

2023

Sustainability Report

KNIGHTEC



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950+

Employees

40+

Nationalities

33%

Women



This is Knightec

Knightec is a leading strategic partner in product and service development, dedicated to creating positive change for the business of tomorrow. As a new breed of partner, we're committed to driving our clients' businesses forward commercially and competitively, creating new opportunities and fueling business innovation.

Since we started 20 years ago, we have embraced the magic that unfolds when people from different backgrounds and perspectives join forces and move forward together. This goes for how we shape and grow our Knightec culture as well as how we build cross-functional teams together with our clients. This philosophy has led to groundbreaking innovations and unleashed new business opportunities for our clients, paving the way for a better society.

We constantly challenge conventions and push the boundaries of what's possible as we pioneer the future. This way has fostered long-term relationships and trust, positioning us as a progressive and caring partner in our client's success stories. By combining our entrepreneurial approach with our deep business understanding and cross-functional expertise, we have the ability to turn strategies into fully working solutions, driving our client's business forward together.

Business model

Our clients are increasingly looking for partners that have experience that is both broader and more in-depth: partners who can guide and support them in the digital transformation and the development of more sustainable products and services.

At the same time, they are looking for partners who can take greater responsibility for the entire project, and assist them with every stage of the product and service development process. It has become less important where this work is performed as long as security requirements are met. This enables us to take better advantage of our collective expertise while reducing the environmental impact of travel.

This trend is in line with Knightec's strategic plan, and we increased the number of off-site teams during the year. As a reliable partner, we focus on sharpening and guaranteeing relevant expertise as well as a flexible work approach. Our corporate culture – and above all how we cooperate with each other and our clients – is extremely important in this regard. As a result, our consultants are primarily permanent employees, and we recruit and develop our employees in accordance with our strategic plan. In addition to our own employees, we work with partners and external consultants in specific areas in order to ensure we have the expertise and qualifications needed to meet our clients' needs.

We create high-value deliveries through specialist expertise, cooperation and a deep understanding of our clients' businesses. We set up cross-functional teams and strive for continuous improvements and results. We take a dedicated approach with our clients, view the client as a team member and adapt our collaboration models so that we can work together in a close and integrated manner in order to achieve success. Our intention is to develop long-term partnerships.

Our business is based on our clients' strategically important areas that represent major business opportunities for them. This is where we use our expertise to develop and customise client solutions.



Our expertise improves sustainability

We have studied how we can make a difference in various sustainability aspects and take them into account throughout our business. This has enabled us to identify six areas that represent major business opportunities for our clients:

	WHY	WHAT	HOW
As a Service Owner > User 	Product-as-a-Service makes the transformation to a circular economy possible.	Digital services provide new opportunities to ensure that products are used extensively and can be serviced easily, and their components and materials can be reused, which extends the products' lifetime and reduces resource consumption.	Digital Operational Excellence, Robust Software Design, Service Design.
Connected Data > Intelligence 	Collecting and analysing data from systems supports conscious choices and actions.	It facilitates a reduction in wear and tear and simplification of maintenance, and improves the effectiveness of industrial processes, logistics and service-based systems, resulting in lower resource consumption and a longer lifetime for machinery and systems.	5G, Cloud Computing, Code Standards for Robust Software, Data Science, Information Security, Product Cybersecurity.
User-centric Generic > Individual 	Design with a focus on accessibility, ergonomics and the client experience provides solutions that can be used by everyone and enables a circular economy.	Making products and services easy to use and accessible to all improves user-friendliness and resource consumption, as well as helping to improve justice and security.	Industrial Design, Systems Engineering, User-Centric Design, UX.
Safe & Secure Functional > Safe & Secure 	A successful launch requires functional security, protected data, patient safety and compliance with quality standards.	The market is also increasingly demanding compliance with regulatory requirements, standards and directives. Getting development right from the outset creates environmental and social benefits that provide market advantages and contribute to sustainable development.	CE Marking, Compliance with Regulations and Standards, Requirements Management, Risk Management, Supplier Quality Management, Validation and Qualification.
Autonomous Constrained > Free 	Autonomous systems, machinery and vehicles make it possible to improve safety, reduce manual handling and allocate resources more efficiently.	Autonomous self-learning systems minimise operational errors and can optimise processes. This leads to fewer shutdowns, minimises wear and tear and waste, and saves on materials and energy consumption in the usage of equipment and infrastructure.	Battery Integration & Management, Edge Computing, Electronics Design and Encapsulation, Functional Safety, Machine Intelligence & Vision, Sensors and Actuators.
Durable Linear > Circular 	Durability, wear resistance, robustness and modularity are qualities required to increase sustainability within the industry and create a circular economy.	They facilitate easier maintenance and a longer product life cycle. They also increase usage while reducing the need for disposable products and spare parts.	Circular Design, Life Cycle Assessment, Robust Mechanical Design and Engineering, Sustainable Systems Engineering.



Our sustainability strategy

As a strategic partner in product and service development, we endeavour to integrate sustainability principles into every aspect of our business.

