



Svea Renewable Solar AB
Corp. ID No: 556955-1350

Sustainability Report 2023



About Svea Solar	2
A Word from the CEO.....	3
Our Approach to Sustainability	5
Areas of Material Impact.....	6
A Sustainable Power Shifter Community.....	10
An inclusive workplace for Europe's best talent.....	11
Contributing to a safe and healthy solar industry	15
Empowering responsible consumer behaviors.....	18
Leading the European Power Shift.....	22
Fighting climate change.....	23
Our carbon footprint.....	24
Energy production in harmony with nature.....	26
Making solar circular.....	28
Making Solar Big, Bold and Transparent.....	31
Enhanced value chain transparency.....	32
Solar energy debate.....	37
Business conduct.....	37
EU Taxonomy.....	41
About the Sustainability Report.....	44
Sustainability Notes.....	45

About Svea Solar

Svea Solar is a leading company in the solar energy sector, driving the shift to renewable energy in Europe. Our core expertise is to deliver solar installations, and services with energy storage and car charging solutions tailored to homes, businesses, and solar parks. Our services encompass energy optimization and grid services to maximize the sun's potential for customers and society at large.

Svea Solar was founded in 2014 by Erik Martinson and Björn Lind, and since then we have contributed to avoiding over 7 megatonnes of greenhouse gas (GHG) emissions by installing 565 MW of solar energy. You can find out more about this in the 'Fighting Climate Change' section. We have a strong belief in the demand for solar and its contribution to a sustainable future. Until today, Svea Solar has finalized over 50,000 installations across seven European markets aiming to rid the planet of fossil fuels.

2023 in figures



~1200
employees

204 MW
installed in 2023



50,000
Installations since start

565 MW
installed since start



7
countries

7.17
megatonnes of GHG emissions
avoided since the start

A Word from the CEO

One thing is evident, you don't get bored in the solar industry. If 2022 was the year Europe finally awakened and started to grasp the potential of solar power, 2023 was the year batteries entered European homes. As a company, we continued our growth journey with over 204 MW installed in 2023, and we entered a new residential solar market – Italy.

Combined with solar, batteries with new smart functions enable a fully renewable Europe. Dirty and more expensive energy sources will gradually be replaced. Batteries help store energy from the sun for a rainy day, reduce the strain on the grid, lower energy demand during peak hours, and keep the vital balance in the electricity grid – saving us from power outages. We are here to speed up the transition to renewable energy and to succeed, the number of connected batteries play a central role. In the coming years, we look forward to seeing more smart components that can be connected to Virtual Power Plants, like heat pumps and EV chargers.

Another milestone this year was announcing our first agrivoltaic park, showing how solar power and agriculture can be combined in the first large-scale agrivoltaic park in Sweden. We actively work to find solutions to maximize the use of the land. Another example is adding grazing sheep in solar parks, where we have seen great results in increased biodiversity.



Besides new technology speeding up the transition to a renewable Europe, safety has continued to be a strong focus for us during 2023. Solar companies have historically left a lot to ask concerning safety, but step by step we are becoming a safer and more mature industry. An important part of this is to make sure installers and electricians get the right education. To improve our standards and safety education we inaugurated two new Training Centers in Germany and Sweden during 2023. The focus of our training programs is safe and efficient installations, and we also offer education to partners, aiming to increase safety standards in the entire industry.

We have made a big leap this year concerning supplier management, with increased transparency and traceability. We have refined our supplier evaluation process, where sustainability is a key component. Solar panels have a global and complex supply chain, which is why we have direct contact with manufacturers and work closely to make sure all stakeholders along the way take their responsibility.

In my opinion, Svea Solar's most important contribution from a sustainability perspective is to phase out fossil fuels and speed up the transition to a fully renewable energy system. This year we managed to avoid close to three megatonnes of greenhouse gas emissions by adding 204 MW solar energy to the European energy mix. Since our foundation, we have installed over 565 MW and thereby avoided emissions equal to 7.17 megatonnes of greenhouse gas emissions. This is equivalent to the annual electricity use for 1.4 million homes.

Being one of the founders of this company I can't deny that I am proud of our accomplishments, but we are far from done. We aim to be one of the biggest contributors to a fossil-free Europe, replacing fossil energy with solar power. We have a long way to go, but the future is bright. The future is solar.

A handwritten signature in black ink, consisting of a stylized, elongated shape that tapers to the right.

Erik Martinson, CEO Svea Solar

Our Approach to Sustainability

Svea Solar's approach to sustainability is based on our vision of eliminating fossil fuels, together with our core values. One of our values is Work Sustainably, which means that we go to great lengths to have a positive impact on both people and the planet. We want to lead by example and inspire and push for the entire solar industry to work more sustainably.

Our strategic direction

Back in 2022, we placed major focus on reviewing our sustainability work to ensure that our strategic direction for the future is as clear and relevant as possible. It resulted in a sustainability strategy with focus areas and targets stretching from 2023 to 2027. We prioritize working with sustainability areas that create value and are important to our stakeholders, and where we as a company can have a major impact. Essentially, we want to use our resources in the best way by fuelling positive impact and decrease negative impact. Our three focus areas from the sustainability strategy are presented below and are discussed further in the rest of the report.

Sustainability integrated in everyday work

Those who start working at Svea Solar – our Power Shifters – state that an important reason for joining us is to contribute to a more sustainable future. Such a high level of commitment provides our company with enormous opportunities to make a substantial impact. At Svea Solar, sustainability is not an isolated matter – everyone works with sustainability every day, in one way or another. Our sustainability work is an integral part of our annual goals of all functions and markets, followed up monthly.

Ensuring management commitment

In 2023, we founded a Sustainability Council to accelerate the implementation of the sustainability strategy and enable knowledge sharing in the organization. The council meets quarterly and is run by the Head of Group Sustainability. Members are sustainability goal owners at management level, with additional invitees depending on the specific theme for each meeting. The Sustainability Council has been an important forum to set priorities, align agendas and ensure accountability. It has also allowed us to celebrate wins and discuss challenges related to our sustainability efforts and ambitions.

<p>Focus Areas 1:</p> <p>A Sustainable Power Shifter Community</p>	<p>Focus Area 2:</p> <p>Leading the European Power Shift</p>	<p>Focus Area 3:</p> <p>Making Solar Big, Bold, and Transparent</p>
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Areas of Material Impact

The materiality assessment is the process by which a company determines what topics are material from a sustainability perspective and thus should be reported on. The assessment covers our whole value chain, including our own operations, as well as upstream and downstream activities.

Taking responsibility for positive and negative impact

The materiality assessment began with a comprehensive list of topics where Svea Solar could contribute to either positive or negative impact. The previous materiality assessment along with outcomes from our supply chain due diligence process served as important input. By conducting research and involving internal and external stakeholders, company specific topics were also added to the list.

The outcome of the materiality assessment shows seven main themes covering environmental, social and governance perspectives of sustainability. These themes each include one or several topics where we identify Svea Solar's actual or potential impact as material, either in a positive or negative context. Although quantifying each impact is challenging, we have been data-driven and used multiple sources to inform the process. The material topics will be further addressed in the coming sections covering our three focus areas originating from the sustainability strategy.

Theme	Material topics	Industry impact	Company performance
Climate Change	<ul style="list-style-type: none"> GHG emissions Energy 	<p>Contributing to avoidance of GHG emissions through transition to renewable energy</p> <p>Solar panel manufacturing is energy intensive and often uses energy from fossil fuels</p>	<p>Calculating and monitoring scope 1, 2 and 3 emissions, high level of disclosure compared to peers</p> <p>Positive impact from renewable energy production and grid balancing services (VPP)</p>
Biodiversity & Ecosystems	<ul style="list-style-type: none"> Land-use change State of species 	<p>Questions around land utilization are primarily linked to construction of solar parks</p>	<p>Ongoing projects to evaluate solar parks' impact on land utilization and biodiversity</p>
Circular Economy	<ul style="list-style-type: none"> Resource inflows Waste 	<p>Resources used in hardware manufacturing (upstream value chain) have the biggest impact on our carbon footprint</p> <p>Rare minerals are used in solar panels and batteries, but circularity is currently low</p> <p>Recycling of solar panels end-of-life is more discussed as volumes grow</p>	<p>Current product circularity is similar to peers</p> <p>Initiated research project around circularity of solar panels with representatives from the entire value chain</p> <p>Developing best practice for waste management in own operations to improve reuse and recycling</p>

Theme	Material topics	Industry impact	Company performance
Own Workforce	<ul style="list-style-type: none"> Working conditions Occupational health & safety Industry specific workforce training 	<p>Physical and electrical safety are known risks due to the work environment</p> <p>Solar industry lacks skilled workers in general</p>	<p>We work with authorities, trade unions and industry associations to improve safety standards in the whole industry</p> <p>Improving our ways of working to create a good work environment for all our 1200 employees, both office and installation</p> <p>Addressing workforce shortage by setting up our own Power-Up Academy</p>
Workers in the Value Chain	<ul style="list-style-type: none"> Working conditions Occupational health & safety Human rights 	<p>The solar value chain is complex and includes many different players</p> <p>Forced labour and child labour are highlighted as potential risks in the supply chain on an industry level</p>	<p>Have direct impact and access to first hand-information as we often buy directly from manufacturers</p> <p>Working closely with sub-contractors and installation partners to ensure compliance with our Supplier Code of Conduct</p>
Consumers & End-users	<ul style="list-style-type: none"> Privacy & data security Financial benefits 	<p>New smart energy solutions such as energy optimization and grid services make societal infrastructure more vulnerable to cyber threats</p> <p>Customers' direct and indirect financial benefits from investing in solar are growing</p>	<p>Focus on information security awareness and risk assessment is necessary to cope with data protection requirements and increased exposure</p> <p>Our leasing and VPP offerings make renewable energy even more affordable, accessible, and profitable for customers</p>
Business Conduct	<ul style="list-style-type: none"> Supplier management 	<p>China still stands for a vast majority of global solar panel supply, and European manufacturing is limited</p> <p>Proposed legislation such as CSDDD and EU Forced Labour Ban will increase requirements on transparency and responsibility along the value chain</p>	<p>We have sophisticated processes in place</p> <p>We have refined our supplier evaluation process and conduct human rights due diligence</p> <p>Increased efforts to collect product traceability information to meet internal and external requirements</p>

The full list of topics, including those not concluded as material, can be found in the Sustainability Notes 2.1.

