainable society is through our customer assignments. We strive to integrate relevant sustainability aspects into our customer offerings and projects. By supporting our customers in projects that contribute to a sustainable society, we make a difference – to people and the planet. This is our handprint.

Maximise our handprint

Sustainability is no longer an option – it is a business necessity. For many years, Semcon has been a trusted partner to our customers in the automotive, energy, life science and industry sectors, supporting the development of green and innovative technologies. Furthermore, with our combined expertise in engineering, digitalisation, and sustainability, Semcon has the opportunity to support companies in all sectors in their transition to net-zero and circular value chains, including credible human rights programmes. The extent to which we can influence our customers' sustainability journeys depends on factors such as company size, type of assignment, sector, and customer maturity level.

As part of the EU Green Deal, the EU is pushing for a shift to a net-zero and circular economy together with stronger protection for human rights throughout global value chains. While companies' sustainability agendas have so far been largely a voluntary effort, compliance will now be the driving force and transparency requirements are being complemented with actual requirements. Large and

listed companies are already struggling to ensure compliance with the extensive new regulatory requirements at the EU level, including the EU Taxonomy, the CSRD and the CBAM and to prepare for upcoming legislation, including the ESPR and the CSDDD. As corporations covered by these regulatory requirements need to push down requirements through their global supply chain to ensure compliance, these regulatory initiatives will affect companies of all sizes and throughout global value chains.

The transition to a net-zero and circular economy will be disruptive and require companies of all sizes to move beyond business as usual. It offers huge business opportunities for us at Semcon and great opportunities for our employees to participate in interesting and purposeful projects.



PILLAR 3

SUSTAINABLE PROJECTS

Adding sustainable perspectives on technology

An integrated offering

Through the acquisition of sustainability consulting company Goodpoint in 2022, Semcon expanded its existing expertise within sustainable product and production development with more in-depth expertise within lifecycle assessments, chemical management, materials, product-related compliance, and much more. The acquisition of Goodpoint also enables Semcon to offer entirely new sustainability consulting services to our customers such as the setup of a sustainable strategy and governance programme, non-financial reporting, management systems, business ethics, human rights and much more. Read more about our combined offering on pages 10-11.

Educating our employees

In response to the growing demand for engineering, digitalisation and sustainability consulting services, it is important for Semcon to secure the right expertise to remain a trusted partner to our customers in the development of green technologies as well as in their transition to sustainable business operations and value chains. It is our ambition to equip all consultants within Semcon with a good understanding of our customers' sustainability-related risks and opportunities, solutions for different sectors and the difference between optimising and

transforming solutions. We have a sustainability e-learning course in eight modules, focusing on key challenges and solutions and the role of Semcon in facilitating our customers' shift to net-zero and circular value chains with respect for human rights. There are also continuous learning opportunities and up-skilling activities related to each specific competence area towards new tools and services for sustainable solutions. Additionally, training initiatives directed at all employees cover specific topics such as EU regulations, ecodesign and circular business models. We also have

sector-specific training programmes for new employees, e.g. within energy and life science. During 2023, training on adopted and upcoming EU regulations was held for our management team as well as other managers and employees. Semcon's owner, Ratos, has secured similar training for all managers and Board members within the Ratos Group.

Nudging our customers

At Semcon, we have a variety of customers in different sectors. While our large international customers have their own

strategy and sustainability departments and insights into how various megatrends will affect their business going forward, we see a need to support SMEs in considering how they will be affected by various megatrends including the planetary crisis, digitalisation, disruptive technologies, scarce resources, increased regulations and geopolitics. In 2023 we held seminars and workshops on various topics, including green hydrogen, ecodesign and product-related compliance, and the CSRD.



PILLAR 3

SUSTAINABLE PROJECTS

People – Improving people's lives

Semcon places people and their needs and behaviours at the forefront when developing physical and digital solutions. Challenges posed by an aging population, lifestyle-related diseases, and rapid technological advancements increase the demand for user-friendly medical devices and new pharmaceuticals. In these areas, Semcon contributes to enhancing the quality of life for many individuals. The recent development within AI presents significant opportunities for improving diagnostics, developing new drugs and vaccines, ensuring high-quality education for all and much more.

Quality and safety are other important dimensions. Products and services must be secure for the end users. Semcon works with a range of product and service quality and safety aspects, ranging from traffic safety of autonomous solutions to the safety of food, drugs and medical devices. As businesses grow in complexity, ensuring that the products, systems and services released onto the market are secure and accessible is imperative. Semcon leverages its experience and expertise in quality and validation as well as chemical management to meet the increasing legal requirements and quality assurance demands in various projects.

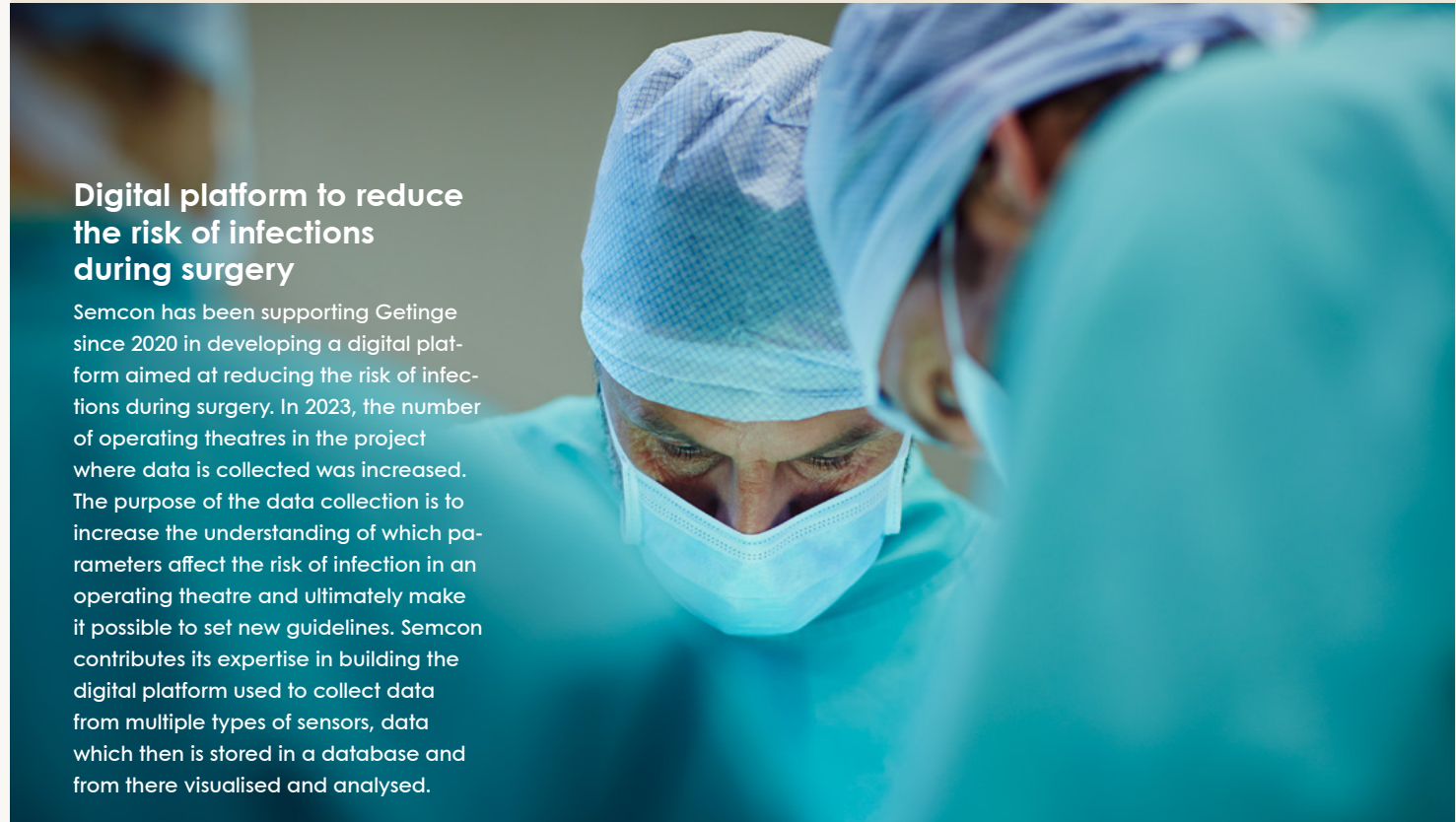
Digital platform to reduce the risk of infections during surgery

Semcon has been supporting Getinge since 2020 in developing a digital platform aimed at reducing the risk of infections during surgery. In 2023, the number of operating theatres in the project where data is collected was increased. The purpose of the data collection is to increase the understanding of which parameters affect the risk of infection in an operating theatre and ultimately make it possible to set new guidelines. Semcon contributes its expertise in building the digital platform used to collect data from multiple types of sensors, data which then is stored in a database and from there visualised and analysed.

Helping patients get the precise dose needed

Semcon is working with OnDosis, a medtech company whose mission is to ensure that every patient gets the exact right medication dose. The product is an innovative dosage manager that comes with a suite of connected services that together aim to personalise and optimise medical treatment in disease areas that require precise and flexible dosing.

Test engineers, software developers and UX experts from Semcon have been part of OnDosis' journey to develop, verify and validate that the Dosage Manager consistently meets the high demands on dose precision, intuitiveness and easy usage.