Our sustainability strategy encompasses environmental aspects as well as social and economic dimensions. By adopting a holistic perspective and integrating sustainability into our services, we can help our clients navigate towards a more sustainable future.

Our focus areas 2023–2025

Within the scope of our strategy, Knightec has identified and chosen to focus on three significant market segments where we see increasing needs and relevance for the world around us, our clients and our business.

Sustainability

In the area of sustainability, we help future-proof our clients' businesses by developing sustainable solutions optimised for circularity and flexibility. With Knightec's extensive experience and expertise in product and service development, we translate sustainability requirements into practical solutions by applying circular design principles in the product development process.

We specialise in developing strategies to make circular business models and products possible. In our work, we identify critical impact areas, evaluate their effects and prioritise measures during the development phase. Data management is complex and requires an innovative attitude and expert knowledge within a broad spectrum of sustainability areas. This is a field where Knightec's specialists can support our clients.

By staying up-to-date on current and future regulations as well as market demands, we help clients satisfy the market, contributing to better product development and fact-based business decisions. We prepare our clients' products for circularity by making them profitable in both today's linear systems and the circular systems of tomorrow. This eases the transformation and allows more business models to coexist.

Energy

In Energy, we help our clients lay the foundation for a net zero future by developing next-generation digital and user-centric electricity platforms.

Knightec is a leading service provider and partner for innovative and sustainable solutions such as renewable energy distribution and e-mobility. Knightec wants to bridge the gap between the auto industry and

renewable energy distribution through electrification, digitalisation and automation. We offer expertise in electrochemical energy storage, local energy production and automation.

We are leading innovation in the rapidly growing area of e-mobility in propulsion, energy storage and systems design across several areas such as vehicles, infrastructure and usability.

Cybersecurity

Within the area of cybersecurity, we provide complete cybersecurity services to help our clients protect their critical assets and systems. We take a holistic approach to cybersecurity that covers risk management, implementation and testing. We identify risks and protect clients' products and production environments. We are experts in product cybersecurity, OT security and secure by design.

Knightec helps its clients to comprehensively analyse cybersecurity risks, identify threats and vulnerabilities, and develop risk management strategies, policies and evaluation processes. Our objective is to address security issues continually in a cost-effective manner. Knightec simplifies cybersecurity and enables its clients to focus on their core business. Our customised solutions ensure security and resilience in OT systems through security strategies, implemented controls and action plans for incidents.

Secure by design is an approach that puts security first in software, systems and product design. Knightec helps organisations implement secure by design principles such as conducting security assessments, identifying vulnerabilities and integrating security throughout the entire development process.

This method reduces vulnerability, strengthens resilience and improves the protection of sensitive data and assets. The landscape of potential threats expands when computerised systems migrate to the cloud. We help our clients address cloud security through five pillars: access control, data encryption, network security, vulnerability management, and action plans.



Our sustainability approach

Knightec's ambition

Our objective is for all of our client projects to drive our clients' sustainability agendas forward by 2030. We will accomplish this by honing our expertise and developing client offerings that support the transition and create added value for the client.

Together with our clients, we develop products and services that contribute to positive change for business and society. 22% of completed transactions drove our sustainability agenda forward in 2023.

Our potential lies in our over 950 employees engaged in the development of the products and services of the future. Since up to 80% of products' and services' environmental impact is determined in the design phase, this gives us the opportunity to integrate sustainability into our work.

As a professional services company, our direct environmental impact is comparatively small but nonetheless important. Our clients have higher requirements for us as a supplier, and we are therefore now in the process of identifying and establishing targets for our Scope 1, 2 and 3 emissions. How we manage offices, equipment, vehicles, travel and food in order to reduce our environmental footprint is also clarified in our new environmental policy.

We believe that disseminating relevant knowledge to our clients, employees and other stakeholders is a prerequisite for sustainable development. We accomplish this through training, workshops and guest lectures in sustainability, circular design and life cycle assessments. We participate in sustainability networks and school partnerships in order to create understanding and a foundation for all of us to grow together.

Sustainability reporting and governance

Our reporting structure has taken reference from the Global Reporting Initiative (GRI). Risks are regularly assessed and monitored as part of the process for management and governance.

During the year, we joined the Science Based Targets initiative (SBTi) and initiated a quality management project. In 2024, we will review our strategies and processes in order to ensure that the company's objectives align with the areas that are expected to become material (see Our Sustainability Governance, page 19).

Knightec's Board of Directors is responsible for the preparation of this Sustainability Report as well as its preparation in accordance with the Swedish Annual Accounts Act.

UN Global Goals

How we support the UN Sustainable Development Goals

We make a difference together and contribute to the UN Sustainable Development Goals (SDGs) through our daily work. The UN SDGs aim to eliminate extreme poverty, reduce inequality and injustice in the world, promote peace and justice, and solve the climate crisis. Knightec stands behind all 17 SDGs and works to achieve them to differing extents. Initially, we have chosen to focus our daily work on goals where we make a real difference.