Collaboration with stakeholders for insights

The solar energy sector is a relatively new industry that is developing and changing rapidly. We are highly dependent on close collaboration with our stakeholders to achieve our sustainability ambitions.

Stakeholder dialogues give us valuable insights and is an essential tool for validating our most important sustainability topics. In 2022, we made a large effort to understand our stakeholders' interests as we gathered input from several sources and perspectives during the process of setting the sustainability strategy. Since then, we have built further on these insights. Our main stakeholder dialogue measures, including those added during the year, are summarized below.

Stakeholder group	Stakeholder dialogue
Customers & Commercial partners	<ul style="list-style-type: none"> • Directly through Svea Solar's employees • Customer research e.g. surveys, interviews, online community
Employees & Management	<ul style="list-style-type: none"> • Management meetings • Team meetings • Sustainability council • eNPS measurement • Employee survey on sustainability • Employee survey on corporate culture
Suppliers & Subcontractors	<ul style="list-style-type: none"> • Internal procurement and ESG evaluation process • Supplier Code of Conduct • Directly in meetings with suppliers • Sustainability requirements in customer tenders
Owners	<ul style="list-style-type: none"> • Board meetings • Informal meetings • Information meetings • Working meetings with Svea Solar's founders with the aim of anchoring the sustainability work with the company's mission, vision and the overall company development • Continuous work with Svea Solar's largest owner Altor. This is mainly done in 3 ways: i) in direct collaboration with Altor's sustainability team, such as workshops together with Svea Solar's Management Team, ii) participation in Altor's ESG network where Altor's portfolio companies take part in ESG-related information and participate in focused workshops to learn

from each other's sustainability work, iii) annual reporting of ESG data.

Banks

- Direct contact via Svea Solar's Management Team and finance department
- Through reports, analyses and meetings as part of the banks' due diligence processes prior to credit decisions and during continuous evaluation work

Society & Community

- Discussions in solar communities
- Collaboration with industry associations
- Published reports and research papers
- Engaging with local community during planning and construction phase of solar parks
- Dialogue with public authorities
- Topics mentioned in media
- Market research

A Sustainable Power Shifter Community

Alone we will not get far, but together we can change the world. Our employees, customers and partners are all Power Shifters, with a desire to build a sustainable community both for people and for the planet. We aspire to create a world-class workplace with a safe, inclusive, and developing environment for our employees, in line with our values.



Identified material impacts:

Own Workforce:

Working conditions

Occupational health & safety

Industry specific workforce training

Consumers & End-users:

Privacy & data security

Financial benefits

Policies & Guiding Documents:

- Employee Code of Conduct
- Whistleblowing policy
- Child Labour Policy
- Anti-Discrimination, Harassment and Bullying Policy
- Handbook for Occupational Health & Safety (Swe: *Systematiskt Arbetsmiljöarbete*)

An inclusive workplace for Europe's best talent

To reach our growth targets and increase our European presence, we need to increase the number of employees significantly in the coming years. To achieve this, we recruit the best talent Europe has to offer from a broad and diverse pool of people. It is essential that we take care of our employees and that we are an attractive workplace.

The voices of our Power Shifters

We are proud to rid the planet of fossil fuels, and all our employees are also dedicated to contributing to the shift to renewable energy. While working at a company with a strong purpose during high growth and continuous change is fun and exciting, it can be challenging. To make sure we offer a stimulating environment where people feel good, we listen to our Power Shifters often and closely.



75%

response rate in our employee engagement survey

In our digital engagement tool, we take the pulse of the organization on a weekly basis, helping our leaders catch trends at an early stage and support individuals and teams in evaluating and affecting their work situation. We have zero tolerance for discrimination and handle all such cases on a case-by-case basis, including having a Whistleblower function.



Our six core values, illustrated above, are the main building blocks for our corporate culture, guiding employee behavior and creating the DNA of Svea Solar. The definitions of our values were first introduced in 2021, a result of thorough work taking the voices of our employees into consideration. As some time has passed since implementation, it was time for a culture review, and we once again gathered input from our employees.

Results showed our culture has clear strengths when it comes to drive, friendliness, and collaboration within teams. On the other hand, we can improve accountability and collaboration between departments. We acknowledge that due to the recent and intense growth of the company, some structure has been left behind when it comes to definition of roles and ways of communication. These insights are valuable and will be included in our continuous work, as culture is an ongoing matter.

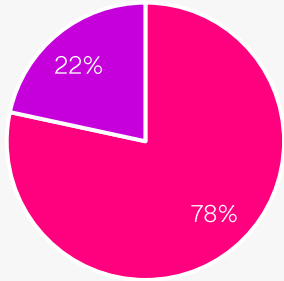
Creating sustainable ways of working

To make employees efficient and free from negative stress despite the high pace, we have designed ways of working aligned with the overall goal-setting process in the company. This includes pre-defined meeting formats, allowing teams to define targets, reflect on performance and share thoughts and ideas in a structured way. Our leaders are trained in these practices in our leadership development program, Lead to Win. As part of their onboarding, all new employees also take part in a workshop providing them with a toolbox for planning and structuring their work to assure high delivery and smooth collaboration.

Key Metrics	2023 Result	Comment
Number of FTEs ¹	1,016	By 2023-12-31
Employees covered by collective bargaining agreements, in FTEs	365	Representing employees in Spain, Italy, and installation workers in Sweden
Response rate in employee engagement survey	75%	
Permanent employees	97%	Percentage by 2023-12-31
Temporary employees	2%	Percentage by 2023-12-31
Non-guaranteed hours employees	<1%	Percentage by 2023-12-31

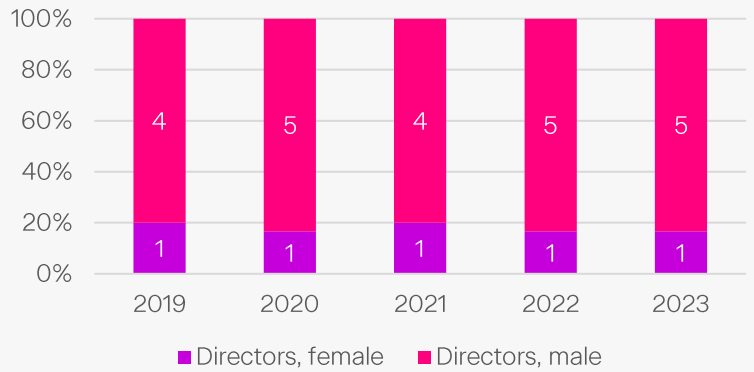
¹ FTE=full-time equivalent, detailed definition provided in Sustainability Notes 3.1.

Employees by gender

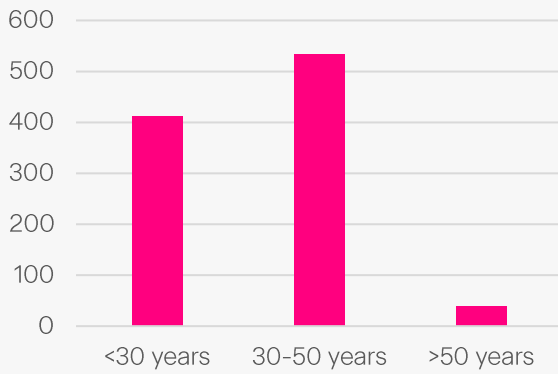


■ FTE male ■ FTE female

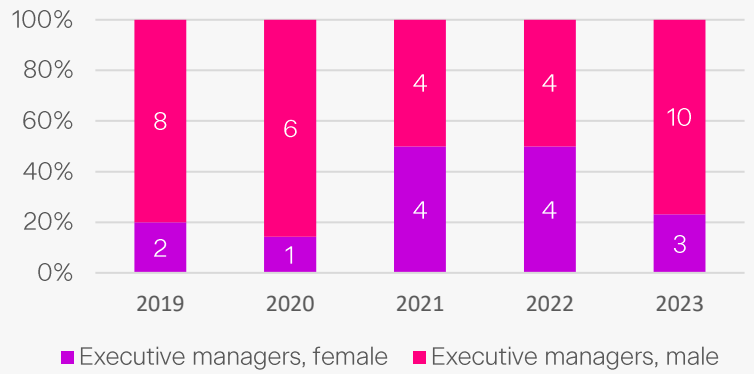
Board Directors of the parent company



Employees by age



Executive Managers



Numbers are based on balance sheet date 2023-12-31.

See Sustainability Notes 3.2 for definition of executive managers.

Highlights of 2023

- We strive to offer attractive benefits, making us an inclusive workplace encouraging a sustainable lifestyle. Several new or improved benefits have been introduced during the year, such as: parental pay top-up, increased pension provision, bike leasing benefit, and in Netherlands an increased number of vacation days.
- All employees are introduced to the sustainability strategy and priorities as part of their onboarding.

