AFRY

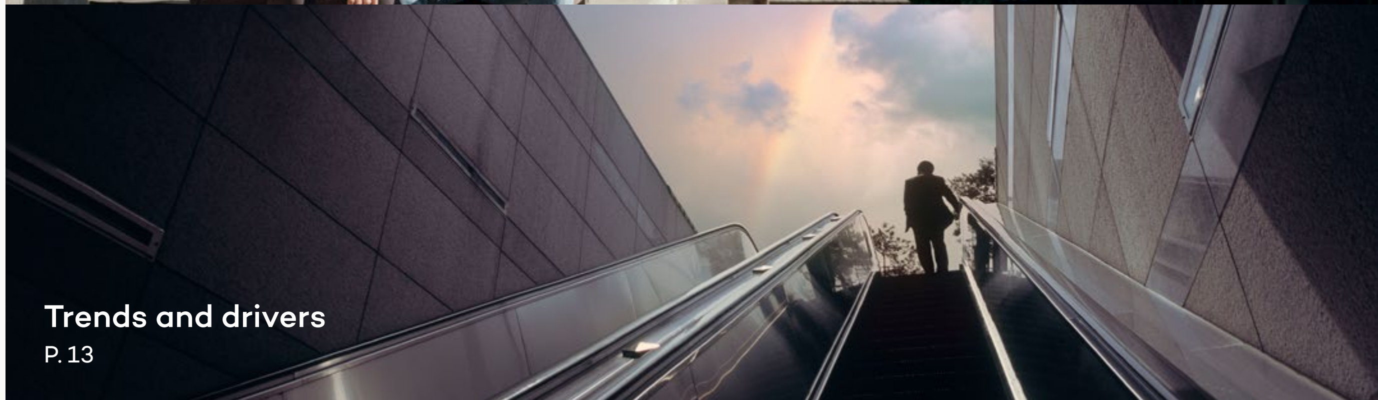
Annual and Sustainability Report 2023

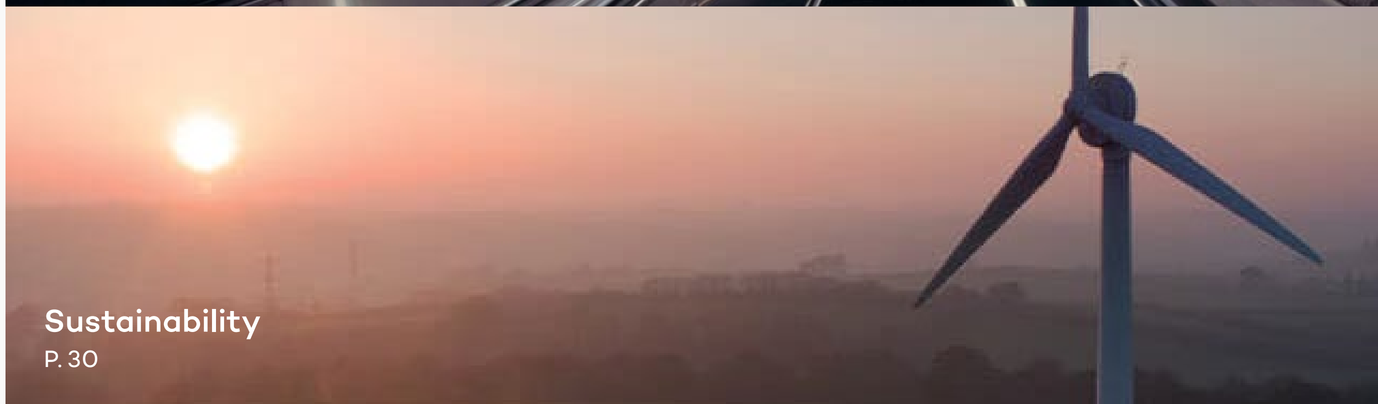

Welcome to a world engineered by AFRY
Join us in Making Future

Contents

* Limited assured sustainability information
** Reviewed financial information

About this report
AFRY Group's administration report and financial statements are found on pages 54–103 and are audited. The statutory sustainability report encompasses pages 12, 16, 26–29, 30–34, 35–39, 42–46, 47–48, 58–60, and 104–130 and has been subjected to limited assurance by the company's auditors. AFRY annually publishes an Annual and Sustainability report and previous reports are publicly available on afry.com.





CEO statement

"We continue to strengthen our position within the green transition, which is also reflected in our strong growth during the year. At the same time, we continue to focus on improving the company's profitability."

Jonas Gustavsson
President and CEO

The full year 2023 was characterised by a healthy demand for AFRY's services, where we are well positioned within the global energy and industrial transition. 2023 saw net sales of SEK 27 billion, which corresponds to a total growth of 15 percent.

Our external environment has been affected by a number of geopolitical tensions and conflicts, and we have seen continued uncertainty in the financial markets. This has affected demand in some industry segments, and we also witnessed a real-estate market that slowed down considerably during the year. This impacted our results, and we have, therefore, implemented a number of measures to strengthen profitability.

In line with our strategy and financial targets, we delivered a strong growth of 15 percent and organic growth was 10 percent adjusted for calendar effects. The order backlog remained at a high level during the year.

In terms of results, we delivered an EBITA, excluding items affecting comparability, of SEK 2 billion, corresponding to an EBITA margin of 7.5 percent. We are determined to reach our goal of 10 percent and have worked with focused measures to increase the profitability. We ended the year with a strong operating cash flow and thereby strengthened our financial position.

The five divisions developed positively during the year, mainly in the Process Industries, Energy and Management Consulting Divisions, which reported continued strong growth and margins above 10 percent. The Industrial & Digital Solutions Division had a weaker development towards the end of the year due to reduced demand in IT and telecom and a project write-down. The Infrastructure Division experienced a weak results trend affected by a weakened real-estate market primarily in Sweden and Finland. To strengthen profitability and meet a more uncartian market we have expanded the ongoing improvement programme during the year. This entails structural changes and capacity adjustments with a planned reduction of approximately 300 full-time positions. It is pleasing that the fourth quarter took a step in the right direction in terms of results, and we are continuing to work on improving profitability in the division.

On 1 October 2023, AFRY X was dismantled as a division and its integration into other divisions has gone according to plan. The structural changes improve the conditions for further developing the digital offer with a continued focus on offering services within industrial digitalisation, analysis and cyber security.

In 2023, AFRY launched an updated business strategy based on scaling up of our strong global position in the energy and bio-based segments, strengthening operations and profitability in Infrastructure and growing our Nordic industrial business. This will be achieved by having a strong client focus, being an attractive employer and creating an effective platform.

There is a generally high demand for our expertise in the market, and we have a strong position in the ongoing transition of energy and industry. This is reflected in Engineering News Records' (ENR) ranking, where AFRY is one of the main engineering and design companies in a number of segments, such as pulp and paper, mining and metals and hydropower, as well as transmission and distribution.

During the year, we have had strong organic growth that we have complemented with international acquisitions within our key segments. We have acquired a Canadian engineering company within the process sector with an annual sales of around SEK 180 million. Through the acquisition, we created a strong platform in North America and enhanced our offering within pulp and paper, mining and metals, as well as chemicals. We have also acquired an engineering company within wind power based in the Netherlands with annual sales of SEK 50 million. The acquisition contributes to strengthening AFRY's global business within renewable energy with services throughout the wind-power lifecycle, both on land and at sea. A total of five acquisitions were communicated during the year with annual net sales of around SEK 350 million.

Sustainability is integrated into AFRY's business strategy and through our client projects, this empowers us to make the greatest possible impact. We have also adopted a targeted approach to reduce our own emissions, with the aim of halving carbon emissions from business travel and office operations by 2030 and achieving net zero in these categories by 2040.

AFRY is one of the highest-ranked companies in sustainability measurements in our industry. For example, we have been awarded the highest Platinum rating in EcoVadis' global ratings. AFRY has also attained a prominent position as one of the most attractive employers in Sweden according to Universum's employer brand metric, which was also confirmed in a number of other metrics in the area.

We continue to support the UN Global Compact, which includes principles on human rights, labour rights, the environment and anti-corruption. For many years now, we have been working with inclusion and diversity in order to integrate this into our culture, strategy and commitments, and every year in March, we arrange a global week on this very theme. During the year, we have established a work environment function at group level to ensure completed risk assessments, preventive work within working environment and that we comply with current legislation within the business areas and countries where we operate.

I look forward to continuing our collaborative efforts to create value for our clients, our shareholders and for society as a whole. Finally, I would like to thank my colleagues around the world for a great job during the year.

Stockholm, March 2024

Jonas Gustavsson, President and CEO

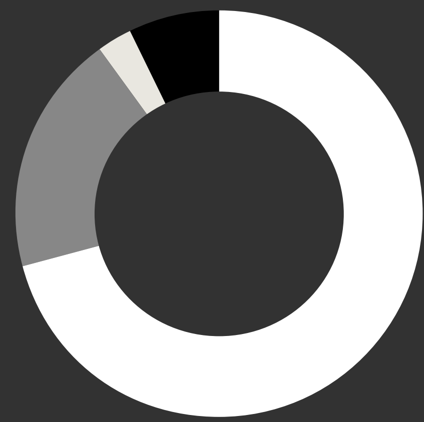
AFRY in short

AFRY provides engineering, design, digital and advisory services to accelerate the transition towards a sustainable society. We are 19,000 devoted experts in industry, energy and infrastructure sectors, creating impact for generations to come. AFRY has Nordic roots with a global reach, net sales of 27 BSEK and is listed on Nasdaq Stockholm.

Our mission
We accelerate the transition towards a sustainable society

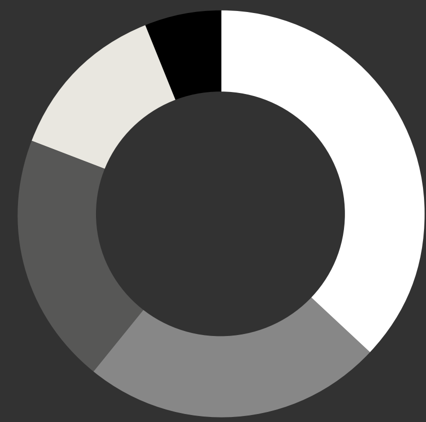
Our vision
Making Future

Our values
Brave, Devoted, Team players



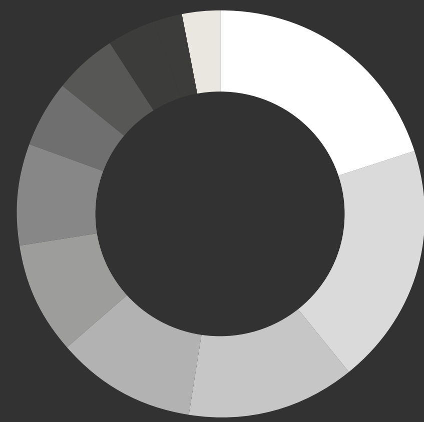
Sales by geography

- Nordics 71%
- Rest of Europe 19%
- Asia 3%
- Other 7%



Sales by division

- Infrastructure 37%
- Industrial & Digital Solutions 24%
- Process Industries 20%
- Energy 13%
- Management Consulting 6%



Sales by segment

- Transport infrastructure 20%
- Energy 19%
- BioIndustry 13%
- Buildings 11%
- Process industry 9%
- Automotive and R&D 8%
- Food & Life Science 5%
- Telecom and ICT 5%
- Manufacturing Industry 4%
- Defence 2%
- Other industry 3%

Net sales, SEK million
27,000

Number of employees
19,000

Private sector
75%

EBITA margin
7.5%

*Excluding items affecting comparability.

Countries with projects
100

Public sector
25%

Reasons to invest

AFRY has a strong track-record of delivering profitable growth. The transition towards a more sustainable society is apparent and AFRY is well positioned to take the lead. Below are the main reasons how we create client and shareholder value.

Long-term value creation

We continuously focus on strengthening our client offering, improving efficiency and investing in our people as well as our operating platform to generate profitable growth. In line with our dividend policy, we have delivered a stable average dividend above 50 percent of profit after tax in recent years.

Leading positions globally

The green transition is especially strong in the industrial and energy segments where AFRY has its roots and deep sector knowledge. AFRY holds leading positions globally in several key segments, which is confirmed by top positions in the ENR ranking of international engineering and design firms.

The green transition increases the demand for sustainable solutions

The green transition is leading to an increasing demand amongst clients for sustainable solutions. In addition, several sustainability initiatives and legislations such as the EU Green Deal, Fit for 55, REPowerEU and EU taxonomy will drive investments.

Diversified portfolio

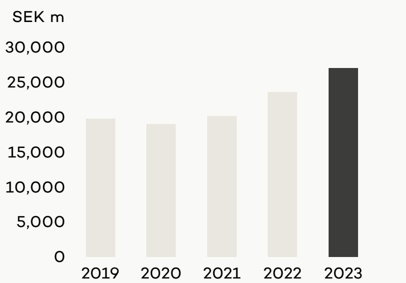
AFRY has a well-diversified portfolio with a strong client offering in the industrial, energy and infrastructure sector as well as a healthy mix of public and private sector. Geographically, AFRY has a strong local position in the Nordic region and leading positions in global segments with projects in more than 100 countries worldwide.

The year in brief

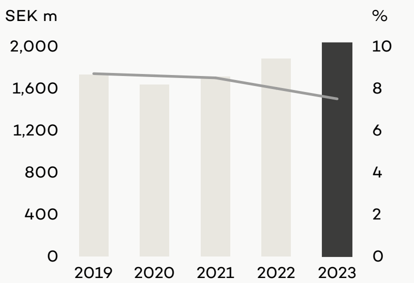
2023 we saw a healthy demand for AFRY's services, contributing to net sales of SEK 27 billion and a total growth of 15 percent.

- Net sales increased by 14.5 percent to SEK 26,978 million (23,552)
- Organic growth adjusted for calendar effects was 10,2 percent (8.1)
- EBITA excl. items affecting comparability was SEK 2,032 million (1,886)
- EBITA margin was 7.5 (8.0) percent excl. items affecting comparability
- Earnings per share was SEK 9.71 (8.60)
- Operating cash flow was SEK 1,794 million (1,042)
- The Board of Directors proposes a dividend of SEK 5.50 per share
- Total reported CO_2 emissions were reduced by 32 percent compared with the base year 2019
- Taxonomy-eligible net sales of 41 percent
- Five acquisition were communicated adding approximately SEK 350 million in net sales

Net sales

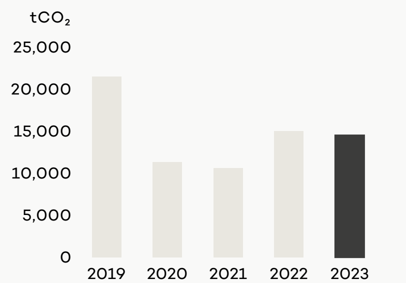


EBITA/EBITA-margin*



*Excluding items affecting comparability.

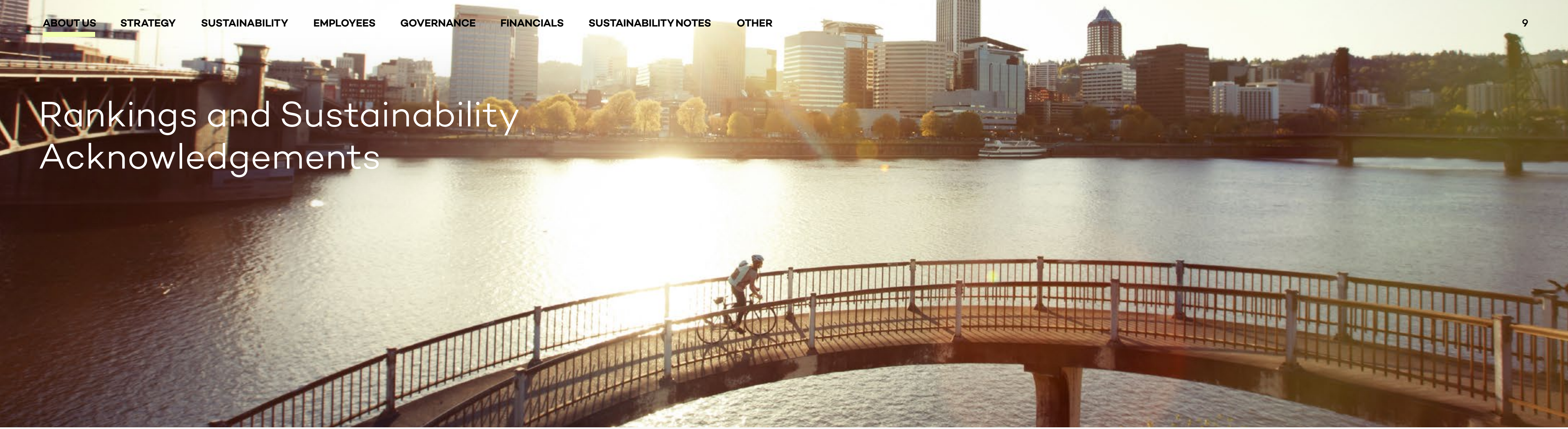
CO_2 emissions



Key figures

	2023	2022
Net sales, SEK million	26,978	23,552
Order stock, SEK million	19,329	19,440
EBITA excl. items affecting comparability, SEK million	2,032	1,886
EBITA margin excl. items affecting comparability, %	7.5	8.0
EBITA, SEK million	1,938	1,729
EBITA margin, %	7.2	7.3
Profit after net financial items, SEK million	1,441	1,220
Basic earnings per share, SEK	9.71	8.60
Net debt, SEK million[1]	4,868	4,646
Net debt-equity ratio, %[1]	39.1	38.2
Net debt/EBITDA, times[1]	2.4	2.5
Total number of employees	18,984	18,687
Capacity utilisation, %	73.5	74.7
Taxonomy-eligible net sales, %	41	42
CO_2 emissions, tonnes	14,553	15,040
Female leaders, %	26.6	25.3

1) Excluding effects of IFRS 16 Leases.



Rankings and Sustainability Acknowledgements

We see an increased interest from clients, investors and other stakeholders in how we integrate sustainability into our business. In 2023, AFRY received top ratings from several evaluations of our sustainability initiatives and our externally validated climate commitments.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science-based targets
In the journey towards our net zero target, AFRY has set near-term climate targets that are validated by the Science Based Target initiative. This means that the targets have been externally validated to be in line with the 1.5 degree target.

PLATINUM Top 1% 2022 ecovadis Sustainability Rating

EcoVadis
In the EcoVadis evaluation AFRY was awarded the Platinum-rating, the highest level, with a score of 79/100, which places us among the top one percent of all companies evaluated.

CDP DISCLOSURE INSIGHT ACTION

CDP
AFRY has disclosed its impact according to CDP's framework since 2011. In 2023 AFRY received ranking B, which is above the average for companies in the same sector.

NASDAQ ESG TRANSPARENCY PARTNER Nasdaq

Nasdaq ESG Transparency Partner
AFRY recently achieved a certification as a Nasdaq ESG Transparency Partner. The certification is used to highlight a company's engagement in market transparency around ESG topics.

Professional Most Attractive Employers Sweden universum 2023

Universum
AFRY is one of Sweden's most attractive employers according to Universum. Their latest survey shows that AFRY has a strong appeal among young professionall engineers.

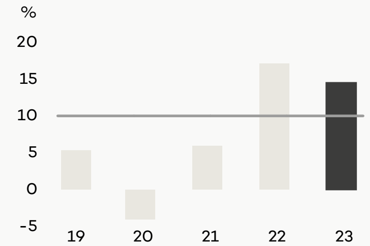
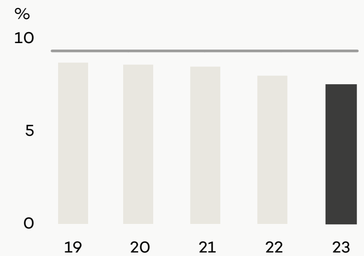
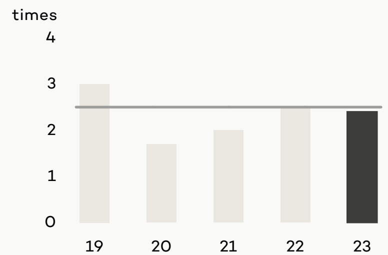
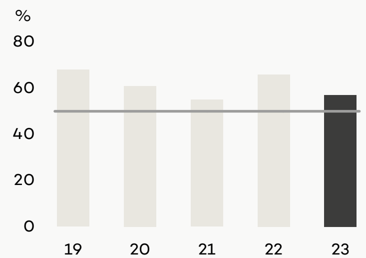
Financial targets

AFRY has financial targets focusing on growth, profitability, a strong financial position and dividend. The financial targets apply over a business cycle and are continuously evaluated based on market conditions and changes in the company.

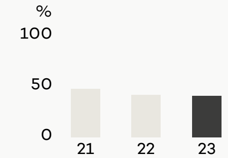
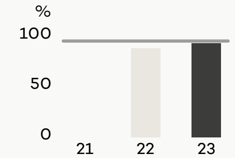
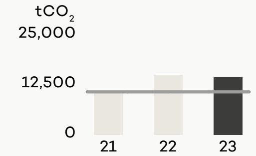
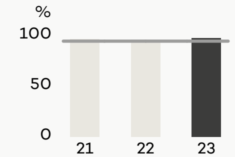
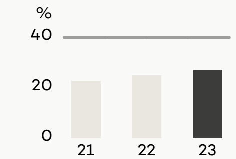
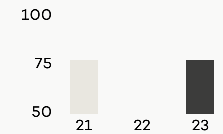
Sustainability targets

The sustainability targets are key elements of our strategy. The targets focus on the development of sustainable solutions, responsible and ethical operations, as well as our people.

Financial targets

Financial targets	Target	Outcome 2023	Comments	Five-year trend
	Revenue growth 10% The target includes add-on acquisitions.	14.5%	The average revenue growth 2019–2023 was 7.8 percent. In 2023, the total growth was 14.5 and the organic growth was 10.2 percent adjusted for calendar effect.	
	EBITA margin 10% Excluding items affecting comparability.	7.5%	The average EBITA margin 2019–2023 was 8.3 percent. In 2023, the EBITA margin was 7.5 percent.	
	Debt ratio 2.5 Net debt in relation to EBITDA, excluding effects of IFRS 16 Leases.	2.4	The average net debt/EBITDA ratio 2019–2023 was 2.3 times. At the end of 2023 the ratio was 2.4 times.	
Dividend policy	Dividend 50% Profit after tax excluding capital gains.	57%	The Board proposes a dividend of SEK 5.50 per share, corresponding to 57 percent of profit after tax.	