Industry, innovation and infrastructure

Digitalisation is viewed as a key to and enabler of the circular economy. Knightec is contributing through the development and expansion of digitalisation with a focus on high quality, security and accessibility for all.

In partnership with our clients, we are making industries sustainable through the development of clean and environmentally friendly technologies and industrial processes. Innovation is an important part of our corporate culture as well as our work approach.

We disseminate knowledge about sustainability to our clients and increase their existing knowledge through lectures and workshops. We always endeavour to integrate sustainability into product and service development in client projects.



Reduced inequalities

Knightec is devoted to the social and economic inclusion of people who interact with its business, regardless of age, gender, disability, race, ethnicity, origin, religion, or financial or other position.

Knightec is committed to reducing inequality and increasing inclusion in socially disadvantaged areas through school partnerships. We work actively to promote diversity. This strengthens our innovative capabilities and improves Knightec as a workplace.

We have a transparent recruitment process that promotes diversity and equality. Through our school partnerships in disadvantaged areas, we are building bridges between schools and the business sector and hold educational sessions to increase awareness and involvement.



Responsible consumption and production

Knightec endeavours to reduce our direct impact and to utilise natural resources as efficiently as possible. We are actively reducing waste by employing circular principles in client projects. Knightec has a pro-active attitude, and we encourage our clients to introduce sustainable processes and technologies in their businesses.

As a product and service developer, we have an excellent opportunity to make a difference early in the process thanks to our in-depth expertise in digitalisation, design, client experience, material selection, production processes, security, and legal and regulatory requirements.

A man with short brown hair and a beard, wearing a black short-sleeved shirt, is seen from the back and side. He is sitting at a round wooden table in a modern office or lounge area. On the table is a laptop displaying a landscape image. He is looking out a large window that offers a view of a city and a body of water. The lighting is bright and natural, coming from the window. The background is slightly blurred, showing other orange-colored chairs and a bright, overcast sky.

Our roadmap

We are convinced that transparent communication about our sustainability efforts is crucial to our success. We aim to provide our stakeholders with insight into our performance, challenges and progress in sustainability by creating a detailed report.

We follow global practices and standards in order to ensure that our Sustainability Report is comprehensive and relevant.



Principles

Code of Conduct

Our business is based on trust and a long-term approach. This requires that our business be operated responsibly and sustainably, and that we act according to our ethical principles in our daily business. We take the environment into consideration by proactively driving the issue in our client projects. We show mutual respect, and set a good example for our colleagues, clients and employees. We are always attentive to and respect applicable laws and regulations. Knightec's Code of Conduct is based on the UN Global Compact's Ten Principles for companies in the areas of human rights, labour, the environment and anti-corruption.

Business ethics

Knightec has a zero-tolerance approach to bribery and corruption. Our objective is to engage in business relationships without personal gain. This means that all of our employees act on the basis of our fundamental ethical values. Knightec imposes strict requirements on itself concerning business principles and sustainable relationships with clients, partners, employees and other stakeholders. We expect the same degree of commitment from our suppliers, partners and agents. One basic requirement that must be met by our suppliers is compliance with the Ten Principles of the UN Global Compact as well as applicable legislation concerning bribery and corruption.

No cases of corruption were reported in 2023.

Privacy and IT security

Information is one of Knightec's most important assets. In addition to the information that we own, we also process information owned by our stakeholders such as clients, suppliers and other partners. We ensure that all information, regardless of who owns it, is processed in a controlled and structured manner. We believe that this is critical to success in achieving our business objectives.

Communication

Active communication is important for developing strong long-term relationships between clients, partners, employees and other stakeholders. The aim is to show clients, partners and other stakeholders that Knightec is a good, long-term business partner.

Knightec's communication must relate to our purpose, and demonstrate our ability to make a difference for our stakeholders and the world in which we operate. When we communicate our offering, we must focus on highlighting our expertise and the value that we create. Some examples of important topics are: the value of completed client projects; socially beneficial projects that advance views on diversity; and advanced technology that strengthens the sustainability of our own offerings as well as those of our clients and partners. We seek to attain transparent communication in order to create clarity and a sense of ownership and participation. The privacy of the individual must always be respected, just as for non-disclosure agreements.

Quality

We challenge ourselves in everything we do. We are convinced that our client focus and continuous improvements will create mutually beneficial situations for both Knightec and our stakeholders.

Our success depends directly on our employees, and we are focused on creating the best possible environment to encourage cooperation and knowledge exchange. Our philosophy is that in our business, the best results are achieved by means of diversity and the power of teamwork. Our business and its employees must reflect society at large. This means that we highly value skills and teamwork, and actively work on behalf of each individual's right to equal treatment regardless of sexual orientation, age, ethnicity, religion or gender.

Establishing and following up on ambitious targets is an important part of our strategy to become a learning organisation. We create the quality our clients expect from us through our values, our knowledge and our professional conduct. This means that we always endeavour to understand the end client and the desired result. We are able to own an issue and ensure delivery to achieve the desired effect through our understanding and insight. This creates added value for the client and for Knightec, which makes both of us more competitive.