Long-term goals

- Reach 4,000 employees by 2028
- Have an e-NPS above 40
- By 2027, the proportion of women in installation shall be at least 12%, which is just above the average for the construction industry
- We will work to achieve a more equal gender distribution in all managerial positions, including Svea Solar's Board, by 2027

Initiatives for 2024

- Improve e-NPS across the organization
- Reduce staff turnover
- Continue to work with training, development opportunities and acknowledgement, such as the certification of Team Leads

Priority risks

- High turnover of installation personnel in the solar energy industry in general

Risk management

- We work in a structured manner to create a strong, value-based, and inclusive culture, offer competitive compensation and benefits, provide education and training, and present interesting development opportunities

Contributing to a safe and healthy solar industry

It is of the utmost importance to us that our employees feel safe and secure and can thrive in their workplace. A solar installation, with a combination of heights, heavy lifts and electrical work, represents a hazardous work environment. We believe that the entire solar energy industry needs to improve in terms of standards, competence, and certification, and this is an area of major focus for us. The energy transition should not take place at the expense of employee well-being.

Joint efforts to improve safety

We acknowledge that being a key player in Europe comes with responsibility and we are ready to take a leading position and push for safer standards. The solar energy industry is still young and has been growing at a record speed, but we cannot ignore the importance of safety. We have accelerated our efforts to improve safety for our workers during the year and we will continue to do so.

The ultimate responsibility for occupational health and safety at Svea Solar lies within the respective national organization. In these local working groups, goal-setting and evaluations are carried out in accordance with the current Work Environment Handbook. Incidents and accidents are reported via our CRM platform. There are ongoing efforts to ensure reporting frequency and data quality to enable us to take the right measures and minimize risks.

Work-related accidents

Key Metrics	Employees		Non-employed workers
	2022	2023	2023
All accidents	102	50	5
Severe accidents	0	1	0
Fatal accidents	0	0	0
All accidents per 100 FTE	12.7	5.6	N/A

Comments and definitions are provided in Sustainability Notes 3.3.

Falls and movement injuries (e.g. trips, slips) are the most common types of accidents, followed by lost control of equipment (e.g. crush, cut, burn). In 2023, we started measuring the number of days lost due to work-related accidents, as well as accidents occurring among sub-contractors. Accident records from third-party installers are included above, but we acknowledge challenges in the data collection and numbers may not be fully representative.

With regards to the risks our employees are exposed to, we emphasize preventive measures. During 2023 we have focused on improving our routines – with everything from risk assessments to mandatory training, follow-up procedures and access to safety aid and equipment. This routine review aims to make it easier for employees across functions to

ensure the highest quality and avoid pitfalls. In case accidents occur, we carry out root cause analyses to learn from what has happened and how to prevent future incidents.

We have implemented so-called Safety Walks, of which some have been done by external parties, to control safety compliance at installation sites. Our employees can also call for a Safety Time-Out by taking a break if feeling insecure or unsafe, to highlight risk exposure



and address the situation before moving on. From an organizational point of view, we have also taken action by redefining roles in installation teams and clarified areas of responsibility. For example, we added 35 new positions supervising installation safety. We also have a close collaboration with authorities, the Swedish Solar Energy Association, and the trade union to create safer standards.

In May 2023, we received an injunction from the Swedish Electrical Safety Authority, requesting us to provide information about measures regarding our working environment and our work with safe electrical installations. The background was a few historical incidents. After an investigation according to the formal process, the authority closed the case as the answers and actions taken by us were deemed satisfying. Injunctions like this are important for maintaining high safety standards in the industry, and it is reasonable for us as the largest player in the Swedish solar market to be subject to inspections. We are grateful because it gives us further external validation of our safety work and makes us even better. Our goal remains to be a leader in safety matters, and we will continue to shape and improve the industry's safety efforts.

Creating more skilled solar workers

To reach EU's 2030 solar deployment targets, the number of solar sector workers must reach 1.2 million by 2027, according to the European industry association Solar Power Europe². This means close to doubling the workforce compared to 2022 figures. Growing the pool of skilled workers at that pace is a well-known challenge. We have acknowledged the workforce shortage and address the lack of qualifying training by building up our own Training Centers, as a part of our Power-Up Academy, for installation workers. Since opening our first Training Center two years ago, we have educated more than 1,000 installers and during 2023, we opened new Training Centers both in Sweden and Germany.

² EU Market Outlook for Solar Power 2023-2027

We are proud to help build the competencies necessary for a greener future and make the skills gap a bit smaller. Classes at our Training Centers are mandatory for our employees, and we also offer them to installation partners. The trainings are tailored to our operations, and both physical and electrical safety are key elements. Going forward, we will increase the number of sessions and broaden the scope of our training packages for installers, Team Leads and managers.



Training Center inauguration

Key Metrics	2023 Result	Comment
Participants in Power-Up Academy classroom trainings	1,571	For participants of several training sessions, each occasion is counted as 1
Hours spent in Power-Up Academy digital trainings	3,219	
Hours of training in Power-Up Academy per employee	17	Total training hours (classroom and digital) in 2023 divided by number of FTEs on 2023-12-31

Comments and definitions are provided in Sustainability Notes 3.4.

Highlights of 2023

- Carried out over 1,800 Safety Walks at installation sites
- Hired a safety expert and redefined roles in installation teams to clarify safety responsibilities
- Opened new Training Centers in Sweden and Germany
- Arranged a Safety Day with workshops and seminars for all headquarter office employees to highlight the importance of physical, mental and digital safety

Long-term goals

- Svea Solar is playing a key role in transforming the safety standards and ways of working in the solar industry
- Continue to have zero fatal accidents, eliminated all serious accidents and have substantially reduced common accidents

Priority risks

- Workplace accidents connected to installation work and warehouse operations
- The reliability of reported data of incidents and accidents is still low in some markets

Initiatives for 2024

- Continue to make sure new and improved routines are implemented in everyday work
- Validate content and quality in our expanded training packages
- Launch a Training Center module developed especially for electricians
- Establish a routine for third party validation of compliance with internal processes, as well as applicable standards and regulations
- Work together with the trade union to strengthen and expand our work with protection agents (*sv. Skyddsombud*) to improve health and safety

Risk management

- Close monitoring of the use and maintenance of collective and personal protective equipment
- Further development of processes and routines, and creation of a culture and incentives to report unsafe behaviors and events

Empowering responsible consumer behaviors

We add solar energy at the very end of the electricity grid, where it is needed most, and with increased energy storage and optimization services, our customers – and ultimately the whole of Europe – can become more self-sufficient in solar energy.

Exploring consumer drivers

We conducted research to explore the drivers and barriers for solar investment decisions among potential customers. In general, consumers desire to participate in the shift to renewable energy while making a smart investment for the future. They wish to be role models and inspire others to a more sustainable living. On a product level, results showed that the production process as well as durability and recycling potential are key sustainability aspects across product categories. The findings confirm that in line with our strategy and vision, we shall continue to offer products that last long and with a responsible use of resources in the production process.

Benefits of catching the sun

We install solar panels, but also offer complementary products, such as electric vehicle chargers, batteries, and a fossil-free electricity contract. We aim to make the best possible use of the generated solar energy and to enable the transition to a fossil-free energy system. Installing solar panels and batteries is not only beneficial for the environment, but it also contributes to attractive financial returns for customers. Referring to the so-called learning curve of panels, the price of solar panels has over the last decades dropped on

average around 20 percent with each doubling of installed capacity³. Declining prices on solar panels combined with last years' volatile electricity prices, the payback time for a solar installation has declined significantly.

A large investment is the number one barrier of going solar, but our leasing offering of solar panels makes it possible for more people to join the power shift and contribute to ridding the planet of fossil fuels. Without the need for a large initial payment and with maintenance included, customers are given easy and affordable access to renewable energy at home. We look forward to expanding this offering with even more products and services going forward, enabling more people to join the green revolution.

~1,000

total number of leasing customers

We have solutions in place for energy optimization at home, and for interested customers also at grid level. The ambition is to help our customers by steering when they consume, produce, and store energy. This results in reduced energy use and costs for our customers, while maximizing the potential of solar energy within the energy system. By enabling customers to participate in a Virtual Power Plant (VPP), a power plant made from aggregated resources, we can also help stabilize the grid and offer additional returns to customers making their energy storage available.

In addition to the direct benefits of homeowners investing in renewable energy solutions, having solar panels also increases the value of the house at a potential sale. New data from the Swedish housing site Booli shows that houses with solar panels are sold for around 250 000 SEK more than houses without, which is almost double the average installation costs of 137 000 SEK. The higher premium for houses with solar panels represents a desire among house hunters for lower energy bills, a sustainable lifestyle, and having the installation already taken care of. Good news for both sellers and buyers!

Keeping data safe

In a more connected world, volumes of data significantly increase and so does the need to assess and mitigate information security risks. With the energy system being one of the core functions in society, we cannot deny the importance of keeping our and our customers' data safe. To address this, we have brought more expertise and insights to the company and will continue to execute our compliance and cybersecurity strategy going forward. We also use a digital tool for raising awareness around IT security and perform phishing simulations in the organization. In fact, our employees have together completed more than 5 500 digital training sessions over the last two years.