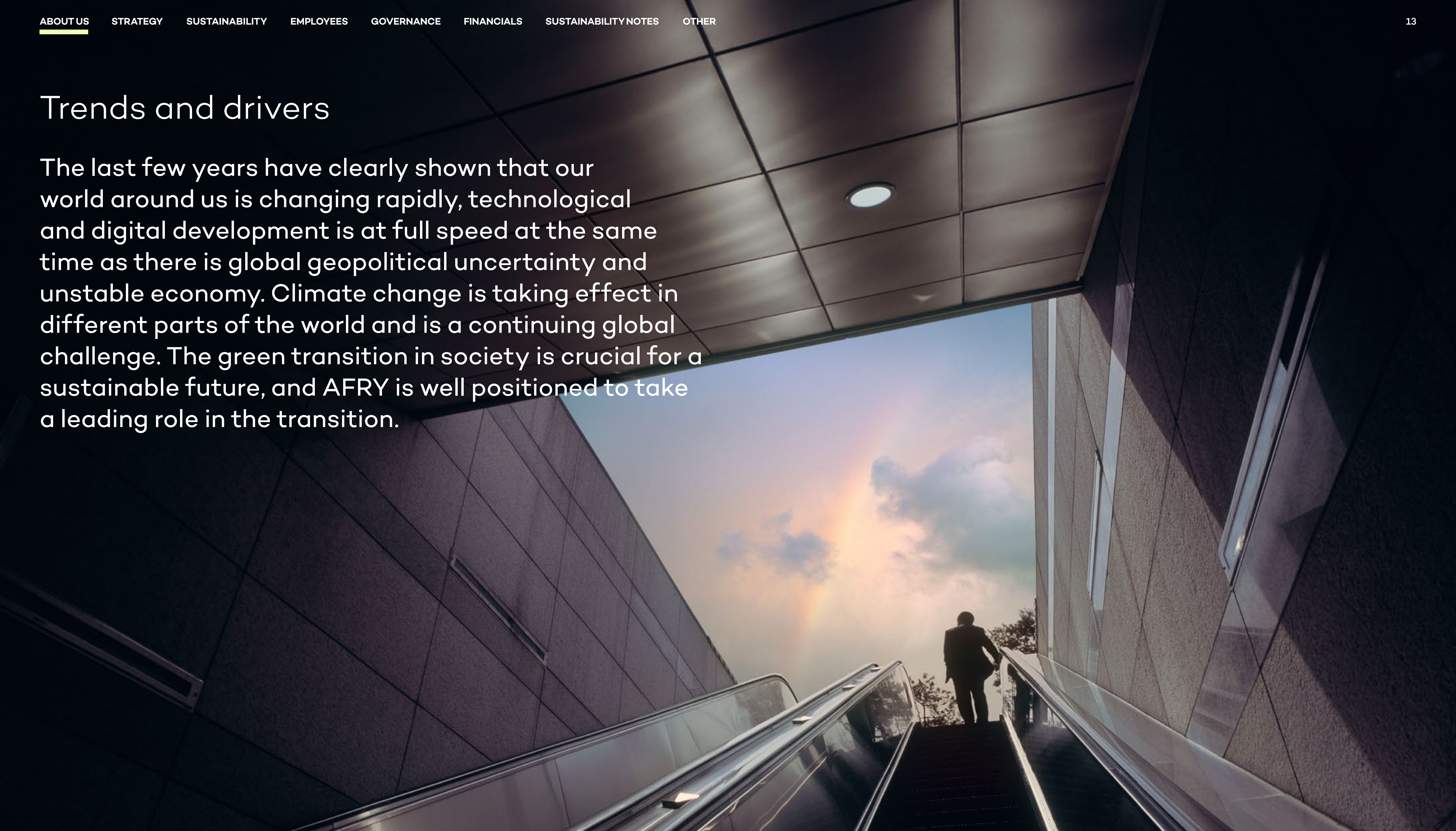
Sustainability targets

Objectives	Group target	Outcome 2023	Comments	Trend
Our solutions Increase our net positive impact and fully integrate sustainability in our solutions to generate long-term value for our shareholders, our clients, society and the planet.	Taxonomy-eligible turnover[1]	41%	AFRY has a strong presence in the sectors currently included in the EU Taxonomy. The outcome is in line with previous year.	
	95% Sustainability training for all employees[2]	93%	The e-learning was launched in January 2022. The outcome has increased compared to previous year.	
Our operations Conduct business responsibly and ethically. Set ambitious targets and reduce our emissions in line with the 1.5°C ambition.	-50% Halve CO_2 emissions by 2030 and net zero CO_2 emissions by 2040[3]	-32%	AFRY is on track to halve CO_2 emission by 2030 compared to the base year. The emissions decreased compared to 2022.	
	95% Code of Conduct training for all employees[2]	98%	The e-learning was launched in January 2020. Completion rate remains above the target.	
Our people Promote brave leadership, inclusion and diversity. Safeguard well-being, health and safety. Attract the best people to continue to improve our operations and solutions.	40% Female leaders by 2030[2]	27%	AFRY shows a positive trend in the share of female leaders.	
	Employee engagement	78	During the year, a new employee engagement survey was launched. The outcome shows contiued high employee engagement.	

1) Read more about taxonomy-alignment and eligibility on page 108.
2) Permanent employees.
3) Base year 2019. CO_2 emissions from own operations (business travel and facility energy usage). AFRY has validated near-term Science Based Targets.

Trends and drivers

The last few years have clearly shown that our world around us is changing rapidly, technological and digital development is at full speed at the same time as there is global geopolitical uncertainty and unstable economy. Climate change is taking effect in different parts of the world and is a continuing global challenge. The green transition in society is crucial for a sustainable future, and AFRY is well positioned to take a leading role in the transition.



Geopolitics and macroeconomics

In recent years, we have seen events that affected the world security and stability. The pandemic and geopolitical events such as conflicts in Ukraine and the Middle East, and protectionist trade policies are negatively affecting the world economy, international trade and inflation. This may lead to delayed investment decisions and is forcing companies to examine new models and strategies in order to mitigate risk.

Climate change and loss of biodiversity

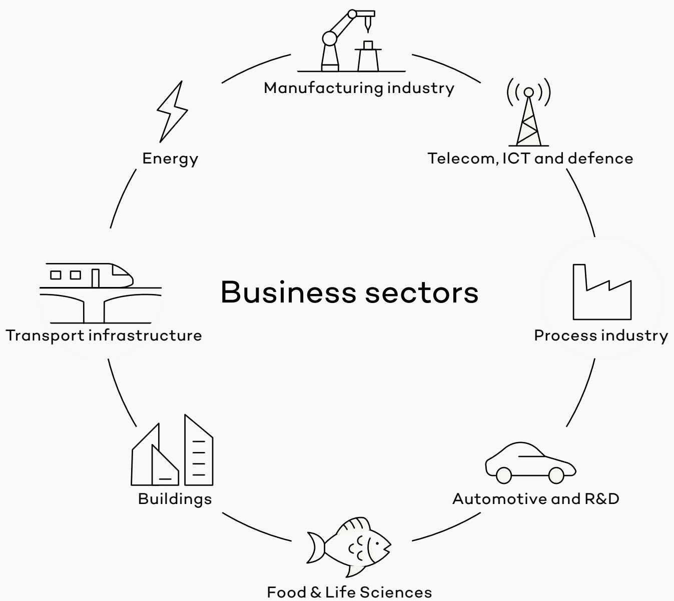
In recent decades, the focus has been on climate change and the measures which are needed to ensure that the rise in the global average temperature does not exceed 1.5 °C compared to pre-industrial levels. In the future, challenges arising from extreme weather events, reduced groundwater levels, increased pollution and biodiversity loss will thus become increasingly crucial to deal with.

The green transition

Climate change has driven the pace of the green transition and is paving the way for more efficient companies and a more sustainable world. Several sustainability initiatives and legislation in the coming decade will drive investments in green technology, such as solutions for decarbonisation and climate adaptation as well as solutions that promote circular economy and biodiversity. AFRY supports customers in the transition with services in, among other things, clean energy, bio-based industries, climate-neutral cities and automated and connected industry.

Drivers that accelerate the transition across business sectors

At AFRY we see four main drivers; decarbonisation, circularity, electrification and digitalisation, that accelerate the transition across our business sectors. Transformational actions are neccessary throughout all industries to achieve a global net-zero scenario and a more sustainable society.



Decarbonisation

Decarbonisation refers to the process of decreasing carbon dioxide emissions in the atmosphere, which is crucial in meeting global climate goals and can be accomplished through the replacement of fossil fuels, energy efficiency, and carbon capture and storage. One example of this is the use of green hydrogen, which is essential to decarbonising heavy industry, mobility and the heat sector, filling in the gaps where other renewable energies are difficult to implement.

Electrification

Electrification refers to the process of replacing fossil fuel powered technologies with electric alternatives, promoting the use of clean energy sources and advancing the transition towards a sustainable energy system. One example of this is the development of hybrid and electric vehicles.

Circularity

Circularity is a production and consumption system that relies on the principles of reduce, reuse, and recycle, which is becoming increasingly critical as we confront global resource scarcity and the need to minimise waste and environmental degradation. For example, circularity is key to advancing the environmental benefits of batteries used in the utility and transport sector. Currently in Europe, 50 percent of a battery's mass must be recycled, with aims to increase this to 70 percent by 2030.

Digitalisation

Digital technologies such as automation, digital twins, and artificial intelligence can enable cost reduction, optimise value chains, and automate processes, resulting in significant benefits for the transition to sustainability. For example, in the wind energy industry, digital applications play a significant role in the development, monitoring and maintenance of wind turbines.

Our long-term value creation

We work to meet the current needs of society, as well as the needs of future generations for sustainable solutions. We create value for our clients, employees, shareholders, suppliers and society, in both the short and long term. This is described in our value creation model.

Input

Human capital
– 19,000 employees in more than 100 countries
– 16,000 engineers and experts in AFRY Partner Network

Structural and social capital
– Knowledge bank and project references
– Strong brand and inclusive workplace
– Long-term relationships with stakeholders

Financial capital
– SEK 18,338 million in equity and loans

Natural capital
– 19,000 MWh of heating and cooling and 18,000 MWh of electricity for offices
– Fuel for business trips by car, train and air.

Business model

AFRY's mission is to accelerate the transition towards a more sustainable society.

Four main drivers generate a strong demand from our clients across business sectors; decarbonisation, circularity, electrification and digitalisation.

AFRY is well positioned to meet the demand by offering engineering and design services, capex-projects, digital and software solutions and advisory services.

Engineering & design services

Capex - projects

Digital & software solutions

Advisory service

Created value for our stakeholders

Clients
– More than 70,000 client projects to accelerate the transition

Shareholders
– Long-term profitable growth
– SEK 5.50 per share in proposed dividend

Employees
– SEK 14,050 million in employee wages and benefits
– 30 percent women in the workforce
– One of the most attractive employers in our industry in Sweden

Society
– SEK 2,601 million in income tax and employer's contributions
– Promoting climate commitments in our value chain
– Contributions to the UN's 17 Sustainable Development Goals

THE GLOBAL GOALS

AFRY either directly or indirectly contributes to all the 17 Global Goals

Read more about our contributions on page 32

Divisions

AFRY's five divisions are: Infrastructure, Industrial & Digital Solutions, Process Industries, Energy and Management Consulting. Together, we offer engineering, design and advisory services across three main sectors: infrastructure, industry and energy.

Division Infrastructure

The division offers engineering and consulting services for buildings and infrastructure, like road and rail as well as water and environment. The division also operates in the fields of architecture and design.

The division is a leading infrastructure player in the Nordics and Switzerland, with a strong foothold in Central Europe. The ambition is to leverage on current positions in real estate, transport infrastructure and water, with a focus on profitable growth.

Public investments in infrastructure and the transition towards sustainable transports are at a stable level in all markets, and the increasingly noticeable effects from climate change underscore the need for investments in water and wastewater infrastructure. The real estate segment has been weakening over the last years, particularly residential, whilst investments in the public sectors are stable. Investments in the industrial and energy segments are strong and the demand for the division's solutions in water and environment remains at a good level.

The key priority for the division is to strengthen the profitability, which was weak during the year. The ongoing improvement programme was expanded, and entails structural changes and capacity adjustments, as well as substantial measures to increase operational excellence.

Head of Division
Robert Larsson

Share of net sales
37%

Net sales, MSEK
10,200

EBITA margin
6.4%

Employees
6,900

Division Industrial & Digital Solutions

The division offers engineering and consulting services in the areas of product development, production systems & equipment, IT and defence. The division operates in all industry sectors with an emphasis on vehicles and food & pharma.

The division is a Nordic leader with a global reach. The ambition is to grow the Nordic industrial and digital portfolio, and expand internationally in selected niches. The division possesses much of the software and digital expertise at AFRY.

The clients operate in transforming markets that are shaped by the climate challenge and digitalisation. The traditional industrial players are facing both opportunities and challenges from these ongoing transformations, which also triggers the entry of new players, and digitalisation is a key tool for future success. The demand in defence-, manufacturing- and automotive industries was good during the year, while telecom and the IT market was more cautious.

The priorities going forward is to increase market shares in existing markets. To strengthen the profitability the division will continue to benefit from the leading position in the Nordics and combine AFRY's deep sector knowledge with digital expertise.

Head of Division
Martin Öman

Share of net sales
24%

Net sales, MSEK
6,800

EBITA margin
6.8%

Employees
3,800

Division Process Industries

The division is a leading provider of engineering and consulting services, from earlystage studies to project implementation for the global process industries. The division operate sin pulp and paper, chemicals, biorefining, mining and metals, and growth sectors such as batteries, hydrogen, textiles and plastics.

The division operates worldwide with a global network of experts enabling global competencies combined with local knowhow.

AFRY is ranked by ENR as number one globally in Pulp & Paper among international engineering and design firms. In the overall Industrial Processes sector AFRY is ranked as number four, and as number five in Chemicals and Steel and non-ferrous metals.

Overall market demand continues to remain on a good level. However, some investment decision delays are seen in CAPEX projects due to global increased material costs and inflation.

CAPEX projects are proceeding in green transformation sectors, and in mining & metals. The demand in operational phase, technical consulting, and efficiency improvement services remains high.

A key priority for the division is to continue to focus on its core sectors and strengthen the ability in the growth areas, especially to deliver large green capex-projects. Health & safety, environmental sustainability and operational improvement for process industry clients are key part of the deliverables. The digitalisation service offering development will continue with AFRY Smart Site digital project platform.

Head of Division
Nicholas Oksanen

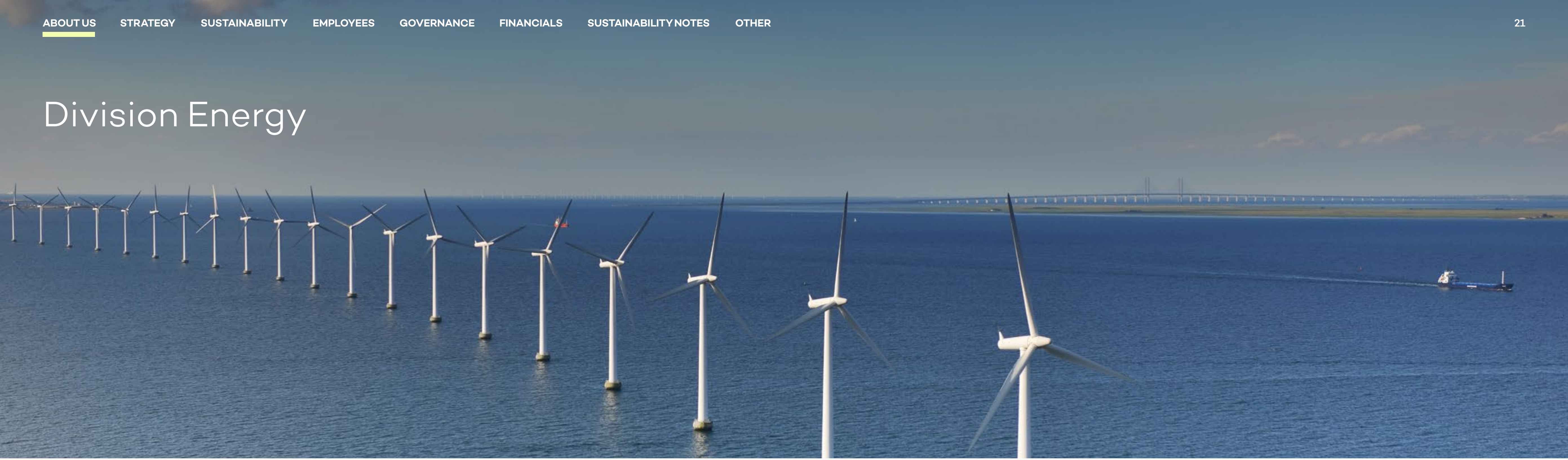
Share of net sales
20%

Net sales, MSEK
5,600

EBITA margin
11.8%

Employees
4,300

Division Energy



The division offers expert-led engineering services across the full value chain in energy production from various energy sources such as hydro, wind, solar and nuclear, ensuring it is transmitted through a sustainable grid system.

The division is a global key player with s strong position in the Nordics. Our expertise covers every aspect of power generation and energy market analysis, from the pre-investment phase to plant operation.

AFRY is ranked by ENR as number eight among international engineering and design firms, in the overall sector specific category Power.

The general outlook for the energy sector continues to be strong as industrial decarbonisation investments continue to increase, driving the energy transition.

Demand is strong in all sectors, the trend to modernise, upgrade and maintain existing capacity across the world continues, visible for example in nuclear life extension projects, hydropower upgrades and grid modernisations. Some projects have seen delays in Europe because of inflation and interest rates.

The division will continue building and maintaining its diverse global portfolio, with a solid risk-profit ratio. The division will leverage acquisitions in markets and niches where it strengthens the position in the market and the core competences.

Head of Division
Linda Pålsson

Share of net sales
13%

Net sales, MSEK
3,600

EBITA margin
10.0%

Employees
1,900

Division Management Consulting

The division support clients in their sustainable transformation, in the energy, bioindustry, infrastructure, industry and future mobility sectors through strategic advice, forward-looking market analysis, operational and digital transformation, M&A and transaction services.

The division is a leading global sector consultancy, recognised by Forbes and Financial Times in their annual rankings. By seamlessly integrating management consulting with deep sector expertise, thought leadership, engineering, design, and advanced skills in technology, AI, and big data, AFRY is well-positioned to meet emerging client needs.

The balance between ensuring security of supply in the short-term and ongoing decarbonisation continues to be a key area of discussion across the global economy. As a result, companies are adapting their strategies and seeking AFRY's advisory services. The sustained demand for consulting services along the energy and sustainability transitions remains strong. The shift towards sustainable practices is continuously increasing need for bio-based alternatives and circular solutions and is in turn driving demand for consulting services.

Following a period of growth that has seen the division double in size, the focus going forward is to remain committed to our current strategies on the journey towards becoming the leading global sector-focused advisor for the sustainable transformation.

Head of Division
Roland Lorenz

Share of net sales
6%

Net sales, MSEK
1,300

EBITA margin
11.5%

Employees
800

Supporting the domestic, sustainable energy production in Switzerland

AFRY has been awarded the planning mandate for the expansion of the Sambuco dam and the Peccia power plant in Switzerland.

AFRY will do the preliminary design for all aspects of the expansion, including raising the dam, adaptation of roads, investigation and measures for the hydraulics of the headrace system, adaptations to the hydraulic steel structure, structural measures in the control centre and renewal and operational optimisation of the generation units and pumps in the control centre.

Thanks to our multidisciplinary approach and the experience and expertise from both hydro and infrastructure units, AFRY is able to provide complex engineering services to the client.

Today, Swiss hydropower makes a significant contribution to domestic electricity production, accounting for around 60 percent. Renewable energy sources should be maintained and further expanded in order to achieve the declared goal of the Energy Strategy 2050.

The project is truly important for ensuring sustainable energy production and the expansion of the Sambuco dam and the Peccia power plant is on the list of 15 prioritized expansion projects of existing hydroelectric power plants in Switzerland.

The expansion of the Sambuco dam will provide 46 TWh of additional controllable winter energy production, thereby ensuring a significant contribution to covering electricity needs in Switzerland all year round.

Large-scale recycling plant for electric vehicle batteries

Stena Recycling has invested in a new battery recycling process with AFRY engineers designing crucial components. The project aims to address the growing demand for sustainable and environmentally friendly solutions for used lithiumion car batteries.

In 2021, Stena Recycling decided to invest a quarter of a billion SEK in a new battery recycling process. The investment, which is supported with SEK 70.1 million by the Swedish Energy Agency, will make it possible to recycle up to 95 percent of a lithiumion battery, which is the most commonly used battery in electric vehicles.

AFRY engineers contributed to forming the initial phase of the battery recycling process, designing crucial components such as the lifting table, transport wagon, and de-charging stations. The new recycling plant has an initial yearly recycling capacity of 10,000 tons and can handle a throughput of 2 tons per hour from any car manufacturer while prioritising health and safety.

The recycling plant's establishment is a significant step towards addressing the demand for a sustainable and environmentally friendly recycling process for used batteries, which is crucial for the growing use of electric cars. AFRY is proud to be part of an initiative that helps expedite the transition to a more sustainable future.

The complete system set up by Stena Recycling with strategic design support from AFRY is a circular process, extracting maximum value from resources while in use and regenerating products and materials at the end of their service life.

Bioproduct mill in Finland successfully begins production

The largest investment of the forest industry in Finland - Metsä Fibre's, part of Metsä Group, new Kemi bioproduct mill - came into operation as planned in September 2023. AFRY contributed significantly to the bioproduct mill project from the early study and pre-engineering phases to detail engineering and construction phase with multi-disciplinary engineering and project management services.

The Kemi bioproduct mill produces 1.5 million tonnes of softwood and hardwood pulp annually. It uses zero fossil fuels and will be completely waste-free by 2030. Featuring cutting-edge technology, the mill operates a fully-fledged circular economy, as all the wood raw material and production side streams are efficiently used for various bioproducts and bioenergy. For example, the mill produces tall oil and turpentine, as well as two terawatt hours of renewable electricity per year, which is equivalent to the annual consumption of 100,000 electrically heated single-family homes.

AFRY delivered project management services for the bioproduct mill, detailed engineering services for all engineering disciplines including the establishment of a concept towards digital twin. AFRY also provided project management, engineering and site services of the chlorine dioxide plant as well as delivered tall oil plant.

AFRY is proud that we have been part of this project that contributes to job creation, economic stability, and an improved environmental footprint. The longstanding partnership between Metsä and AFRY spans several decades and the good collaboration with Metsä Fibre and all project partners has played a pivotal role in making this project a success.

Strategy

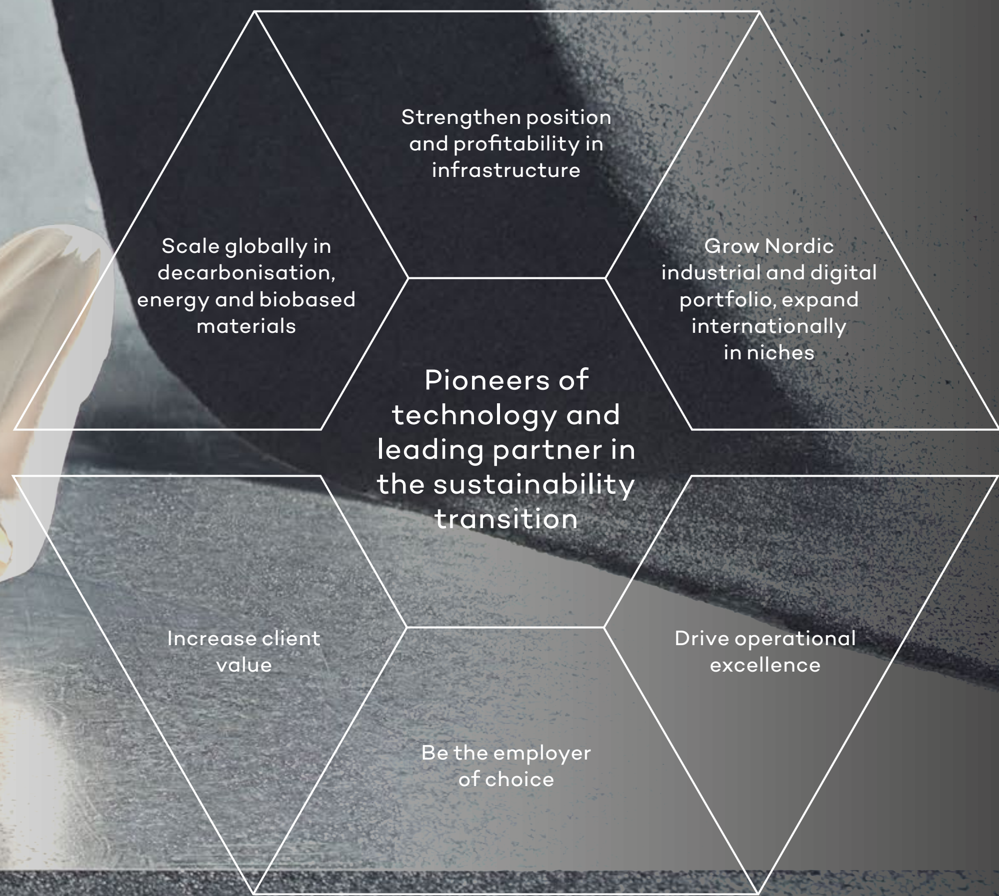
To reach our mission, create value for our stakeholders and take AFRY to the next level, we introduced during the spring 2023 an updated business strategy. The strategy contains of six pillars that reflect the direction of our divisions and also how we build long term value by focusing on our clients, employees and operational excellence.

Strategic framework

We have been in the forefront of industrial transformation for more than 125 years. Looking ahead, our aspiration is clear – to be pioneers of technology and the leading partner in the sustainability transition.

By growing our business, we increase the positive impact on society and the planet together with our clients. We provide purposeful assignments and inspiring career opportunities for our employees as well as long term value to our shareholders.

Business strategy



Who we are

Our vision
Making future

Our values
Brave
Devoted
Team players

Our people
Inclusive and diverse teams with deep sector knowledge

Our mission
We accelerate the transition towards a sustainable society

→ Read more about our strategy here

Scale globally in decarbonisation, energy and biobased materials

The strategic ambition is to strengthen our international leading positions in clean energy, pulp & paper and other bio-based industries as well as in circular solutions. We also aim to build strong positions in green capex such as green steel, hydrogen and batteries.

Key priorities

— Grow in segments where we can take leading positions
— Strengthen our ability to deliver large green capex-projects
— Strive for thought leadership in market trends, technologies and innovation

This pillar primarily address the Process Industries, Energy and Management Consulting divisions.

Strengthen position and profitability in infrastructure

The strategic ambition is to leverage on current positions in real estate, transport infrastructure and water, with focus on growth where we have a differentiation and on ensuring robust profitability throughout our business.