Knightec ensures that employees have the right skills for their assignment, and senior consultants are always available to support more junior consultants. Knightec actively considers and implements suggested improvements and changes, both internally and at our clients' companies. Knightec has well-designed processes that ensure that deliveries and results are achieved.

In 2023, we initiated a project to further strengthen our capabilities by bringing our quality management system into line with the ISO 9001 standard and preparing for certification. We are working to improve the processes for risk management, sales, delivery and ensuring the supply of skilled employees. All of the processes are documented and can be followed up. Knightec regularly performs risk analyses on its business with the aim of identifying and eliminating risks and threats that could affect our business. These risk analyses also lead to the development of new work approaches and methods.



The whistleblower function

No one should be subjected to actions that damage Knightec or individual employees. At Knightec, we do not accept disloyal behaviour, unfair treatment, bullying or criminal actions. Knightec has a whistleblower function that is separate from the operational business, where people can report irregularities which will be treated with strict anonymity.

People

Attracting and retaining employees

Our collective expertise, our unique capabilities and our actions are the foundation of Knightec's business. Together, we transform decisions into actions. Knightec must be perceived both internally and externally as one of Sweden's best employers when it comes to professional development, a sense of involvement, diversity and enterprise.

Success requires good and smooth teamwork between all employees at Knightec – in other words, active employeeship. Active employeeship must be characterised by enthusiasm, commitment and awareness of personal development and how to share creative solutions to support the company's growth. Therefore, everyone is expected to actively contribute to knowledge exchange, establish a plan for their professional development, and take responsibility for achieving their objectives and those of the company.



Expertise and capabilities are the foundation of every recruitment we make. Knightec must take advantage of its employees' collective knowledge, experience and motivation. This is the foundation for the company's success and results. Accordingly, the company and its employees must jointly identify every individual's expertise and further develop and utilise it throughout the entire organisation.

Learning and development

In order to drive Knightec's development forward, it is critical for our managers and employees to develop as well. This happens through continually challenging ourselves, welcoming new knowledge and insights, and daring to challenge our existing patterns, attitudes and traditional approaches.

Development is part of our business concept. We know that if someone feels seen and affirmed, they will feel more secure and perform better. We believe in "T-shaped" competence (meaning the same individual having both breadth and depth), knowledge exchange and individual responsibility. At Knightec, employees set the limits for their development themselves by taking individual responsibility and choosing their direction and level. It is self-evident to us that expertise and capabilities develop in line with our clients' needs.

Employees have a development plan that extends over two to three years, based on their ambition and level, with various activities according to the annual cycle.

Examples of educational activities

- Forward Talks is Knightec's forum for sharing knowledge between coworkers, inspiring them and shining a spotlight on the skills found at the company. Eight Forward Talks were held in 2023 on topics such as the work environment, design, cybersecurity, e-mobility and strategic sustainability.
- A nanocourse in sustainability for all employees in order to raise the general level of knowledge at Knightec. A nanocourse in LCA to increase understanding of how to use LCA as a tool in the product development process.
- The accelerator programme for new hires and junior employees.

Equality, diversity and inclusion

Everyone at Knightec is of equal worth – with the same opportunities, obligations and rights – regardless of ethnic or religious affiliation, creed, sexual orientation, disability status, age or gender. This philosophy is reflected during recruitment and professional development in our daily business. Everyone should feel comfortable in our environment and in work-related settings. Everyone at Knightec should feel that their contributions at work are meaningful, and that we are all responsible for contributing to a good work environment.

Knightec endeavours to offer working conditions that make the work-life balance easier. We take employees' family situations into consideration as far as possible when assigning projects.

We use planning to try to improve the prospects for employees to have the most favourable working conditions possible when placed at a client's company, based on the employee's family situation. For example, we offer to top up the employee's parental benefit from the Swedish Social Insurance Agency. As a Knightec employee, you also have the opportunity to plan your holiday or leave, in consultation with your immediate supervisor and the client, in order to celebrate public holidays with your family.

Knightec strongly rejects all forms of sexual harassment, discrimination and bullying. We do not tolerate such behaviours in the workplace or in any workrelated situations. Harassment on the basis of gender, age, origin or sexual orientation is a serious threat to workers' job satisfaction, health and opportunities for professional development.

If it turns out that harassment is taking place, regardless of whether it is based on gender, age or other factors, Knightec issues a warning that could ultimately lead to termination of employment. Each warning is followed by a meeting to clarify what took place as well as Knightec's position and expectations concerning the issue.

Knightec aims to have a positive and safe environment where we highlight good examples/role models. In settings where different people/functions are visible, we endeavour to include and highlight women and people of foreign origin as far as possible.