³ OurWorldinData.org, Roser, 2023, <<https://ourworldindata.org/learning-curve>>

Highlights of 2023

- Reached 50,000 installations since start
- Increased our leasing sales substantially making solar affordable to more people
- Released a new version of our consumer app
- Launched our VPP offering, i.e. grid services enabling additional customer returns
- Hired a Data Protection Officer to mitigate information security risks

Long-term goals

- By 2028, reach 150,000 installations
- At Svea Solar our aim is to empower our customers with limitless solar power. We make it easy to go solar, being the experts so our customers do not have to and with a customer experience that should be both intuitive and effortless
- Be a major service provider of grid services in Europe

Initiatives for 2024

- Continue to add functionality and smartness in our app, e.g. electric vehicle smart charging
- Expanding our leasing offering with more products and services, e.g. batteries
- Review and execute on the data protection strategy

Priority risks

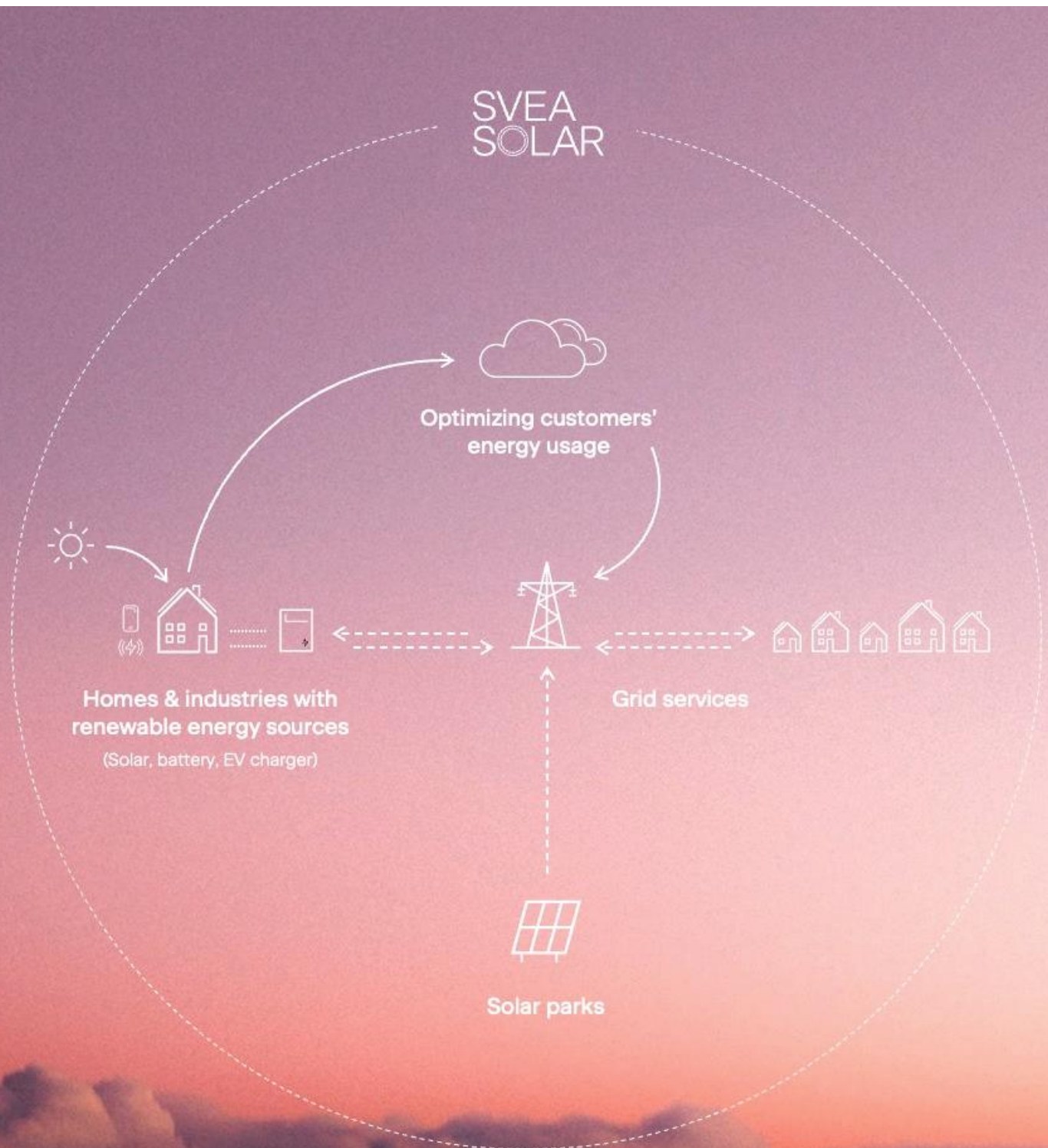
- The organization's maturity related to information security must increase as volumes of data grow

Risk management

- Increase awareness around cybersecurity and data protection internally

Outlook:

Building an integrated and sustainable energy ecosystem



Leading the European Power Shift

Our customers and partners are also Power Shifters, who, by switching to renewable solar energy and optimizing their energy use, benefit the planet by preventing a large amount of greenhouse gas emissions.

As a company, we also aim to practice what we preach. By reducing our own carbon footprint, we can contribute further to Europe's energy transition. We have ambitions to convert to fossil-free energy and fuel consumption within the framework of our own operations. We also work actively to contribute to circular material flows and have a positive impact on land and species in our solar parks.



Identified material impacts:

Climate Change:

GHG emissions
Energy

Biodiversity & Ecosystems:

Land-use change
State of species

Circular Economy:

Resource inflows
Waste

Policies & Guiding Documents:

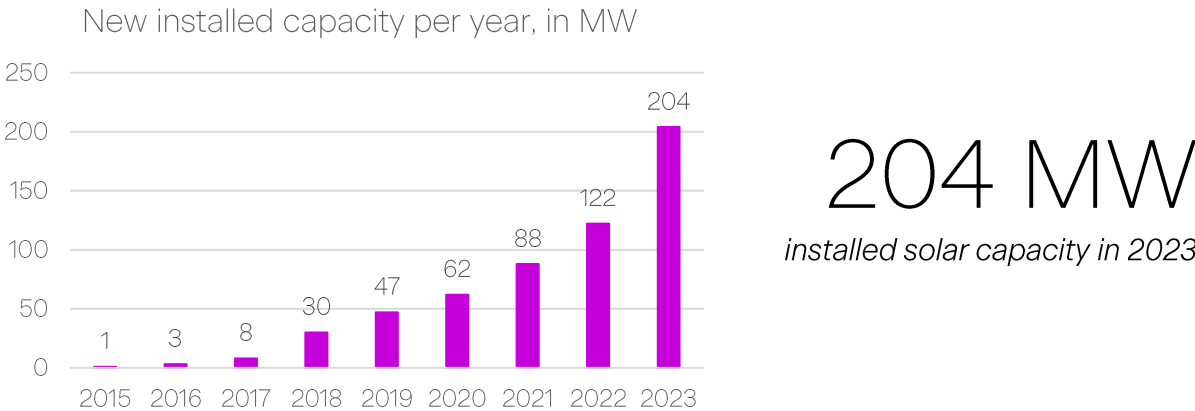
- Environmental Management System
- Car Policy
- Travel Policy
- Biodiversity Policy

Fighting climate change

Our vision is to eliminate fossil fuels by replacing them with renewable solar energy – thereby providing a concrete solution to the climate crisis.

More solar in Europe

Our greatest contribution to a sustainable future is to help drive the transition to a renewable European energy system. In 2023, we installed 204 MW of solar energy at our customers' sites. Calculated over 30 years, which is the life expectancy of the solar energy systems we install, we will help avoid 2.91 megatonnes of GHG emissions⁴.



Almost every year, we have doubled our capacity and continue to replace fossil energy with solar energy accordingly. Since 2015, we have installed 565 MW of solar in total, which corresponds to avoidance of 7.17 megatonnes of GHG emissions. As a comparison, this is equivalent to emissions from 1.6 million gasoline-powered passenger vehicles driven for one year⁵.

7.17 megatonnes

of GHG emissions avoided by our total number of installed solar panels

During the year, we significantly grew our utility business, referring to both our own development and customer sales in the EPC segment (Engineering, Procurement and Construction). We successfully commissioned our first own operated solar parks in both Sweden and Cyprus and the energy production from these assets totaled 21,776 MWh.

⁴ Calculation reference provided in Sustainability Notes 4.1
⁵ United States Environment Protection Agency, 2023, <<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>>

550 GWh

of annual energy production capacity taking our installed customer base in all segments and markets into account – all renewable and directly to the grid

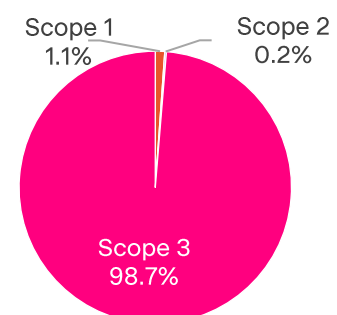
One recent milestone for us was entering our sixth residential market. In September 2023, we opened the doors to our new office in Milan and within short we carried out the first installation on Italian homes. Italy is one of Europe's biggest markets for residential solar, and while the market is quite mature thanks to early adoption of solar the market is booming. Currently being highly reliant on gas from countries outside the EU, increased production of solar energy in this region makes Europe both greener and safer. We are thrilled to increase our European presence and offer our products and services to more people, taking us one step closer to fighting climate change.

Key Metrics	2023 Result	Comment
Total installed capacity	565 MW	Accumulated capacity year 2015-2023
Total emissions avoided	7.17 megatonnes of CO ₂ eq	Calculated over the products' lifetime of 30 years
Total renewable energy production	21,766 MWh	Monitored energy production in 2023 from four solar parks owned by Svea Solar

Our carbon footprint

In an era where environmental consciousness and corporate responsibility have become paramount, organizations are increasingly recognizing the imperative to mitigate their environmental impact. As part of our commitment to sustainability, this section aims to shed light on our carbon accounting practices — a fundamental aspect of our efforts to measure, manage, and ultimately reduce our carbon footprint.