Key priorities

— Improve our operational efficiency and project execution
— Strengthen and optimise service portfolio, segments and geographies
— Strengthen the client offering with increasing focus on the early project stages

This pillar primarily address the Infrastructure division.

Grow Nordic industrial and digital portfolio, expand internationally inniches

The strategic ambition is to expand from our leading position in industrial transformation in the Nordics as well as combining deep sector competence with digital capabilities. We also aim to grow our position internationally in selected niches.

Key priorities

— Further strengthen position in automotive, R&D services and manufacturing transformation
— Combine deep industrial sector knowledge with digital engineering
— Improve our operational efficiency and project execution

This pillar primarily address the Industrial & Digital Solutions division.

Increase client value

The strategic ambition is to continously increase the value for our clients through a proactive approach and to have close, long-term relationships built on trust.

Key priorities

- Strengthen the key account process to enable stronger and systematic collaboration with key clients
- Adapt and innovate business models
- Be the enabler by bringing together demand, innovation and knowledge across value chains

Be the employer of choice

The strategic ambition is to attract talent and develop our people by offering compelling assignments, clear leadership and an inclusive and collaborative culture.

Key priorities

- Invest in talents and offer development opportunities in interesting client assignments
- Excel in brave leadership of people and business
- Develop a culture that enables high performance, collaboration and that safeguards wellbeing, health and safety
- Strengthen inclusion efforts and promote diversity

Drive **operational** excellence

The strategic ambition is efficient operations that enables our business with speed, transparency, scalability and appropriate support.

Key priorities

- Drive common accelerators like offshoring and pricing as well as efficient use of facilities
- Reduce our emissions and conduct responsible business
- Leverage digital platforms and simplified processes to create efficiency and transparency

Sustainability

Sustainability is an integral part of AFRY's business strategy and our strong commitment is reflected in our mission to accelerate the transition towards a sustainable society. We aim to deliver sustainable solutions for future generations and take responsibility for the impact we have as a company.

A holistic perspective on sustainability

The foundation of AFRY's sustainability work lies in the ambition to embed sustainability in everything we do.

Our approach to sustainability
Complex and interconnected global challenges require a holistic approach that encompasses the social, economic and environmental dimensions of sustainability. For AFRY, sustainability means actively contributing to sustainable development, continuously improving our sustainability performance and integrating a holistic perspective on sustainability into our offering and the way we operate as a company.

We acknowledge that the work we do can have both positive and negative impacts and that we need to consider impacts throughout the value chain – upstream, direct and downstream. AFRY applies a risk-based approach, which aims to minimise the risk of negative impacts whilst maximising the positive impacts from our business.

A robust foundation
Our approach to responsible business conduct, to be an attractive employer and how we develop solutions is based on recognised frameworks, research, and requirements of stakeholders. AFRY's work on sustainability builds on the 2030 Agenda for Sustainable Development, which sets out the UN's 17 Sustainable Development Goals, the Paris Agreement with its 1.5°C climate target, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and the 10 principles of the UN Global Compact on human rights, employment law, the environment and anti-corruption. AFRY's sustainability commitments are integrated into strategy and corporate governance.

These sustainability commitments are measured and followed up on through sustainability targets covering our solutions, our operations and our people. These targets aim to increase our positive net impact, promote health, safety, inclusion and diversity, ensure good business ethics and compliance and reduce our own climate impact. In addition to these Group common targets, we monitor a wide range of KPIs that help us to continuously improve our sustainability performance. Read more about our targets on page 16 and in the sustainability notes on page 106.

The sustainability learning programme aims to increase our employees' awareness and knowledge about sustainability in those areas where we have deep sector knowledge. Helping to increase knowledge and awareness of these issues is vital to meeting the clients' expectations and in order for sustainability to remain a key driver of profitable growth. To further support the development of sustainable engineering, design and digitalisation solutions, AFRY also offers consulting services with dedicated specialists in sustainability, as well as both group-level and sector-specific tools and guidelines.

We received top ratings in several evaluations of our sustainability performance in 2023, which demonstrates our continuous improvement and commitment to sustainability. For example, a Platinum rating from EcoVadis for a third consecutive year places AFRY among the top 1% of all companies assessed for sustainability performance.

Preparing for the CSRD
During the year, we continued our preparations for the implementation of EU's Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS).

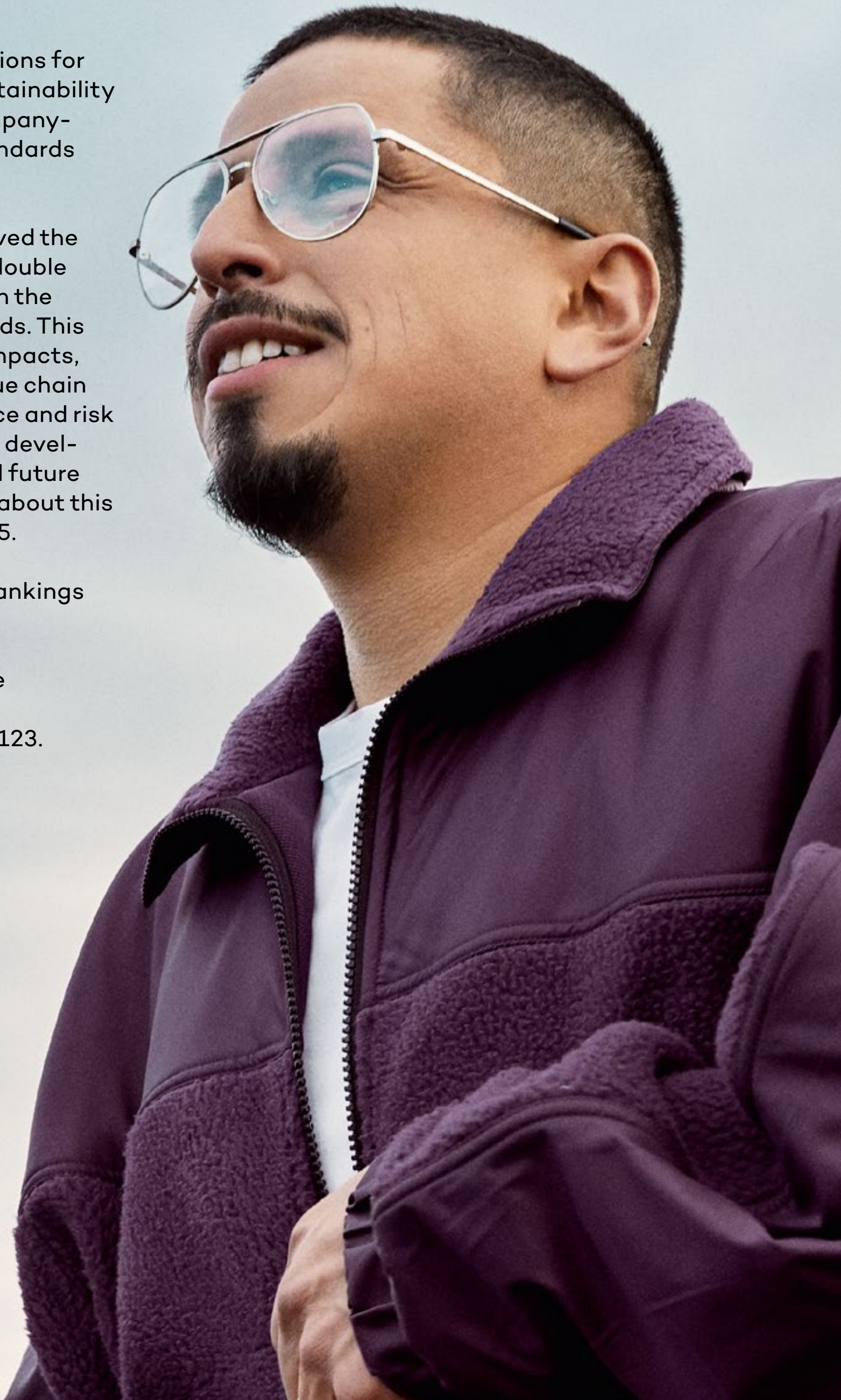
Our work on ensuring compliance has involved the initiation of several initiatives, including a double materiality assessment, in accordance with the guidelines under the new reporting standards. This work has enhanced our understanding of impacts, risks and opportunities throughout the value chain and will strengthen our strategy, governance and risk processes, while paving the way for further development of our sustainability ambitions and future reporting in line with the CSRD. Read more about this work in the sustainability notes on page 105.

– Read more about AFRY's sustainability rankings on page 9 and 106.

– Read more about our AFRY 1.5°C Climate transition plan and our validated Science Based Targets on pages 33–34 and 120–123.

– Read more about employees on pages 35–39.

– Read more about AFRY's sustainability work and the statutory sustainability report in accordance with the Global Reporting Initiative (GRI) Standards 2021 in the sustainability notes on pages 104–130.



Enabling the sustainability transition

AFRY holds a unique position and wants to play a leading role as an enabler in the transition to a sustainable society through our solutions, our global presence and our ambitions.

Global challenges such as climate change, biodiversity loss, geopolitical tensions, the energy crisis and pollution of air, water and land are fuelling the demand for sustainable solutions, while digitalisation is set to remain a driver in all industries and sectors. There is a broad consensus that the climate transition needs to be socio-economically sustainable and that ambitions need to be raised to ensure that the global average temperature rise does not exceed 1.5°C.

AFRY at COP28

AFRY took part in the COP28 climate summit in Dubai as part of Business Sweden's delegation of Swedish companies and organised a number of panels in the Swedish pavilion. Focus areas included the crucial role of clean energy in the climate transition, the need for leadership in the green industrial transition and the increased importance of biodiversity and the circular economy.

Swedish companies have an important part to play in the climate transition through developing innovative solutions as well as pushing for ambitious policy frameworks and financial solutions that can help to halve global emissions by 2030. At AFRY, we consider it important to participate and showcase solutions that already exist and need to be scaled up and made more cost-effective. We also took part in the conference in order to demonstrate our support for ambitious and long-term climate policy, which is essential if companies are to invest in new technologies and production methods.

Delivering sustainable solutions for future generations

By combining engineering, design and advisory services, our digital capabilities and our sustainability expertise, we are able to develop scalable solutions that will accelerate the sustainability transition.

This positioning of our business is supported by numerous regulatory initiatives, including the EU's Green Deal, Fit for 55, REPowerEU and the EU taxonomy, which are intended to steer investment towards solutions that are classified as sustainable and move the EU towards a green transition in line with the Paris Agreement and the 1.5°C climate target. AFRY can support clients in aligning their business with the criteria set out in the taxonomy.

We have made a commitment to actively seek out transformative and innovative client assignments and aim to share our knowledge and expertise by investing in collaborations and partnerships. We are focused on fully integrating sustainability into our work, encouraging clients to choose solutions that promote sustainable development and developing solutions that contribute to the sustainability transition and the 2030 Agenda. In this way, we will generate long-term value for clients, our shareholders, society and the planet.

To further future-proof our business, we regularly evaluate our position and make strategic decisions regarding the sectors where we can have the greatest impact and those that face complex sustainability issues.

Our publications, such as AFRY Insights, and our external communications showcase some of the sustainable solutions that we are proud to have developed together with our clients.

AFRY's contribution to the Sustainable Development Goals

Through our client assignments, we can have a positive impact on society such as greater energy efficiency, increased use of renewable energy, resource efficiency, safer workplaces, improved health and safety, streamlined production processes, circular resource flows, improved accessibility, better traffic safety, inclusive societies and improved air and water quality. These values are reflected in the 2030 Agenda and the UN's 17 Sustainable Development Goals (the Global Goals).

As these goals are interconnected and they also to some extend entail conflicting goals, the UN sees an integrated approach as critical to addressing the complex challenges the world faces. We aim to ensure a holistic perspective in our client assignments based on the Global Goals to minimise negative impacts and maximise positive impacts.

The work we do contributes both directly and indirectly to all 17 Global Goals through our responsible business conduct, our focus on gender equality, diversity and inclusion, our active work on collaboration and partnerships, our focus on reducing our own emissions in line with the 1.5°C climate target and the impact of our client assignments. Read more about how our business strategy contributes to the respective Global Goals on our website: www.afry.com.

Delivering on the 1.5°C climate target

Climate change is the most pressing challenge of our time. We make it our business to address climate change and aim to help to achieve the 1.5°C climate target together with our clients, suppliers and other strategic partners.

The combustion of fossil fuels has resulted in an increased concentration of greenhouse gases in the atmosphere and an increased global average temperature – more commonly referred to as climate change or global warming. The challenges we face today are complex due to their global nature and their interconnectedness. For example, global warming is intensifying biodiversity loss and environmental degradation, as these in turn are intensifying global warming.

As climate change has evolved into an acute climate crisis, we have stepped up our efforts to align our business with the 1.5°C climate target. Our climate transition plan, the AFRY 1.5°C Roadmap, guides our work towards meeting our climate targets and future-proofing our business in line with the 1.5°C climate target. It is based on the 1.5°C Business Playbook developed by the Exponential Roadmap Initiative to help organisations to rapidly reduce their emissions. The framework is based on four pillars: reduce own emissions, reduce value-chain emissions, provide and scale solutions and accelerate climate action in society. The full AFRY 1.5°C Roadmap can be found on our website: www.afry.com.

Climate solutions for our clients
The sectors and industries in which we operate are exposed to the effects of climate change. Developing solutions that contribute to reducing greenhouse gas emissions and society's adaptation to climate change poses a business opportunity to AFRY and is an important part of our strategy and our offering. Our best opportunity to have an impact and to contribute to a more sustainable society in line with the 1.5°C climate target is through our client assignments.

Our strategic ambitions include expanding what we offer in the areas of decarbonisation, energy transition, electrification and bio-based materials, which are key areas for the transition to a low-carbon economy. We also aim to strengthen our position in infrastructure, where inclusive and resilient cities are a key priority. Another focus area is our industrial and digitalisation portfolio, where we aim to help to reduce emissions in the automotive, pharmaceutical and agricultural sectors. Read more about our strategic framework on pages 26–29.

Climate-related risks and opportunities
AFRY has adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which require companies to provide information about how they are impacted by the transition to a low-carbon economy. The TCFD recommendations encompass governance, strategy, risk management and metrics and targets – see the TCFD index on page 130. During the year, we have continued the work on further increasing our understanding and strengthening our business through climate-scenario analysis, which will help to guide our future work on strategy and risk.

We aim to deliver on the
1.5°C target

Our roadmap is based on four pillars
Reduce own emissions

Reduce value chain emissions

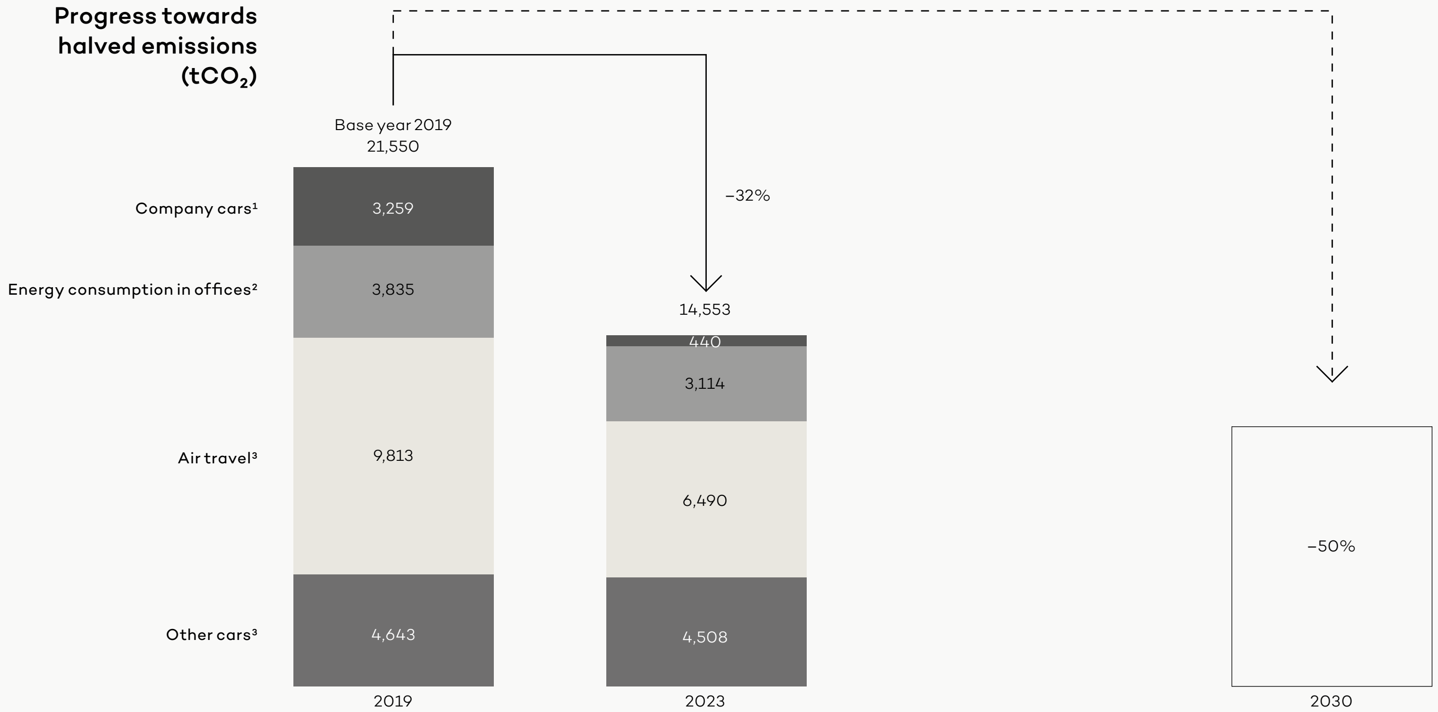
Provide and scale solutions

Accelerate climate action in society

Net zero by 2040

AFRY is well on track to meet its target to halve emissions from business travel and office operations by 2030 from a 2019 base year and achieve net-zero carbon dioxide emissions in these categories by 2040.

The chart shows a breakdown of emissions in the categories currently covered by our reporting together with the development since 2019.



AFRY wants to lead by example, and we have, therefore, made a commitment to reduce the climate impact of our business. On our journey towards net zero, we have set near-term climate targets covering emissions from energy consumption in our offices, business travel and purchases of goods and services. These targets have been validated by the Science Based Targets initiative (SBTi), which means that they are independently verified as being in line with the 1.5°C climate target and the latest climate science. Read more about our climate targets in the sustainability notes on pages 106 and 120–123.

Since our base year of 2019, we have managed to reduce our reported emissions by 32 percent, which exceeds the rate required to achieve our climate targets. In addition to this 69 percent of our suppliers by spend have set science based climate targets. We have achieved this by integrating climate into relevant policies and directives and clarifying roles and responsibilities in our climate work.

Climate milestones

AFRY has 19 000 employees and offices in around 50 countries. Our target of net-zero emissions covers all of our offices worldwide and requires action throughout the business in every market. To achieve rapid decarbonisation, we are focusing on our largest markets, which account for the majority of our emissions.

In 2023, our most important and per division most representative markets set climate milestones for reducing their own emissions.

The climate milestones define when each market is to have a fossil-free vehicle fleet and utilise fossil-free energy in offices, which supports the decarbonisation while taking local market conditions into account. All eight markets have committed to milestones aiming for fossil-free vehicles and fossil-free energy in their offices by 2030, and some of them aim to reach this target earlier. Read more about our climate milestones in the sustainability notes on pages 120–121.

1) Direct emissions (Scope 1) according to the Greenhouse Gas Protocol.
2) Indirect emissions from energy consumption (Scope 2) according to the Greenhouse Gas Protocol.
3) Other indirect emissions (Scope 3) from business travel (Category 6) according to the Greenhouse Gas Protocol.

Attractive employer

Our ability to attract and retain employees who contribute with expertise and innovative thinking are instrumental for AFRY's business and growth.

We are convinced that an inclusive and diverse workplace where our employees are given space to develop and where we offer interesting and attractive career opportunities make AFRY more attractive as an employer and more competitive.

Brave leadership and strong corporate culture
It takes brave leadership and a strong corporate culture to execute on our strategy. Our values; brave, devoted, team players are the foundation of our culture. The values help us make the right decisions, act wisely and treat each other with care and respect.

Brave leadership is our leadership model and is firmly rooted in our corporate culture and strategy. It is a foundation for strong client relationships and engaged employees.

A fast-changing world increases the need to continue to grow great leaders. Therefore, AFRY continuously takes steps to develop and support a strong leadership culture for the future.

In 2022, AFRY launched and rolled out a new group wide leadership development program targeting all first line managers. The purpose is to support the leaders to be role models and build foundational knowledge and skills across the leader community. The Brave Leadership I program is a flexible development journey with interactive virtual workshops mixed with practice in the flow of work. To date, approximately 800 line managers have participated.

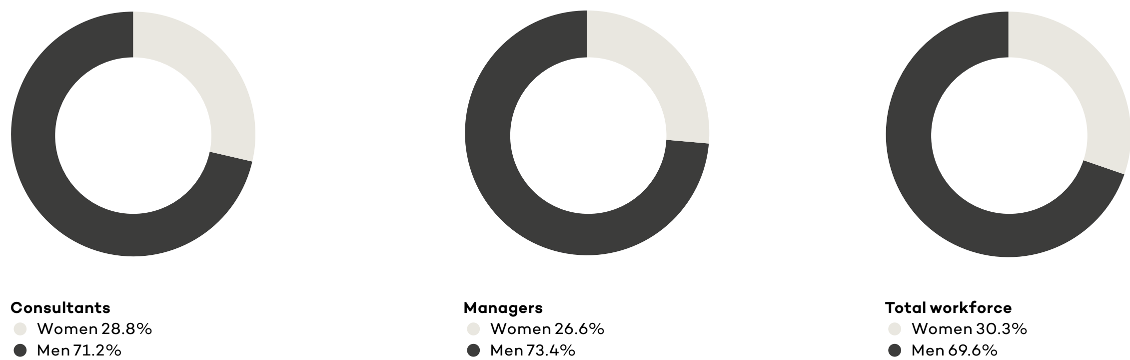
An impact study based on survey results and interviews show participants rated their learning experience very positively. Data indicate that most participants have internalized the learning experience and have begun to consistently apply the concepts and skills into their day-to-day activities.

In 2023, AFRY took an additional step by launching a tailored program targeting senior leaders. The Leading Future program is designed to accelerate leadership capacity and personal impact. It aspires to help leaders grow by addressing real leadership and business challenges in collaboration with key peers. The program also offers a platform for collaboration within AFRY to leverage competences and business opportunities. The program is a 6-month journey that consists of a mix of face-to-face workshops, small virtual group sessions and individual sessions. The Group Executive members are actively involved and take turn in participating in each program.

By continuously inspire and sharpen the leadership capabilities we want to prepare for tomorrow's challenges, whilst keeping focus on today's realities. We support this through the digital Leadership Greenhouse portal where leaders on all levels can find inspiration, development opportunities and networking events.

Attractive workplace
To secure that our workplace offers solutions and services that attract future employees, yet retain existing employees, we have developed a common framework for a hybrid work model at AFRY. The workplace has become more digital, flexible and hybrid, yet our offices will always play an important role for innovation, productivity and collaboration. The AFRY business is diverse with different conditions and needs, thus flexibility is important in the shaping of the workplace.

Gender distribution 2023[1]



[1] Permanent employees.

“The Brave Leadership program helps build an inclusive leadership in AFRY with focus on employee engagement. I am convinced this translates to enhanced business results.”

Linda Söder
Principal, AFRY Management Consulting

Digitalisation is key
Digitalisation is an important part of the strategy, and we have continued to improve the digital tools and systems to deliver common, efficient and value adding processes and tools with a high degree of self-service functionality. Focus in 2023 has been on improving data quality and people analytics.

Employee engagement
Employee feedback is a great tool to get a better understanding of motivation, satisfaction and engagement in the organization and teams. In 2023 AFRY launched an improved survey using a new and dynamic platform with opportunities to run both yearly group surveys as well as on demand pulse surveys. The employee engagement result from the 2023 survey with 79 percent response rate shows that AFRY has a strong result in all indices.

We can see that the eNPS score has slightly decreased from 29 to 26 although on a robust level above global benchmark. This year we introduced a new Management index, which evaluates AFRY’s Executive Management Team. The result shows a solid score on a level above global benchmark.

The Leadership Index is one of the most important aspects of our organisation’s success. The result shows that we have a strong leadership at AFRY. Furthermore, we can see a stable score on the Engagement index. The Efficiency index and Social work environment index are behind 2021, but still above the global benchmark. Based on the result, managers and employees will develop and act on areas of improvement.