	2023	2022	2021
Women, %	33%	32%	32%
Born outside Sweden, %	23%	25%	20%
Parental leave days taken			
Women	52%	53%	59%
Men	48%	47%	41%

Health and well-being

The employer and employees have a shared interest in the business maintaining a high level of quality, keeping pace with the world around us and operating with sound finances. A good work environment at Knightec is based on a belief in the equal worth of every person and respect for the individual. We carry this philosophy into effect in our working life through effective knowledge sharing, challenging tasks and good support in difficult situations.

“ A good working environment at Knightec is based on a belief in the equal worth of every person and respect for the individual.

Our work culture is characterised by a sense of participation, respect, satisfaction and cooperation. It should be fun to go to work. Always. Our work environment is characterised by enthusiasm, respect, freedom and responsibility. We are convinced that knowledge sharing and teamwork are good for our employees, our clients and our deliveries. A work environment that functions smoothly gives Knightec a competitive edge. We systematically plan, lead and control the business to ensure compliance with work environment regulations and the well-being of our employees. This is part of our daily operations, and is achieved through close cooperation between the employer and employees. Knightec must always take the measures needed to deter and prevent injuries and ill health on the job. This applies to all types of ill health, and also encompasses harassment, bullying and lack of support.

	2023	2022	2021
eNPS	49	56	51



Human rights

In 2023, Knightec initiated a project to update our policies and principles on human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) as well as the EU Corporate Sustainability Due Diligence Directive (CSDDD). These policies include a policy for human rights, a due diligence process, and a complaint mechanism and process for addressing complaints. Knightec’s Code of Conduct mandates that we respect human rights and ensure that no violations take place.

No human rights violations were reported in 2023.

The planet

Minimising our footprint

Improving the environment and reducing resource consumption are a given for Knightec. Our environmental policy is the pillar of our environmental programme, and environmental considerations are to be factor into all of our decisions. Knightec’s business operates so as to minimise climate impact, save natural resources, take circular issues into account and promote biodiversity. We take a holistic perspective to environmental impact.

	2023	2022
Scope 1	2.7	2.2
Scope 2	8.4	7.2
Scope 3	345.2	380.1

Knightec took several steps to strengthen its environmental efforts in 2023. Our environmental policy was updated to include assumptions about climate targets in line with the SBTi, which we joined during the year. This means that we will begin to measure, report and reduce our Scope 1, 2 and 3 emissions.

Scope 1:

Direct emissions (sources owned by the company)

Scope 2:

Indirect GHG emissions (purchased energy)

Scope 3:

Indirect emissions (from the entire value chain)

Scope 1, 2 and 3 are measured in tonnes of CO₂eq.

This work will continue in 2024–2025, when Knightec will create targets and have them verified by the SBTi.

Reducing the footprint of the value chain

Many of our clients require us to report our environmental impact as well as our other sustainability efforts. We have reported on EcoVadis, a platform that rates a company’s ESG performance, for many years. We received their silver medal in 2023. Our ambition is to achieve a gold medal and report our carbon footprint next year.

During the year, we also reported our Scope 1, 2 and 3 emissions in the Carbon Disclosure Project (CDP), where we were awarded a C grade for climate reporting. We will refine our emissions data in 2024 in order to create targets in line with our SBTi commitment.



Sustainable projects

LCA screening is the key to sustainable innovation

Magnus Westerdahl is a Knightec product developer and sustainability consultant. He conducted several life cycle assessments (LCAs) for one of our life science clients during the year. The primary purpose of the LCAs was to identify and understand the climate impact of their products. In many cases, the results were surprising and extremely valuable to decision-makers in the organisation.

A full-scale LCA can be performed in order to understand a product's total environmental impact. It provides a complete breakdown of a product's impact from cradle to grave, which is the optimal basis on which to develop the next generation of products. However, a full-scale LCA is a costly and time-consuming process that requires a great deal of data that is not always available. It is also only possible to apply it to a product that has already been manufactured.

Fortunately, there is another way to conduct an LCA, namely LCA screening. This is the fastest and most cost-effective way to identify and reduce the environmental impact of a new product design. In most cases, LCA screening is even the best option.

LCA screening is an extremely flexible tool that can be used to gain an overview of a product, such as the quantity of raw material used or an analysis at the component level. It can also be used to calculate the environmental impact of the production process. Specialised software contributes data, ranging from CO₂ emissions to ozone depletion to estimated landfill use. The insights are based on aggregate data for specific industries rather than specific product and production data.

LCA screening is more commonly used when manufacturers are searching for ways to reduce their environmental impact, whether this concerns compliance with regulatory requirements or market demands. Hotspots (where the most significant environmental impact takes place) can vary widely depending on the industry and the product.

In one project, we were surprised to discover that the most important hotspot came from operating clean-rooms. In that case, we worked to find ways to reduce the floor space needed to run the equipment. In another project, we discovered that reducing the use of aluminium should be given priority in development. This is the strength of LCA screening: it can be applied to essentially all companies.