We started disclosing our GHG emissions in 2022, and we have continued to develop our methodology since. This year, we focused our efforts on expanding the coverage of our Scope 3 calculations. We aim at setting a baseline which will allow us to define climate targets and take action to optimize our use of resources. The increased level of emissions in 2023 compared to 2022 is partly due to company growth and partly due to a broader calculation scope covering a larger share of the business.



GHG emissions	2022	2023
SCOPE 1 – direct greenhouse gas emissions from our own operations		
Scope 1 GHG emissions (tCO ₂ eq)	1,449	2,228
SCOPE 2 – indirect greenhouse gas emissions from our energy consumption		
Location-based Scope 2 GHG emissions (tCO ₂ eq)	536	388
Market-based Scope 2 GHG emissions (tCO ₂ eq)	No data	434
SCOPE 3 – indirect greenhouse gas emissions that occur in the supply chain		
<i>Purchased goods and services</i>	110,675	173,747
<i>Capital goods</i>		4,940
<i>Transportation and distribution (upstream and downstream)</i>	3,140	7,425
<i>Waste generated in operations</i>	No data	267
<i>Business travel</i>	No data	288
<i>Upstream leased assets</i>	No data	976
<i>Use of sold products</i>	No data	5,286
<i>End-of-life treatment of sold products</i>	No data	4,327
Total Scope 3 GHG emissions (tCO ₂ eq)	113,815	197,255
TOTAL GHG EMISSIONS		
Total GHG emissions (location-based) (tCO ₂ eq)	115 801	199,871
Total GHG emissions (market-based) (tCO ₂ eq)	No data	199,917
GHG INTENSITY		
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/MSEK)	62.3	80.8
Total GHG emissions (location-based) per installed MW (tCO ₂ eq/MW)	949.2	979.8

For more information on our methodology and sources, see Sustainability Notes 4.2.

Energy production in harmony with nature

A solar park has little impact on the ground and is a reversible measure, which means that it can easily be removed if necessary and the ground can be fully restored. However, it is essential to make sure that land is utilized in the best way and the biological impact is taken into consideration. In fact, research has shown that solar parks can even help restore land and benefit biodiversity. We also promote new concepts like agrivoltaics, a combination of photovoltaics (solar) and agriculture, proving that solar energy and food production can coexist. Europe needs to become more self-sufficient in both energy and food production and we work closely with farmers, authorities, and politicians to make it possible.

Introducing our first agrivoltaic project

Sweden's first large-scale agrivoltaic solar park is currently under construction in Hova, near Mariestad. The solar park is a collaboration between Svea Solar and Ekoväx, Sweden's largest ecological farmer, integrating solar energy with rapeseed, wheat, and pasture cultivation. The completion of the park is scheduled for the summer of 2024 and the first harvest is expected in 2025.

In addition to the crops, the agrivoltaic park will generate 8 GWh per year. This is equivalent to the annual electricity consumption of 1,600 households, covering an area of 13 hectares. The solar park will feature the largest installation in Sweden with single-axis trackers, allowing the panels to follow the sun as well as make way for easy passage of agricultural machinery between the rows of solar panels. Despite the presence of panels, Ekoväx anticipates a substantial yield, while the solar park will generate a significant amount of renewable electricity.

The park will also be included as a research object in SOLVE, a consortium of universities, companies, and public sector organizations focused on research projects related to solar energy in the Swedish power grid. The research aims to enhance the understanding of how solar energy production and traditional farming can coexist in agrivoltaic solar parks to maximize land utilization.

Outlook:

Agrivoltaics

The term “agrivoltaic” was one of the new words in the Swedish dictionary in 2022, signifying the combination of solar energy and agriculture. We are currently building Sweden’s first large-scale agrivoltaic solar park.

Where: In Hova, near Mariestad in Sweden

Area: 13 hectares, equal to 19 football fields

Crops: Rapeseed, wheat and pasture

First harvest expected: 2025

Yearly energy production expected: 8 GWh



Making solar circular

Time after time, the installation of new solar energy exceeds forecasts, and the potential is still enormous. While still being a relatively new technology compared to other sources of energy, it is essential that we limit the negative impacts from outworn products and waste. By taking a circular approach, we take advantage of natural resources already used and increase the level of sustainability for solar.

CircSolar – a partnership for end-of-life research

In 2027, solar energy is expected to become the world's largest energy source, significantly increasing the volumes of solar panels. A solar panel consists of glass, plastic, aluminum, silicon, silver, copper, and lead – components that can be recycled. We currently work in accordance with the WEEE Directive – the legislation that regulates the recycling of electronic equipment and ensures that we collect, treat and recycle the products that we sell. We are affiliated with the organizations Elkretsen in Sweden and PV Cycle in the other markets, which means that we pay a fee on behalf of our customers to ensure that panels, batteries, and other products will, at some point in the future, be able to be recycled.

Today, there is no established system in for recycling, repairing, or upgrading solar panels in Sweden. It is unclear for both consumers and businesses how to act responsibly. That is why Svea Solar initiated the CircSolar project, an initiative that brings together stakeholders from the entire value chain to create a circular solution for solar panels. Our ambitions to improve recyclability corresponds well with the desire from our customers to purchase solar panels with high recycling potential.

The lifespan of a solar panel is about 30 years, and currently there are few panels ready for recycling, but in 15-20 years a lot of solar panels will have reached end-of-life. The CircSolar project team works to propose a national infrastructure for the circular management of solar panels in Sweden. The recommended solution will include a business model, incentives, and compensation structures, as well as necessary policy proposals to support a circular solution for solar panels.



In addition to our experience from being a market leader, Svea Solar can with our international presence bring insights from other markets with different recycling solutions. The CircSolar project runs until 2026 and we hope it will be the catalyst for a new circular approach within the Swedish solar industry.

Recycling and the environmental impact of solar related products are increasingly debated topics, with several other ongoing activities outside the scope of CircSolar. We are closely monitoring the work with eco design and energy labeling of solar panels. Simultaneously, we are evaluating the implications of the EU Battery Regulation which will be gradually introduced from 2025.

No time to waste

In addition to the specific handling of solar panels, other more general types of waste are generated in our operations. At present, the leftover material from an installation is sorted at our hubs. Qualified recycling suppliers collect the material for further sorting and recycling. Most of our waste consists of wood, metal, roof tiles, and roofing felt from our customers, as well as packaging material such as corrugated cardboard and plastic. We handle a limited amount of hazardous waste, e.g. gas cylinders used to lay roofing felt, sealants, and batteries from tools and machines.

Although we are provided with reports on volumes of waste collected and their disposal method, the process has not been streamlined and the use of multiple recycling suppliers has made it difficult to aggregate and analyze data efficiently. When this challenge was identified we initiated a pilot project together with a selected recycling company. The purpose with the pilot, run at two of our installation hubs in Sweden during fall 2023, was to improve waste management routines and increase the share of reuse and recycling, while also improving data quality and reporting. When the pilot is closed, we will evaluate the results and implement the new best-practice solution nationwide. Preliminary results look promising and the roll-out is expected during 2024.

Highlights of 2023

- Record number of new solar installations
- Entered our sixth residential market, Italy
- Commissioned our first own solar park in the summer and have since then grown the portfolio to 49 MW of assets in operation with multiple sites in both Sweden and Cyprus
- Initiated the CircSolar research project, granted public funding by Vinnova
- Started a waste management pilot to create recycling best practice

Long-term goals

- Have a climate transition plan and define net-zero targets
- 100% renewable energy in all offices and facilities
- Reach high level of circularity in organization and products

Initiatives for 2024

- Improve calculations of Scope 3 emissions and identify reduction opportunities
- Implement biodiversity policy in utility project management and work actively with biodiversity improvement initiatives in four solar parks
- Inaugurate our first agrivoltaic park
- Set up large-scale batteries, contributing to a more robust and reliable grid
- Roll-out nation-wide waste management solution

Priority risks

- Solar cell production still largely takes place in countries with a more fossil-based energy mix
- We are currently dependent on a fossil fuel-based vehicle fleet in our operations
- The technology for recycling solar cells, including smaller components, does not yet exist on a commercial scale
- Rapid growth and lack of best practice have led to inconsistency in the ways in which recycling is handled in different parts of the organization

Risk management

- We request carbon footprint data of specific products as well as suppliers' overall GHG emissions, and we follow up on how they work to reduce these
- We work to optimize routes and minimize negative impact from our vehicle fleet
- Standardization of procedures and centralization of recycling services
- Participate in relevant research projects, such as CircSolar and SOLVE

Making Solar Big, Bold and Transparent

We set high standards for ourselves and continuously work to improve sustainable practices in the organization. We strive to be an innovative, transparent, and responsible player. By also placing strict demands on suppliers, partners, and industry colleagues regarding human rights, decent working conditions, and sustainability along the entire value chain we aim to challenge and improve the solar energy industry.