PILLAR 3

SUSTAINABLE PROJECTS

Planet – Towards a resilient planet

Green and disruptive technologies

Green and innovative technologies have been a key focus for Semcon for many years. We support our customers in the development of renewable energy solutions including wind power, solar cells, green hydrogen, energy storage solutions, nuclear solutions, and much more. Another key expertise is electrification, and we support several international automotive manufacturers in their development of battery as well as fuel cell technology.

Through digitalisation projects in various sectors, we support our customers in streamlining processes and reducing emissions and resource consumption. We have vast expertise, and support our clients, within various Industry 4.0 technologies including IoT, AI, digital twins, automation, 3D printing/additive manufacturing, blockchain, AR/VR, etc.

Towards net-zero and circular value chains

Today, most companies have linear business models, and many companies still have a one-sided focus on climate change. EU regulations are now forcing many companies to consider other planetary challenges, including biodiversity loss, pollution, water scarcity, land use change, and the overconsumption of natural resources. As one root cause of the planetary crisis is the extraction and processing of resources and the production and use of products and services, the shift to a circular economy is now gaining increasing attention as a key solution, not only to limit resource consumption, but also to cut emissions and to halt the loss of biodiversity and pollution.

Corporate sustainability agendas are generally based on incremental change and optimising solutions, including initiatives such as energy efficiency, smart logistics, recycled resources and much more. Optimising solutions are necessary but often not sufficient for companies with

science-based targets or other 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 alternative business models, e.g. service-based, sharing-based or function-based business models, as a means to secure sustainable and resilient business models for the future. In a world with lack of clean energy, increasing risks linked to scarce resources and minerals, geopolitical risks in global supply chains and changing customer behaviors, such business models are also gaining increasing attention from a profitability perspective. Designed wisely, they can offer an opportunity to decouple increasing profits from emissions and resource consumption. At Semcon we can support our customers in their shift towards net-zero and circular value chains. Through climate calculations and lifecycle assessments, we support our customers in understanding their value chain and product-

related impacts. While we assist our customers with optimising solutions, such as energy efficiency, smart logistics, ecodesign, chemical management, sustainable materials, remote support and maintenance, remanufacturing, etc, we also support them in exploring transforming solutions, such as circular business models. Read more about our customer offering on pages 10-11 and our strategic business design process on page 38.

Digital technologies such as IoT, AI, digital twins and blockchain are key enablers in the shift to a net-zero and circular economy and Semcon participates in customer projects where digital solutions enable significant reductions of emissions and resource consumption. However, the footprint of the ICT industry is escalating, for example with respect to e-waste, energy and water consumption. Not only hardware, but also digital solutions must therefore be carefully designed to minimise the footprint, for example through green coding and sustainable service design. This is also covered by Semcon's offering.



PILLAR 3

SUSTAINABLE PROJECTS

Strategic Business Design

Through our strategic business design process, we explore alternative scenarios for sustainable solutions with the aim to decouple profit from emissions and resource consumption. Our focus is on human needs and behaviours, how they can be achieved within the limits of our planet and how we can use business models, digital technologies, and partnerships as enablers. Through a backcasting approach, we shift the focus from optimising to transforming solutions – i.e. where we need to be tomorrow and the best way to get there.



PILLAR 3

SUSTAINABLE PROJECTS

Data-driven recycling rooms eliminate unnecessary transports

By digitalising and automating pickup flows from properties' recycling rooms, unnecessary transports can be eliminated. Semcon has supported Office Recycling in the development of Wayoo, a new solution and standard for waste management in and around real estate. Wayoo makes it possible to go from scheduled retrieval logistics to a solution in

which recycling is picked up "just in time".

85 per cent of containers in recycling rooms are picked up at the wrong time. Half of the containers are picked up too early. Using a self-designed, user-friendly module system combined with sensors, the fill levels of the containers are measured in real time. The statistics are stored in

the Wayoo platform and, together, these components form the foundation that enables recycling services to be automated and performed at exactly the right time. The data on waste also creates valuable supporting data for sustainability reporting, optimisation of waste management strategies, and measurements of Scope 3 emissions.



Energy audits for furniture company Flokk

Semcon has carried out energy audits for the furniture company Flokk in line with the Act on Energy Audits in Large Companies. In the latest round, operations were audited in Sweden, Norway and Germany. Flokk is a manufacturer of high-quality office furniture with a high sustainability ambition that includes circular design.



Energy and climate mapping for RZ ZamPart

Semcon's team helped the Swedish workshop company RZ ZamPart perform a survey of the company's energy consumption and climate impact. The work led to new and important insights, solutions that save energy and a plan for how they can further increase energy efficiency and reduce climate impact. Via its subsidiary Goodpoint, Semcon has also produced the first sustainability report for RZ ZamParts and is supporting RZ ZamPart in meeting the new CSRD requirements.



PILLAR 3

SUSTAINABLE PROJECTS

Strategic automation partner for zinc production expansion

Semcon is assisting Boliden with the expansion of its zinc smelter in Odda, Norway. This expansion aims to increase zinc production by 75% while maintaining a minimal environmental footprint. Semcon is providing its expertise in process efficiency to assist with, among other things, process and transport automation for the project.

Sustainability consulting for Roxtec

Goodpoint has supported seal manufacturer Roxtec with consulting and training in chemicals and materials. Roxtec is a global actor that supplies complete sealing solutions for cable and pipe penetrations to a number of different sectors, including construction and railway infrastructure. Their products are used on land, at sea and underground. Goodpoint's role as advisor has been to ensure that Roxtec's various products can be released on the market and to work to make them part of a circular flow.



PILLAR 3

SUSTAINABLE PROJECTS

Principles – Enabling responsible business operations

Many companies are now preparing for the extensive non-financial reporting requirements of the CSRD. These rules will also indirectly affect smaller and mid-size companies as companies covered by the CSRD will push down corresponding requirements on their suppliers throughout their global supply chains. 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.

Within the Semcon Group we can support our customers in setting up a sustainable strategy and provide hands-on advice and support to ensure that commitments are put into action. We support our customers with double 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, GRI, and UNGPs¹⁾). We further assist with energy audits, climate calculations, science-based targets, lifecycle assessments, environmental product declarations, product-related compliance (e.g. REACH and ESPR¹⁾), and the set-up and implementation of management systems, responsible purchasing programmes, due diligence programmes, business ethics programmes and much more. See page 42 for some customer examples.

¹⁾ Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD), Ecodesign for Sustainable Products Regulations (ESPR), Global Reporting Initiative (GRI), UN Guiding Principles on Business and Human Rights (UNGP).



PILLAR 3

SUSTAINABLE PROJECTS



Interim sustainability manager for Hermansson & Co

Goodpoint acts as interim sustainability manager at Hermansson & Co, one of the Swedish market's leading wine and spirits importers. The role includes an overall responsibility for the sustainability work, including mapping, managing, and communicating the customer's sustainability aspects.

Sustainability manager within the fashion industry

Goodpoint has acted as interim sustainability manager for MQ Marqet since February 2023. The role entails providing ongoing support on sustainability matters, including:

- Developing a roadmap and related strategies to reach climate targets in line with the Paris Agreement
- Implementing routines for mapping and assessment of suppliers in the value chain
- Ensuring legal compliance (e.g. update of restricted substances list in line with REACH, PoPs, etc.)
- Preparations and planning for non-financial reporting under the CSRD/ESRS and upcoming legislation connected to the EU textile strategy, such as the Ecodesign for Sustainable Products Regulation.



PILLAR 3

SUSTAINABLE PROJECTS

Research, development and innovation

Semcon participates in various research projects with academia, institutes, authorities, and customers, providing us with the latest theoretical knowledge and valuable practical experience in future technologies and user needs. These research projects align with our focus areas, including green technologies, digitalisation, and sustainability. We leverage the expertise gained from our research projects in other projects, making our customers more competitive. With a structured innovation process and extensive experience, we possess the insights to drive successful innovations together with our customers. Our teams, comprised of the right expertise and people, enable us to collaboratively create tomorrow's sustainable solutions based on human needs.



How do we make sure AI makes the right decisions?

Jens Henriksson, PhD within Deep Learning Outlier Detection, has spent more than four years researching the verification of deep learning in safety-critical applications – an area as relevant for self-driving vehicles as for the use of AI in medicine. To harness the full potential of AI, we must make sure we understand how our AI systems act when faced with something they have not encountered before.

Jens's work has focused on image management, a process central to the core technology of self-driving cars and medicine. He has developed a method to help security engineers assign security requirements to deep learning models and evaluate how they behave when working with unfamiliar data. Jens's research is an important step towards using the full power of AI in several areas.

Harvesting value from big data and digitalisation

The twin transition, with digitalisation and decarbonisation as key drivers, requires cooperation, both between academia and business and across different companies. Semcon is leading the research project H-SEIF 2 (Harvesting value from Big data and Digitalization through a Human Systems-Engineering Innovation Framework). The aim is to help Norwegian companies structure and use big data in a way that provides a competitive advantage. H-SEIF 2 is financed by the Research Council of Norway.

"All partners depend on leading ways of working, and together we will develop new tools and methods. This is not least important in view of the major challenges we will face both locally and globally", says Professor Kristin Falk at University of South-Eastern Norway.