Inclusion, diversity, and equality
Inclusion & diversity is integrated in AFRY’s strategy and is also part of AFRYs Sustainability targets.
To keep raising awareness AFRY is organizing a yearly global Inclusion & Diversity Week. In 2023 the focus was on unconscious bias in recruitment . During the week an Unconscious Bias Guide was launched, to further support and raise awareness. We also launched an e-learning with the purpose to reinforce the importance of inclusion & diversity and how it can be embedded into the culture and behaviors.

To push for curiosity of learning more about different cultures, AFRY has started to acknowledge cultural, religious celebrations and events, that matters to our diverse workforce. For example, Chinese New Year, Holi, Nowruz, Midsummer, Ramadan, Ramadan Eid-al-Fitr, Yom Kippur and Diwali.

AFRY promote equal rights and had a global webinar about LGBTQI+ rights to raise awareness and different countries also acknowledged Pride Month by different activities including participating in Pride parades.

We believe that by intensify the effort on gender equality and especially female leaders, we will accelerate the development of the inclusion and diversity area in general. During the year we conducted an analysis of our current situation related to our Gender diversity target. The analysis will be the foundation for further activities in this area. The work is being continued with close dialogue with countries and divisions. In addition to this we have intensified our initiatives around inclusive recruitment, both with implementing "Diversity Questions" as a function to track gender diversity in our talent & acquisition process in Sweden and Short list process, to increase female candidates in the recruitment processes. To raise engagement within the Inclusion & Diversity subjects and to get "hands & feet" in the organization globally we launched the forum; Inclusion & Diversity Community.

Since 2016, AFRY has had a close collaboration with Jobbsprånget and other initiatives which mediates internships for immigrated or foreign-born engineers in Sweden. AFRY has worked systematically to meet the skills of foreign-born engineers in Sweden and in five years onboarded almost 1,000 foreign-born engineers.

→ Read more about inclusion and diversity here

Health and safety

AFRY acts to responsibly promote healthy, safe, and fair working conditions within our operations. A healthy workplace with a sustainable work life balance is a prerequisite for being an attractive employer and contributes to trust and promotes sustainable relationships between AFRY and our employees.

AFRY's operations must comply with both local legal requirements and AFRY common standards. Our cooperation with trade unions is important as it brings value in this area. To ensure compliance, we work consistently and proactively through policies, directives and supporting processes and tools to promote health and well-being and prevent illnesses and accidents.

Health and safety is reflected in our strategic framework, see page 29, as well as in our group-wide sustainability goals and ambitions, see pages 12 and 106. We have established a work environment function at group level to ensure implemented risk assessments, preventive work within the work environment and that we comply with current legislation within them business areas and countries where we operate. At the same time have we strengthened our work environment forum to support the implementation of ongoing improvements throughout the organisation and to increase knowledge and commitment.

→ Read more about our work with health and safety in the sustainability notes, page 124

Our three core values

Brave
We think big and encourage entrepreneurship to increase value. Challenging each other and making bold decisions, always taking a stand for what we believe in.

Devoted
We have a unique mix of competences and we are all passionate within our field. Sharing our expertise and insights to make a difference, we are driven by our curiosity to grow and learn more.

Team players
We share ideas and collaborate across borders to seize new opportunities. Challenging, supporting and bringing out the best in each other, we believe in the power of differences.

Attraction, recruitment, development and retention

AFRY's mission to accelerate the transition toward a sustainable society is only possible because of the great contributions of our people. We recognise the importance of enhancing our attractiveness as an employer as well as fostering a workplace that encourages growth and development opportunities, supported by our company culture and leadership. Growth and retention of our employees have continued to be a high priority during 2023 and will remain important in the upcoming years to ensure sustainable business development.

Attract and recruit
AFRY's ability to attract and recruit the competencies needed is crucial for our long-term success. In 2023, we have continued to strengthen our ranking in attractiveness as an employer in several of our core markets, according to external measurements such as Universum. Continuing building, strengthening, and safeguarding an attractive employer brand among both external candidates and current employees, is a priority for us. In all of our footprints, we have participated in various local employer branding activities and partnerships during 2023. Marketing through digital media and campaigns, participation in career fairs and at universities, and AFRY ambassadors participating at webinars, conferences and panel debates are a few examples of performed activities. Throughout 2023, we have continued to develop and leverage our global common recruitment system and related processes.

At AFRY, we have shared global tools and a structured recruitment process with a focus on quality, inclusion, long-term relationships and candidate experience. We have a transparent recruitment process that maintains high quality throughout all stages. We actively strive to promote diversity and inclusion, providing equal opportunities, inclusive job ads, competency-based interviews, and objective assessment tests. We work continuously to develop our tools and working methods to ensure that we have an efficient recruitment process.

Development and retention
Our ability to develop our employees and teams is key to our growth and success, both individually and together as a company. Continuous development of our employees' competence is essential, partly for ensuring performance and motivation but also for ensuring relevance and attractiveness in the offering to our clients.

Managers and employees are encouraged to have continuous performance dialogues. The continuous dialogues are summarized and documented at least once a year in a transparent and interactive tool. We have a long-term approach to identifying future leaders and specialists as well as a structured approach in planning for succession and advancement in different leadership and specialist functions.

Due to our diverse businesses and the broad spectrum of industries and countries, we offer many interesting assignments and competence development opportunities. Much of the competence development takes place in everyday learning within the projects and assignments together with the clients. Through impactful and challenging assignments as well as collaborations and learning opportunities, we encourage opportunities for growth and meaningful contributions.

We have a transparent internal job market where all open positions are visible and available for employees to apply to via the employee portal of our global common recruitment system. We care about the growth of our employees and encourage them to explore and engage in all the exciting opportunities within AFRY, both available assignments as well as internal job opportunities. In addition, all our employees have access to AFRY Academy, a platform for learning and development.

Corporate Governance

Chairman's report

"We see a great pressure for change within the industry for digital and sustainable solutions and AFRY is an enabler for the transition."

In 2023, we have seen how global economies and security interests are closely intertwined, which means that companies need to relate to a rapidly changing environment. At the same time, there are strong driving forces for a more sustainable development where technology is accelerating the green transition. During the year, AFRY had a continued good demand, especially in the energy segment, and delivered strong growth of 15 percent.

We see a great pressure for change within the industry for digital and sustainable solutions and AFRY is an enabler for the transition at the same time that the company is at the forefront of its own sustainability work. The Board is responsible for creating the conditions for long-term profitable growth, while keeping the best interests of the company and the owners in mind. This is achieved by regularly evaluating the Group's financial situation and ensuring that AFRY follows the highest standards of corporate governance, regulatory compliance and risk management. The Board also pays great attention to developments in our external environment and to positioning AFRY for the longer term.

During 2023, the board's work has worked well. We have had ten board meetings and several committee meetings. Our work has focused on managing the changing market conditions, improving the profitability of Division Infrastructure and the termination of AFRY X as a division. Time has also been devoted to sustainability issues with EU's new Corporate Sustainability Reporting Directive (CSRD) and we are working further to clarify the division of responsibilities and new work processes.

I see good conditions for long-term sustainable growth and profitability for the company and the Board proposes a dividend of SEK 5.50 per share in accordance with the dividend policy. Among AFRY's shareholders are more than 19,000 private investors, several of Sweden's largest fund companies and the ÅForsk foundation, which through distributions from AFRY provides significant grants to Swedish research. The capital we distribute is thus an important contribution to society's continued development.

On behalf of the Board, I would like to thank our CEO Jonas Gustavsson and all employees for their hard work in 2023, and all shareholders for their trust. I would also like to thank my colleagues on the Board for a good and rewarding collaboration.

Stockholm, March 2024

Tom Erixon
Styrelseordförande

Corporate Governance report

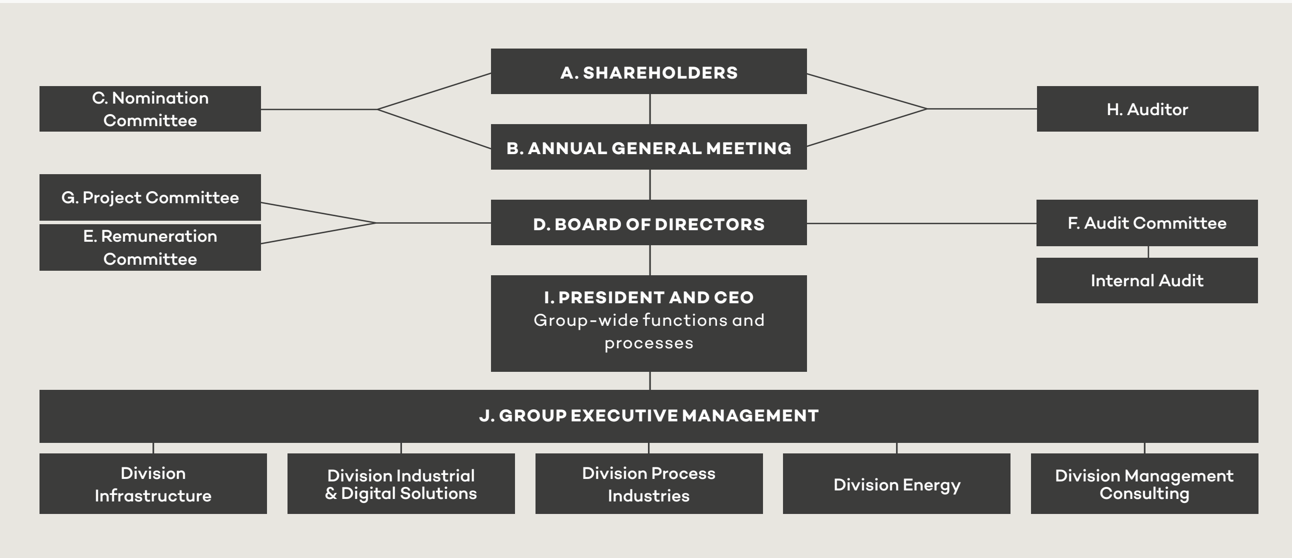
This Corporate Governance report, prepared by the Company's Board of Directors, covers corporate governance during the 2023 financial year. The Corporate Governance report is submitted in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code. The Corporate Governance report has been reviewed by the Company's auditor, KPMG, whose opinion follows immediately after the report.

Corporate governance within AFRY AB

AFRY AB is a Swedish public limited liability company domiciled in Stockholm. AFRY AB's Class B shares are listed on Nasdaq Stockholm. Governance, management and control are divided between the shareholders, the Board of Directors, the President and CEO and Group management in accordance with applicable laws, rules and recommendations and with AFRY AB's Articles of Association and internal regulations. The General Meeting of Shareholders is the Company's highest decision-making body, where the shareholders exercise their voting rights. The Board of Directors and Chairman of the Board are elected by the General Meeting after proposals by the Nomination Committee. The Board of Directors appoints the President and CEO.

The administration by the Board of Directors and President and CEO, as well as the financial statements are examined by the external auditing firm elected by the Annual General Meeting. To streamline and intensify the work on certain matters, the Board of Directors has set up an Audit Committee, a Remuneration Committee and a Project Committee. AFRY AB's internal audit is an important support function for the Audit Committee.

AFRY AB applies the Swedish Corporate Governance Code (available at www.corporategovernanceboard.se) and did not deviate from it in 2023.



AFRY AB complies with Nasdaq Stockholm's Rules for Issuers (available at nasdaq.com/solutions/rules-regulations- stockholm) and generally accepted stock exchange practice. The highest internal instrument of governance is the Articles of Association adopted by the General Meeting. The Board of Directors has adopted rules of procedure and instructions for the work of the Board, its committees and the President and CEO. In addition, the Company has adopted internal governing documents that clarify procedures and the allocation of responsibility and powers within important relevant areas, such as AFRY's Code of Conduct, Business Partner Criteria, governance, risk management, quality, the working environment, information security, data protection, sustainability, anti-corruption, whistle-blowing and regulatory compliance. For more information regarding the Company's internal control measures, see page 47–48.

A. Shareholders

AFRY AB has issued two classes of shares: Class A shares and Class B shares. Each Class A share is entitled to 10 votes, and each Class B share is entitled to 1 vote.

The largest shareholder at the end of 2023 was the ÅForsk Foundation, with 33.6 percent of the votes. Swedbank Robur Fonder had 6.8 percent and SEB Fonder had 6.5 percent of the votes.

Share distribution at 31 December 2023	
Number of shareholders	20,848
A shares	4,290,336
B shares	108,961,405
Total number of shares	113,251,741
of which own Class B shares	-
Votes	151,864,765

B. Annual General Meeting

The General Meeting of Shareholders held within six months of the close of the financial year that adopts the income statement and balance sheet is called the Annual General Meeting (AGM). Shareholders registered in the share register on the record date and who have provided timely advance notice of their participation have the right to participate in the General Meeting. Notice to attend is published on the Company's website and advertised in the Swedish Official Gazette (Post- och Inrikes Tidningar). The fact that notice to attend has been given is published in Dagens Industri. The 2023 AGM was held on 27 April 2023 at the Company headquarter in Solna. The Board of Directors decided that the shareholders also could exercise their voting rights at the AGM by postal voting in advance.

In total, 270 shareholders were represented, comprising 71.7 percent of the share capital and 78.8 percent of the votes in the Company. The AGM resolved to re-elect Board members Tom Erixon, Gunilla Berg, Henrik Ehrnrooth, Carina Håkansson, Neil McArthur, Joakim Rubin, Kristina Schauman and Tuula Teeri. The AGM also resolved to adopt the 2022 annual report and to authorise the Board of Directors to make decisions on issuance of new class B shares. The minutes of the AGM and all documentation can be found on AFRY's website.

C. Nomination Committee

In accordance with the principles for the Nomination Committee passed at AFRY AB's 2018 AGM, the members of the Nomination Committee are appointed by at least three and at most five of the shareholders with the most votes, together with the Chairman of the Board. The names of the members were published more than six months before the AGM.

The Nomination Committee for the 2024 AGM comprises: Anders Snell (Chair), appointed by the ÅForsk Foundation; Elisabet Jamal Bergström, appointed by SEB Investment Management; Caroline Sjösten, appointed by Swedbank Robur Funds; Lilian Fossum Biner, appointed by Handelsbanken Funds; Rickard Wilson, appointed by EQT Partners; and Tom Erixon, Chairman of the Board. Rickard Wilson, appointed by EQT, resigned from the Nomination Committee in February 2024 in connection with EQT's divestment of its shareholding in AFRY AB.

Duties of the Nomination Committee

The duties of the Nomination Committee are to present proposals ahead of the AGM on the number of directors, the composition and remuneration of the Board of Directors, as well as any separate remuneration for Committee work. Moreover, the Nomination Committee shall present a proposal for the chair of the Board of Directors and the AGM, respectively, as well as for the auditors and their remuneration. As part of its duties, the Nomination Committee shall fulfil all other tasks incumbent on the Nomination Committee under the Swedish Corporate Governance Code.

Work of the Nomination Committee

Ahead of the 2024 AGM and in the period up to and including 31 March 2024, the Nomination Committee held five minuted meetings and maintained contact between meetings. To assess the extent to which the current Board of Directors fulfils the requirements to be made of the Board based on the Company's situation and future focus, the Nomination Committee has discussed the size of the Board and its composition as regards, for example, industry experience, skills and diversity. The Company applies the Swedish Corporate Governance Code item 4.1 as its diversity policy for the Board of Directors. This means that the Board's composition shall be appropriate with respect to the Company's business, stage of development and conditions in general, with diversity and breadth in terms of the skills, experience and background of the directors elected by the AGM.

As a basis for its work in preparing for the 2024 AGM, the Chairman of the Board of Directors has informed the members of the Nomination Committee of the work of the Board of Directors during 2023, as well as of the work of the Audit Committee and the Remuneration Committee. The Nomination Committee has also carried out interviews with individual Board members. No remuneration has been paid for the work of the Nomination Committee. All shareholders are entitled to contact the Nomination Committee and propose board members.

The Nomination Committee's proposals, the report on the Nomination Committee's work ahead of the 2024 AGM, and supplementary information regarding the proposed members of the Board of Directors will be published in connection with the AGM meeting notice and will be presented at the 2024 AGM.

D. Board of Directors

Work and responsibilities of the Board of Directors

The Board of Directors manages the Company on behalf of the owners and is thus ultimately responsible for the Company's organisation and administration. The work and responsibilities of the Board of Directors are regulated by the Swedish Companies Act, Board Representation (Private Sector Employees) Act, AFRY AB's Articles of Association, the Board's own Rules of Procedure, Nasdaq's Rulebook for Issuers of Shares and the Swedish Corporate Governance Code. The Board of Directors determines and evaluates the Company's long-term goals and strategies. This includes establishing business plans and financial plans, reviewing and approving the annual accounts, adopting guidelines, taking decisions on issues concerning acquisitions and divestments, and deciding on larger investments in or significant changes to AFRY's organisation and operations. The Board of Directors is responsible for the Corporate Governance report. It should ensure that there are processes in place that monitor compliance with relevant laws and regulations. The Board also regularly monitors that effective control systems are in place and is responsible for evaluating the Company's risk management and approving the Company's risk map. The Board also monitors compliance with the Company's Code of Conduct and ensures that a whistle-blower system is in place for employees and external parties. The Board of Directors also appoints, evaluates and dismisses the Company's President and CEO, establishes instructions for the President and CEO regarding daily operations and approves any President and CEO assignments outside of the Company.

Through the Audit Committee, the Board of Directors contracts auditing services, keeps in regular contact with the Company's auditors and ensures good internal control, along with formal procedures that enable monitoring and assessment of the Company's financial reporting and position. Through the Remuneration Committee, the Board of Directors also handles salaries and remuneration of senior executives. The Board of Directors also has a special Project Committee tasked with reviewing and approving very large and important projects and assignments from a financial perspective that the Company is considering. As part of the Project Committee's decision-making process, a risk assessment according to the Responsible Business Due Diligence process is carried out, which includes sustainability aspects, such as responsible business, environmental and social aspects. For the Board of Directors, these committees are preparatory bodies and do not limit the Board's overall responsibility for the management of the Company or the decisions it makes.

Composition of the Board of Directors

The Board of Directors of AFRY AB shall consist of a minimum of six and a maximum of ten members in addition to the members that are by law appointed outside of the General Meeting. Eight board members were elected at the 2023 AGM. The members are elected annually for the period up to the next AGM and must devote the time and care, and have the knowledge, required to best meet the interests of the Company and its owners. The trade unions or professional associations also appoint two employee representatives and two deputies. The President and CEO is not a member of the Board of Directors. For more information on the Board of Directors, please refer to pages 49–50 of the Annual Report. The President and CEO is rapporteur at Board meetings. The Company's CFO participates in all meetings, as does the Group General Counsel, who acts as secretary to the Board of Directors. Other Company employees are invited to present reports or provide expertise when necessary.

Diversity policy for the Board of Directors

Rule 4.1 of the Swedish Corporate Governance Code is applied as a diversity policy for the Board of Directors. The aim is for the Board of Directors to have an appropriate and versatile composition regarding experience and background, and that there should be a balanced gender distribution on the Board. Since the 2022 AGM, the Board of Directors consists of four women and four men, meaning an even gender distribution exceeding the goal set by the Swedish Corporate Governance Board of at least 40 percent representation of the underrepresented gender.

Independence of the Board of Directors

The composition of the Board of Directors of AFRY AB meets the requirements of the Swedish Corporate Governance Code concerning independent members. Member of the Board of Directors Tuula Teeri is dependent in relation to AFRY AB's shareholder with the most voting rights but is independent of the Company and Group management.

None of the other Board members are dependent in relation to the Company's largest shareholders, the Company or Group management. This means that at the time when the Board of Directors prepared this Corporate Governance report, 88 percent of the members of the Board of Directors of AFRY AB are independent of AFRY AB's largest shareholders and that 100 percent of the members of the Board of Directors of AFRY AB are independent of the Company and Group management.

Rules of Procedure for the Board of Directors
In addition to the general responsibilities set out by the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Director's work is regulated by its Rules of Procedure, which are reviewed annually and then adopted at the inaugural Board meeting. The Rules of Procedure describe the duties of the Board of Directors, the division of responsibility between the Board, its committees and the President and CEO, the Board's schedule of meetings, notice to attend, agenda and meeting minutes, and the Board's work on accounting and audit matters. The Rules of Procedure also describe how members of the Board of Directors shall act in relation to conflict-of-interest matters. Members of the Board of Directors shall inform the Board of Directors of matters that may cause a conflict of interest to arise. The Rules of Procedure also define the role of the Chairman of the Board and include special instructions for the Company's President and CEO concerning what financial information should be reported to the Board so that it can regularly assess the Company's financial situation. The Board of Directors holds an inaugural meeting in connection with the AGM, at which, inter alia, the Board of Directors' Rules of Procedure are adopted. In addition, the Board of Directors is required to meet at least six times per calendar year.

Work of the Board of Directors in 2023
Prior to each Board meeting, the Company's President and CEO prepares an agenda in consultation with the Chairman of the Board. In 2023, the Board of Directors held ten meetings including one inaugural meeting. Four of the meetings were held in connection with the publication of the Company's interim reports.

Regular items include financial results and position, investments, acquisitions and governance, risk and compliance (GRC). In addition, substantial time was spent on strategy matters and AFRY's new strategic framework, changes in market conditions and the profitability in the Infrastructure Division, as well as the dismantling of AFRY X as a Division, including the integration of AFRY X's business units into the other Divisions and the changes to the financial reporting structure from six to five Divisions, effective as of 1 October 2023. Various personnel issues were also reviewed.

Evaluation of the Board of Directors and the President and CEO
The evaluation of the Board of Directors and President and CEO includes, among other things, climate of cooperation, breadth of knowledge and board work performance. The intention of the evaluation is to gain an understanding of the effectiveness of the board work and the opinions of the Board members on this matter. The Board of Directors also regularly evaluates the work of the President and CEO by following business performance against set targets. Once a year a formal evaluation is made that is discussed with the President and CEO.

Remuneration of the Board of Directors
Remuneration of members of the Board of Directors for board and committee work is proposed by the Nomination Committee and approved by the AGM.

The Nomination Committee's proposals are based on comparisons with remuneration at other companies of similar size in the same industry. Information regarding remuneration of members of the Board of Directors can be found in Note 6. Members of the Board of Directors do not participate in AFRY's incentive programmes.

E. Remuneration Committee
The task of the Remuneration Committee is to prepare the guidelines for the remuneration of senior executives which is then decided by the AGM, and to submit proposals to the Board of Directors for the salary and terms and conditions for the President and CEO. On behalf of the Board, the committee shall also deal with matters regarding salary and other terms of employment for senior executives who report directly to the President and CEO, as well as with general terms of employment and remuneration matters affecting all employees of the Company. In preparing the guidelines for the Company's remuneration of senior executives, the Remuneration Committee typically collects comments from relevant stakeholders, including, amongst others, the Board of Directors. In connection with the presentation of the guidelines for the remuneration of senior executives and the remuneration report at the AGM, participating shareholders have the possibility to ask questions and provide comments in relation to the aforementioned guidelines and report. Typically, the Remuneration Committee does not retain any external consultants to assist in the preparation of general terms of employment or remuneration matters. To the extent such external consultants are retained, they

Board composition and attendance at Board and Committee meetings during 2023

Directors	Board of Directors meetings	Audit Committee	Remuneration Committee	Project Committee	Independent of major shareholders	Independent of the company and its management
Tom Erixon	10/10		5/5	1/1	Yes	Yes
Gunilla Berg	10/10	6/6		1/1	Yes	Yes
Henrik Ehrnrooth	10/10		5/5	1/1	Yes	Yes
Carina Håkansson	9/10	6/6			Yes	Yes
Neil McArthur	10/10				Yes	Yes
Joakim Rubin	10/10		5/5		Yes	Yes
Kristina Schauman	10/10	6/6			Yes	Yes
Tuula Teeri	8/10				No	Yes
Employee representatives						
Bodil Werkström	6/10				Yes	No
Jessica Åkerdahl	7/10				Yes	No
Fredrik Sundin (deputy)	3/10				Yes	No
Vilhelm Örtendahl (deputy)*	1/10				Yes	No
Tomas Ekvall (deputy)*	0/10				Yes	No

*Tomas Ekvall was replaced by Vilhelm Örtendahl in April 2023 are independent in relation to larger shareholders, the Company and Group management. Currently, the Company's guidelines for remuneration of senior executives do not contain any explicit targets or performance indicators relating to sustainability.

The Remuneration Committee held five minuted meetings during the year. Since the inaugural meeting of the Board of Directors in 2023, the Committee has consisted of Tom Erixon (Chair), Joakim Rubin and Henrik Ehrnrooth.

F. Audit Committee

The Board's Audit Committee must ensure compliance with the financial reporting and internal control policies. It follows up the effectiveness of the internal control systems and reviews the financial processes to ensure that they comply with legal requirements and are in line with relevant standards. The Committee examines the procedures for accounting and financial control and processes the Company's financial reports. It also monitors, evaluates and discusses material questions in the field of accounting and reporting.