LCA screening is just a first step. Once we have identified the areas for improvement, we need to develop products accordingly, regardless of whether the task is to find new materials or make design changes. By having data that supports the decisions rather than engaging in pure guesswork, we obtain a real advantage, both for our clients and for ourselves as consultants and advisors during the product development process. We want to help our clients create better and more sustainable products, and LCA screening is a powerful tool to make this possible.

For manufacturers who have not yet introduced a circular approach into their design process, the best way to get started is through a pilot project. An LCA screening does not have to be a commitment, but the result can help a company take the first critical steps toward implementing circular design.

“ We want sustainability to be an integral part of our daily business and to measure the number of projects linked to the client’s sustainability agenda as a KPI. 100% of our projects are to drive client’s sustainability agendas forward by 2030.

Magnus Westerdahl
Consultant, Knightec



A sustainable society

Let's Uptech

Knightec started Let's Uptech in 2008 as an initiative to promote technology development among young people.

We are moving towards a global labour market that requires more diversified teams and broader expertise. At the same time, it is clear that students in Sweden have different educational opportunities depending on their geographic location and their school's resources.

Role models and good examples are critical to the ability to offer every individual the opportunity to develop an interest in technology and engineering, regardless of gender, ethnicity, religion and background.

Therefore, Let's Uptech plays an active role in integration and diversity efforts and strengthens the partnership between schools and the business sector by opening up a dialogue and providing role models. Let's Uptech encourages a sense of curiosity and inspires the next generation to find the strength and self-confidence needed to explore their potential.

Let's Uptech partners with several schools around Sweden in order to provide technology inspiration and contribute to positive change in today's society, above all for the next generation. Let's Uptech is a partnership

between Knightec, Scania and Granitor. All of these companies share a vision of contributing to a more sustainable technology culture in Sweden.

School partnerships

2023 was a significant year for Let's Uptech, characterised by expansive development and an increasing number of school partnerships. At present, the project has established partnerships with 17 schools across the country from Umeå in the far north to Malmö in the far south, and it meets with over 1,300 students per year. In addition, synergies between Let's Uptech and various municipalities have been strengthened, with the objective of extending its reach to an even broader group of senior compulsory school students and increasing the potential to truly make a difference.

An example of this successful strategy is the partnership with Botkyrka municipality, which resulted in five new partnerships with compulsory schools in the area. During the past year, Let's Uptech also expanded to Södertälje municipality and Hovsjöskolan, which is now one of the 17 upper-level compulsory schools.

This growth means that around 40 students are expected to be offered summer jobs with Knightec, Scania and Granitor in summer 2024. This demonstrates Let's Uptech's ongoing commitment to promoting technology development and offering meaningful opportunities to young people around the country.

Partnership

Knightec, Scania and Granitor clearly exemplify the value of partnership as an outstanding method for addressing the challenges of the future and working together towards agreed goals. Even if we can make significant contributions as individual companies, we know that we can achieve significantly greater change through cooperation.

Therefore, involving more companies in Let's Uptech is a realistic strategy. Expanding participation creates a platform where different companies, with different perspectives and expertise, can combine their strengths and resources to address common challenges. This reflects a proactive strategy that endeavours to strengthen this cooperation in order to create a more sustainable and inclusive society.

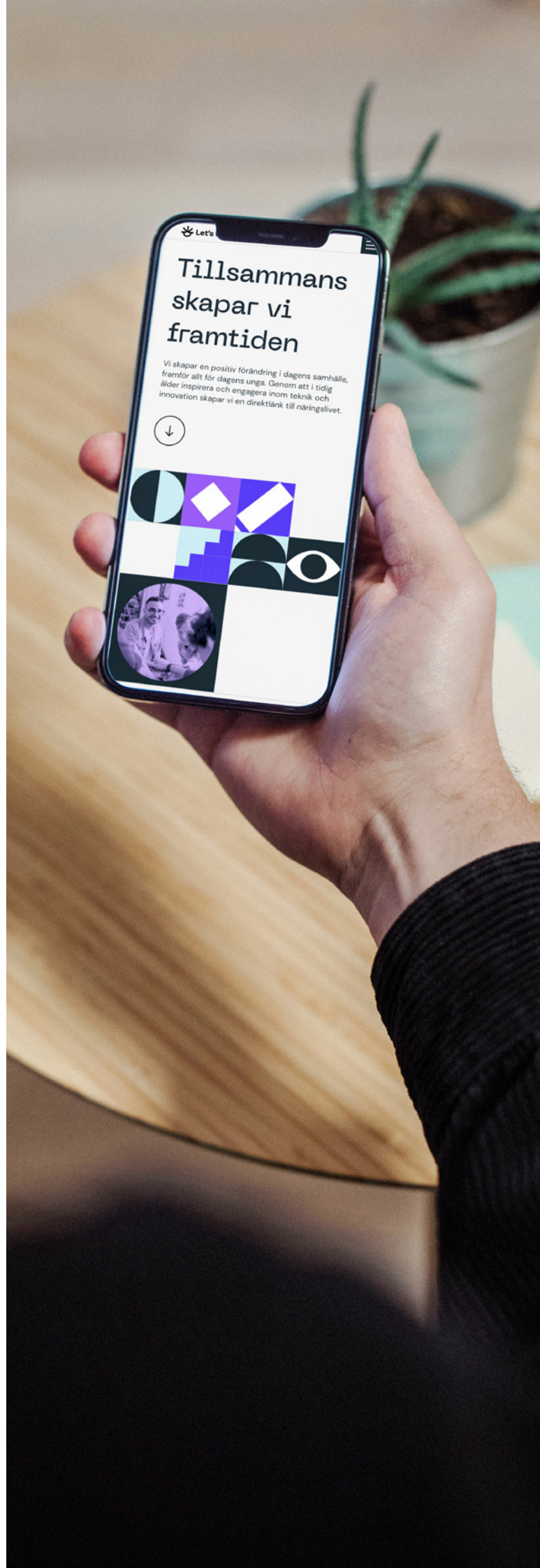
“Knightec, Scania and Granitor want to create an inclusive and sustainable technology culture in Sweden.