PILLAR 4

SUSTAINABLE SOCIETY

At Semcon we want to contribute to a better world. In addition to many customer assignments that have a positive societal impact we have a pro-bono programme where we support the important work of non-profit organisations. And we join forces with like-minded partners that share our vision of a better tomorrow.

CSR PROGRAMME AND OTHER SOCIETAL ACTIVITIES

At Semcon, we aspire to be actively involved and take responsibility in all markets where we conduct business operations. As part of our CSR programme, Semcon's employees can dedicate 1,000 hours each year to contribute knowledge and commitment to local CSR projects aligning with the UN Sustainable Development Goals. We aim to identify pro-bono projects for local non-profit organisations where our employees can offer their technical or other relevant expertise. Additionally, we actively participate in local initiatives with charity organisations. Every part of the organisation has its own CSR representative who is responsible for planning and organising the local activities.

During 2023, we performed several pro-bono projects, as well as local charity initiatives to support the communities where we operate.

CSR project to develop hydrogen vehicles

Semcon is collaborating with students at the Federal University of Itajubá in Brazil to develop "Formula 1" style hydrogen vehicles in order to participate in a competition designed to introduce students to the world of green



hydrogen. The Semcon team supported the university with technical knowledge to conceptualise and develop the vehicles' parts and components, controlling their parameters, voltage, current, temperature and hydrogen pressure, to extract optimal performance.



Supporting Fair Action to engage young people in their cause

Semcon is continuing its collaboration with Fair Action, a non-profit organisation that puts pressure on companies to improve working conditions and pay living wages in their global value chains. Through a CSR project, Semcon has supported with research to reach younger target groups and get young people involved in social and environmental sustainability matters. Semcon's expertise in the project consists of UX research, web design, target group analysis and tests.



Needs analysis to help Ung Cancer further their reach

Ung Cancer is an independent, non-profit organisation that supports young adults who are diagnosed with cancer or close to someone with the disease. When the organisation noticed challenges in reaching part of its target group, the help of Semcon was enlisted to conduct a needs analysis.

The project aimed to understand the needs of the target group of relatives and friends of cancer patients aged 16-30 and the research was mapped through a survey, interviews and focus groups. With these methods, the team gained an understanding of the target group's needs and how Ung Cancer can meet those needs.

PILLAR 4

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. Semcon has been a partner of the ERI since 2021 and we participate in various initiatives run by the ERI and its partners. Through its membership, Semcon is also part of the UN Race to Zero initiative and the We Mean Business Coalition. Semcon takes an active role in the ERI and supports projects where Semcon's expertise fits.

Digitaliseringskonsulterna

Semcon is a member of Digitaliseringskonsulterna, a Swedish organisation that supports politicians, the business community and the public sector in understanding the great potential of digitalisation and innovation in terms of achieving a rapid decarbonisation of our society. Digitaliseringskonsulterna has drafted a roadmap for how the digitalisation consultancy industry can contribute to making Sweden fossil-free by 2045. Semcon participates in some of Digitaliseringskonsulterna's initiatives together with other member companies.

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 corpo-

rate emission reduction targets are in line with the 1.5°C ambition of the Paris Agreement. Semcon's science based targets will be validated during 2024.

Cradlenet

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

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.

MATERIALITY ASSESSMENT & STAKEHOLDER DIALOGUE

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

Enterprise risk management process

Sustainability-related risks are included in Semcon's ordinary ERM process. Potential business 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 and safety, finance, assets, legal, quality, IT and sustainability). All identified actual and potential risks are subject to a materiality assessment where likelihood, consequence and risk level are assessed. A time perspective of each risk is set together with proposed mitigation activities. Risks that have the potential to have a material adverse effect on Semcon from a business, financial, reputational, legal, or technological perspective alone or in combination with other risks, are categorised as material risks. The ERM process is performed on a yearly basis. In addition to the general risk assessment we perform a more in-depth assessment of our sustainability-related risks and opportunities, as further detailed below. A specific assessment of our climate-related risks and opportunities has been made in line with the TCFD standard, see pages 63-64.

Materiality assessment

Our process to identify our material sustainability topics includes actions to: (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 initiated the process of performing a double materiality assessment where we assess Semcon's actual and potential negative and positive impact on the world (inward-out

perspective) as well as how the world affects Semcon from a financial and other perspectives (outward-in perspective). 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. Topics that are relevant for our business operations, based on the GRI list of topics, the CSRD, as well as additional company-specific topics that have been identified through the above macro analysis are used as the basis for the 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 as well as risks and opportunities linked to the identified topics. Negative impacts are assessed based on severity (with numeric indicators for scale, scope and irremediability) and positive impacts are assessed based on numeric indicators for scale and scope. For potential negative and positive impacts, we further assess the likelihood as well as the time horizon (short, medium or long term perspective). Risks and opportunities are assessed based on their financial and other impact (low, medium, high), likelihood (numeric indicator) and time horizon (short, medium, or long term perspective). Semcon's material impacts are specified on page 48 and addressed as further detailed on page 49-51. While Semcon is exposed to various sustainability-related risks, such risks also offer significant business opportunities for Semcon as further



detailed on page 52. In line with Semcon's decentralised approach, Semcon's sustainability-related opportunities are further assessed and realised in each division. Such sustainability-related opportunities are addressed within the Group Management Team and the Board as part of the Business Plan and Business Review process.

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 relating to our offices are considered manageable, Semcon has transition-related risks, where we need to adapt or strategise in line with various megatrends to meet our customers' future demands. Escalating global warming, overconsumption of natural resources, pollution, and accelerating biodiversity loss in combination with a disruptive technology landscape and geopolitical risks are likely to have significant impacts on our customers in a medium to long-term perspective. It is important for Semcon to keep up with this development and make necessary investments to remain relevant as a supplier.

MATERIALITY ASSESSMENT & STAKEHOLDER DIALOGUE

Stakeholder dialogue

We engage in regular dialogues with our shareholders, employees, customers, business partners and other stakeholders in our value chain 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 as well as risks and opportunities 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 46.

Stakeholders	Dialogue	Purpose
Board of Directors	<ul style="list-style-type: none"> • Board meetings • Business review meetings 	Identify and decide on: <ul style="list-style-type: none"> • material sustainability topics and targets • strategic direction • business plan
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 	Identify and address employees' expectations of Semcon, relating to: <ul style="list-style-type: none"> • Semcon's internal sustainability agenda and targets • working conditions • learning & development • health, safety, & wellbeing • diversity & inclusion • discrimination & harassment • customer offerings and projects
Customers	<ul style="list-style-type: none"> • Customer surveys • Customer projects and meetings • Customer events and workshops • Sales meetings • Customers' supplier assessments & dialogues 	Identify and address our customers' expectations and requirements of Semcon's: <ul style="list-style-type: none"> • internal sustainability agenda (i.e. in our own operations and value chain) • customer offerings (i.e. how we can support our customers' sustainability agenda)
Other business partners (e.g. NGOs, research institutions)	<ul style="list-style-type: none"> • Cooperation projects • Information & membership meetings • Seminars 	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 	Identify risks in the supply chain linked to human rights, climate and environment, and business ethics.



MATERIALITY ASSESSMENT & STAKEHOLDER DIALOGUE

Semcon's material topics

Based on the results of the materiality assessment, 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. This year we have added two new material topics – circular operations and responsible sales.

The shift to a circular economy is crucial to cut emissions, the overconsumption of virgin resources, biodiversity loss

and pollution. Further, to align with standards and upcoming legal requirements linked to due diligence, we need to ensure due diligence throughout our entire value chain, including our customer projects. 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 17-18. Semcon has targets and roadmaps to address its material topics, see pages 19 and 22-43.

Attractive & responsible employer

- Attractive employment
- Health, safety & wellbeing
- Diversity & inclusion
- Learning & development