The Committee also evaluates and manages information about GRC (Governance, Risk and Compliance), disputes, possible irregularities, matters reported through the whistle-blower system, and assists management in identifying and evaluating mainly financial and equivalent risks that may impact the operations to ensure that the work focuses on managing such risks. The Committee also examines the Company's day to-day routines for financial reporting and the contingency plans that are in place to ensure delivery of financial information to the market. The Audit Committee has decision-making powers regarding internal audits and must ensure the effectiveness of the internal audit function by evaluating its activities, resources and structure. The Committee also reviews the results and recommendations of internal audits to ensure that they are appropriately managed.

The Audit Committee has regular meetings with the external auditors and examines their work, qualifications and independence. The results of this are annually communicated to the Company's Nomination Committee. The Committee supports the Nomination Committee in its work with nominating auditors and carries out an annual review of the proposed scope of the audit. The work of the Audit Committee is continuously reported to the Board of Directors at Board meetings, and the Board of Directors has access to the minutes kept in connection with Audit Committee meetings.

The Committee examines significant results from the external audit and the resulting recommendations issued by the external auditors. It must also establish guidelines to ensure the independence of the external auditors.

The Audit Committee held six minuted meetings during the year. Since the inaugural meeting of the Board of Directors in 2023, the Committee has consisted of Kristina Schauman (Chair), Gunilla Berg and Carina Håkansson. KPMG, the Company's audit firm, has been represented by chief auditor Joakim Thilstedt.

G. Project Committee

The Project Committee is tasked with reviewing and approving very large and important projects and assignments from a financial perspective that the Company is considering. The Committee held one minuted meeting in 2023. Since the inaugural meeting of the Board of Directors in 2023, the Committee has consisted of Tom Erixon (Chair), Gunilla Berg and Henrik Ehrnrooth.

H. Auditors

The task of the auditors is to on behalf of the shareholders examine the Company's bookkeeping, annual accounts, internal control, as well as the administration by the Board of Directors and President and CEO. The annual accounts and consolidated accounts are audited. The auditors also review the nine-month interim report for the period up to September each year and attend Audit Committee meetings.

In addition, a limited assurance of the sustainability report and a review of AFRY's Corporate Governance report are carried out by the auditors. The auditors also review compliance with the guidelines approved by the AGM relating to remuneration of senior executives. The 2023 AGM re-elected the auditing firm KPMG, represented by Joakim Thilstedt as the auditor in charge, to serve as the Company's auditor until the end of the 2024 AGM. According to applicable rules regarding auditor rotation, the Audit Committee has conducted a procurement process in 2023 and decided to recommend to the Nomination Committee to propose to the 2024 AGM the appointment of Deloitte as auditing firm for the period extending up until the 2025 AGM. See Note 5 for more detailed information on audit fees.

I. President and CEO

The President and CEO is responsible for ensuring that ongoing administration of the Company is managed according to the Board of Directors' guidelines and directions. In consultation with the Chairman of the Board, the President and CEO produces the information and documentation needed as supporting information for the Board's work, to enable the Board to make well-informed decisions. The President and CEO is supported by Group management. The President and CEO and Group management, with the support of various staff functions, are responsible for AFRY's fulfilment of its overall strategy and its financial and business controls, as well as AFRY's financing, capital structure, risk management and acquisitions.

J. Group management

At the end of 2023 Group management consisted of President and CEO Jonas Gustavsson, CFO Bo Sandström, and nine others. Group management normally meets once a month to discuss matters such as AFRY's financial performance, budget, acquisitions, Group-wide development projects, professional and leadership development, GRC, sustainability and other strategic issues. In 2023, special attention has been paid to cost-efficiency improvements. In addition, substantial time was spent on strategy matters and AFRY's new strategic framework, the changes in market conditions and the profitability in the Infrastructure Division, as well as the dismantling of AFRY X as a Division, including the integration of AFRY X's business units into the other Divisions and the changes to the financial reporting structure from six to five Divisions, effective as of 1 October 2023. Group management held 15 full-day meetings in 2023. Monthly and quarterly, the President and CEO and CFO review the income statement and balance sheet, key ratios and major projects with the respective divisional heads and controllers, together with other invited members of Group management. Three times a year, a whole-day review is held with each division to examine more long-term issues, including HR, strategy and budget. The sustainability targets are followed up on a quarterly basis, focusing on target achievement as well as executed and planned activities. During 2023, Robert Larsson replaced Malin Frenning as Head of Division Infrastructure and Martin Öman was appointed Executive Vice President and Head of Division Industrial & Digital Solutions, in each case effective as of 1 September 2023. Per-Kristian Egseth, Executive Vice President and Head of Division AFRY X, resigned in May 2023 and Henrik Tegnér was appointed as interim Head of Division

AFRY X. The role as Head of Division AFRY X was discontinued in connection with the dismantling of AFRY X as a Division. For more information about the members of Group management, please see pages 51–52 of the Annual Report.

Remuneration of senior executives
The guidelines for AFRY adopted at the 2022 AGM and information on remuneration of senior executives paid in 2023 can be found in Note 6. The Remuneration Committee's evaluation led to the conclusion that the guidelines for remuneration of senior executives adopted by the 2022 AGM have been followed.

K. Sustainability
Sustainability is an integral part of AFRY's business strategy, and the Board of Directors monitors the Company's efforts and achievements within this area. The Board of Directors approves all documents governing AFRY's sustainability efforts and is thus ultimately responsible for incorporating sustainability into the overall decision-making process at AFRY. The Board of Directors monitors the management of AFRY's sustainability efforts, including material sustainability topics and related sustainability targets, as well as AFRY's impact on the environment, people and the economy through the approval of the annual and sustainability report. The Director of Sustainability retains the same auditors' that carry out the financial audit to review the sustainability report.

The Board of Directors has delegated the overall responsibility for AFRY's sustainability efforts to the President and CEO. Henrik Tegnér, Head of Strategy and Sustainability, has operational responsibility for AFRY's sustainability efforts. The Head of Strategy and Sustainability is supported by a team. Sustainability is an integral part of Group management's work, and sustainability topics are regularly discussed.

In 2023, some members of Group management have been members of a special committee, GRECS (Governance, Risk, Ethics, Compliance and Sustainability), the purpose of which is to follow-up on the roll-out of the implementation of relevant programs for risk management, preventive measures and control activities, including risks regarding negative impact on the economy, environment and people. GRECS consists of the President and CEO, the CFO, General Counsel, Head of Communication, Head of HR, Head of Strategy and Sustainability and the Director of Sustainability, as well as other key people such as the Chief Compliance and Ethics Officer and the Head of Security.

AFRY's sustainability efforts are also integrated into existing staff functions, who are responsible for the execution of such efforts within their respective functions. Each division head is responsible for developing and driving the sustainability efforts in their operations and in all their assignments through consultants. The division heads also have contacts for sustainability related matters depending on local needs. These efforts are supported by a management system.

Code of Conduct
AFRY's Code of Conduct is based on the ten principles of the UN Global Compact. The Code of Conduct is a compilation of the commitments, rules and guidelines that form the basis of the Company's operations. The Code of Conduct defines the norms and values that form the basis on which AFRY conducts business with clients, partners, employees and other stakeholders. The Code of Conduct covers all employees in every country as well as AFRY's Board of Directors. In 2020, a mandatory e-learning on AFRY's Code of Conduct was launched for all employees. The general purpose of the e-learning is to support the organisation in its efforts to fulfil its commitments to conducting business in a responsible manner. See page 118 for further information.

AFRY also has a Business Partner Criteria covering business partners, including suppliers, sub-suppliers, joint venture partners and other representatives, mirroring AFRY's Code of Conduct and the ten principles of the UN Global Compact.

During 2023, AFRY initiated a modification of the Code of Conduct and the Business Partner Criteria to meet increased expectations from AFRY's clients and other stakeholders, as well as to better reflect AFRY's current risk management principles. See risk report on pages 58-60 and page 118 in the sustainability notes, for how AFRY has implemented risk assessment processes based on OECD's due diligence guidelines for responsible Business Conduct to evaluate sustainability related risks in connection with new assignments.

Sustainability policy
AFRY's sustainability policy was adopted in December 2020 and applies Group-wide. The policy reflects AFRY's business strategy and ambitions in the area of sustainability and strengthens the way in which operations should be managed in line with the 1.5-degree ambition and the 2030 Agenda. The policy prescribes, inter alia, that AFRY's operations shall have a holistic approach towards client assignments, business and strategy development, partnerships and collaboration with civil society; that sustainability-related risks and opportunities shall be identified and addressed at the tender stage; that the Company shall work for an increase in the awareness among, and skills of, all employees about how they can contribute to improving sustainability performance through their assignments; that sustainability aspects shall be identified and integrated into assignments; that the precautionary principle should be applied; and that AFRY shall actively seek transformative and innovative assignments that accelerate the transition to a sustainable society. In 2022, a mandatory e-learning was launched covering all employees, including the Board of Directors of AFRY AB, regarding AFRY's sustainability efforts aiming to support the organisation in the fulfilment of AFRY's sustainability commitments. See page 107 for further information.

Governance based on international frameworks and guidelines
AFRY's sustainability efforts are governed by international frameworks and guidelines aiming to ensure sustainable development. Policies for responsible business conduct include the 10 principles of the UN's Global Compact on human rights, labour, the environment and anticorruption, the UN's 17 Sustainable Development Goals (Agenda 2030), the Paris Agreement as well as the 1.5-degree ambition. In addition, to ensure that AFRY's sustainability efforts take into account recognised principles, science and standards, further inspiration and guidance is sought from other relevant initiatives and framework.

Management system
AFRY has a comprehensive management system with policies, directives and processes that apply to all operations, and which are approved annually by the Board of Directors. AFRY's Code of Conduct and key policies are available online at afry.com. The management system is certified in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety). Approximately 83 percent of AFRY's operations are covered by the ISO 9001 certificate, with 79 percent covered by the ISO 14001 certificate and 79 percent by the ISO 45001 certificate. The legal entities that are covered are listed in the appendices to the certificates. The certificates are available online at afry.com.

The implementation and efficiency of the management system is followed up in the Group-wide internal quality audit program in which there is a general three-year plan and for which a more detailed plan is drawn up each year. In 2023, 32 project audits and 31 management and support-process audits were carried out in this program.

The audit program also includes the environment and work environment and is in line with ISO 9001, 14001 and 45001. A summary of the results is reported to Group management.

The Board of Directors' Report on Internal Controls

The Board of Directors' responsibility for internal controls is based on the Swedish Companies Act and the Swedish Code of Corporate Governance, which set out requirements for annual external disclosure of information on how internal controls regarding financial reporting are organised.

The objectives of internal controls are to ensure that the Company's operations are efficient and effective, that financial reports are trustworthy, and that relevant laws and regulations are observed. The systematic approach is described below in accordance with the COSO framework for internal controls, which is based on the elements of Control Environment, Risk Assessment, Control Activities, Information and Communication and Follow-up. The internal controls and risk management processes are not static. Nor are they separate from the operations, but AFRY refines its approach continuously to ensure that the processes are incorporated into AFRY's operations.

Control Environment

The Control Environment forms the basis for internal controls and reflects the Company's Code of Conduct, corporate culture, financial targets, and sustainability targets. The guiding principles are to ensure that decision-making paths, responsibilities and the delegation of authorities are clearly defined and communicated between the various levels in the organisation, and that the objectives of internal controls are achieved. The Rules of Procedure for the Board of Directors and the instructions for the President and CEO ensure clear roles and division of responsibility aimed at effective management and oversight of the operational risks. The Group Management is also responsible for the oversight of the internal controls required to handle significant risks in operating activities and financial reporting. Operational decisions are taken by the Company, while decisions on strategy, overall financial matters, and major acquisitions and investments are taken by AFRY's Board of Directors with support from Group Management. See the Corporate Governance Report for more information on the work of the Board of Directors and the Group Management on pages 43–45. AFRY's internal delegation of authorities clarifies levels and procedures for delegating operational decisions. A special committee known as GRECS (Governance, Risk, Ethics, Compliance and Sustainability), which includes members of Group Management namely the President and CEO, CFO, Group General Counsel, Head of Communication, Head of HR, Head of Strategy and Sustainability and other key people such as the Chief Compliance and Ethics Officer, Director of Sustainability and the Head of Security, has been established. GRECS meets regularly and follows up on the rollout and implementation of relevant programs for risk management, preventive measures and control activities, including processes to assess and prevent negative impact on the environment and human rights.

Risk Assessment

The Board of Directors has the ultimate responsibility for limiting and monitoring AFRY's risk exposure. It assesses the risk profile on a regular basis and annually approves the Group's risk heatmap. The Audit Committee regularly reviews the progress of GRC activities (Governance, Risk and Compliance) and material disputes from the General Counsel. The Audit Committee also has continuous and regular contact with the Group's internal and external auditors to evaluate risks in financial reporting. Group Management is responsible for reviewing the management of significant risks in the ongoing operations.

AFRY's risk assessment regarding financial reporting aims to identify and evaluate the most significant risks in the Group's companies, business areas, divisions, processes and operations which, in turn, might impact the financial results and the Group's ability to achieve its goals as a whole. AFRY has implemented evaluation and management processes that assess risks related to the Company's financial reporting, operating activities, and project-specific risks. Structured procedures provide the basis for the assessment, management, and control of risks so that risks are managed as an integral part of the business operations. A central evaluation process in the tendering procedure is the Responsible Business Due Diligence process which reflects AFRY's Code of Conduct, the ten principles of the UN Global Compact, 1.5°C Business Playbook and Agenda 2030 and the Universal declaration on Human Rights. The Responsible Business Due Diligence process replaces the Code of Conduct Assessment process that was implemented 2020. The process and its outcome are described further in the Risk report on pages 58-60 and in the sustainability notes on page 118. During 2023, a special risk committee was established, represented by the CEO, the CFO and the company's General Counsel, to monitor material risks related to ongoing projects, claims and disputes, as well as sensitive compliance and ethical issues.

Control Activities

To ensure that the business is run efficiently and that the scheduled financial reports consistently provide a true and fair view, control activities are built into key processes. These control activities involve all levels of the Group. Responsibility for carrying out the control activities is distributed across the Group where clear roles ensure efficiency and reliability. Specific control activities are aimed at detecting or preventing the risk of misstatements in financial reporting in a timely manner. Financial controls are operated by AFRY's central Finance Department with support from the divisions' financial staff through harmonised control processes. A continuous profit analysis is performed for all the Group's units, including the foreign units. All accounting and reporting relating to the Group's Swedish units is centralised in the Finance Department at the Head Office, with harmonised control processes. Examples of control activities are performance analyses, control elements within the processes – income and receivables, payments, fixed assets, work in progress, salary, VAT / tax, current accounting, consolidation and reporting and register maintenance. AFRY is implementing a Group-wide business system (ERP) to strengthen the controls. AFRY has implemented a Group-wide management system which is used for operational management and support. The management system consists of policies, directives, processes, procedures and tools which provide the conditions for ensuring that the adopted requirements and expectations are met in a sound control environment. The sales and delivery processes support operational activities in meeting and ensuring compliance with customer requirements, legal requirements and AFRY's obligations under the UN Global Compact and similar commitments. These processes are adapted in the operations to suit different technical areas, sectors, and markets. Additional control activities include data access controls and authorisation controls. The development of control activities is managed centrally, while divisional management teams are responsible for implementing the relevant control activities within their own organisations.

Information and Communication

Information regarding the Company's internal controls and financial reporting can be found in the management system that is available to all employees via the Group's intranet. The intranet also contains guidelines and tools provided by appropriate support functions. Updates are published in the event of any changes in internal or external requirements and expectations regarding internal controls, sustainability reporting and financial reporting. A communication policy sets out guidelines for how communication with external parties should be managed. The purpose of the policy is to ensure correct and complete compliance with all information obligations. The purpose of internal communication is to ensure that all employees understand the Company's values, focus and business operations. To achieve the objective that employees stay informed, the Company has adopted a proactive approach in which information is regularly communicated via the Group's intranet through updates for managers and distribution through the divisions' quality co-ordinators and finance units, as well as targeted training initiatives.

Follow-up
Compliance with and the efficiency of internal controls are monitored on a continuous basis both by the Board of Directors and management to ensure high quality processes. The Company's financial situation and strategy is considered at every Board meeting. In addition, the Board of Directors receives monthly reports on the financial position and development of the business. The Audit Committee sets out the principles applicable to accounting and financial reporting and ensures that control activities are in place to manage material risk areas in the processes for the financial reporting. The Audit Committee meets with the external auditors to obtain information about the focus and scope of the audit, and to discuss outcomes and co-ordination of the external and internal audits. The Committee also establishes the focus, scope and schedules of the internal auditors whose work is reported to the Audit Committee. Reports are regularly shared with management for potential actions. The committee thereby ensures that control activities are in place to manage significant risk areas in the processes for financial reporting. The Audit Committee also receives regular updates on GRC from the General Counsel. At least one Board meeting per year evaluates the internal controls over financial reporting. At the same meeting, the Board also evaluates the Group's risk management and risk heatmap.

AFRY's system for financial management and control secures effective financial monitoring throughout the operations. Reports are generated monthly for each profit centre and reports on project finances are reviewed continuously. Identified errors and measures taken are reported in the line organisation to an immediate superior. The implementation of the management system is continuously monitored through quality audits. AFRY conducts regular audits and quality reviews of the operations to monitor the application of internal controls and the management system and to ensure that they live up to the Group's internal ambitions, external requirements, and expectations. The prioritised areas for the quality reviews include quality, environment and working environment, processes and systems, observance of the risk management process in the tendering process and quality review of the projects which the Group has undertaken to carry out. The results are reported to the President and CEO and to group management.

Internal Audit
The Internal Audit function provides independent assurance and evaluation on risk management and internal control and monitors the effectiveness of the implementation of the management system. The Internal Audit team plans their work with input from the Audit Committee, Group Management, Divisional Management and Group Functions. Internal audits are carried out for individual divisions and group functions, as well as for Company-wide processes and in thematic areas. The outcome of the audits are regularly reported to the Audit committee and Group Management. An action plan is prepared jointly with the appropriate business owner to handle observations made. The internal audit team follow up on the audits, in conjunction with the business owner, to ensure that every highlighted observation is addressed within a defined time period.

Risk management and internal control over sustainability reporting
During 2023, the company intensified its efforts to strengthen its processes for internal control over the sustainability reporting process. The initiative is part of the preparatory work to meet the disclosure requirements on internal control for sustainability information in the Corporate Sustainability Reporting Directive (CSRD). A survey has been carried out to identify process flows, main and area-specific risks. Based on the reflection, risk-based control activities have been designed to achieve a higher degree of completeness and reliability of reported information. This means, for example, that qualitative and quantitative analyses are carried out, and that the four-eyes principle is applied. Furthermore, the company evaluates how digital tools can be developed to support an efficient and transparent reporting process with enhanced conditions for quality assurance and external auditing of information.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders of AFRY AB, corp. id 556120-6474

Engagement and responsibility
The Board of Directors is responsible for the corporate governance report for 2023 on pages 42–48 and for preparing it in accordance with the Annual Accounts Act.

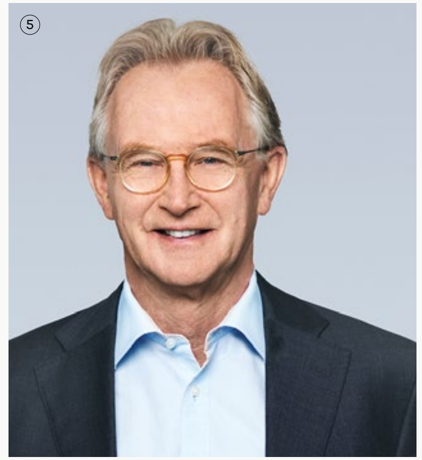
Focus and scope of the audit
Our examination has been conducted in accordance with FAR's statement RevU 16 Auditor's review of the corporate governance report. This means that our examination of the corporate governance report has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinions

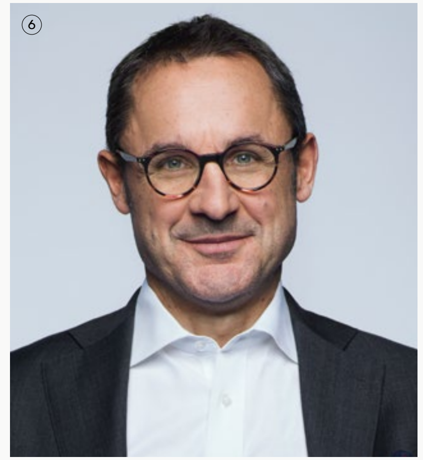
Opinions
A corporate governance report has been prepared. Disclosures in accordance with chapter 6, section 6, second paragraph, points 2–6 of the Annual Accounts Act and chapter 7, section 31, second paragraph of the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 21 March 2024
KPMG AB

Joakim Thilstedt
Authorised Public Accountant

Board of Directors





① **Tom Erixon**
Chairman of the Board and Chair of the Remuneration Committee and the Project Committee
Elected: 2021
Born: 1960
Education: Master of Law from Lund University, and MBA in Business Administration from IESE, Spain.
Current position and other significant duties: President and CEO of Alfa Laval and Chairman of the Board of Teknikföretagen and vice chair of the Lund University Board.
Professional experience: President and CEO of the Ovako Group, President of Sandvik Coromant, Managing Partner for Boston Consulting Group and Practice Leader Industrial Goods.
Shareholding: 35,272 Class B shares.

② **Gunilla Berg**
Director and member of the Audit Committee and Project Committee
Elected: 2017
Born: 1960
Education: B.Sc in Economics and Business Administration, Stockholm School of Economics.
Current position and other significant duties: Board member and chair of the Audit Committee Atrium Ljungberg AB and Praktikertjänst AB.
Professional experience: CFO PostNord, Vice President and CFO of the SAS Group, Vice President and CFO of the KF Group.
Shareholding: 1,000 Class B shares.

③ **Henrik Ehrnrooth**
Director and member of the Remuneration Committee and the Project Committee
Elected: 2019
Born: 1954
Education: M.Sc. in Forest Economics, University of Helsinki and B.B.A., Hanken School of Economics in Helsinki.
Current position and other significant duties: Chairman of the Board of Otava Group, Chairman of the Advisory Board of Climate Leadership Coalition and Board member of the Marcus Wallenberg Foundation.
Professional experience: CEO of Pöyry, Chairman of the Board of YIT Corporation and Caverion Corporation.
Shareholding: 3,515,996 Class B shares indirect through Corbis S.A.

④ **Carina Håkansson**
Director and member of the Audit Committee
Elected: 2021
Born: 1961
Education: Master of Science in Forestry, Swedish University of Agricultural.
Current position and other significant duties: Board member of SCA and Board member of Vasaloppet. Chairman of division VIII in The Royal Swedish Academy of Engineering Sciences.
Professional experience: Director general, Swedish Forest Industries Federation, CEO of Dalakraft and CEO of Stora Enso Skog/Wood Supply Sweden.
Shareholding: 1,000 Class B shares.

⑤ **Neil McArthur**
Director
Elected: 2021
Born: 1961
Education: MBA – INSEAD, BSc Hons Civil Engineering, University of Glasgow and CEng MIMechE.
Current position and other significant duties: Senior partner within Energy division at Oliver Wyman.
Professional experience: CEO and Chairman of the Executive Board of Arcadis N.V., Executive Board Member, Senior Vice President and Managing Director Europe at Booz & Company and several Project Management positions within Shell International Petroleum Exploration & Production.
Shareholding: 19,684 Class B shares.

⑥ **Joakim Rubin**
Director and member of the Remuneration Committee
Elected: 2012
Born: 1960
Education: Master of Engineering, Institute of Technology, Linkoping University.
Current position and other significant duties: Partner EQT Public Value. Board member of Storytel AB.
Professional experience: Partner Zeres Capital, Senior Partner CapMan. Head of Corporate Finance and Debt, Handelsbanken Capital Markets.
Shareholding: 10,000 Class B shares

Shareholding on 31 December 2023, including related party holdings.

7 **Kristina Schauman**
Director and Chair of the Audit Committee
Elected: 2012
Born: 1965
Education: MBA, Stockholm School of Economics.
Current position and other significant duties: Board member of Viaplay Group AB, BEWi ASA, Coor Service Management Holding AB, Ahlstrom Oyi and Ellos Group Holding AB. Member of Nasdaq Stockholm Disciplinary Committee.
Professional experience: CFO of OMX, Carnegie and Apoteket AB, CEO of Apoteket AB and Group Treasurer of Investor AB.
Shareholding: 8,000 Class B shares.