The student programme

Let's Uptech is now in its second operating year working with university students in the student programme, a programme for ambitious and committed engineering students. The programme is intended to offer students deeper insight into operations at Knightec, Scania and Granitor, while simultaneously providing mentors and role models for the students in the compulsory school partnerships.

The results of Let's Uptech show significant progress, since it has benefited the university students, the compulsory school students and the employees of the partner companies. This is an integral part of an overall strategy to create synergies and promote cooperation among different actors.

The application period for next year's programme will open in the first quarter of 2024. This is an opportunity for university students to participate in a rewarding and instructive experience where they have the opportunity to develop both their technical and leadership skills while serving as positive role models.



Partnerships

Uppsala University

- Knightec holds guest lectures for students in the mechanical engineering programme annually to demonstrate how industry is engaging with sustainability issues in product development and circular design.
- Knightec participated, along with representatives of companies including Volvo Cars, Hitachi Energy and Sandvik Coromant, in the “Material recycling and circularity” day organised by Ångström Material Academy. The purpose of the event was to present examples from industry related to circularity and the recovery of materials as well as to highlight ongoing research at the university and provide inspiration for new ideas for research partnerships and education. Sustainability advisor Madelene Wiil gave a lecture on how circularity can be implemented in the product development process.
- We have had a partnership for many years with SIV (the Uppsala University network for female and non-binary engineers) that involves an annual meeting at our office where students have the opportunity to discuss various subjects with Knightec representatives.

KTH Royal Institute of Technology:

- In 2023, Knightec and a client held a course in circular design at KTH where students were able to apply circular design principles to existing products in order to improve their sustainability.
- Knightec has a partnership with Malvina KTH, a network for female and non-binary students at KTH. We arrange evening events at our premises for their members that involve short lectures and discussions.

The STUNS Sustainability Forum:

- Shared challenges and solutions are discussed with representatives from Uppsala life science companies. Knightec participates as a service company with the aim of educating others and disseminating knowledge about sustainability and circularity.

“ Sustainability advisor Madelene Wiil gave a lecture at Uppsala University on how circularity can be implemented in the product development process.



Our sustainability governance

Our strategy is characterised by clear leadership and commitment in order to integrate sustainability targets into our operations. Our sustainability governance is a core part of our overall commitment to a more sustainable future.



Governance structure



Policies, processes and follow-ups

Knightec regularly performs follow-ups of its policies, including the following:

- Code of Conduct
- Environmental policy
- Diversity policy
- Privacy policy
- Information security policy
- Office space policy
- Whistleblower function
- Work environment guide
- Crisis management plan

A quality management project was initiated during the year, and the plan is to lay the groundwork for ISO 9001 certification in the future.

“ Building successful companies means adopting a holistic perspective. Good companies have a long-term outlook and understand that they are part of society and involve themselves in issues that mean something beyond next month’s profits.

Dimitris Gioulekas
 Founder and CEO of Knightec

Risk and opportunity assessment

Knightec has performed an assessment of risks and opportunities where we identified the sustainability issues that we affect and are affected by.

As part of our assessment, we took into account the company's outward impact, such as contributions to climate change, impact on the ecosystem and pollution. We also considered the effect of external sustainability issues on the company and its financial performance in the form of risks and/or opportunities. Dependence on natural resources and human and social resources may be sources of financial risks or opportunities.

Impact

Knightec is a professional services company, and our emissions arise primarily in connection with business travel, energy consumption in offices and purchasing. Therefore, we share knowledge, clarify policies and encourage active choices that reduce our environmental impact when selecting meeting formats, company cars and suppliers. It is important to make smart choices concerning office premises, travel and food in connection with meetings in order to reduce our impact on the environment. We encourage online meetings and environmentally sustainable food, but let offices make these decisions based on their local conditions.

We have signed contracts for green electricity in all of our offices where we are in charge of the electricity account. In other offices, we have subscribed to a so-called "green addendum" in order to ensure that we only use electricity from renewable energy sources.