Minimise footprint

- Reduce emissions
- Renewable energy
- Circular operations

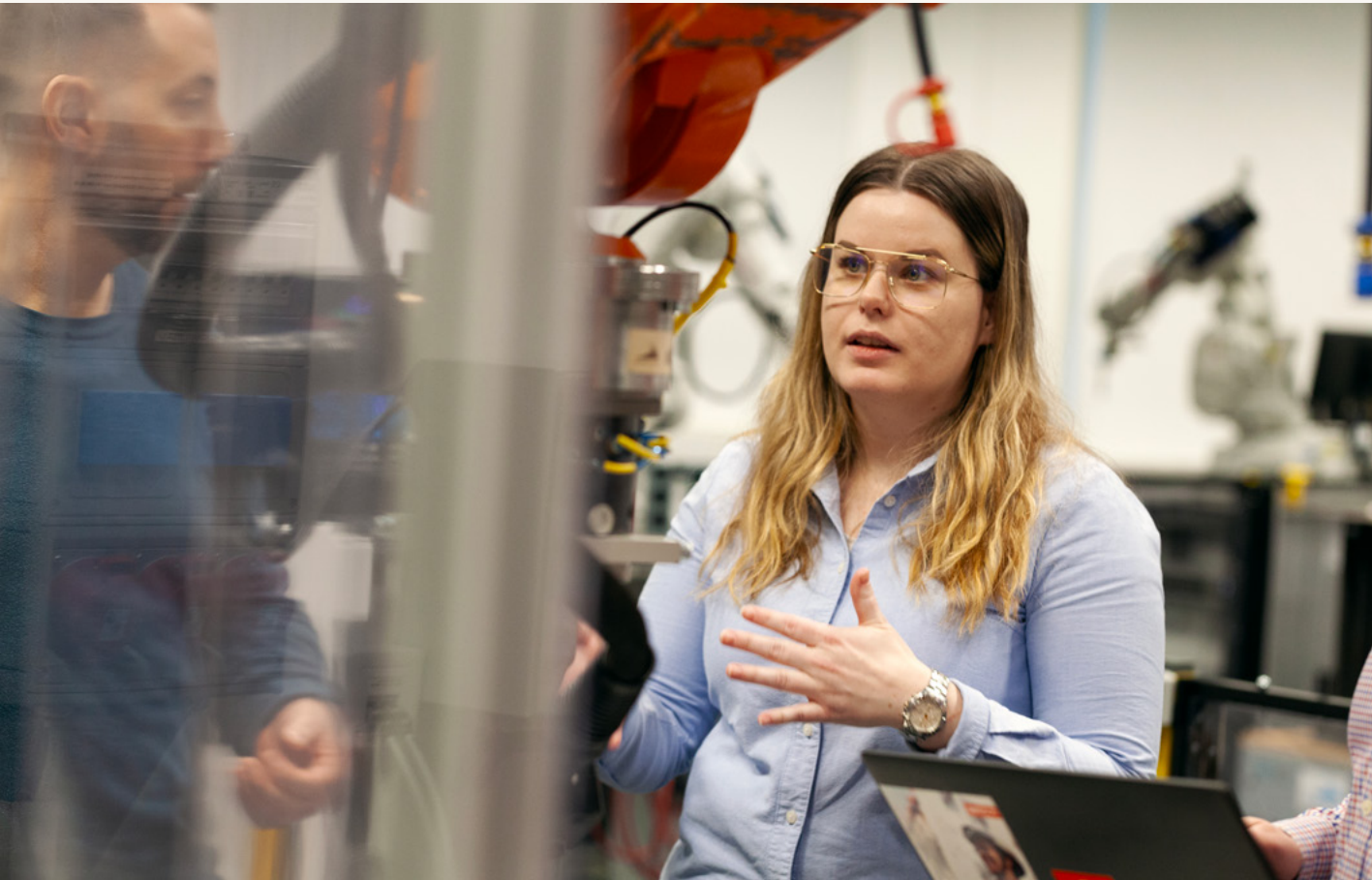
Maximise handprint

- Economic performance
- Sustainable services and solutions¹⁾

Ethical business conduct

- Anti-corruption & fair competition
- Privacy & IT security
- Responsible purchasing
- Responsible sales¹⁾

¹⁾ Company-specific



GOVERNANCE

To be a trusted partner to our customers and an attractive employer, we strive to integrate sustainability into our strategy and culture. It is important to have a credible governance structure to ensure that sustainability is addressed from the top and integrated into our processes, policies, internal audits and training activities and with well-defined responsibilities.

Governance structure

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, material topics, 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), the Human Resource function, the Legal Team, Finance, as well as the Country Managers and other functions, see page 50 for further details.

Semcon has an internal sustainability agenda, addressing material sustainability topics and targets linked to its own operations and value chain, see pages 22-33, and an external sustainability agenda addressing material sustainability topics linked to its customer offerings and projects, see pages 34-43. The CEO and Group management have the overall responsibility for Semcon's internal sustainability agenda and for ensuring that Semcon's sustainability targets are met. Furthermore, the CEO and Group management, including the Country Managers, are responsible for integrating relevant sustainability aspects into the division strategy and business plans. In line with our decentralised business model, it is the responsibility of each division 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

46, and assessed by the Audit Committee. A sustainability update is included in most Board meetings, as well as ad-hoc on a need basis. 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 regularly in business review meetings.



GOVERNANCE

Policies, processes and follow-up

Semcon's Code of Conduct was updated in early 2024. It applies for all companies within the Semcon Group and is adopted by the Board of Directors. The Code of Conduct is based on the UN Global Compact, as well as other international standards, and includes a policy commitment to respect human rights as well as due diligence requirements. It covers specific requirements and expectations of our employees concerning topics such as non-harassment, diversity & inclusion, non-discrimination, health & safety, learning & development, freedom of association and zero tolerance against child labour & modern slavery. It further includes standard business ethics requirements such as anti-corruption, fair competition, trade compliance, anti-money laundering, conflicts of interest, political activities, information security, data privacy, responsible use of assets and intellectual property rights, responsible use of AI and other technologies, transparent and responsible communication, financial and accurate records and evaluations of suppliers and customers. It also includes detailed requirements and expectations of our employees relating to how we

work together to minimise our climate and environmental footprint and to transition to circular business operations. 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 and subcontractors. 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 expressly encouraged to speak up and report any deviations or violations thereof through Semcon's internal reporting processes or, if no other option feels comfortable, through Semcon's whistleblower function which is publicly available on Semcon's website, see page 33 for further information. In addition to the Code of Conduct, we have a new Supplier Code of Conduct and a new AI Policy. On the next page, see a short description of the actions we take to manage our material topics.



Semcon Group Policies

- Code of Conduct¹⁾
- Climate & Environmental Policy
- Diversity & Inclusion Policy
- Health & Wellbeing Policy
- Privacy Policies
- Whistleblowing Policy
- Remote Work Policy
- Travel Policies
- Supplier Code of Conduct¹⁾
- Purchasing Policy
- Quality Policy
- IT Security Policy
- AI Policy¹⁾

¹⁾ Adopted in 2024.

GOVERNANCE

Material topics & targets	Impacts (outward perspective)	Policies	Governance, processes, training & follow up	Operational responsibility	Actions (pages)
<p>Maximise handprint</p> <ul style="list-style-type: none"> Economic performance Sustainable services and solutions <p>Ambition and status: page 19</p>	<p><u>Actual positive impact:</u> Semcon supports its customers: (i) in developing sustainable solutions (e.g. green technologies and medtech); (ii) in their transition to net-zero and circular value chains; and (iii) with other sustainability consulting services (e.g. non-financial reporting, due diligence, human rights, management systems, business ethics).</p>	<ul style="list-style-type: none"> Code of Conduct Climate & Environmental Policy 	<ul style="list-style-type: none"> Business plan process Business review meetings ERM process & materiality assessment Audit Committee (risk mapping) Sustainability e-learning 	Country Manager Finance	10-11, 34-45
<p>Attractive & responsible employer</p> <ul style="list-style-type: none"> Attractive employment Diversity & inclusion Learning & development Health, safety & wellbeing <p>Targets and status: page 19</p>	<p><u>Actual positive impacts:</u> Semcon employs a significant number of people. Our employees have the possibility to engage in continuous learning and development and many of our employees can participate in purposeful and important assignments.</p> <p><u>Potential negative impacts:</u> Potential safety risks for employees during customer assignments in factories or other high-risk customer environments. Risks for discrimination and harassment, ill health due to stress and poor work-life balance exist in all types of consultancy organisations.</p>	<ul style="list-style-type: none"> Code of Conduct Health & Wellbeing Policy Diversity & Inclusion Policy Whistleblowing Policy Remote Work Policy 	<ul style="list-style-type: none"> Compliance program ERM process & materiality assessment Audit Committee (risk mapping) Management system Internal audits Employee onboarding Employee engagement surveys Career & development dialogue Management and employee dialogues 	Country Manager Finance HR	22-27, 55-57
<p>Minimise footprint</p> <ul style="list-style-type: none"> Reduce emissions Renewable energy Circular operations <p>Targets and status: page 19</p>	<p><u>Actual negative impact:</u> 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 Remote Work Policy Travel policies 	<ul style="list-style-type: none"> ERM process & materiality assessment Audit Committee (risk mapping) Management system Energy mapping and climate calculations (Scope 1,2 and 3) ISO 14001 audit (HQ) 	Country Manager Finance Sustainability Purchasing	28-30, 57-59
<p>Ethical business conduct</p> <ul style="list-style-type: none"> Anti-corruption & fair competition Privacy & IT security Responsible purchasing Responsible sales <p>Targets and status: page 19</p>	<p><u>Potential negative impacts:</u> Risks for corruption, unfair practices and human rights violations in global supply chains as well as risks for privacy breaches and unauthorised disclosure of confidential information exist in all types of organisations.</p> <p>Potential risk that customer assignments may have a material negative impact on people/human rights and/or climate/environment.</p>	<ul style="list-style-type: none"> Code of Conduct Authorisation Policy Privacy Policies Whistleblowing Policy Supplier Code of Conduct Purchasing Policy IT Security Policy AI Policy 	<ul style="list-style-type: none"> Compliance program ERM process & materiality assessment Audit Committee (risk mapping) Management system Authorisation processes Internal and external audits Purchasing process Business ethics and GDPR training IT security programme 	Country Manager Finance Legal Purchasing Sustainability IT department	31-33, 55

GOVERNANCE

Sustainability related risks and opportunities (inward perspective)