8 **Tuula Teeri**
Director
Elected: 2022
Born: 1957
Education: Ph.D., Genetics, University of Helsinki.
Current position and other significant duties: President, Royal Swedish Academy of Engineering Sciences (IVA), Board member (Chair) of the ÅForsk Foundation, vice Chairman Stockholm University Board, Member of the Academic Research Council in Singapore.
Professional experience: President of Aalto University, Finland, Pro Vice Chancellor of Royal Institute of Technology, Stockholm, Board member of the Finnish Business and Policy Forum (EVA) and Research Institute of Finnish Economy (ETLA).
Shareholding: -

9 **Jessica Åkerdahl**
Director, employee representative
Elected: 2019
Born: 1974
Education: Engineer, Mid Sweden University.
Current position: Employed in Division Process Industries.
Shareholding: -

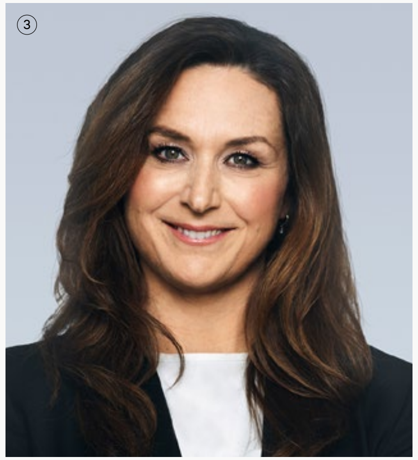
10 **Bodil Werkström**
Director, employee representative
Elected: 2021
Born: 1975
Education: B.Sc. Civil Engineering, BTH.
Current position: Employed in Division Infrastructure.
Shareholding: -

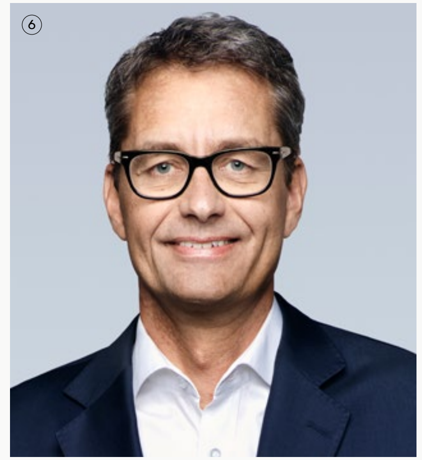
11 **Frerik Sundin**
Deputy, employee representative
Elected: 2021
Born: 1972
Education: M.Sc. Engineering Physics, Uppsala University.
Current position: Employed in Division Industrial & Digital Solutions.
Shareholding: -

12 **Vilhelm Örtendahl**
Deputy, employee representative
Elected: 2023
Born: 1965
Education: YTH Chalmers University of Technology.
Current position: Employed in Division Industrial & Digital Solutions.
Shareholding: -

Auditors
KPMG AB
Auditor in charge
Joakim Thilstedt

Group Executive Management





① **Jonas Gustavsson**
President and CEO
Employed: 2017
Born: 1967
Education: M.Sc. Mechanical Engineering, Luleå University of Technology
Professional experience: Business Area Manager Sandvik Machining Solutions 2013–2017 and Sandvik Materials Technology 2011–2013. Prior to that, several leading positions at Sandvik and Vice President of Operations at BRP-Rotax (Austria). Leading positions at Bombardier and ABB.
Board assignments: Board member Fortum OYJ
Shareholding: 29,251 B shares.

② **Bo Sandström**
CFO
Employed: 2022
Born: 1975
Education: M.Sc in Engineering Physics, LTH Faculty of Engineering, Lund University and BSc in Business and Economics, Lund University
Professional experience: CFO of ICA-handlarnas Förbund, Telia Sweden, SATS Group and Scandinavian Airlines Sweden. Management consultant with McKinsey & Company.
Shareholding: 5,000 B shares.

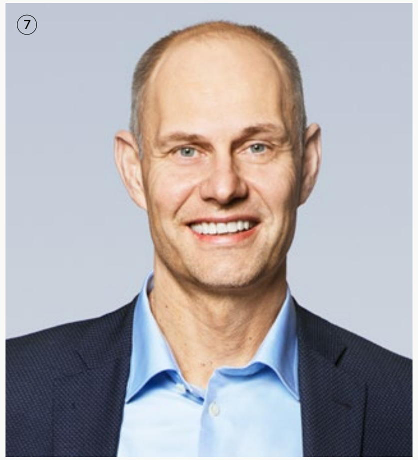
③ **Sara Klingenborg**
Head of Human Resources
Employed: 2015
Born: 1973
Education: Bachelor's degree in personal development and psychology, Lund University
Professional experience: Leading Talent Acquisition and HR roles at several international companies as Microsoft, Accenture, Eniro and AFRY/+ Managerial positions in Human Resources, including Accenture, Eniro and AFRY.
Shareholding: -

④ **Cathrine Sandegren**
EVP and Head of Communications and Brand
Employed: 2016
Born: 1977
Education: Graduate Diploma in Business Administration, Copenhagen Business School
Professional experience: Head of Corporate, IR and Internal Communication ÅF, Corporate Communication Manager, SAS.
Shareholding: 3,000 B shares
2020 Staff Convertible Programme: nominal amount SEK 3,000,000.

⑤ **Susan Gustafsson**
Group General Counsel
Employed: 2019
Born: 1973
Education: Master of Law (L.L.M), Lund and Maastricht University, INSEAD Leading Innovation Programme
Professional experience: Group General Counsel (2015–2019) – MTG Modern Times Group and Nordic Entertainment Group, Stockholm. EVP General Counsel Martell Mumm Perriet-Jouët (2008–2015), M&A and corporate lawyer (2003–2008) – Pernod Ricard, Paris. M&A and corporate lawyer (1999–2003) – Advokatfirman Vinge och Landwell & Partners, Paris.
Shareholding: 2,000 B shares.

⑥ **Robert Larsson**
EVP and Head of Division Infrastructure
Employed: 2018
Born: 1967
Education: M.Sc. in Mechanical Engineering, Linköping University of Technology
Professional experience: Several leading positions in ABB, latest Lead Division Manager, Robotics & Motion Scandinavia.
Board assignments: Board member Mycronic
Shareholding: 14,000 B shares.

Shareholding on 31 December 2023, including related party holdings.



⑦ **Martin Öman**
EVP and Head of Division Industrial & Digital Solutions
Employed: 2015
Born: 1971
Education: M.Sc. Engineering and Executive M.Sc. in Technology Management
Professional experience: Leading positions in AFRY, Saab Automobile/General Motors and LeanNova Engineering.
Shareholding: 1,590 B shares
2020 Staff Convertible Programme: nominal amount SEK 900,000.

⑧ **Nicholas Oksanen**
EVP and Head of Division Process Industries
Employed: Joined Pöyry 1993
Born: 1967
Education: M.Sc. Paper Technology and Economics, Helsinki University of Technology, Finland 1993
Professional experience: Pöyry, President, Business Unit Pulp and Paper 2009–2019, Pöyry, various leading positions within Pulp and Paper 1997–2009, Jaakko Pöyry Deutschland GmbH, Process Engineer 1995–1997, Pöyry, Paper Technology Division, Process Engineer 1993.
Shareholding: 0 shares
2020 Staff Convertible Programme: nominal amount SEK 3,000,000.

⑨ **Linda Pålsson**
EVP and Head of Division Energy
Employed: 2014
Born: 1974
Education: M.Sc. Electrical engineering, Chalmers University of Technology
Professional experience: Several leading positions including Regional Manager Infratek, CEO Triventus, Business Area Manager ÅF, VP and Head of Hydro & Energy Nordics AFRY.
Board assignments: Styrelsemedlem i Vexve Armatury Group Oy.
Shareholding: 3,904 B shares
2020 Staff Convertible Programme: nominal amount SEK 300,000.

⑩ **Roland Lorenz**
EVP and Head of Division Management Consulting
Employed: 1999 (Pöyry)
Born: 1970
Education: Computer Science and Electrical Engineering, University of Applied Science Dortmund and University Bochum, Germany
Professional experience: VP and Head of Energy Management Consulting Nordics, Central and Southern Europe at Pöyry 2010–2019, MD and Head of Energy Management Consulting at Pöyry 2007–2010 and prior to that several leading positions within Management Consulting.
Shareholding: 6,000 B shares
2020 Staff Convertible Programme: nominal amount SEK 3,000,000.

⑪ **Henrik Tegnér**
EVP and Head of Strategy and wSustainability
Employed: 2020
Born: 1970
Education: M.Sc. Industrial Engineering and Management, Chalmers University of Technology
Professional experience: Accenture 1996–2019 in various positions, Managing Director and Head of Utilities Nordic.
Shareholding: 1,500 B shares.

Financial statements

Administration report

The Board of Directors and the President and CEO of AFRY AB (publ), corporate identity number 556120-6474, hereby submit the annual report and consolidated accounts for the 2023 financial year. AFRY AB, is the parent of the Group and its registered office is in Stockholm.

Business

AFRY provides engineering, design, digital and advisory services to accelerate the transition towards a sustainable society. With 19,000 devoted experts in industry, energy and infrastructure sectors, the company creates sustainable solutions for generations to come. AFRY has Nordic roots with a global reach, and ongoing projects in more than 100 countries worldwide.

Net sales and profit

Net sales for the year amounted to SEK 26,978 million (23,552), an increase of 14.5 percent (17.1). Organic growth was 9.6 percent (7.8) and 10.2 percent (8.1) when adjusted for calendar effects.

The order stock at the end of the period amounted to SEK 19,329 million (19,440), a decrease of 0.6 percent compared to the previous year.

EBITA and the EBITA margin were SEK 1,938 million (1,729) and 7.2 percent (7.3) respectively. The effects of IFRS 16 Leases on EBITA were SEK 34 million (-10) on EBITDA and SEK 666 million (545). Adjusted for items affecting comparability, EBITA amounted to SEK 2,032 million (1,886). The corresponding EBITA margin was 7.5 percent (8.0). Items affecting comparability amounted to SEK -94 million (-157) and related to restructuring costs for the Infrastructure and AFRY X Divisions and costs for early termination of leases. The figure for the comparative period related to costs for adaption and configuration of cloud-based IT systems and restructuring costs for the Infrastructure Division and Group functions.

Capacity utilisation was 73.5 percent (74.7) for the period.

EBIT totalled SEK 1,779 million (1,444). The difference between EBIT and EBITA consists of acquisitionrelated non-cash items: amortisation of acquisition-related non-current assets amounting to SEK -176 million (-170) and the change in estimates of future contingent considerations of SEK 19 million (14). The figure for the comparative period related to write-down of operations in Russia SEK -66 million and capital loss mainly from divestment of a property of SEK -63 million.

Profit after financial items was SEK 1,441 million (1,220) and profit after tax for the period was SEK 1,100 million (974). Net financial items for the period totalled SEK -337 million (-224). In addition to increased interest expenses, net financial items were impacted by discount rates related to leasing in accordance with IFRS 16 Leases of SEK -70 million (-48) as well as discounting of contingent considerations of SEK -11 million (-3), which did not impact cash flow. The net financial items for the comparative period were impacted by movements in the RUB/SEK exchange rate amounting to SEK -30 million.

The tax expense amounted to SEK -341 million (-246), corresponding to a tax rate of 23.7 percent (20.2). The tax rate during the period was affected by the divestment of operations in Russia, tax attributable to the previous year and, as in the comparative period, the utilisation of previously unrecognised accumulated tax losses and non-deductible costs.

Acquisitions and divestments

In 2023, four businesses were acquired, which are expected to contribute net sales of SEK 320 million over a full year. For more information see Note 3.

AFRY has concluded the divestment of its Russian subsidiary to the local management team. The Group's realised result is in line with the previously communicated effect of SEK -66 million, which had an impact on the net result in 2022.

Cash flow and financial position

Consolidated net debt including IFRS 16 Leases amounted to SEK 6,842 million (6,849).

Consolidated net debt excluding IFRS 16 Leases amounted to SEK 4,868 million (4,646) at the end of the year, and SEK 4,646 million (3,565) at the start of the year. Cash flow from operating activities reduced net debt by SEK 1,188 million (550), cash flow from operating activities including IFRS 16 amounted to SEK 1,794 million (1,042). Net debt for the year increased due to acquisitions and contingent considerations paid totalling SEK 575 million (817). A dividend of SEK 623 million was paid in the second quarter of 2023.

The Group raised a five-year bilateral bank loan during the second quarter of SEK 800 million and one threeyear bond of SEK 500 million. The Group repaid a previous bond loan of SEK 171 million that fell due in April and a bond of SEK 500 million that fell due in June.

At the end of the fourth quarter, the company had SEK 407 million in outstanding issued commercial paper under its commercial paper programme.

Consolidated cash and cash equivalents totalled SEK 1,167 million (1,088) at the end of the period and unused credit facilities amounted to SEK 3,055 million (3,056).

Valuation of the Group's assets and provisions

AFRY tested the valuation of the Group's goodwill as of the third quarter. The review did not indicate that any impairment loss had arisen. A follow-up was carried out to examine whether there were any indications showing a need to conduct updated impairment tests as of 31 December 2023. No such indications were found. No significant provisions were made during the period.

Parent company

Parent company's operating income for 2023 totalled SEK 1,581 million (1,417) and relates primarily to internal services within the Group. Profit after net financial items was SEK 213 million (44). Cash and cash equivalents amounted to SEK 429 million (308). Gross investments in intangible assets and property, plant and equipment were SEK 56 million (41). The tax rate was impacted during the period by non-taxable income in the form of dividends from subsidiaries.

Sustainability report

In accordance with the Swedish Annual Accounts Act, AFRY has prepared a sustainability report. The statutory sustainability report is included in the annual and sustainability report 2023, but separate from the administration report and the scope of the report is defined on page 104. The auditor's opinion on the statutory sustainability report can be found on page 131. AFRY has no licensable operations.

Employees

The average number of full-time employees (FTEs) was 18,228 (17,340). The total number of employees at the end of the year was 18,984 (18,687). For more information on employees, see Note 6.

Significant events during the financial year

Changes to Group Executive Management

AFRY has announced changes to the Group Executive Management that took effect on September 1, 2023. Robert Larsson was appointed Head of Division Infrastructure and Martin Öman Head of Division Industrial & Digital Solutions.

Changes to business units

As of October 1, 2023, AFRY X was dismantled as a division and current business units were integrated into the Industrial & Digital Solutions, Infrastructure and Management Consulting Divisions. The financial reporting structure was changed from six to five divisions.

Improvement programme

During October an expansion of the improvement programme for the Infrastructure Division was launched, entailing structural changes and capacity adjustments with a planned reduction of approximately 300 full-time positions.

Significant events after the end of the financial year

AFRY has acquired Carelin Oy, Finland, and SOM System Kft. and TTSA Mérnökiroda Kft, Hungary. For more information on significant events after the end of the financial year, see Note 30.

The share

The AFRY shares are listed on Nasdaq Stockholm. The share price at the end of the reporting period was SEK 139.70 (170.90). Class A shares carry 10 votes per share and Class B shares carry 1 vote per share. The number of shares at 31 December was 113,251,741. There are no restrictions on the transferability of shares due to statutory provisions, articles of association or, as far as the company is aware, in shareholder agreement.

Guidelines for remuneration of senior executives

A new remuneration guideline will be proposed for the 2024 Annual General Meeting. The guidelines shall apply to contracted remuneration and changes made to previously contracted remuneration after the guidelines are adopted by the AGM. The guidelines do not cover remuneration decided on by the AGM. The proposed guidelines are mainly in accordance with the guidelines adopted by the 2022 AGM, with the adjustment that the long-term cash-based incentive programme in place for the President and CEO from 1 April 2021 and ending on 31 March 2024 will not be proposed in a new version from 2024 and onwards.

A prerequisite for a successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. The remuneration guidelines cover the CEO and other members of the group management who report to the CEO ("senior executives"). For more information see Note 6.

These guidelines enable the company to offer the senior executives a competitive total remuneration. The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration (STI and LTIP included), pension benefits and other customary benefits. Said components, their purposes and the components connection to the company's business strategy is described below.

Decision-making processes for establishing, reviewing and implementing the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision on proposed guidelines for remuneration

Administration report

to senior executives. The Board of Directors shall prepare and propose new guidelines at least every four years and submit the proposal for resolution at the AGM. The guidelines shall apply until new guidelines are adopted by the AGM. The Remuneration Committee shall also follow and evaluate programmes for variable remuneration of Group Executive Management, the application of guidelines for remuneration of senior executives, and applicable remuneration structures and remuneration levels in the company. Additionally, the General Meeting may, notwithstanding what is stated in these guidelines, resolve on, among other things, share-related and share-price-related incentive plans.

To avoid conflicts of interest, the Remuneration Committee consists only of members of the Board of Directors who are independent of the company and its management. The President and CEO and other senior executives shall not attend when the terms and conditions for their remuneration are being discussed.

Fixed cash salary

The fixed cash salary is set according to the senior executive's competence, area of responsibility and according to local market practice. The fixed salary is reviewed annually, depending on, inter alia, the market, performance and how well the senior executive has acted in accordance with the company's values.

Variable cash remuneration

Annual short-term incentive programmes (STIP)

The size of annual short-term cash incentive programmes can vary from 0 percent to 60 percent of annual fixed cash salary.

Target criteria, weighting and target levels are set annually by the Board of Directors to ensure that the programme supports the business strategy. The target criteria, weighting and target levels may vary from year to year to reflect business priorities and usually balance the Group's financial targets and non-financial targets. Details of the target criteria, weighting and target levels as well as how the programme support the business strategy are presented in the annual remuneration report. After the end of the year, the Board of Directors reviews the results and determines to what extent each of the targets has been achieved to determine the final outcome. Regarding the financial targets, the assessment shall be based on the latest financial information published by the company.

The Board of Directors may adjust the STI outcome in special circumstances to adjust the remuneration in accordance with the value created for the shareholders and to ensure that the outcome reflects the company's results fairly.

Additional variable cash remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are made only at the individual level either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance over and above the person's ordinary duties. Such remuneration may not exceed an amount equal to 50 percent of the executive's fixed annual cash salary. Decisions on such remuneration shall be made by the Board of Directors as proposed by the Remuneration Committee.

Long-term cash-based incentive programmes (LTIP)

The Board of Directors considers it important to offer long-term incentive programmes to attract and retain key personnel and to give them the opportunity to take part of the company's success in the same way as the shareholders. In this way, the long-term incentive programmes contribute to the company's long-term value creation and results. Decisions on share-related and share-price-related programmes are made by the AGM either through separate decisions or by indicating the essential conditions of the programme in the remuneration guidelines.

The long-term incentive programmes that can be offered are share-related or share-price-related programmes and/or long-term cash-based programmes; all are three-year programmes. For all cash-based programmes there is a cap of maximum 80 percent of the annual fixed cash salary for the President and CEO, and 70 percent of the annual fixed cash salary for the other senior executives.

Target criteria, weighting and target levels are determined annually by the Board of Directors to ensure that they support the business strategy and can vary from year to year to reflect business priorities (at present, average EBITA margin and average growth). Details of each programme and how they support the business strategy are presented in the annual remuneration report. After the end of the programme, the Board of Directors reviews the results and determines to what extent each of the goals has been achieved to determine the final level of payment. For more information regarding the long-term incentive plans that are ongoing, or that has ended during the current year, please see AFRY's remuneration report which will be available at AFRY's website.

Pension and other benefits

The pension benefits provided reflect relevant market practice and may be adjusted from year to year. Senior executives are covered by pension benefits that reflect market practice in each country of employment, but defined contribution pension plans are preferred. No pension benefits shall be dependent on future employment and may amount to a maximum of 40 percent of the executive's fixed annual cash salary.

Other benefits are provided in accordance with reasonable levels in the country where the individual is employed. The benefits can be adjusted from year to year. Other benefits may include company car, health insurance, private accident and life insurance, as well as business travel insurance and liability insurance. Such benefits may amount to a maximum of 20 percent of the executive's fixed annual cash salary. Regarding employment conditions that are governed by rules other than Swedish, in so far as pension benefits and other benefits are concerned, appropriate adjustments may be made to comply with such compulsory rules or standard local practice, whereby the general purpose of these guidelines should be met as far as possible. Additional benefits and remuneration may be offered in certain circumstances, such as relocation in accordance with the company's policy for "international transfers". The President and CEO is entitled to participate in programmes that can be offered to other employees at any given time, such as anniversary gifts etc. Further information on the benefits provided during a given year is available in the annual remuneration report.

Termination of employment

The notice period for the President and CEO is 12 months when notice is given by the company and 6 months if notice is given by the President and CEO. If the company terminates the President and CEO, the President and CEO shall be offered severance pay corresponding to up to 12 months' salary. For other senior executives, the notice period is never longer than for the President and CEO. Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made to comply with such rules or standard local practice, whereby the general purpose of these guidelines should be met as far as possible. The Board of Directors is entitled to decide whether payment should be tied to ongoing incentive programmes for individuals who depart the company and how payment should be handled in the event of leave. Any assessments will be presented in the annual remuneration report.

Salary and terms of employment for employees

In preparing the Board of Directors' proposal for these remuneration guidelines, salaries and terms of employment for the company's employees have been considered by way of including information on employees' total remuneration, the components of the remuneration as well as the rate of increase and increase over time of remuneration as part of the Remuneration Committee's and the Board of Directors' supporting information for evaluating the reasonableness of the guidelines and their limitations. The development of the distance between remuneration of senior executives and remuneration of other employees will be presented in the remuneration report.

Right to recover remuneration and waive the guidelines

The Board of Directors is entitled to withhold or reclaim payments within the framework of short- and long-term incentive programmes due to exceptional circumstances or if false information is given regarding the financial results. That type of decision is explained (how the circumstances are defined and how actions are taken) in the annual remuneration report.

The Board of Directors may decide to temporarily deviate from the guidelines, in whole or in part, if there are special reasons for this in an individual case and a deviation is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, it is part of the Remuneration Committee's tasks to prepare the Board of Directors' decision on remuneration issues, which includes decisions on deviations from the guidelines.

Corporate governance

AFRY prepares its Corporate Governance report as a separate document from the statutory Annual Report. This can be found on page 42.

Expectations for 2024

2023 was characterised by a tense geopolitical situation, inflation and higher interest rates, which led to increased uncertainty in the market. The uncertainty ahead of 2024 remains. At the same time, there is a high demand for AFRYs expertise in the market and the company has a strong position in the ongoing energy- and industry transition. AFRY has a well-diversified portfolio and a good mix of private and public sectors.

Proposed appropriation of profits

Non-restricted profits of SEK 8,405,743,253 are at the disposal of the AGM. The Board of Directors proposes that these profits be appropriated as follows:

Payment to shareholders	
SEK 5.50 per share	622,884,576
To be carried forward	7,782,858,677
Total	**8,405,743,253**

Infrastructure Division

Key ratios	2023	2022
Net sales, SEK million	10,216	9,039
EBITA, SEK million	657	679
EBITA margin, %	6.4	7.5
Order stock, SEK million	8,659	8,133
Average full-time equivalents (FTEs)	6,863	6,509

The historical figures above have been adjusted to account for organisational changes.

Net sales
Net sales for 2023 amounted to 10, 216 (9,039), and increase of 13.0 percent. Adjusted for calendar effect, organic growth was 9.5 percent. The growth was driven by a good demand and increased average fees. The order stock remains at a stable level.

EBITA and EBITA margin
EBITA amounted to SEK 657 million (679), which corresponds to a margin of 6.4 procent (7.5). The margin was negatively impacted by a lower utilisation rate due to the weakening real estate market in mainly Sweden and Finland.

Market development
The real estate market has been weak during the year, especially in Finland and Sweden and shows no signs of recovery towards the end of the year, but the active industrial, defence and energy sectors continue to drive demand for the division's solutions. Increased consumption of clean energy, focus on sustainability and lack of capacity in energy infrastructure drive investments in renewable energy, where AFRY is well positioned. Public investments in transport infrastructure and the transition towards sustainable transport and mobility remain at a stable level in the division's markets. Demand for solutions within water and the environment remains strong.

Infrastructure Division, share of net sales

37%

Industrial & Digital Solutions Division

Key ratios	2023	2022
Net sales, SEK million	6,790	6,378
EBITA, SEK million	464	521
EBITA margin, %	6.8	8.2
Order stock, SEK million	2,652	2,750
Average full-time equivalents (FTEs)	3,840	3,776

The historical figures above have been adjusted to account for organisational changes.

Net sales
Net sales for 2023 amounted to SEK 6,790 million (6,378), an increase of 6.5 percent. Adjusted for calendar effects, organic growth was 6.1 percent. The growth was driven by a continued good demand in the defence-, manufacturing- and automotive industries. The order stock remains in line with last year.