For employees to thrive at Knightec, we must maintain our transparent communication, continue to train our employees in sustainability, and improve our leadership as well as supporting the development of each individual through clear professional development plans and stimulating assignments. Our ability to make a difference lies with every consultant.

As a company and an employer, we do our utmost to create a good environment by sharing knowledge, taking responsibility and showing consideration. This is part of our culture. Our approach of caring about one another and striving to work in teams enhances well-being and elevates our level of knowledge, which

we are happy to share with others. This happens in partnerships, through training, through lectures and in writing, primarily via digital channels.

In our partnerships with upper-level compulsory schools around the country, we inspire the people who are our future, provide them with role models and share our technical knowledge. These partnerships increase our understanding of other generations and cultures, a process that is important in order to enhance our ability to operate in diverse environments.

Unfortunately, stress and burnout due to high workloads, a poor work environment or other causes related to the workplace are not unusual in today's society. Knightec seeks to enable a healthy work-life balance, and is continually engaged with its employees' health and well-being.

Discrimination related to gender, ethnicity, nationality, religion or sexual orientation must not occur at Knightec. Knightec's Code of Conduct is signed by all employees and is intended to inform them about Knightec's zero-tolerance approach on these issues. In addition, Knightec conducts employee surveys and professional development meetings with follow-ups on an annual basis.

Knightec has a whistleblower function where irregularities and wrongdoings can be reported anonymously. Knightec AB operates under collective agreements, which should be viewed as confirmation of our long-term perspective and our desire to create security for our employees.

Assessing new clients and suppliers too quickly could entail a risk of becoming involved in industries where corruption, human rights violations and environmental crimes take place. We need to constantly refine our way of doing business and ensure that we are following established procedures, and evaluate new clients and suppliers to ensure a client base and supplier base with a high standard of ethics whom we want to work with and be associated with.



Risks

Knightec is affected to a great extent by our clients' transition processes. The faster our clients' transitions take place, the faster we need to adapt our operations in order to meet their new requirements. It is important for us to invest time in careful planning and sustainable work methods. This ensures our capability to continually help our business evolve in a positive direction, focusing on both climate issues and social sustainability.

Knightec could be indirectly affected if our clients experience conflicts in supplier countries, raw material shortages or rising prices. This could lead to assignments being put on hold or not being given at all. Moreover, energy costs could reduce our clients' ability to purchase consulting services. Knightec has a diversified client base that spans several different sectors in order to reduce these risks.

Our clients' science-based climate targets and requirements to report on platforms such as CDP and EcoVadis affect the supply chain. As a supplier of consulting services, Knightec needs to establish, report and follow up on requirements in order to remain relevant to our clients.

Failure to meet the requirements that are imposed on us, from the market, employees and other stakeholders, could damage our credibility and brand. Therefore, we set clear targets and follow up to ensure that we are operating our business in a way that continually improves our environmental and social impacts.

If we do not clearly show that we are conducting our operations in a long-term sustainable manner, current employees could leave and new ones may not be attracted to our business. Therefore, it is important for us to clarify and communicate how we operate our business sustainably based on several perspectives (client, social, internal) and to break down our overall goals at the business area level and show clearly how every individual can contribute.

If we do not actively continue to develop our sustainability efforts and create an inclusive culture, we could miss out on valuable expertise and capabilities. We need to continue developing our partnerships in order to strengthen the bridge between schools and the business sector, and we need to be active in disadvantaged areas in order to learn more about diversity, implement what we have learned internally and continue to recruit the best employees regardless of their background.

Changes to laws and regulations, as well as changes to client expectations, could make it difficult for us to operate the type of business we wish to. We need to remain curious all the time and update our knowledge in order to stay a step ahead, adapt our business model and help our clients in a way that inspires confidence.

Opportunities

Climate adaptation will be especially important in sectors such as automotive, medical technology and industry, where Knightec has a strong position and works strategically with clients. We carry out projects in areas including electrification, circular product development and digitalisation, and our objective is to become a leading partner in product and service development.

We have seen that we can make the most difference together with our clients when we share our knowledge and create innovations that make their products and services more sustainable. We are strengthening our ability to make a difference by raising our knowledge level internally, and through knowledge dissemination and training courses externally, on topics including circular design, life cycle assessments, material selection, and specific technology areas with a direct impact on sustainability.

Knightec possesses strong expertise in connecting and analysing data. This can help to optimise energy use and purchasing processes in order to reduce environmental impact and increase sustainability. Knightec's expertise in designing digital infrastructure that facilitates a circular economy is being increasingly sought after by clients who want to create sustainable services.

Knightec offers both physical and digital products that are well positioned to help our clients with complete solutions in the coming transition to a circular economy. We create sustainable solutions based on our knowledge of material selection and design.

New regulatory requirements as a result of the European Green Deal pose challenges to our clients. Our experience in business development and compliance, as well as our ability to work across business area boundaries in order to deliver solutions that create value, will lead to new business for us.







KNIGHTEC