Trend	Semcon risks	Semcon mitigations	Semcon opportunities	Pages
Geopolitical tensions & macroeconomic uncertainties High inflation, economic distress, risks for conflicts, competition over scarce resources and supply chain disruptions.	Inflation and an economic downturn impact the investment willingness of customers and the demand for consultancy services.	High focus on understanding our customers' current and future needs to ensure that we remain a trusted and long-term partner.	An increasing focus on scarce resources and nearshoring is likely to increase the focus on circularity as well as automation and on-demand production.	10-11, 14-16, 25, 34-43
AI & other disruptive technologies Rapid technological development, especially of AI, is having a disruptive effect on many sectors.	Failure to adapt to technological developments can cause a loss of customers and business opportunities. AI can replace certain competencies and reduce demand for consultancy services.	Extensive experience within AI and other disruptive technologies and a customer offering covering such technologies as well as recruitment and a continuous learning programme to attract and retain people with the right talents and experiences.	Support customers in the use of AI and other disruptive technologies to develop green and innovative technologies and as an enabler towards net-zero and circular value chains.	4, 10-11, 14-16, 23, 25, 34-43
Planetary crisis The planetary crisis, including global warming, biodiversity loss, pollution, water scarcity, land use change and resource scarcity, is having a disruptive effect on all sectors.	Failure to have a credible and ambitious sustainability agenda and a customer offering that integrates climate and environmental considerations, or failure to secure the relevant expertise and resources, can reduce our attractiveness as a supplier and employer.	Credible climate targets and several initiatives to reduce our negative environmental impact. A customer offering that integrates relevant sustainability aspects as well as recruitment and a continuous learning programme to secure the right expertise and resources.	Support customers in the development of green and innovative technologies. Support customers in all sectors in assessing their climate and environmental impact and in their transition to net-zero and circular value chains.	4, 10, 14-16, 23, 25, 28-30, 34-43
Towards a circular economy The extraction and processing of materials and the production and consumption of products in the linear economy is a root cause of the planetary crisis.	Failure to have an internal agenda and customer offering covering the circular economy, or the right expertise to support customers in their transition to circular value chains, can reduce our attractiveness as a supplier and employer.	A new strategic focus to shift towards more circular operations and value chain. A customer offering that integrates circularity as well as recruitment and a continuous learning programme to secure the right expertise and resources.	Support customers in their transition to circular value chains, including the shift to circular business models, circular design and other eco-design aspects and chemical management.	4, 10-11, 14-16, 23, 25, 33, 34-43
Extensive regulations & funding Extensive regulations on the EU level e.g. the EU AI Regulation, the Temporary Agency Work Directive, the CSRD/ESRS, EU Taxonomy, ESPR, CSDDD, etc.	Failure to understand compliance-related risks and opportunities and how they affect Semcon, and our customers, can cause a loss of customers and business opportunities.	Compliance programme to ensure alignment with applicable laws and regulations. Learning initiatives to ensure that managers and others understand how Semcon, and its customers, will be affected by upcoming EU regulations.	Support customers with regulatory compliance (e.g. CSRD/ESRS, EU Taxonomy, ESPR, CBAM and CSDDD). New regulations linked to hired consultants enable a shift to project-based services.	4, 10-11, 14-16, 23, 35, 41
Twin transition While digitalisation offers great opportunities to accelerate the transition to a sustainable society, it has an extensive negative environmental impact.	Failure to understand the positive and negative impacts of digitalisation in the shift to a net-zero and circular economy where human rights are respected and protected can cause a loss of customers and business opportunities.	Recruitment and a continuous learning programme covering digitalisation and sustainability. A strategic focus on the twin transition in customer projects covering the intersection between physical products, digital solutions, and sustainability.	Support customers in combining their digital and sustainability transformation agendas.	4, 10-11, 14-16, 25, 35, 34-43
Social & human rights War for talent as well as high risk for human rights violations in most companies' global value chains.	Difficulty to recruit employees with critical expertise. AI comes with new human rights-related risks and continued high risks for human rights violations in global supply chains of certain suppliers.	Credible sustainability agenda and the possibility to participate in purposeful projects as a tool to attract and keep talents. Updated responsible purchasing programme and increased focus on responsible sales.	Support customers with due diligence programmes and explore digital solutions to increase efficiency and credibility.	4, 10-11, 14-16, 25, 34, 35, 41

NOTES

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

ABOUT THE SUSTAINABILITY REPORTING

NOTE 0

General information and restatement of information

Semcon's sustainability report is published annually, and this report covers the period from 1 January 2023 to 31 December 2023. The Sustainability Report for 2023 was published on 2 May 2024. The preceding report covered the period 1 January 2022 to 31 December 2021, and it was published on 2 May 2023.

The sustainability reporting period is aligned with the financial reporting. All Semcon group companies, including acquired companies, are included in the reporting (see complete list of entities in note 2). The financial information included refers to consolidated Semcon Group figures and covers the same entities as the sustainability report. The Product Information business area was divested to Ratos in July 2023 and has been excluded from the Sustainability Report, including all its data (financial and non-financial information). Additional financial information is consolidated in Ratos AB (publ)'s Annual and Sustainability Report 2023.

Semcon's 2023 Sustainability Report meets the requirements of the Swedish Annual Accounts Act, see index on page 65, and has been prepared in accordance with the Global Reporting Initiative's Sustainability Reporting Standards (GRI 2021), see GRI index on pages 60-62. We further strive to align with the Task Force on Climate-Related Financial Disclosures (TCFD) standard, see TCFD index on page 63-64. A yearly communication on progress report is made 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 have confirmed 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.

COMPANY INFORMATION

NOTE 1

Reporting company and ownership

The legal name of the reporting company is Semcon AB, registered with the Swedish Companies Registration Office under the co.id. no. 556539-9549. The company is headquartered in Gothenburg, Sweden at Lindholmsallén 2. Semcon operates as a wholly owned subsidiary of Ratos Ind. AB with the ultimate company, being Ratos AB (publ).

NOTE 2

List of entities

List of entities ¹⁾	Corporate identification number	Country	Share of votes & capital
1	Goodpoint AB	Sweden	100 %
2	Semcon Brasil - Servicos E Engenharia Ltda	Brazil	100 %
3	Semcon Förvaltnings AB	Sweden	100 %
4	Semcon International AB	Sweden	100 %
5	Semcon Norway AS	Norway	100 %
6	Semcon Sweden AB	Sweden	100 %
7	Squeed AB	Sweden	100 %
8	Squeed Stockholm AB	Sweden	100 %
9	Squeed Göteborg AB	Sweden	100 %
10	Tedsys AB	Sweden	100 %

¹⁾ Legal structure as of 31st December 2023.

NOTE 3

Value chain

Semcon have operations in Sweden (18 offices), Norway (2 offices) and Brazil (4 offices). Our upstream value chain mainly consists of subcontractors and suppliers of goods and services and their respective supply chain. Our main suppliers are landlords, suppliers of IT equipment, IT services, furniture, offices supply and service providers of travel related services and hotel accommodations. We use subcontractors to get access to additional expertise and resources, mainly in Sweden. Our downstream value chain consists of our customers, our customers' customers and finally their end users. Our consultants work at Semcon's offices, remotely, on-site at the customers' offices, factories or other facilities. The main part of our customers are in the energy, automotive, life science, defence, industry, public, retail, and finance sectors. Our services are described on pages 10-11. Except from the fact that the Product Information business area was spun off to its own company Aleido during 2023, there are no significant changes in our value chain.

GOVERNANCE, STRATEGY, POLICIES ETC.

NOTE 4

Composition, nomination and selection of the highest governance body, conflicts of interest

When appointing the Board of Directors, Ratos considered the candidates' qualifications and ensured that the combined expertise and experience of the Board align with the needs of Semcon, including experience of sustainability matters. 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. The nomination process further includes diversity and independence considerations. That some Board members are also on the boards of other Ratos group companies is considered a strength, and it 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 5

Evaluation of performance of the highest governance body

In the Ratos Group, Boards of subsidiaries are evaluated on a yearly basis and the evaluation includes sustainability governance matters. The evaluation is internal. No actions were taken as a result of the Board evaluation in 2023.

NOTE 6

Policy commitments, implementation and training

Semcon's relevant policies are listed on page 50. Further details on the Code of Conduct and related policies are provided on page 50 and further explained on pages 22-27 and 55 (employees, social and human rights), pages 28-30 (climate and environment) and pages 31-33 (business ethics). The Code of Conduct, the Climate & Environmental Policy, the Whistleblowing Policy, some Privacy Policies and the Supplier Code of Conduct are publicly available on www.semcon.com and all other policies are available on Semcon's intranet. The Code of Conduct, and revisions thereof, shall be approved by the Board of Directors, while all other Group policies are approved by the General Management team. 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. Training on new or existing policies are provided on a need basis, see page 30-33 for further details. Questions relating to the Code of Conduct and other policies can be addressed to relevant Group functions as specified in such policies and concerns can be reported through our ordinary reporting channels or our whistleblower process as further detailed on page 33.

NOTE 7

Communication of critical concerns

Critical concerns that are reported through Semcon's whistleblower function (page 33), or through any other channels, are reported to the Chair of the Board and 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 2023.

NOTE 8

Remuneration**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 are decided by Ratos. Semcon's Board of Directors are listed on page 66.

CEO and other senior executives¹

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 6 months. The period of notice for other senior executives is between 6-12 months. If notice is given by Semcon, 6 months of severance payment may be paid after the termination period according to which remuneration from other employment should be deducted.