EBITA and EBITA margin
EBITA amounted to SEK 464 million (521) and the corresponding margin was 6.8 percent (8.2). The margin was negatively affected by a lower utilisation rate primarily driven by delayed project starts and canceled projects, as well as a larger project write-down.

Market development
Demand for design and development of products, services and production capacity was stable during the year. Clients have displayed continued high ambitions and needs driven by the transition towards a sustainable society, while there is a continued caution linked to the uncertainty in the market. The defence industry and manufacturing industry within the energy segment show high demand. Demand within the automotive industry is at a good level, while telecom and the IT market is more cautios.

Industrial & Digital Solutions Division, share of net sales

24%

Process Industries Division

Key ratios	2023	2022
Net sales, SEK million	5,572	4,617
EBITA, SEK million	659	486
EBITA margin, %	11.8	10.5
Order stock, SEK million	3,028	3,428
Average full-time equivalents (FTEs)	4,336	4,116

Net sales
Net sales for 2023 amounted to SEK 5,572 million (4,617), an increase of 20.7 percent. Adjusted for calendar effects, the organic growth was 14.4 percent. The growth was driven by steady performance in especially Finland, Sweden, North America, and Central Europe. The order stock is somewhat lower than last year mainly due to a weaker order intake of large investment projects.

EBITA and EBITA margin
EBITA amounted to SEK 659 million (486), and the corresponding margin was 11.8 percent (10.5). The margin was positively impacted by well-executed projects, but also by a good cost control.

Market development
Overall activities continued to remain on a high level during the year. However, some investment decision delays are seen in CAPEX projects due to increased material costs, inflation and the uncertain market environment. New CAPEX projects are expected to be decided in chemicals, biorefining and mining & metals sectors as well as in new growth sectors like hydrogen, battery sector, regenerated textile fibers and plastics recycling. Operational phase services, technical consulting and efficiency improvement project demand remains high in all process industry sectors.

Process Industries Division, share of net sales

20%

Energy Division

Key ratios	2023	2022
Net sales, SEK million	3,581	3,032
EBITA, SEK million	360	294
EBITA margin, %	10.0	9.7
Order stock, SEK million	4,570	4,798
Average full-time equivalents (FTEs)	1,900	1,754

Net sales
Net sales in 2023 amounted to SEK 3,581 million (3,032), an increase of 18.1 percent. Adjusted for calendar effects, the organic growth was 9.4 percent. The growth was driven by a strong demand in all segment. The order stock is at a continued high level.

EBITA and EBITA margin
EBITA amounted to SEK 360 million (294) and the corresponding margin was 10.0 percent (9.7). The margin was at a high level and was positively impacted by continued good cost control and strong development in all segments.

Market development
The general outlook for the energy sector is good and green capex industry investment drive the energy transition. There is a strong focus on solar and wind projects, on hydro and nuclear, waste-to-energy projects, pump storage projects as well as green ammonia/hydrogen. There is also a strong market for electrical power grids to connect new energy production, but also to strengthen the existing grids. There is also a clear trend towards modernisation, upgrades and maintenance of existing production capacity across the world. The prevailing economic situation and the fight for talent are expected to continue to influence short term client decision making.

Management Consulting Division

Key ratios	2023	2022
Net sales, SEK million	1,608	1,304
EBITA, SEK million	185	164
EBITA margin, %	11.5	12.6
Order stock, SEK million	420	331
Average full-time equivalents (FTEs)	759	649

The historical figures above have been adjusted to account for organisational changes.

Net sales
Net sales in 2023 amounted to SEK 1,608 million (1,304), an increase of 23.3 percent. Adjusted for calendar effects, the organic growth was 15.1 percent. The growth reflects the continued strong management consulting market driven by the energy and sustainability transitions.

EBITA and EBITA margin
EBITA amounted to SEK 185 million (164) and the corresponding margin was 11.5 percent (12.6). The continued high margin was a result of strong demand for the division's consulting services.

Market development
Decarbonisation of the energy system and stable energy supply has been in strong focus during the year due to the continued uncertain geopolitical situation. As a result, companies are adapting their strategies and demand for organisational and digital transformation services is high. The green transition is continuously increasing need for bio-based alternatives and circular solutions and is in turn driving demand for consulting services. At the same time, companies in the traditional bioindustry sectors of pulp and paper are showing slower decision-making processes.

Energy Division, share of net sales

13%

Management Consulting Division, share of net sales

6%

Risks and risk management

AFRY works systematically to identify, assess and manage risks that may affect the company's goals and strategy.

Risk assessments in the business

AFRY operates according to an annual Enterprise Risk Management (ERM) process. The annual ERM cycle begins with the identification of the most significant risks that may affect the objectives and strategy of AFRY or individual units. These risks are reflected in the section below: Risk factors The probability and possible consequences linked to the central risks are assessed quantitatively and qualitatively by each division and also at Group level. The assessments are compiled in risk heat maps with risk mitigation measures at division level, while an aggregated Group common risk heat map with risk mitigation measures is processed by Group management and approved by the Board of Directors. The divisions, together with risk owners in the Group functions, decide on appropriate risk mitigation measures depending on how the risk affects the division's business and the Group as a whole.

The ERM process is anchored in the strategy process to ensure that risk mitigation measures are reflected in the strategic initiatives of the divisions. Risks related to responsible business conduct, including environmental aspects, human rights, social risks and anti-corruption, are assessed within the framework of the ERM, which ensures that they are managed by the entire Group. In 2023, further focus was placed on ensuring continuous reassessment of risk mitigation measures.

In addition to this Group common process, specific risk analyses are regularly carried out by various Group functions, for example risks related to financial controls and IT-related risks. Functions such as Compliance & Ethics, Security and Internal Audit assist with support for in-depth risk identification, investigations and ongoing monitoring.

Oversight of risk management

The Board of Directors has the ultimate responsibility for limiting and monitoring the Group's risk exposure. It assesses the risk profile on a regular basis and annually approves AFRY's risk heat map with risk mitigation measures. The Audit Committee regularly assesses AFRY's risk management processes and receives updates of the work related to GRC (Governance, Risk Management, Compliance) and the risk exposure to material disputes from the Group General Counsel. Group Executive Management is responsible for the management of significant risks in operating activities.

In 2023, a special risk committee was established, represented by the CEO, CFO and the Group General Counsel, to monitor material risks linked to ongoing projects, disputes and litigation as well as regulatory compliance and sensitive ethical matters. The oversight is complemented by a global whistleblowing function which is managed by the Chief Compliance & Ethics Officer, who ensures independent handling of cases as well as protection against reprisals.

The oversight of risk management is explained in more detail in the Board of Director's report on internal control on page 47.

Risk assessments in connection with client assignments

Assessment and management of risks linked to client assignments takes place within the divisions with the support of Group functions in connection with the tender procedure. Risk assessments for projects integrate the Group common Responsible Business Due Diligence (RBDD) process for assessing risks related to the Code of Conduct, which is based on the ten principles of the UN Global Compact, the 2030 Agenda, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Global Enterprises and the 1.5 degree ambition. Read more about the company's work on Responsible Business Due Diligence below and in sustainability note S7 on page 118.

Sustainability aspects of risk management

Sustainability is an integral part of AFRY's strategy and thus an integral part of risk management. AFRY's business in the global energy, industrial and infrastructure markets, its geographical spread and strengthened position in the public sector expose AFRY to risks related to several sustainability aspects such as corruption, human rights, working conditions and the environment including climate. AFRY takes a proactive approach and assesses sustainability risks in relation to its client assignments via the Group common Responsible Business Due Diligence process. As part of this review, the risks of links to corruption, negative impact on human rights, safety and working conditions for employees and sub-consultants, as well as social, environmental and climate-related risks are evaluated.

If risks of potential negative impact are identified in the Responsible Business Due Diligence process, these must be prevented or risk mitigation measures must be agreed before tenders are submitted. All high-risk assignments, i.e. assignments that meet special established risk criteria according to the Group's delegation of authorities, must document that a full Responsible Business Due Diligence has been carried out. In the risk assessment, risks linked to country, sector/project, client and business partners/suppliers are identified and mitigated. If the risks cannot be reduced, AFRY may have to decline the opportunity. The Responsible Business Due Diligence process applies the precautionary principle and ensures that AFRY takes responsibility for its value chain and performs adequate due diligence for sustainability, including human rights due diligence.

In 2023, AFRY continued to implement TCFD's (Taskforce on Climate-related Financial Disclosure) recommendations. Forward-looking efforts are continuously in progress to expand the company's ability to identify, monitor and mitigate any climate-related risks. The conclusion from the previously carried out assessment is that AFRY is not exposed to significant climate-related risks. AFRY regards climate-related risks as integrated in several of the risk categories specified below, which is why climate is not included as a separate risk category. Climate-related risks are mainly managed through the Code of Conduct, the sustainability policy, the Responsible Business Due Diligence risk assessment process and through the Group common sustainability targets.

Financial aspects of risk management

Risk management in connection with the Group's financial transactions is managed centrally by the parent company's finance department which identifies, evaluates and manages financial risks in cooperation with AFRY's operating units. In the course of its business, AFRY is exposed to financial risks, such as exchange rate, interest rate, credit, financing and liquidity risks. These are described in Note 13, Financial assets and liabilities. The work of managing risks linked to financial reporting is led by the Group's central unit for Group Finance with the support of the divisions' finance functions through harmonised control processes. The handling of this is explained in the Board of Director's report on internal control on page 47.

Risk factors

The section below describes the risks that are deemed to be most significant for AFRY's business, profitability and future development (strategic and operational risks) and how they are managed on a general level.

Type of risk	Description of risk	Impact	Risk management
Market conditions	Challenging market conditions or a slowdown within important segments affect AFRY's operations and business prospects.	The geopolitical situation affects both the company and its clients. The risk of conflicts increased in a number of regions during 2023 and supply chains were challenged. The inflationary pressure and slowdown in the world economy leads to postponed CAPEX investments, cost increases and price competition. At the same time, the increased focus on energy supply has increased the demand for AFRY's expertise and services.	AFRY's strategy is based on high capacity for change and mobility internally, so resources are utilised where they are needed most. AFRY manages risks related to economic conditions, structure and market trends by diversifying and being active in several markets and in areas that have different economic trends and are affected in different ways by structural changes and changing market conditions. Risk management is an integral part of the strategy and sales processes.
Competition	AFRY's competitors are more agile and thereby gain market share.	Fierce competition for consulting services is particularly noticeable in certain segments that have experienced a slowdown, such as the infrastructure segment. At the same time, increased opportunities in sustainability and digitalisation have stimulated demand for new business and new types of business models, contracts and product solutions that AFRY must be able to meet in order to retain market share.	Each division continuously assesses and responds to the prevailing competitive situation in its markets and is responsible for ensuring that their client offer is relevant, attractive and competitive in the market. AFRY's strategy is primarily focused on securing availability of competence to meet the demand for new types of solutions and strategic investments to continue to be an attractive partner for AFRY's clients globally.
Information security and data infrastructure	Inadequate ability to protect corporate information assets due to cyber attacks, disruptions, lack of data maintenance.	Increased client demands for compliance with varying standards in information security affect the Group's opportunities to participate in certain procurements. Likewise, it leads to increased expectations of meeting information security requirements as early as at the tender stage. The need for business continuity entails a higher level of preparedness and control of information assets and infrastructure as cyber attacks or operational disruptions can be operationally critical and affect confidence in AFRY.	AFRY has an increased focus on meeting the demands and expectations of clients in the tender stage. Risk analysis is done regularly by business-critical applications and platforms and the Group continuously works with security improvements. AFRY has invested in solutions to identify and classify critical assets and improve the resilience of information protection and also takes out cyber insurance annually. Continuous training efforts are rolled out to raise awareness of cyber attacks that exploit users.
Claims and disputes	AFRY does not have the ability to control and manage costs for claims and disputes.	In the Group's operations, there is a risk of disputes in, among other things, client assignments and in connection with acquisitions. It is not possible to predict the risk of, or possible outcomes of proceedings, disputes, and cases. The current market situation is characterised by geopolitical uncertainty and rapid cost increases, which increases the likelihood of disputes.	The Group strives to prevent disputes and thereby keep costs down for disputes that arise in connection with the business and within the framework of client assignments. The measures are based on approval policies, which include a requirement for certain tenders and contracts to be reviewed by the Group's lawyers, quality control, internal legal advice, escalation processes, training efforts, compliance follow-up and other guidelines. AFRY's insurance coverage includes general liability insurance, product liability insurance and consultant liability insurance. The Group works strategically with uniform insurance coverage that adds client benefit as it is often demanded in the context of quotations and when signing commercial agreements.
Efficient business	AFRY cannot maintain utilisation levels, business optimisation and efficient processes.	AFRY's profitability is affected by the maintenance of optimal utilisation levels which requires an agile allocation of expertise in assignments. Business optimisation places, among other things, high demands on global system solutions and efficient processes, a combined use of local resources and off-shore resources, an ability to cooperate between divisions and units and a sufficient pool of sub-consultants.	AFRY has implemented Group common systems, tools and routines to continuously follow up on utilisation rates, as well as ensure sales support and competence management. AFRY's strategy is also based on reassigning employees from projects that have been delayed, interrupted or cancelled to new or other ongoing assignments. All divisions continuously review utilisation rates and ensure that relevant expertise is available to meet client demand.
Expertise	Inability to attract, develop skills and retain talent affects AFRY's ability to achieve operational targets.	The industries and countries in which AFRY operates are characterised by a high turnover of employees, with consultants often changing employers or starting their own business. Competence in sustainability, energy transition and digitalisation have become decisive factors for several of the segments in which the Group operates and AFRY must be at the forefront in these areas.	Intense focus is placed on employer brand strengthening activities, recruitment processes, remuneration structures, succession planning, leadership training and opportunities for personal development. Performance reviews with employees take place annually during which individual development plans are designed. AFRY strives to offer employees a healthy work environment and continuously takes measures to ensure a high level of well-being.
Customer satisfaction	Responding to the demands and expectations of clients affects AFRY's long-term ability to maintain clients' confidence.	If AFRY is unable to meet client expectations, AFRY risks not being able to maintain and increase order intake. Missed expectations can also affect ongoing projects and assignments, increasing the risk of complaints and disputes, which in turn affects profitability. Disputes during client assignments also affect the work environment for AFRY's employees and partners.	AFRY's management system includes a sales and project model that incorporates criteria and processes to ensure customer satisfaction. The work is supported through the Group's central client relationship system where a functionality for requesting and receiving client feedback has been installed. The surveys are analysed and remedied within the divisions. Group Executive Management receives regular reports on NPS (Net Promoter Score) and CSAT (customer satisfaction score). Continuous dialogue between managers and employees, work environment risk analyses and employee surveys ensures that consultants who work in the clients' work environment receive support in accordance with client expectations.

Type of risk	Description of risk	Impact	Risk management
Responsible business	Deficiencies in the operationalisation of relevant standards, commitments and AFRY's guidelines.	The regulations that affect AFRY and its clients are developing rapidly in several of AFRY's markets with increasingly high demands on preventive measures. Risk exposure to compliance with sanctions and export control rules linked to Russia's invasion of Ukraine continues to be a focus for Group Executive Management and the Board of Directors. Other risks linked to responsible business for which the Group continuously evaluates potential impact include direct and indirect risks of becoming associated with or linked to corruption, violations of human rights, poor working conditions in the value chain or negative environmental and climate impact.	AFRY works continuously to implement scalable processes and controls to prevent risks of non-compliance with regulations globally and implements tools to ensure responsible business in its value chain. This is described above in the section Risk assessments in connection with sustainability aspects in client assignments. Risk management linked to responsible business is described in more detail in the sustainability notes S7, S8 and S9 as well as in connection with follow up of the sustainability targets in Note S3. See also how AFRY works with its own climate impact in Note S12, Note S9 about sustainability in purchasing and Note 31, critical estimates and judgements.
Acquired growth	Risk that AFRY cannot effectively integrate acquired companies or complete acquisitions according to established strategy.	Acquisitions are an important part of the AFRY's growth strategy. They enable AFRY to achieve the strategic targets for certain growth segments, expand client markets and supply specific expertise. There is a risk that AFRY cannot carry out potential acquisitions or that acquisitions do not add the expected value.	The Group has a well-developed acquisition and integration process with fixed decision points, where decisions concerning new acquisitions are made by the Board of Directors or management. During the year, focus was placed on improved reviewing of acquired companies in connection with integration planning and implementation of AFRY's values of responsible business, sustainability and compliance with regulations. AFRY uses tools for assessing corporate culture and other relevant integration-related aspects to enable a successful integration.
Supply chain	AFRY cannot find subcontractors that meet set requirements.	AFRY's continued international growth is leading to an increasing need for subcontractors, both in respect of supplying competent engineers and complete project organisations. There are increasing demands for responsible business and risk management throughout the value chain.	AFRY works continuously on optimising its network of subconsultants. AFRY's insurance arrangements also cover the work of subcontractors. See above sustainability risk management and Note S9 about how AFRY manages its responsibility for the supply chain.
Pricing and financial risk exposure in projects	Costs and quality cannot be controlled and ensured during the course of the project which leads to lower margins or losses.	Efficient systems that support AFRY's business model and effective project management are central for a global company with a large number of project deliveries.	AFRY continues its implementation of a Group common business system to ensure that costs are calculated and controlled reliably and where projects and consulting assignments are carried out efficiently with good quality assurance.
Financing and capital structure	New loans or renewal of existing loans cannot take place with attractive terms.	Through its international operations, AFRY is affected by changes in interest rates and currency fluctuations. During the year, inflation and changes in interest rate conditions particularly affected AFRY's financing costs.	AFRY's financial transactions and risks are managed centrally by the Group's Treasury department, which works in accordance with the Board of Directors' established guidelines. See also Note 13 Financial assets and liabilities.
Brand and reputation	Risk that AFRY cannot attract employees, clients or capital due to a weak brand or bad reputation.	AFRY's brand is closely linked to the company's ability to deliver on its financial and sustainability targets.	AFRY works continuously to manage the risks and opportunities that an international presence and growing demands from clients, employees and other stakeholders entail. AFRY maintains a continuous dialogue with all stakeholders to create a clear and credible picture of AFRY's strategy, operations and financial position. Special focus is put on brand-building activities to increase awareness of AFRY and create a positive perception of the company.

Financial statements

Consolidated income statement

1 January – 31 December (SEK million)	Note	2023	2022
Net sales	2	26,978	23,552
Purchases of services and materials		-5,585	-4,897
Other external costs	5, 16, 24	-2,366	-1,903
Personnel costs	6	-16,310	-14,428
Other operating income	4	7	98
Other operating expenses	7	-7	0
Profit/loss attributable to participations in associates	17	0	8
EBITDA		**2,718**	**2,430**
Depreciation/amortisation and impairment of non-current assets[1]	14, 15, 16	-780	-702
EBITA		**1,938**	**1,729**
Acquisition-related items[2]	8	-159	-285
Operating profit (EBIT)	2, 9	**1,779**	**1,444**
Profit/loss from financial items			
Financial income	10	531	778
Financial expenses	10, 16	-869	-1,002
Financial items		**-337**	**-224**
Profit/loss after financial items		1,441	1,220
Tax	22	-341	-246
Profit/loss for the year		**1,100**	**974**
Attributable to:			
Shareholders of the parent company		1,100	974
Non-controlling interest		0	0
Total		**1,100**	**974**
Earnings per share attributable to shareholders of the parent company	12		
basic earnings per share (SEK)		9.71	8.60
diluted earnings per share (SEK)[3]		9.71	8.60

[1] Depreciation/amortisation and impairment of non-current assets refers to non-current assets excluding acquisition-related intangible assets.
[2] Acquisition-related items are defined as depreciation/amortisation and impairment of acquisition-related intangible assets including goodwill, revaluation of contingent considerations and gains/losses on divestment of companies and businesses.
[3] Issued convertibles did not lead to any dilution during the period.

Statement of consolidated comprehensive income

1 January – 31 December (SEK million)	2023	2022
Profit/loss for the year	**1,100**	**974**
Items which have or will be reclassified to profit or loss for the year		
Translation differences for foreign operations for the year	-85	624
Changes in fair value of hedge reserve	-103	202
Tax	10	-16
Items which will not be classified to profit or loss for the year		
Revaluation of defined-benefit pension plans	-27	-11
Tax	4	27
Other comprehensive income	**-201**	**826**
Comprehensive income for the period	**899**	**1,800**
Attributable to:		
Shareholders of the parent company	899	1,800
Non-controlling interest	0	0
Total	**899**	**1,800**

Consolidated balance sheet

As at 31 December (SEK million)	Note	2023	2022
Non-current assets			
Intangible assets	2, 14	15,760	15,590
Property, plant and equipment	2, 15	382	355
Right-of-use assets	2, 16	1,688	1,954
Participations in associates	17	1	1
Financial investments	13	8	8
Non-current receivables	13	119	108
Deferred tax assets	22	205	201
Total non-current assets		**18,162**	**18,217**
Current assets			
Trade receivables	13	5,429	5,205
Revenue generated but not invoiced	13	2,442	2,325
Current tax assets	22	86	166
Other receivables		569	683
Prepaid expenses and accrued income	18	317	311
Cash and cash equivalents	29	1,167	1,088
Total current assets		**10,010**	**9,778**
Total assets		**28,172**	**27,996**

Net debt	**2023**	**2022**
Loans and credit facilities	5,876	5,580
Net pension liability	159	155
Cash and cash equivalents	-1,167	-1,088
Total	**4,868**	**4,646**

As at 31 December (SEK million)	Note	2023	2022
EQUITY AND LIABILITIES			
Equity	19		
Share capital		283	283
Other contributed capital		4,949	4,949
Reserves		773	858
Profit brought forward including net profit for the year		6,448	6,085
Equity attributable to shareholders of the parent		**12,454**	**12,176**
Non-controlling interest		1	2
Total equity		**12,454**	**12,178**
Liabilities			
Loans and credit facilities	13	4,686	4,371
Lease liabilities	16	1,373	1,625
Provisions for pensions	20	159	155
Other provisions	21	54	105
Deferred tax liabilities	22	393	397
Other liabilities	13	9	143
Total non-current liabilities		**6,674**	**6,797**
Loans and credit facilities	13	1,198	1,221
Lease liabilities	16	601	578
Other provisions	21	61	45
Work invoiced but not yet carried out		2,077	2,134
Trade payables		1,182	1,286
Current tax liabilities	22	177	320
Accrued expenses and prepaid income	23	2,364	2,303
Other liabilities	13	1,382	1,134
Total current liabilities		**9,043**	**9,021**
Total liabilities		**15,716**	**15,817**
Total equity and liabilities		**28,172**	**27,996**

For information about the Group's pledged assets and contingent liabilities, see Note 25.

Statement of change in consolidated equity

SEK million	Share capital	Other contributed capital	Reserves	Retained profit incl. profit for the year	Total	Non-controlling interest	Total equity
	Equity attributable to shareholders in the parent						
Equity brought forward 1 Jan 2022	283	4,942	234	5,533	10,992	1	10,993
Profit/loss for the year				974	974	0	974
Other comprehensive income			624	202	825	0	826
Comprehensive income for the period	**—**	**—**	**624**	**1,176**	**1,800**	**0**	**1,800**
Dividends paid				-623	-623	0	-623
Conversion of convertible bonds into shares	0	8			8	—	8
Transactions related to non-controlling interest				-1	-1	1	—
Equity carried forward 31 Dec 2022	**283**	**4,949**	**858**	**6,085**	**12,176**	**2**	**12,178**
Equity brought forward 1 Jan 2023	283	4,949	858	6,085	12,176	2	12,178
Profit/loss for the year				1,100	1,100	0	1,100
Other comprehensive income			-85	-116	-201	0	-201
Comprehensive income for the period	**—**	**—**	**-85**	**984**	**899**	**0**	**899**
Dividends paid				-623	-623	0	-623
Transactions related to non-controlling interest				1	1	-1	—
Equity carried forward 31 Dec 2023	**283**	**4,949**	**773**	**6,448**	**12,454**	**1**	**12,454**

For supplementary information, see Note 19.