Identified material impacts:

Workers in the Value Chain: Working conditions Occupational health & safety Human Rights	Business Conduct: Supplier management
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Policies & Guiding Documents:

- Supplier Code of Conduct
- Anti-Corruption Policy
- Whistleblowing Policy
- Authority Matrix Policy

Enhanced value chain transparency

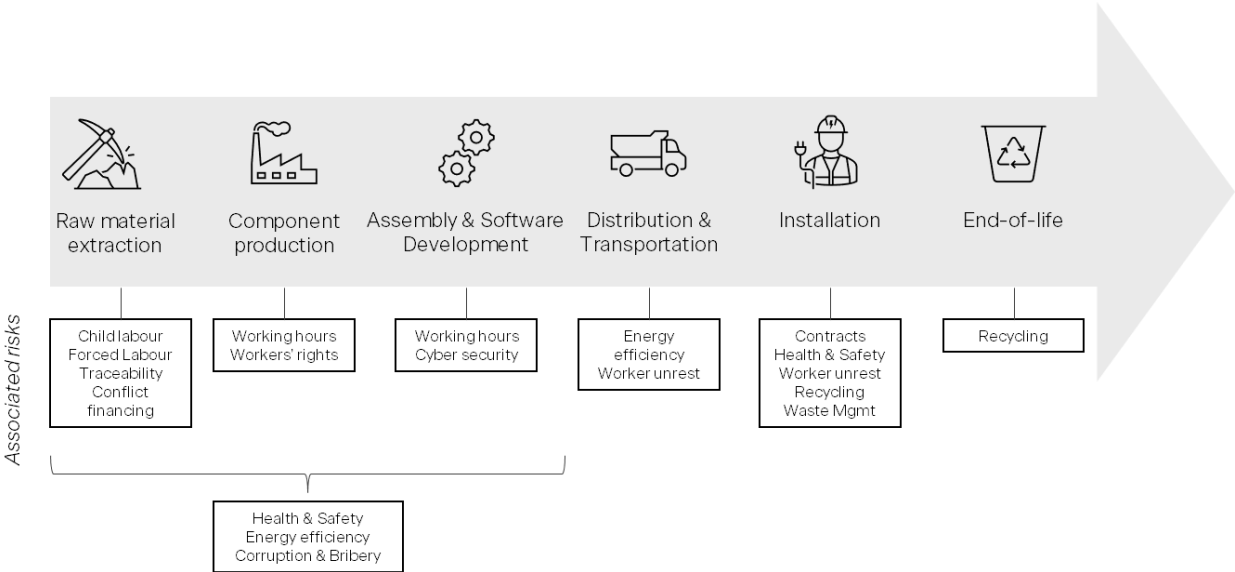
At Svea Solar, we have strict requirements and high expectations on our suppliers, and we only work with leading producers. Interest is increasing from investors, customers, and employees, who require information about where and how the solar panels, electric vehicle chargers, inverters, and batteries that we sell have been produced. At the same time, several upcoming EU directives will set a higher bar for companies' sustainability work. Overall, there are many initiatives aiming at unlocking the solar supply chain and we welcome new harmonizing standards fostering fair competition and positive impact for people and planet.

Managing risks in the supply chain

During 2023, we intensified our efforts in disclosing the working conditions and sustainability work among our suppliers. We have a structured approach built on UN principles and the OECD Due Diligence Guidance for Responsible Business Conduct. All members of the global procurement team have undergone training in Corporate Sustainability Due Diligence by Ethical Trading Initiative Sweden (ETI), focusing on human rights and working conditions in global supply chains. While improving our internal expertise, we have refined our due diligence process leveraging new knowledge and information.

As part of our annual review, we updated our risk assessment and risk mitigation plan from a supply chain perspective. In this risk mapping, we used a dual perspective considering both Svea Solar's negative impact on others and external negative impact on our business. To assess our negative impact, we included risks related to suppliers on country, sector, and production level, as well as the nature of the business relation.

The risk mapping concludes that some risks are present in multiple steps of the supply chain, while others are more linked to specific activities. Risks also vary depending on the product category and companies involved. In line with the framework for risk assessment, we considered aspects of severity and likelihood in this process. This exercise further provided valuable input to our materiality assessment described on page 6.



On a sector level, risks related to breaches of human rights have been linked to raw material extraction for components used in solar panels and batteries. There have been reports of use of forced labor in relation to solar panel manufacturing in China, specifically pointing to the extraction and processing of polysilicon. We have not identified any human rights breaches among our suppliers nor sub-suppliers, but we are aware of the complexity when validating all steps in the supply chain. Risks of adverse human rights impacts have been included in the value chain overview since the potential negative impact can be severe although the likelihood is low.

We cooperate closely with suppliers and partners to prevent and counteract all forms of misconduct and criminality. Being an active member of both the Swedish Solar Energy Association and ETI are ways in which we exert an influence and take a leading role in pushing the solar energy industry to take greater responsibility.

Other relevant risks, characterized by lower severity but higher probability and present in multiple steps of the value chain, are working conditions, health and safety, and environmental matters, especially energy efficiency and waste management. We work hard to ensure our suppliers both upstream and downstream meet compliance levels, while we also encourage progress beyond minimum requirements to make further positive impact.

Responsible sourcing

We recently revised and expanded the scope of our Supplier Code of Conduct, our guiding document for setting requirements and expectations for our suppliers. These standards are mirrored in our supplier due diligence and sustainability assessment, where we collect supporting documentation and proof of compliance. When we initiated this sustainability evaluation a few years ago, we developed our own questionnaire and focused on suppliers of solar panels. As we identified the need to cover more products and services while streamlining the process for both Svea Solar and suppliers, we automated the assessment process, and other parts of supplier monitoring, by investing in a platform for supplier relationship management in late 2023.

Product traceability, i.e. tracking a product's journey from origin to consumer, is a vital tool in achieving supply chain transparency and accountability. As regulations tighten and consumer expectations rise, product traceability is no longer a choice but a strategic imperative. Companies that implement robust traceability systems gain a competitive edge by demonstrating their commitment to quality, safety, and social responsibility. We collect key supply chain data from our suppliers as an input to risk mapping and mitigation. When it comes to solar panels, we have a good understanding of our upstream supply chain, even if the first steps of production are still quite fragmented and detailed tracking is challenging. We work closely with suppliers and industry peers to promote transparency and ensure that fair conditions are applied in all steps of the value chain.



In selected business segments, we work with installation partners and sub-contractors for installation work. These workers are exposed to similar risks as our own employees, and we carefully choose partners who share our values and meet our quality and safety standards. At the same time as the shortage of skilled workers is well-known, we must add additional resources continuously to meet the high customer demand. To improve the partner experience and ensure safe work of high quality delivered to our customers, we have created a digital workflow for evaluating and onboarding installation partners. This way, we can easily get an overview of our pool of partners and follow up their performance regularly.

Key Metrics	2023 Result	Comment
Share of OEM direct material spend covered by our Supplier Code of Conduct	99%	Direct material spend refers to hardware costs. Distributors are excluded.

Definition provided in Sustainability Notes 5.1.

Highlights of 2023

- Implemented a supplier management platform for automated assessments and follow-ups of suppliers, improving compliance and ESG work in the value chain
- Increased transparency in our upstream supply chain through traceability mapping focusing on solar panels and batteries
- Re-designed the process for approving, onboarding and following up on installation partners and sub-contractors

Long-term goals

- We are recognized as a strong voice for sustainable sourcing
- Have verified carbon footprint data of >50% of all major products (e.g. LCA)
- Increase ratio of products in our offering that are produced with renewable energy
- Have full supply chain traceability of major products

Initiatives for 2024

- Have our Supplier Code of Conduct signed, or recognize a corresponding Code of Conduct, by 100% of OEM suppliers of direct material
- Evaluate and strengthen our responsible purchasing practices, including setting up a routine for remedy
- Quantifying ESG compliance and maturity in our pool of suppliers
- Monitoring and analyzing the implications of supply chain related regulations such as *Corporate Sustainability Due Diligence Directive* and *EU Forced Labour Ban*

Priority risks

- A lack of transparency and access to production sites far upstream in the supply chain makes it very difficult to evaluate risks of human rights violations and to act appropriately
- There are reports at industry level of poor working conditions and human rights violations in the extraction of polysilicon, and raw materials for batteries

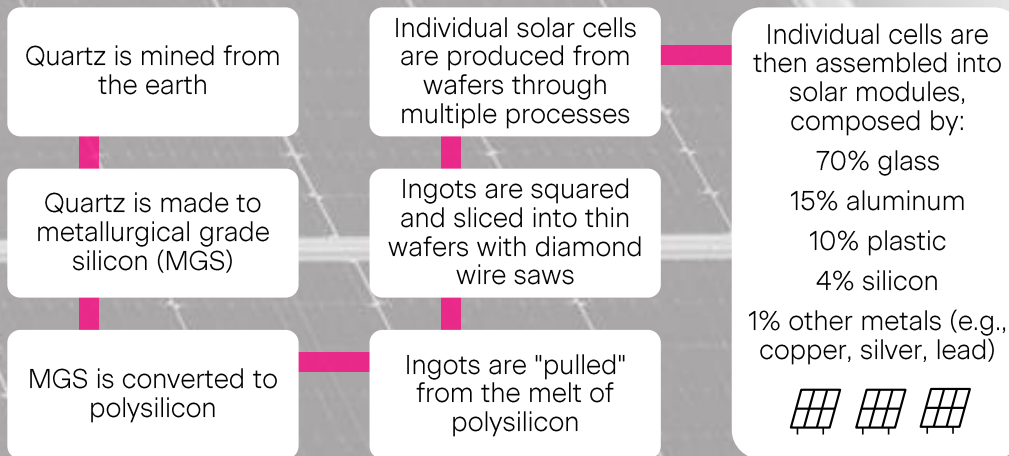
Risk management

- Implementing a due diligence framework in line with OECD Due Diligence Guidance for Responsible Business Conduct
- Our membership in ETI means that, together with other industry actors, we can discuss risks and how we can collaborate to jointly address these