A bonus may be paid to the CEO and other senior executives in accordance with the rules established by Ratos' Compensation Committee based on how well they meet their defined bonus targets. The bonus has been set at a maximum of 9 times the fixed monthly salary for the CEO and the upper limit for the bonus to other senior executives is 3-9 times their fixed monthly salary. The variable cash remuneration is linked to pre-determined and measurable criteria. They may consist of individualised quantitative or qualitative goals, for example criteria linked to operating result, cash flow, return on capital employed or sustainability targets. The criteria shall be designed to contribute to the Group's business strategy and long-term interests, including its sustainability performance, by for example being clearly linked to the business strategy or promotes the executive's long-term development. Ratos' Compensation Committee has the right to deviate from the guidelines if there is just cause to do so in special circumstances. The CEO is entitled to a retirement benefit in the form of a pension scheme and the monthly premium for this pension scheme is 35 per cent of the monthly salary. All pension schemes of other senior executives are defined contribution plans. Other benefits for the CEO and senior executives includes company cars and private healthcare schemes.

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 2023, the annual total compensation of the CEO was reduced by 13% while the average cost per employee

increased by 7%. This gives a change if the annual total compensation ratio of -1.9.

	2023	2022	2021
Average full-time employees	1,287	1,292	1,217
Average cost per employee, SEK k	538	503	487
Total cost of CEO, MSEK	7.2	8.3	8.9
Ratio of CEO to average employee	13.4	16.6	18.3

¹⁾ "Other senior executives" refers to the other members of Group Management, see page 67.

SUSTAINABLE SERVICES AND SOLUTIONS

NOTE 9

Economic value creation

Economic value creation¹			
	2023	2022	2021
Economic value generated			
Revenues and other operating income	1 720	1 982	1 718
Economic value distributed			
Operating costs, incl. depreciation/amortisation	-432	-506	-403
Employee wages and benefits	-1 142	-1 309	-1 137
Distributions to shareholders	-469	-70	-52
Interest on loans	-4	-5	-6
Income tax and employer's contributions	-19	-37	-39
Interest on pensions	-	-	-
Value of societal investment ²	-1	-1	-1
Total economic value distributed	-2 067	-1 927	-1 638
Economic value retained	-346	55	80

¹⁾ The Product Information business area (PI) was divested to Ratos in July 2023. The data reported in the table above include PI transactions up to and including June 2023.

²⁾ Group-wide sponsorship and contributions.

NOTE 10

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 2023). At Semcon we support our customers in numerous projects where the customers' activities are covered by the EU Taxonomy e.g. within the Energy sector (wind power, green hydrogen and nuclear), the Manufacturing Sector (electrified transport solutions), the Information and Communication Sector (e.g. GHG emission reductions through digitalisation) and Professional, Scientific and Technical Activities (e.g. green hydrogen), 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 of the EU Taxonomy. We have made a restrictive interpretation of the EU Taxonomy and concluded that, while a significant part of our activities is indirectly covered by the EU Taxonomy through our customer projects, only a limited part of Semcon's activities are directly covered by the EU Taxonomy, such as energy audits. As the professional services sector is an important sector for the development of green and sustainable technologies as well as solutions for the transition to a circular economy, we expect that professional services will be covered to a larger extent further on.

¹ [EU Taxonomy Commission Notice 2023](#)

HUMAN RIGHTS

NOTE 11

Human rights in our value chain

Semcon has initiated the journey to have a human rights programme that is aligned with local legislations in the countries where we operate, the UN Guiding Principles on Business and Human Rights (UNGPs) as well as the requirements in the upcoming Corporate Sustainability Due Diligence Directive (CSDDD) at the EU level. We strive to improve our human right works, including regular risk assessment, improved due diligence practices, follow-ups and increased transparency. Through our human rights work we aim to identify, prevent, mitigate and remedy potential or actual adverse human rights impacts in our value chain.

Semcon's Code of Conduct sets out that Semcon respects internationally proclaimed human rights and that we are committed to take the necessary precautions to ensure that we are not complicit

in 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 for modern slavery and child labour, freedom of association, fair working conditions, and health, safety and wellbeing. Semcon has performed a basic risk assessment, including a desktop assessment of country-specific and sector-specific human rights risks, in our own operations and value chain. The identified risks in our own operations relate mainly to potential negative impacts relating to discrimination based on gender, ethnicity, nationality, religion, and sexual preference as well as potential health and safety risk for employees that work in customer factories, workshops or other assignments that could involve risks for personal injury. In our supply chain we have identified country and sector-specific risks linked to the supply chain of cars, laptops, smartphones and other IT equipment e.g. risks for child labour and modern slavery linked to conflict minerals, rare earth minerals and mica as well as poor working conditions and labour rights in the global supply chains of our suppliers. As regards our customer projects, we have identified potential human rights related risks linked to customer projects in certain sectors, including the defence sector.

Our identified human rights-related risks linked to our employees are handled and followed-up as part of our employee programme (see pages 22-27 and 51 as well as notes 13-19 below), human rights risks in our supply chain are assessed, handled and followed-up through our responsible purchasing programme (see page 33) and human rights risks linked to our customers assignment and projects are assessed and handled through our responsible sales process (see page 33). Alleged human rights violations can be reported via Semcon's internal reporting structure as well as our through our whistleblower function, see page 33.

NOTE 12

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.

EMPLOYEES

NOTE 13

Key figures

Key figures			
	2023	2022	2021
Number of full-time employees at year-end	1,312	1,333	1,235
Average number of employees	1,287	1,292	1,217
Average age	39	38	39
New hires	368	480	532
Employee turnover, (%) ¹	29	29	31
Employee Net Promoter Score	+53	+53	+44
Sick leave (%)	2.5	2.7	2.4
Subcontractors (corresponding to number of FTEs per year end)	142	176	142

¹ Employee turnover in Brasil was impacted by the loss of a customer contract in 2022, which was regained in 2023. The voluntary turnover decreased during the period.

NOTE 14

Age and gender distribution

Age distribution						
Distribution in %	2023			2022		
	Age <30	30-50	>50	Age <30	30-50	>50
All employees	27	53	20	28	54	18
All managers	1	64	35	-	62	38
Group Management	-	57	43	-	60	40
Board of Directors	-	40	60	-	40	60
Consultants	29	53	18	31	53	16
Other employees	7	46	47	9	61	30

Gender distribution						
Distribution in %	2023		2022		2021	
	Women	Men	Women	Men	Women	Men
All employees	28	72	26	74	26	74
All managers	34	66	29	71	32	68
Group Management	43	57	20	80	20	80
Board of Directors	20	80	20	80	40	60
Consultants	26	74	23	77	22	78
Other employees	75	25	66	34	71	29

NOTE 15

Employment

Average employment time			
In %	2023	2022	2021
< 1 year	33	20	28
1-3 years	33	38	25
> 3 years	34	42	47

Employees by type of employment, gender and market						
Number	Permanent		Fixed-term		Other forms of employment	
	Women	Men	Women	Men	Women	Men
Sweden	257	543	2	2	-	-
Brazil	95	308	2	17	-	-
Norway	16	69	-	1	-	-
Total	368	920	4	20	-	-

Employees by employment form and gender							
Number	Full time		Part time		Total		
	Women	Men	Women	Men	Women	Men	Total
Sweden	253	537	6	8	259	545	804
Brazil	97	325	0	0	97	325	422
Norway	16	67	0	3	16	70	86
Total	366	929	6	11	372	940	1,312

NOTE 16

New hires and employee turnover

New hires												
	2023						2022					
	Women		Men		Total		Women		Men		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Sweden	76	38.9	120	61.1	196	53.3	105	37.3	177	62.7	282	58.8
Brazil	51	34.2	98	65.8	149	40.5	43	23.4	141	76.6	184	38.3
Norway	5	21.7	18	78.3	23	6.2	4	28.6	10	71.4	14	2.9
Total	132	35.9	236	64.1	368	100.0	152	31.7	328	68.3	480	100.0
Age < 30	59	44.6	82	34.9	141	38.4	61	40.0	109	33.2	170	35.4
Age 30-50	58	43.8	125	52.9	183	49.7	79	52.1	179	54.6	258	53.8
Age > 50	15	11.6	29	12.2	44	12.0	12	7.9	40	12.2	52	10.8

Employee turnover												
	2023						2022					
	Women		Men		Total		Women		Men		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Sweden	72	28.1	147	26.3	219	26.9	69	27.7	163	28.7	232	28.4
Brazil	41	46.3	109	32.6	150	35.5	36	43.4	94	30.0	130	32.8
Norway	6	35.3	14	21.1	20	23.9	2	12.1	13	19.4	15	18.0
Total	119	32.9	270	28.2	389	29.4	107	30.7	270	28.5	377	29.1
Age < 30	44	36.9	62	22.9	106	27.2	36	33.7	53	19.6	89	23.6
Age 30-50	59	49.4	163	60.4	222	57.1	59	55.1	177	65.6	236	62.6
Age > 50	16	13.7	45	16.6	61	15.8	12	11.2	40	14.8	52	13.8

NOTE 17

Freedom of association and collective bargaining

In line with our Code of Conduct, Semcon's employees have the right to join (or not to join) a labour union. 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. In 2023, 94 percent of our employees were covered by collective agreement. For employees who are not covered by collective bargaining agreements, terms and conditions are regulated by law, or separate local agreements.

NOTE 18

Training and education

As a consultancy organisation, continuous learning is 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 25 and 35 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 19

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 2023. We hold educations to address potential negative impacts, such as e.g. trainings for personal safety (on a need basis), digital trainings to avoid negative impacts from working at home, as further detailed on page 27.

EMISSIONS AND ENERGY

NOTE 20

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 as it 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					
	2023	2022	2021	2020	2019
Scope 1					
Emissions, own vehicle fleet	33	38	45	65	86
Total Scope 1	33	38	45	65	86
Scope 2					
Emissions, energy consumption – location-based method	55	51	72	73	104
Emissions, energy consumption – market-based method	72	181	270	276	318
Total Scope 2 (market-based method)	72	181	270	276	318
Scope 3					
3.1 Purchased goods and services	384	426	319	440	644
3.2 Capital goods	117	171	97	49	73
3.3 Fuel and energy-related activities	21	22	30	28	38
3.5 Waste	8	7	7	14	27
3.6 Business travel	346	367	228	356	942
3.7 Employees' travel to and from work	1,312	1,264	830	683	1,638
Total Scope 3	2,188	2,257	1,511	1,570	3,362
Total emissions, Scopes 1, 2 and 3	2,293	2,476	1,826	1,911	3,766
Intensity of GHG emissions, GHG emissions in relation to net sales (tCO ₂ e/SEK millions)	1.72	1.91	1.69	1.88	2.92
Intensity of GHG emissions, GHG emissions in relation to number of employees	1.75	1.86	1.31	1.59	2.58

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

The climate calculations encompass all companies within the Semcon Group, including acquired companies (see list in note 2). In 2021 and 2022, three companies were acquired by Semcon. To estimate their emissions, we have considered the number of employees during the years 2019 to 2021, along with Semcon's emissions during the corresponding period. Including the acquired companies aligns with the GHG Protocol standard, ensuring comparability with the base year (2019) for the upcoming years. During 2023, Semcon UK was divested, resulting in its exclusion from the emission calculations. Climate calculations include CH₄ and N₂O from bioethanol. However no biogenic CO₂ is included.

Changes of boundaries

As the former Product Information business area was divested to Ratos in July 2023, recalculations of data for all years (2019-2023) have been made to accurately represent Semcon's emissions.

Additionally, during 2023, our climate data have undergone internal revisions. Consequently, emissions for subcontractors (3.1) have been included, calculated based on average emission per employee and adjusted for non-applicable subcategories, spanning from 2019 to 2023. Furthermore, flights associated with business travel on specific request of our customers in connection with customer assignments, where the consultant works at the customer site and under the direction of the customer, have been excluded from category 3.6, as such travel is considered part of our customers' emission calculations. Going forward, all business travel modes will be handled within the same boundaries.

Principles and basis for calculation

The emission calculations have been conducted in accordance with the GHG Protocol, utilising an operational control approach. Recalculations and methodological choices have undergone evaluation by internal experts specialising in climate calculations, as well as by our subsidiary Goodpoint. On an annual basis, we utilise the most updated emission factors available, sourced

from reputable references such as DEFRA, IEA statistics, and Ecoinvent.

Changes from previous years calculations

Semcon has formed a recalculation policy based on the guidelines of the GHG Protocol standard. The emission data for Semcon's divested Product Information business area has been excluded for 2019-2023. The calculations of category 3.1 for 2019-2022 calculations have been reviewed and updated during 2023 to include purchased material for our workshop in Norway.

Material updates of emission factors

New emission factors for upstream emissions for purchased electricity including transmission and distribution losses (3.3) have been used for enhanced representation for each country (DEFRA). This adjustment has significantly reduced our reported emissions for the years 2019 to 2022. Furthermore, emission factors used in scope 2 and 3 for district heating, used in market-based and location-based calculation methods, have been updated with supplier specific emission data for the majority of Semcon's offices in Sweden.

Comments to categories

The emissions have decreased by 39% since the base year and by 7% since last year. These positive changes are attributed to several factors, see pages 29-30.

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

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

Scope 2: *Indirect emissions related to consumed electricity, district heating and cooling.*

The calculation pertains to Semcon's leased premises and has been based on actual consumption for most of our offices. This data is derived from information provided by Semcon's landlords and energy invoices. For smaller premises, data has been estimated based on area and the energy consumption observed in the aforementioned offices. The emissions include electric-

ity used for charging leased electric and hybrid cars, including 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 subcontractor services, smartphones, office supplies, cloud services and purchased material. 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 Sweden and Semcon Norway. Upstream emissions from cloud services have been provided by the supplier.

3.2 Capital goods. Includes IT equipment such as computers, screens, and servers and have been calculated based on number of purchased units. Specific emission data from suppliers has been extensively utilised. This category also includes purchases of furniture.

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

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

3.5 Waste from operations. As a consulting organization, waste constitutes a minimal portion of our emissions. The amounts have been extrapolated based on data from Semcon's head office. However, specific data regarding electronic waste in Brazil and Norway has been collected as well as waste from workshop in Norway.

3.6 Business travel. Refers to flights, trains, hotel nights, travels with taxi, private cars, chartered buses and public transportation. The category has been calculated based on emission data received from the booking company and data on travelled distances or spend data. Flights

made by our consultants upon specific requests from customers in connection with customer assignments where the consultant works at the customer site and under the direction of the customer have been excluded from our emissions. Such business travels are considered covered by the customer's emissions data. Emissions from rental cars are excluded as sufficient data is currently not available.

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 2023 had a similar setup as 2022 but the response rate was significantly higher.

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. Category excluded due to negligible volumes (if any).

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 down-stream leased premises are fully included in scope 2.

3.14 Franchises. Not applicable.

3.15 Investments. Not applicable.

NOTE 21

Energy consumption

Energy consumption, Scope 2 (MWh)					
	2023	2022	2021	2020	2019
Total energy consumption ¹	2,356	2,487	3,002	2,921	3,357
Of which, non-renewable fuels ²	142	159	142	206	294
Of which, renewable fuels ³	14	14	10	13	19
Of which, electricity	1,487	1,604	2,056	2,004	2,214
Of which, heating	432	510	588	475	571
Of which, cooling	281	200	206	223	259
Energy intensity, energy consumption in relation to net sales (MWh/SEK millions)	1.8	1.9	2.8	2.9	2.6
¹ Total energy consumption corresponds to, MJ	8,481,469	8,952,899	10,808,387	10,514,470	12,086,637
² Of which non-renewable fuels corresponds to, MJ	510,003	573,577	510,077	741,674	1,058,860
³ Of which renewable fuels corresponds to, MJ	49,235	51,079	34,994	47,686	68,755

NOTE 22

Other climate-related information

Other climate-related information					
	2023	2022	2021	2020	2019
Company cars ¹	49 g/km	95 g/km	101 g/km	117 g/km	113 g/km

¹ Pertains to Sweden. Average emissions per car based on WLTP calculations.

GRI CONTENT INDEX 2023

Semcon has reported in accordance with the GRI standard for the period from 1 January 2023 to 31 December 2023. 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, 53	
	2-2 Entities included in the organization's sustainability reporting	53	
	2-3 Reporting period, frequency and contact point	53	
	2-4 Restatements of information	5, 53, 58	
	2-5 External assurance	53	
	2-6 Activities, value chain and other business relationships	4-6, 10-11, 43, 45, 53	
	2-7 Employees	23, 26, 55-56	
	2-8 Workers who are not employees	22, 55	
	2-9 Governance structure and composition	49-51, 53, 66	
	2-10 Nomination and selection of the highest governance body	53, 66	
	2-11 Chair of the highest governance body	66	
	2-12 Role of the highest governance body in overseeing the management of impacts	46-51, 53	
	2-13 Delegation of responsibility for managing impacts	49-51	
	2-14 Role of the highest governance body in sustainability reporting	46-48, 53	
	2-15 Conflicts of interest	53, 66	
	2-16 Communication of critical concerns	54	
	2-17 Collective knowledge of the highest governance body	35, 53	
	2-18 Evaluation of the performance of the highest governance body	54	
	2-19 Remuneration policies	54	
	2-20 Process to determine remuneration	54	
	2-21 Annual total compensation ratio	54	
	2-22 Statement on sustainable development strategy	7-8	
	2-23 Policy commitments	50-51, 54, 55	
	2-24 Embedding policy commitments	22-33, 50-51, 54-59	
	2-25 Processes to remediate negative impacts	33, 54	
	2-26 Mechanisms for seeking advice and raising concerns	33	
	2-27 Compliance with laws and regulations	-	No significant non-compliance with laws and regulations has been reported during 2023.
	2-28 Membership associations	45	
	2-29 Approach to stakeholder engagement	46-47	
	2-30 Collective bargaining agreements	57	

GRI CONTENT INDEX 2023

GRI standard	Disclosure	Page	Omission/Comment
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	46-47	
	3-2 List of material topics	19, 48	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 33-44, 46-52, 63-64	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	5, 54	
	201-2 Financial implications and other risks and opportunities due to climate change	34-44, 52, 55, 64	Incomplete data (see page 64).
Sustainable services & solutions			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-21, 34-44, 47, 50-52	
Company specific: Sustainable services and solutions	Increase number of projects that contributes to the SDGs	19, 21, 34-44	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 31-33, 47, 50-52	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks relating to corruption	32	
	205-3 Confirmed incidents of corruption and actions taken	19, 31-32	
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topic	18, 31-32, 47, 50-51	
GRI 206: Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	No legal actions initiated in 2023.
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 28-30, 47, 50-52	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	29-30, 59	
	302-2 Energy intensity	59	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 28-30, 47, 50-52, 57-58	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	29, 57-58	
	305-2 Energy indirect (Scope 2) GHG emissions	29, 57-58	
	305-3 Other indirect (Scope 3) GHG emissions	29, 57-58	
	305-4 GHG emissions intensity	57	
	305-5 Reduction of GHG emissions	28-29, 57-58	
Circular operations			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 30, 46-52	
Company specific: Circular operations	Circular business operations	30	