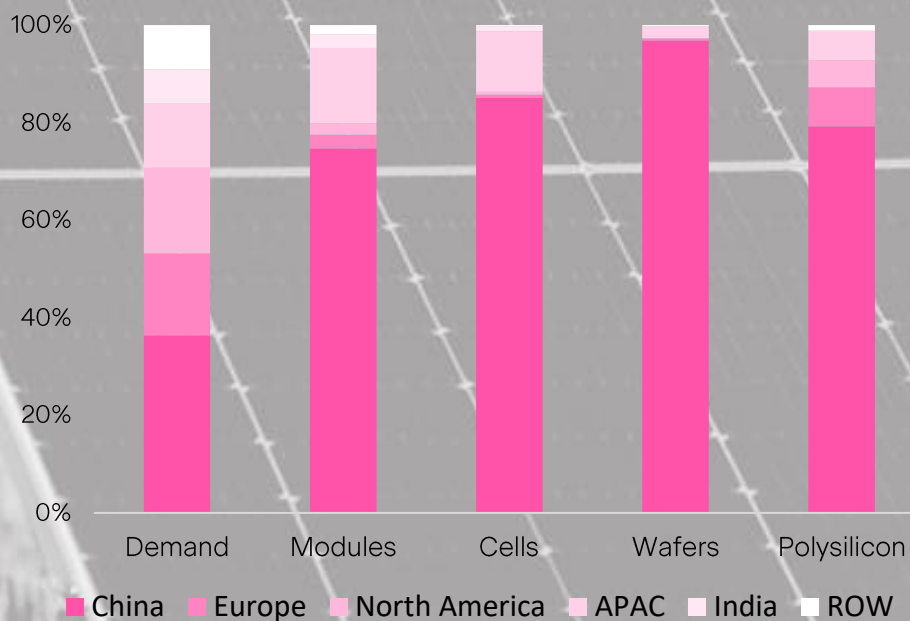
Outlook:

The solar supply chain – from mine to module

How are modules produced?



Manufacturing capacity by country and region, in %



Source: IEA, 2022, *Special Report on Solar PV Global Supply Chains*

Solar energy debate



The solar energy debate is picking up slightly, but the potential of solar energy continues to be underestimated. Therefore, our focus has been to raise awareness and share knowledge among decision-makers, journalists, opinion leaders, and the public. One example is the fact that solar, in a few years, will be the world's biggest source of energy, a fact many European leaders are unaware of.

Our focus has been on leading the debate in Sweden as it is our home market and where we have the largest share of our business. The main issues we have pursued are:

- The potential of solar energy – to make politicians realize that the energy system is undergoing a transformation and that, together with batteries, a fully renewable energy system is possible.
- Challenges with the permit processes for solar parks. During 2023 a few municipalities have introduced building permits for solar parks, an extra hurdle further delaying the permit process. For these matters, we have cooperated with the Swedish Solar Energy Association and a solar park network called “Nätverket för solparker”, as we get bigger traction when we cooperate with other industry players.
- Create profitable conditions for aggregators, as Sweden implements the EU directive on common rules for the internal electricity market. We have been in contact with several politicians to underline the importance of a model where it is profitable to aggregate, as it is a great service to the electricity grid.

As part of our sustainability engagement, we have participated in several research projects within SOLVE, the Solar Electricity Research Center in Sweden. These are described more in detail in the section ‘Energy production in harmony with nature’ on page 26. In addition, we cooperate closely with the industry association to create new common standards, not the least within safety where we are a part of a special task force.

Business conduct

Corporate governance

The Board of Directors is the company's highest decision-making body. The Board has initiated a working group to increase agility, assimilate information, and provide the CEO with ongoing assistance with important issues. Crucial decisions are always made by the Board as a whole. Written rules of procedure have been compiled to guide the work of the Board.

The Board of Directors has an important role in formulating strategies and goals, and in overseeing updates of the company's purpose, mission, and vision. The Board meets several times per quarter and, in conjunction with these meetings, reports are received from the management team on, among other things, finance, sustainability, and personnel issues. Strategy and risk management, including sustainability-related risks and due diligence findings, are topics to be annually addressed by the Board, in accordance with the Board's annual plan.

The Board of Directors is responsible for the company's policy commitments and several policies have been revised, or developed, and approved by the Board in 2023. With regards to sustainability related topics, a Sustainability Council has been formed and is, among other things, responsible for preparing such guiding documents before Board approval.

The Sustainability Council is an internal forum dedicated to discuss sustainability topics and create management attention and commitment. The Council meets quarterly and handles topics related to the sustainability strategy, targets and progress, priorities, and compliance in group functions.

The Board consists of six members, two of whom are independent. Apart from the CEO, who is also a member of the Board of Directors, no members hold executive roles. However, a couple of members are engaged as advisors to the company on specific issues in addition to their regular Board assignments. The nomination and appointment of Board members is partly regulated in the shareholder agreement. The election of Board members is formally exercised by the Annual General Meeting, which is constituted by all owners. Criteria considered for the election of the Board of Directors in 2023 were relevant competence and owner representation. Chairman Tore Myrholm does not have an executive role in the company. Competence profiles have been created and used when electing and re-electing Board members.

The Auditor submits a report annually to the Board in which significant risks and proposals for measures linked to corporate governance and efficient processes are presented.

Delegation and reporting

The ultimate responsibility for the company's impact on the economy, the environment, and people lies with the Board. According to the CEO's instructions, which are revised annually, responsibility for measures and action plans has been delegated to the CEO. The CEO, in turn, delegates responsibility for finance, environment, and personnel to the members of the Sustainability Council who are responsible for the implementation and follow-up of sustainability issues related to their area of work. Some members of the Sustainability Council are also part of the Management Team while others have been invited based on their expertise or importance for the sustainability work. The CEO and Management Team report monthly to the Board in the form of both written reports and orally in Board meetings.

Conflict of interest

During 2023, we had no conflicts of interest among the Board of Directors. Members' involvement and relationships with other organizations are clearly regulated in writing and communicated to other stakeholders. Critical challenges are communicated to the Board via Board documentation, in Board meetings, by telephone, and via the working group that has been appointed. The Board's work is characterized by short decision-making routes and a high degree of availability.

Remuneration to Board of Directors and Managers

Compensation structure and remuneration to Board of Directors follow Altor's practice and are decided on the Annual General Meeting. Ownership representatives on the Board do not receive remuneration. Independent members receive reasonable remuneration in the form of annual remuneration and participation in a stock option program.

The CEO's salary and remuneration are decided by the Board, which also approves the Management Team's overall terms. Remuneration to senior managers is often a combination of salary, stock option program and shareholding, which makes metrics and comparison of annual remuneration rates misleading.

A group compensation policy is currently being developed and will be implemented in 2024. It will cover aspects of compensation including different types of remuneration, allowances, and approval structure.

Anti-corruption

Our ways of working at Svea Solar and how we act are closely anchored in our values. We conduct business with a high level of integrity, responsibility, and ethical diligence, and we have zero tolerance for any form of bribery, corruption, or extortion. All employees, including the Board, have been informed about our ways of working, our anti-corruption policy, and our whistleblower policy, as these are included in the Code of Conduct for Employees, which is a document everyone signs once being hired.

How we work with suppliers and subcontractors in matters of anti-corruption is clearly described in our Supplier Code of Conduct, which all main suppliers are required to read and sign.

Compliance with laws and regulations

Regulatory compliance is within Svea Solar the responsibility of the relevant function or business area. For global or European regulations, group support functions are responsible for monitoring and to ensure compliance. For national laws and regulations, the Managing Director is responsible, although it can be delegated to other roles.

When it comes to dedicated ESG or sustainability regulation, including sustainability reporting, Head of Group Sustainability is monitoring development and its implications. These topics are regularly presented and discussed in the Sustainability Council.

We have had a small number of non-compliance incidents linked to occupational health and safety that have led to cases with the Swedish Work Environment Authority. Where these cases have resulted in fines, no significant amounts were involved. Of course, we still take these events very seriously because it is important for us as a company, for our employees, and for other stakeholders that the right measures are taken.

One of our solar parks received in 2023 a fine due to an environmental breach. Because of the park's geographical location, some preparatory work was needed at the site. Unfortunately, this was not finalized ahead of construction as required, but at the beginning of the building phase. Although everything was already handled when the fine was discussed, we faced a financial penalty due to the non-compliant process. We analyzed the root cause for this and have reviewed our routines for internal handover to prevent it from happening again.

A compliance case with the Swedish Electrical Safety Authority related to electrical safety, including background and outcome, is described on page 16.

Key Metrics	2023 Result	Comment
Total number of board members	6	By 2023-12-31
Total number of independent board members	2	By 2023-12-31
Number of board members trained in anti-corruption	6	During 2022 or 2023
Number of significant fines and non-monetary sanctions for non-compliance with social, economic, or environmental laws and/or regulations	0	During 2023 Significant fines are defined as 2% or more of revenue
Incidents of corruption confirmed during the current year related to the current year or previous years	0	

Long-term goals

- Ensure that we have knowledge and procedures in place to ensure compliance with our zero tolerance policy of bribery, corruption and extortion

Initiatives for 2024

- Review corporate governance structure to strengthen compliance and control
- Increase awareness and accountability for sustainability matters across the organization and at board level

Priority risks

- Organizational changes may lead to unclear responsibilities and lack of solid processes
- Risk of fines and financial penalties from non-compliance

Risk management

- Have an authority matrix defining approval levels for all employees related to e.g. supplier agreements, purchase orders, invoice approval, NDAs and Letter of Intent
- Make sure responsibilities for legal monitoring and compliance, applicable to all aspects of the business, are well-defined in the whole organization

EU Taxonomy

As part of the Paris Agreement and the European Green Deal, the European Commission has developed the EU Taxonomy to simplify the redirection of capital to activities or projects that are aligned with the 1.5°C goal of the Paris Agreement. However, Svea Solar is not yet subject to mandatory disclosure requirements to the EU Taxonomy. This segment reflects an elementary review and does not constitute formal reporting in line with EU Taxonomy requirements.

The EU Taxonomy is based on six environmental objectives. To be considered sustainable, an economic activity must:

- Contribute significantly to at least one of these objectives
- Not significantly harm any of the other objectives
- Comply with minimum social safeguards

Six Overarching Environmental Objectives



Climate change mitigation



Climate change adaptation



Sustainable use and protection of water and marine sources



Transition to a circular economy



Pollution prevention & control



Protection & restoration of biodiversity & ecosystems

Climate change mitigation

Svea Solar's primary economic activities are electricity generation using solar photovoltaic technology in the energy sector and the installation, maintenance, and repair of renewable energy technologies in the construction and real estate sector. These activities have a substantial contribution to climate change mitigation and are listed in the Climate Delegated Act.

Climate change adaptation

This is the process of adjusting to actual and expected climate change and its impacts. The EU Taxonomy criteria for adaptation focuses on climate hazards and require activities to undertake a physical climate risk assessment. Svea Solar has yet to initiate work around robust climate risk and vulnerability assessment.

Sustainable use and protection of water and marine resources

Currently not identified as a significant aspect for Svea Solar's primary economic activities.

Transition to a circular economy

The EU Taxonomy defines the circular economy as an economic system whereby the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption and thereby reducing the environmental impact of their use. The CircSolar project is a significant step towards a circular economy in the Swedish solar industry (page 28). Svea Solar aims to propose a national infrastructure for circular management, leveraging market leadership and international presence. Finally, Svea Solar adheres to the WEEE Directive and has various other initiatives to support a circular economy.

Pollution prevention and control

Currently not identified as a significant aspect for Svea Solar's primary economic activities.

Protection of biodiversity and ecosystems

Economic activities can help protect and restore biodiversity and ecosystems, which in turn improves ecosystem services. This can be done by protecting, conserving, or restoring biodiversity and ecosystems. Svea is constructing Sweden's first large-scale agrivoltaic solar park (page 26), which combines agriculture and solar energy. Solar panels can be installed above crops or grazing areas, allowing for dual land use. This approach can increase land productivity, while also generating renewable energy.

Minimum safeguards

Economic activities are considered environmentally sustainable only if they align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes adhering to the International Labour Organisation's (ILO) declaration on Fundamental Principles and Rights at Work, the ILO's eight fundamental conventions, and the International Bill of Human Rights. In 2023, Svea Solar continued the implementation of a due diligence process based on the above-mentioned guidelines and intensified its efforts to disclose working conditions and sustainability work among suppliers. Relevant parts of the organization, e.g. roles related to procurement, product and sustainability, have also participated in human rights due diligence training. Risks associated with Minimum Safeguards are outlined on page 32.

EU Taxonomy disclosure of turnover, CAPEX and OPEX

In addition to the activities mentioned above, the EU Taxonomy mandates that we report the percentage of capital expenditure and the portion of operating expenditure linked to assets or processes tied to environmentally sustainable economic activities. A thorough analysis of the turnover, CAPEX, and OPEX has not been undertaken for this reporting year. Svea Solar is obliged to report on the disclosure requirements outlined by the EU Taxonomy for the year 2025, when Svea Solar will also fall within the scope of the Corporate Sustainability Reporting Directive (CSRD).

More information is provided in Sustainability Notes 5.2.

About the Sustainability Report

For the reporting year 2023, the Svea Solar group reports its sustainability information for the second time in accordance with Chapter 6 of the Annual Accounts Act.

The Board has been involved in the preparation of the Sustainability Report by overseeing the process and contributing with opinions and experiences. The Board of Directors is ultimately responsible for the Sustainability Report.

The content has been compiled by:

Hanna Goldmann
Head of Group Sustainability

Media and press inquiries should be directed to:

Charlotte Olsson
Head of Group Communications
charlotte.olsson@sveasolar.com

Sustainability Notes

SN 1. Accounting Policies

The sustainability statement was prepared on a consolidated basis and covers the same reporting scope as the financial statement, i.e. the parent company Svea Renewable Solar AB and its subsidiaries. All statements on strategies, policies, actions, metrics and targets refer to the company and, where not shown separately, also to the parent company. The report covers the company's entire value chain and, where material, provides information on upstream and downstream activities.

SN 2. Materiality Assessment

2.1. Full list of topics from materiality assessment

Theme	Topics	Concluded as material
Climate Change	Climate change adaptation and mitigation Energy	Yes
Pollution	Pollution or air, water, soil, living organisms Substances of concern	No
Water and marine resources	Water withdrawals, consumption and use Pressure on marine resources	No
Biodiversity and ecosystems	Biodiversity loss State of species Ecosystems and ecosystem services	Yes
Circular economy	Resource outflows Resource inflows Waste	Yes
Own workforce	Working conditions Occupational health & safety Equal treatment Human rights Industry specific workforce training	Yes
Workers in the value chain	Working conditions Occupational health & safety Equal treatment Human rights	Yes
Affected communities	Communities' economic, social and cultural rights Civil and political rights Rights of indigenous communities	No
Consumers and end-users	Privacy and data security Personal safety of consumers Social inclusion Financial benefits	Yes
Business Conduct	Corporate culture and business conduct Supplier management Political influence Corruption and bribery	Yes

Dimensions of severity (scale, scope, irremediability) and likelihood were used to assess the impacts' materiality.

SN 3. Notes on Social Topics

3.1. FTE=Full-time equivalent. All employees have an FTE value ranging from 0 to 1 depending on their scheduled hours of work. To illustrate, 1 represents full-time and 0.5 half-time, which means two half-time employees make up for 1 FTE.

3.2. Executive managers 2023 include: CEO, CHRO, CXO, CSO, CFO, CPO, Managing Director (MD) Sweden, MD Germany, MD Italy, MD Spain, 2xMD Netherlands, MD Utility.

3.3. Accident data from 2022 only cover own employees in Sweden, Germany and Spain. Accident data from 2023 cover employees and non-employees in Sweden, Belgium, the Netherlands and Spain.

3.4. Power-Up Academy classroom trainings include trainings at training centers, offices, and hubs.

SN 4. Notes on Environmental Topics

4.1. The calculation is based on the European energy mix⁶, annual PV energy production in Europe, and lifecycle data for residential solar systems including monocrystalline silicon solar cells, cabling, assembly device, inverter, and system installation⁷.

4.2. GHG emissions

Greenhouse gas (GHG) emissions have been calculated according to the GHG Protocol, and we have used an operational control approach. In 2022, the scope for calculating GHG emissions was limited, especially for Scope 3 categories where only panels and inverters were included in emissions related to purchases and transport.

Scope 1: Calculations are based on fuel consumption from company cars. Emission factors from our main suppliers in Sweden (leasing company and fuel provider) are used across all markets. The emission factors are based on WTW, and indirect emissions related to fuel consumption from company cars are therefore not included in Scope 3.

Scope 2: Calculations are based on direct monitoring of energy consumption and emission factors from suppliers. When specific data has not been available, we have used country specific averages for energy consumption based on area for non-residential buildings. Emission factors used in absence of supplier data, are for electricity Residual Mixes 2022 from AIB, and data from UK Government GHG Conversion Factors for Company Reporting (DEFRA, 2023) for other fuel and energy types, such as gas, oil and district heating.

Scope 3: We have used a hybrid approach for calculating Scope 3 emissions, combining activity and spend data. Activity data and supplier submitted emission factors have been used when calculating emissions from solar panels and inverters with regards to purchase, transport, use phase and end-of-life. For other products and services, and other categories, we have used spend data together with emission factors from EXIOBASE⁸ and Upphandlingsmyndigheten⁹.

The following categories have not been disclosed in Scope 3:

- Fuel and energy related activities – all emissions from vehicle fleet are covered in scope 1
- Employee commuting – negligible
- Processing of sold products – not applicable
- Downstream leased assets – not applicable
- Franchises – not applicable

⁶ AIB, 2023, *European Residual Mixes 2022*

⁷ IEA, 2021, *Environmental life cycle assessment of electricity from PV systems*

⁸ EXIOBASE Multi-Regional Environmentally Extended Input Output (EEIO) Model

⁹ Johansson, Jens et al (2022-03-01) *Miljöspendanalys, kategoriträd och miljöindikatorer input/output-metod*. Upphandlingsmyndigheten, Solna.

- Investments – negligible

SN 5. Notes on Business Conduct

5.1. Key metric represents the percentage of OEM direct material spend (hardware costs) in 2023 from suppliers who have signed our Supplier Code of Conduct in relation to total OEM direct material spend. If including distributors, 93% of direct material spend is covered by the Supplier Code of Conduct.

5.2. Notes on EU Taxonomy

Paris Agreement: A worldwide climate accord reached by global leaders during the COP21 climate conference in Paris in 2015. A key point of the Paris Agreement is to limit global warming to well below 2°C and strive to keep it below 1.5°C.

European Green Deal: A strategy for attaining net zero emissions. The European Green Deal incorporates a strategy to encourage the efficient utilization of resources by transitioning to a clean, circular economy, and reinstating depleted biodiversity while minimizing pollution.

Climate Delegated Act: This act focuses on the economic activities in sectors that are most relevant for climate neutrality and climate change adaptation, including energy, manufacturing, transport, and buildings.



Auditor's report on the statutory sustainability report

This opinion replaces the opinion dated March 20, 2024

To the general meeting of the shareholders in Svea Renewable Solar AB, corporate identity number 556955-1350

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2023 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 4th April, 2024

Öhrlings PricewaterhouseCoopers AB

Gabriella Hermansson
Authorized Public Accountant