GRI CONTENT INDEX 2023

GRI standard	Disclosure	Page	Omission/Comment
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topic	18, 33, 47, 50-52	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	33	Incomplete data (see page 33).
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 23, 47, 50-51	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	23, 55-56	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 27, 47, 50-51, 57	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	27, 57	
	403-10 Work-related ill-health	27, 55	Incomplete data (we only report on sick leave).
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 25, 47, 50-51	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	25, 35, 57	Incomplete data (see page 57).
	404-2 Programs for upgrading employee skills and transition assistance programs	25, 35, 57	
	404-3 Percentage of employees receiving regular performance and career development reviews	25	Incomplete data.
Diversity and equal opportunities			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 26, 47, 50-51, 55	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	19, 22, 26, 56	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 26, 47, 50-51, 55	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	19, 22, 26	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topic	18, 47, 50-51	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	33	Incomplete data (see page 33).
Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topic	18, 32-33, 47, 50-51	
GRI 418: Customer Health and Safety (2016)	418-1 Substantiated claims concerning breach of privacy or loss of data	32-33	No claims during 2022.
Responsible sales			
GRI 3: Material Topics 2021	3-3 Management of material topic	18-19, 30, 46-52	
Company specific: Responsible sales	Assessment of customers in high-risk sectors	33	

TCFD INDEX

At Semcon, we strive to align our non-financial report with the TCFD standard. Our climate related risks and opportunities are covered by our double materiality assessment, see pages 46-52, and our overall sustainability agenda, see pages 17-19. 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	46-49, 51
	Management's role in assessing and managing climate-related risks and opportunities	46-49, 51
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	52, 64
	Impact of climate-related risks and opportunities on the organisation's operations, strategy, and financial planning	28-30, 33, 34-44, 46-52
	The resilience of the organisation's strategy, taking into consideration different climate-related scenarios	46
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	46-52
	The organisation's processes for managing climate-related risks and opportunities	28-30, 34-44, 49-51
	Processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	46
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	18-19, 28-30, 51
	Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks	29, 57-58
	The targets used by the organisation to manage climate-related risks and opportunities and performance against these targets	18-19, 28-29, 57-58

TCFD INDEX

Climate-related risks and opportunities

Below is a more detailed overview of Semcon's main climate-related risks and opportunities (inward impact). As part of its impact assessment, Semcon assess the financial impact, of these topics as being low, medium or high. While the financial impacts linked to transition risks are difficult to assess and requires further evaluation, the physical risks are considered as low and the opportunities linked to transition risks as well as physical risks are considered as high.

Risk categories	Risks	Time S/M/L ¹	Mitigations	Opportunities	Actions (pages)
Transition risks					
Technological The technological and digital landscape is disruptive and highly interconnected with the necessary transition to a net-zero and circular economy.	Failure to adapt to technological and sustainability-related trends or to integrate sustainability into strategy and culture can reduce our attractiveness as a supplier and employer.	S	Integrated sustainability offering combining Semcon's and Goodpoint's expertise in the intersection between engineering, digital and sustainability services. High focus on attractive employment, an extensive and continuous learning program, and an ambitious sustainability agenda and purposeful projects as a tool to attract and retain talents.	Support customers in their development of green technologies and their transition towards net-zero and circular valuechains.	4, 10-11, 17-45
Market Disruptive market. Companies are affected by several interconnected risks including the development within AI and other disruptive technologies, geopolitical challenges, inflation, shortage of clean energy, scarce resources, war of talents etc.	Failure to adapt our offering to new market conditions and secure the right expertise and competencies can reduce our attractiveness as a supplier and employer.	S	Integrated sustainability offering combining Semcon's and Goodpoint's expertise in the intersection between engineering, digital and sustainability services. High focus on attractive employment conditions, an extensive and continuous learning program, an ambitious sustainability agenda and purposeful projects as a tool to attract and retain talents.	Support customers in their development of green technologies and their transition towards net-zero and circular value chains.	4, 10-11, 17-45
Legal A quickly increasing regulatory landscape specifically on the EU level pose a high regulatory burden on companies.	Failure to understand Semcon's as well as our customers compliance related risks linked to non-financial reporting, due diligence, product related compliance, marketing etc can lead to fines or reduce our attractiveness as a supplier.	M	Prepare for upcoming legislation such as CSRD/ESRS, EU Taxonomy, CSDDD, ESPR and other relevant legislations, e.g. through education and networks. Basic training for Semcon's Group Management Team, managers and employees to ensure that we understand our customers' regulatory risks.	Support customers with sustainability-related compliance e.g. CSRD, EU Taxonomy, CSDDD, ESPR, etc.	4, 10-11, 35, 41-42
Reputational Failure to meet climate targets can have a negative reputational effect.	Failure to cut emissions in line with set targets or to deliver on our sustainability agenda can have a negative reputational impact and reduce our attractiveness as a supplier and employer.	M	Climate targets to be validated by the Science Based Target initiative in 2024 (delayed due to the spin-off of Semcon's Product Information business area in 2023, which required a recalculation of Semcon's emission data). Initiatives to reduce Semcon's climate and environmental footprint in line with set targets.	An ambitious internal and external climate agenda increases our credibility as a supplier and employer.	28-30
Physical risks					
Acute risks 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	No specific action due to limited risks for Semcon.	Support customers in their development of green technologies (for climate mitigation as well as climate adaptation) as well as in their transition to circular and net-zero value chains.	4, 10-11, 34-43
Chronic risks Global warming causes long-term shifts in climate patterns.	No specific risk identified that is not already covered by acute risks.	N/A	No specific action.	Same as above.	4, 10-11, 34-43

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

SUSTAINABILITY REPORT INDEX

Semcon has prepared a sustainability report for Semcon AB and its subsidiaries for the period 1 January 2023 to 31 December 2023 as set out on page 53. Semcon has prepared 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	4, 6, 10-12, 17-21
Environment	• Policies	50, 54
	• Risks and risk management regarding environmental issues	28-30, 33, 46-52, 57-59, 63-64
	• Targets and results related to environmental issues	19, 28-30, 57-59
Social conditions & employees	• Policies	50, 54
	• Risks and risk management regarding social issues	22-27, 46-52, 55-57
	• Targets and results related to social issues	19, 22-27
Human rights	• Policies	50, 54
	• Risks and risk management regarding human rights	26-27, 33, 41-42, 44, 46-52, 55-57
	• Targets and results related to human rights	19, 26-27
Anti-corruption	• Policies	50, 54
	• Risks and risk management regarding anti-corruption	31-32, 46-51
	• Targets and results related to anti-corruption	19, 31-32

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 experience: 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 experience: 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
Professional experience: CTO Traton 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 experience: 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



Wilhelm Montgomery

Board member
Board member since: 2024
Born: 1994
Nationality: Swedish
Qualifications: B.Sc. Foreign Service, MBA INSEAD.
Professional experience: Employed at Ratos since 2021, Director of Strategy & Operations since 2024. Previous positions with L.E.K. Consulting
Other board assignments: Aleido, Presis Infra



Maria Svedinger Andersson

Employee representative
Employee representative since: 2020
Employed since: 2017
Born: 1967
Nationality: Swedish
Qualifications: M.Sc. in Chemical Engineering



Henrik Fernfors

Employee representative
Employee representative since: 2023
Employed since: 2002
Born: 1974
Nationality: Swedish
Qualifications: B.Sc. in Mechanical Engineering

GROUP MANAGEMENT



Markus Granlund

President and CEO

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 the Nomination Committee for the Swedish Exhibition & Congress Centre Gothia Towers



Björn Strömberg

CFO

Employed since: 2007

Born: 1960

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



Ann-Louise Berndtzen

General Counsel

Employed since: 2018

Born: 1982

Qualifications: Bachelor of Law, School of Business, Economics and Law, University of Gothenburg



Johanna Stenfeldt

Country Manager Sweden West

Employed since: 2012

Born: 1978

Qualifications: Master of Science in Industrial Design Engineering, Chalmers University of Technology. Business Executive Leadership Programme (BELP), Stockholm school of Economics



Sara Sjögren

Country Manager Sweden East & South

Employed since: 2006

Born: 1972

Qualifications: Master of Science in Biotechnology Engineering, UTH. Business Executive Leadership Programme (BELP), Stockholm school of Economics



Fabricio Campos

Country Manager Brazil

Employed since: 2004

Born: 1976

Qualifications: Electronic Engineering, FEL. MBA in Business and Strategic Management, Fundação Getulio Vargas. Business and Management for International Professionals, UC Irvine.



Per Kevin Braathen

Country Manager Norway

Employed since: 2018

Born: 1969

Qualifications: Bachelor of Micro Electronics University of Buskerud and one year computer science University of Oslo

Layout: Spoon Agency.
Photos: Getty Images, Johan Westerlind, 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 the planet that matters. By uniting physical, digital and sustainable perspectives, we create user experiences that make a difference.

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