Statement of consolidated cash flows

1 January – 31 December (SEK million)	Note	2023	2022
Operating activities	29		
Profit/loss after financial items		1,441	1,220
Adjustment for non-cash items, etc.		1,041	1,005
of which IFRS 16 Leases		*632*	*555*
Income tax paid		-433	-385
Cash flow from operating activities before changes in working capital		**2,049**	**1,840**
Cash flow from changes in working capital			
Change in operating receivables		-325	-996
Change in operating liabilities		70	198
Cash flow from operating activities		**1,794**	**1,042**
Investing activities			
Acquisition of property, plant and equipment		-147	-112
Disposal of property, plant and equipment		3	105
Acquisition of intangible assets		-29	-39
Divestment of intangible assets		—	—
Acquisition of operations	3	-357	-813
Divestment of operations	3	-107	41
Contingent considerations paid and step acquisitions		-111	-44
Acquisition of financial receivables		-9	-11
Divestment of financial receivables		—	—
Cash flow from investing activities		**-756**	**-873**
Financing activities			
Borrowings		4,372	1,785
Amortisation of loans		-3,914	-1,624
Amortisation under IFRS 16 Leases		-606	-492
Dividends paid		-623	-623
Pay-out, convertible programme		-171	-58
Cash flow from financing activities		**-942**	**-1,012**
Cash flow for the year		95	-843
Cash and cash equivalents, beginning of year		1,088	2,112
Exchange difference in cash and cash equivalents		-16	-180
Cash and cash equivalents, end of year		**1,167**	**1,088**

Change in consolidated net debt (incl. IFRS 16 Leases)

1 January – 31 December (SEK million)	2023	2022
Opening balance	6,849	5,726
Cash flow from operating activities	-1,794	-1,042
Net investments	172	46
Acquisition/divestment of operations and contingent considerations	575	817
Dividend	623	623
Amortisation under IFRS 16 Leases	606	492
Other	-190	188
Closing balance	**6,842**	**6,849**

Parent income statement

1 January – 31 December (SEK million)	Note	2023	2022
Operating income			
Net sales		1,111	1,020
Other operating income	4	470	397
		1,581	**1,417**
Operating expenses			
Other external costs	5, 24	-1,206	-1,102
Personnel costs	6	-388	-328
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	14, 15	-39	-37
Other operating expenses	7	-393	-329
Operating profit/loss		**-446**	**-379**
Profit/loss from financial items			
Profit from participations in Group companies and associates	10	537	390
Interest income and similar profit/loss items	10	957	914
Interest expense and similar profit/loss items	10	-835	-881
		659	**423**
Profit/loss after financial items		**213**	**44**
Appropriations	11	313	299
Profit before taxes		**526**	**343**
Tax	22	25	11
Profit/loss for the year		**551**	**353**

Parent statement of comprehensive income

1 January – 31 December (SEK million)	2023	2022
Profit/loss for the year	**551**	**353**
Items which have or will be reclassified to profit or loss for the year		
Changes in fair value of hedge reserve	-54	88
Tax	11	-15
Other comprehensive income	**-43**	**73**
Comprehensive income for the period	**507**	**427**

Parent balance sheet

As at 31 December (SEK million)	Note	2023	2022
Non-current assets			
Intangible assets	14	2	5
Property, plant and equipment	15	146	133
Financial assets			
Participations in Group companies	27	8,300	8,316
Receivables from Group companies	26	5,745	5,745
Non-current receivables		111	81
Total non-current assets		**14,303**	**14,281**
Current assets			
Current receivables			
Trade receivables		0	27
Receivables from Group companies and associates	26	4,730	4,691
Current tax asset	22	52	8
Other receivables		105	99
Prepaid expenses and accrued income	18	196	207
Total current receivables		**5,082**	**5,033**
Cash and bank balances	29	429	308
Total current assets		**5,511**	**5,340**
Total assets		**19,814**	**19,622**

As at 31 December (SEK million)	Note	2023	2022
EQUITY AND LIABILITIES			
Equity	19		
Restricted equity			
Share capital		283	283
Statutory reserve		47	47
Non-restricted equity			
Share premium reserve		4,867	4,867
Fair value reserve		56	99
Profit brought forward		3,286	3,555
Profit/loss for the year		551	353
Total equity		**9,089**	**9,204**
Untaxed reserves	28	**89**	**103**
Provisions			
Provisions for pensions and similar obligations	20	14	13
Deferred tax liability	22	0	1
Other provisions	21	—	21
Total provisions		**14**	**36**
Non-current liabilities			
Bonds	13	1,500	2,000
Staff convertibles	13	–	146
Liabilities to credit institutions	13	3,165	2,203
Total non-current liabilities		**4,665**	**4,349**
Current liabilities			
Bonds	13	1,000	500
Staff convertibles	13	148	171
Liabilities to credit institutions	13	50	550
Trade payables		220	244
Liabilities to Group companies	26	3,507	3,287
Current tax liability	22	0	–
Other liabilities	13	797	1,041
Accrued expenses and prepaid income	23	235	138
Total current liabilities		**5,957**	**5,930**
Total equity and liabilities		**19,814**	**19,622**

Statement of change in parent equity

	Restricted equity		Non-restricted equity				
SEK million	Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Profit brought forward	Profit for the year	Total equity
Equity brought forward 1 January 2022	283	47	4,859	26	3,599	579	9,393
Profit/loss for the year						353	353
Other comprehensive income				73			73
Comprehensive income for the period	**—**	**—**	**—**	**73**	**—**	**353**	**427**
Appropriation of profits					579	-579	—
Dividend paid					-623		-623
Conversion of convertible bonds into shares	0		8				8
Equity carried forward 31 December 2022	**283**	**47**	**4,867**	**99**	**3,555**	**353**	**9,204**
Equity brought forward 1 January 2023	283	47	4,867	99	3,555	353	9,204
Profit/loss for the year						551	551
Other comprehensive income				-43			-43
Comprehensive income for the period	**—**	**—**	**—**	**-43**	**—**	**551**	**507**
Appropriation of profits					353	-353	—
Dividend paid					-623		-623
Equity carried forward 31 December 2023	**283**	**47**	**4,867**	**56**	**3,286**	**551**	**9,089**

For supplementary information, see Note 19.

Statement of cash flows for parent

1 January – 31 December (SEK million)	Note	2023	2022
Operating activities	29		
Profit/loss after financial items		213	44
Adjustment for non-cash items, etc.		-24	51
Income tax paid		-31	17
Cash flow from operating activities before changes in working capital		**157**	**112**
Cash flow from changes in working capital			
Change in operating receivables		-77	-2,281
Change in operating liabilities		-33	1,417
Cash flow from operating activities		**48**	**-752**
Investing activities			
Acquisition of property, plant and equipment		-49	-40
Disposal of property, plant and equipment		1	0
Acquisition of intangible assets		0	-1
Acquisition of financial assets		-18	-18
Divestment of financial assets		—	3
Divestment of subsidiary		194	0
Contingent considerations paid		-22	0
Cash flow from investing activities		**106**	**-56**
Financing activities			
New loans		4,376	1,765
Amortisation of loans		-3,914	-1,624
Dividends paid		-623	-623
Pay-out, convertible programme		-171	-58
Group contribution received		300	500
Cash flow from financing activities		**-33**	**-40**
Cash flow for the year		121	-848
Opening cash and cash equivalents		308	1,155
Closing cash and cash equivalents		**429**	**308**

Note 1

Amounts are in SEK millions unless otherwise stated.

Material accounting policies

1.1 Compliance with standards and legal requirements
The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and interpretations published by the International Financial Reporting Interpretations Committee (IFRIC) approved by the European Commission for application in the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups) has been applied.

The parent applies the same accounting policies as the Group except in those cases specified below in the "Parent accounting policies" section. The differences between the accounting policies of the parent and the Group are due to limitations in the parent's scope to apply IFRS imposed by the Swedish Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen), and in some cases to tax reasons.

1.2 Basis of preparation of the parent and consolidated financial statements
The parent's functional currency is the Swedish krona (SEK), which is also the presentation currency for the parent and the Group. This means that the financial statements are presented in SEK. Assets and liabilities are recognised at cost, except for various investments and liabilities which are carried at fair value. The financial assets and liabilities which are carried at fair value are derivative instruments, contingent consideration and financial investments. The preparation of financial statements in accordance with IFRS requires management to make judgements and estimates, and to make assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses.

These estimates and assumptions are based on historical experience and several other factors deemed reasonable under the circumstances. The results of these estimates and assumptions are then used to judge the carrying amounts of assets and liabilities where these are not clear from other sources. The actual outcome may differ from these estimates and judgements. Estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period in which the change is made if the change affects only that period, or in both the period in which the change is made and future periods if the change affects both the current and future periods. Judgements made by management in applying IFRS which have a significant effect on the financial statements, and estimates made which could result in material adjustments in subsequent years' financial statements, are described in more detail in Note 31.

The following accounting policies for the Group have been applied consistently to all periods presented in the Group's financial statements unless otherwise stated below. The Group's accounting policies have been applied consistently in the reporting and consolidation of the parent, subsidiaries and the inclusion of associates and joint ventures in the consolidated financial statements accounts. The annual report and consolidated financial statements were approved for release by the Board of Directors on 12 March 2024. The consolidated income statement and balance sheet and the parent income statement and balance sheet will be put forward for adoption at the AGM on 23 April 2024.

1.3 Amended accounting policies and disclosure requirements
1.3.1 New and amended accounting policies and interpretations for the year
Amended and new accounting policies have had no significant effect on the Group.

1.3.2 New and amended accounting policies which have not yet come into force
In May 2023, the IASB published International Tax Reform – Pillar Two Model Rules (amendments to IAS12), to take immediate effect. The amendments to IAS 12 clarify that the standard applies to taxes based on the OECD Pillar 2 Global Anti-Base Erosion Model Rules (model rules) that are considered to be income taxes as defined in IAS 12. At the same time, the standard provides a mandatory temporary exception to the rules on accounting for deferred taxes in respect of such tax rules. There are certain disclosure requirements related to the exception. The EU has approved the amendments.

AFRY has analyzed potential exposure as a result of the new legislation and assesses that the effect will not have a significant impact on the group's tax expense.

1.4 Segment reporting
Segment reporting is based on operating segments, which consist of the Group's five divisions. This corresponds to the structure for the President and CEO's monitoring and management of operations.

1.5 Classification, etc.
In the financial statements for both the parent and the Group, non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or settled more than twelve months after the end of the reporting period. Current assets and liabilities in the parent and the Group consist essentially of amounts expected to be recovered or settled within twelve months of the end of the reporting period.

1.6 Basis of consolidation
1.6.1 Subsidiaries
Subsidiaries are companies over which AFRY AB has a controlling influence. A controlling influence means, directly or indirectly, the power to govern a company's financial and operating policies with a view to deriving economic benefits.

Subsidiaries are accounted for using the acquisition method. This means that the acquisition of a subsidiary is treated as a transaction where the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated cost is determined by means of an acquisition analysis undertaken in connection with a business combination. The analysis determines the cost of participations or businesses, the fair value of acquired identifiable assets and assumed liabilities, contingent liabilities and equity instruments issued as consideration for the net assets acquired.

Goodwill is the difference between the cost of the shares in a subsidiary and the fair value of the assets acquired and liabilities and contingent liabilities assumed. Subsidiaries' financial statements are consolidated from the date of acquisition until such time as the controlling influence is relinquished.

1.6.2 Associates and joint arrangements
Associates
Associates are companies over whose operational and financial management the Group exercises a significant but not controlling influence, generally through a holding of 20-50 percent of the votes. As from and including the date on which the controlling influence is obtained, participations in associates are recognised in accordance with the equity method in the consolidated financial statements.

Joint arrangements
There are two types of joint arrangement: joint operation and joint ventures. A joint operation arises when one party in a joint arrangement has direct rights to the assets and obligations for the liabilities in that joint arrangement. In such an arrangement, the assets, liabilities, revenues and expenses are recognised in proportion to the operator's interest in these. A joint venture is a joint arrangement whereby the parties that have joint control over the arrangement have rights to the net assets of the arrangement. Holdings in such an arrangement are recognised using the equity method.

The equity method
The equity method means that the carrying amount of the shares in the associate/joint venture recognised in the consolidated financial statements consists of the Group's share of the associate's/joint venture's equity plus goodwill and any other remaining fair value adjustments. The Group's share of the associate's/joint venture's net income after tax and non-controlling interests, adjusted for any depreciation/amortisation, impairment or reversal of fair value adjustments, is recognised in the consolidated income statement under profit/loss attributable to participation in associates. Any dividends received reduce the carrying amount of the investment. Any difference at the time of acquisition between the cost of the investment and the investor's interest in the net fair value of the associate's/joint venture's identifiable assets, liabilities and contingent liabilities is recognised in accordance with IFRS 3 Business Combinations. If the Group's interest in recognised losses exceeds the carrying amount of the shares in the consolidated balance sheet, the carrying amount of the shares is reduced to zero. Further losses are not recognised unless the Group has issued guarantees to cover losses arising. The equity method is applied until such time as significant influence is relinquished.

1.6.3 Transactions eliminated on consolidation
Intra-Group receivables and liabilities, income or expenses, and unrealised gains or losses arising on transactions between Group companies, are eliminated in their entirety when preparing the consolidated financial statements.
Unrealised gains arising on transactions with associates and joint arrangements are eliminated in proportion to the Group's interests in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

Note 1, cont.

1.7 Foreign currencies

1.7.1 Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency at the exchange rate in effect on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate ruling at the end of the reporting period. Exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities carried at cost are translated at the exchange rate ruling on the transaction date. Non-monetary assets and liabilities carried at fair value are translated into the functional currency at the exchange rate in effect when their fair value was determined. Changes in exchange rates are then recognised in the same way as other changes in the value of the asset or liability.

The functional currency is the currency of the primary economic environments in which the companies in the Group operate. The parent's functional currency and presentation currency is the Swedish Krona (SEK). The Group's presentation currency is the Swedish Krona (SEK).

1.7.2 Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and other fair value adjustments, are translated into SEK at the exchange rate ruling at the end of the reporting period. The income and expenses of foreign operations are translated into SEK at an average exchange rate which approximates the exchange rates on the various transaction dates.

Translation differences arising on the translation of net investments in foreign operations are recognised in other comprehensive income. When a foreign operation is sold, the accumulated translation differences attributable to the operation are realised net of any currency hedging in the consolidated income statement.

1.8 Revenue

The Group's business model is divided into two client offerings: Project Business and Professional Services. Project Business is the Group's offering for major projects and end-to-end solutions. In such projects, the Group acts as a partner for the client, leading and running the entire project. Professional Services is our offering in which the client manages and runs the project, while the Group provides suitable expertise at the appropriate time. Invoicing in Project Business takes place as work proceeds in accordance with agreed terms and conditions, either periodically (monthly) or when contractual milestones are reached. Invoicing ordinarily takes place after the income has been recorded, resulting in revenue generated but not invoiced (contract assets). However, the Group sometimes receives advance payments or deposits from our clients before the income is recognised, which then results in work invoiced but not yet carried out (contract liabilities). In Professional Services, hours spent on a project are ordinarily invoiced at the end of each month. Performance obligations in Project Business are fulfilled over time as the service is provided. Revenue recognition is based on costs with accumulated costs set in relation to total estimated costs. In Professional Services, revenue is recognised by the amount that the unit is entitled to invoice, in accordance with IFRS 15 B16.

1.9 Operating expense and financial income and expense

1.9.1 Leases

IFRS 16 entails a uniform lease accounting model for lessees. A lessee recognises a right of use asset that represents a right to use the underlying asset and a lease liability that represents an obligation make lease payments. The Group applies exemptions for short-term leases and leasing of low-value assets. The interest rate that has been used is set per country and asset class, and taking into account the respective contract's lease term.

1.9.2 Financial income and expense

Financial income and expense consist of interest income on bank balances and receivables etc., interest expense on loans, borrowing costs, dividend income and exchange differences on borrowings and receivables. Interest income on receivables and interest expense on liabilities are calculated using the effective interest method. The effective rate is the interest rate that makes the present value of all future receipts and payments during the period of fixed interest equal to the carrying amount of the receivable or liability. The interest component of lease payments is recognised in profit or loss by applying the effective interest method. Interest income includes accrued transaction costs and any discounts, premiums or other differences between the original value of the receivable and the amount received at maturity. Borrowing costs are charged against profit/loss for the period to which they refer. Costs arising when raising a loan are divided over the maturity of the loan based on the recognised liability. Dividend income is recognised when the right to receive payment has been determined.

1.10 Financial instruments

Financial instruments recognised among assets in the balance sheet include cash and cash equivalents, trade receivables, shares, financial investments and other equity instruments and derivatives. Liabilities and equity include trade payables, debt and equity instruments issued, borrowings, contingent considerations and derivatives. A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the terms and conditions of the instrument. Trade receivables are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. Trade payables are recognised when the invoice has been received. A financial asset is derecognised from the balance sheet when the rights in the contract are realised or mature or the company loses control of them. This also applies to parts of financial assets. A financial liability is derecognised from the balance sheet when the obligation in the contract is performed or otherwise extinguished. This also applies to parts of financial liabilities. The Group also derecognises a financial liability when the contractual terms are modified and cash flows from the modified liability are significantly different. Subsequent measurement is at amortised cost using the effective interest method. In that case, a new financial liability is recognised at cost based on the modified terms. In cases where a modification is made in the contractual cash flows, and this is a direct consequence of a change in a benchmark interest rate, and the new contractual terms are financially equivalent to the original, no derecognition will take place, and the original effective interest rate will be adjusted to reflect the new cash flows. Acquisition and disposal of financial assets are recognised on the trade date, which is the date on which the company makes a binding commitment to buy or sell the asset.

1.10.1 Classification and valuation

Financial instruments that are not derivatives are recognised initially at a cost equal to the fair value of the instrument plus transaction costs for all financial instruments except those in the financial assets at fair value through profit or loss category, which are recognised at fair value excluding transaction costs. A financial instrument is classified on initial recognition based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is measured after initial recognition, as described below. Derivative instruments are initially recognised at fair value, meaning that transaction costs are charged to profit or loss for the period.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income – debt instrument investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss. The Group has only financial assets measured at amortised cost and at fair value through profit or loss (FVPL).

The classification determines how the financial instrument is measured after initial recognition, as described below.

1.10.2 Financial assets measured at amortised cost

Provided that they have not been identified as measured at fair value through profit or loss, financial assets are measured at amortised cost if they are held within the framework of a business model intended to hold financial assets for the purpose of obtaining contractual cash flows, and the contracted terms for the financial asset generate cash flows at specific intervals which are solely payments of principal and interest on the outstanding principal.

Amortised cost is determined based on the effective interest rate calculated on the date of acquisition. Assets with short maturities are not discounted. Trade receivables are recognised at the amount which is expected to be received, i.e. after the deduction of bad debts, assessed individually. Impairment losses on trade receivables are recognised in operating expenses. Other receivables are classified as non-current receivables if the holding period is longer than one year and if they are shorter than other receivables.

Cash and cash equivalents consist of cash and funds immediately available in banks and equivalent institutions, as well as short-term liquid investments that mature less than three months after the time of acquisition and are subject to only an insignificant risk of fluctuation in value.

1.10.3 Financial assets and liabilities measured at fair value through profit or loss

Assets and liabilities in this category are measured continuously at fair value with changes for the period recognised in profit or loss for the year. Currency derivatives and contingent considerations belong to this category.

Note 1, cont.

1.10.4 Financial liabilities not recognised at fair value

Loans and other financial liabilities, such as trade payables, are included in this category. These liabilities are measured at amortised cost. Trade payables have a short expected term and are valued without discounting to their nominal amount. Non-current liabilities have an anticipated term exceeding one year, while current liabilities have a term of less than one year. Staff convertibles may be converted into shares by the counterparty exercising their option to convert the receivable into shares and are recognised as a combined financial instrument divided into a liability component and an equity component.

The fair value of the liability is calculated by discounting the future cash flows by the current market rate for a similar liability with no right to conversion. The value of an equity instrument is calculated as the difference between the issue proceeds when the convertible debt instrument was issued and the fair value of the financial liability at the time of issue. Any deferred tax attributable to the liability at the time of issue is deducted from the carrying amount of the equity instrument. Transaction costs in connection with the issue of a combined financial instrument are divided into the liability component and the equity component in proportion to the division of the issue proceeds. The interest expense is recognised in profit or loss and calculated using the effective interest method.

1.11 Derivatives and hedging

On initial recognition, derivatives are recognised at fair value. After initial recognition, derivatives are measured at fair value and changes in this are generally recognised in profit or loss.

Derivative instruments used for hedging future cash flows are recognised in the balance sheet at fair value. The changes in value are recognised in other comprehensive income (cash flow hedging) until the hedged flow affects profit or loss, at which point the accumulated changes in value of the hedging instrument are recycled into profit or loss simultaneously with the profit or loss effects of the hedged transaction. The flows hedged may be both contracted and forecast transactions. Gains and losses on fair value hedges are recognised in the income statement concurrently with recognition of gains and losses for the items that are hedged. Even if hedge accounting is not applied, increases and decreases in the value of a derivative are recognised as income and expense, respectively, in operating profit or in net financial items, based on the intended use of the derivative instrument. In hedge accounting, the ineffective portion is recognised in the same way as changes in the value of derivatives not used for hedge accounting.

When a derivative instrument or a financial liability which is not a derivative is identified as a hedging instrument in a hedge of a net investment in a foreign business, for a derivative the effective part of the change in the fair value, and for a non-derivative foreign currency gains and losses, are recognised in other comprehensive income and accumulated in the translation reserve in equity. Ineffective parts of the change in fair value of a derivative or foreign currency gains and losses on a non-derivative, are recognised immediately in profit or loss. The amount recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment on divestment of the foreign business.

1.12 Property, plant and equipment

1.12.1 Owned assets

Property plant and equipment are recognised as assets in the balance sheet if it is likely that future economic benefits will accrue to the company, and the cost of the asset can be calculated reliably. Property plant and equipment are recognised in the Group at cost less accumulated depreciation and any impairments. Cost is defined as the purchase price plus any additional expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

Property, plant and equipment comprising parts that have different useful lives are treated as separate components of property, plant and equipment. The carrying amount of an asset is derecognised from the balance sheet on retirement or disposal or when no future economic benefits are expected to flow from the use or retirement/disposal of the asset. Gains or losses realised on the disposal or retirement of an asset consist of the difference between the sales price and the carrying amount of the asset, less direct selling expenses. Gains and losses are recognised as other operating income/expenses.

Subsequent expenditure

Subsequent expenditure is added to the cost only if it is probable that the future economic benefits associated with the asset will accrue to the company and the cost can be measured reliably.

1.12.2 Leased assets

Leased assets are accounted for in accordance with IFRS 16 Leases.

1.12.3 Depreciation

Depreciation is linear over the estimated useful life of the asset. The estimated useful lives are as follows:

IT equipment	3 years
Cars	5 years
Office equipment	5 years
Office furnishings	10 years
Buildings (owner-occupied properties)	40–100 years

1.13 Intangible assets

1.13.1 Goodwill

Goodwill is the difference between the cost of acquired businesses and the fair value of the assets acquired and liabilities and contingent liabilities assumed. Goodwill is apportioned between cash-generating units and groups of cash-generating units and is tested annually for impairment.

Thus, goodwill is carried at cost less accumulated impairment losses. Goodwill arising from the acquisition of associates is included in the carrying amount for participations in associates. Where the cost of acquired businesses is less than the net fair value of the assets acquired and liabilities and contingent liabilities assumed, the difference is recognised immediately in profit or loss.

1.13.2 Other intangible assets

Other intangible assets acquired by the Group are carried at cost less accumulated amortisation and impairment. Costs incurred for internally generated goodwill and brands are recognised in the income statement when the cost is incurred.

Other intangible assets are recognised as assets in the balance sheet when a non-monetary asset is identifiable, it is likely that future economic benefits will accrue to the company, the cost of the asset can be calculated reliably and when the company has control over the asset.

1.13.3 Subsequent expenditure

Subsequent expenditures for capitalised intangible assets are recognised as assets in the balance sheet only when they increase the future economic benefits of the specific asset to which they are attributed and meet other criteria as stated above. All other expenditures are expensed in the period they arise.

1.13.4 Amortisation

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets unless such useful lives are unspecified. Amortisable intangible assets are amortised from the date on which they are available for use. The estimated useful lives are as follows:

Capitalised development expenditure	1–3 years
Outstanding orders	1–5 years
Client relationships	10–20 years
Trademarks	2–5 years
ERP system	3–10 years

1.14 Impairment

The carrying amounts of the Group's assets — except for assets held for sale recognised in accordance with IFRS 5 and deferred tax assets — are tested at the end of each reporting period to assess whether there is any indication of impairment. If there is such an indication, the recoverable amount of the asset is calculated. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually, or as soon as there are indications that the asset in question has declined in value.

For exempt assets described above, the measurement is tested in compliance with the respective standard.

1.14.1 Impairment tests for property, plant and equipment and intangible assets, as well as participations in subsidiaries and associates

The recoverable amount is the higher of fair value less costs to sell and value in use. When estimating value in use, future cash flows are discounted by a factor that considers risk-free interest and the risk associated with the specific asset. For an asset that does not generate cash flows that are materially independent of other assets, value in use is calculated for the cash-generating unit to which the asset belongs. Impairment reflects the excess of the asset's carrying amount over its recoverable amount. Impairment of assets attributable to a cash-generating unit is initially allocated to goodwill. This is followed by proportional impairment of other assets in the unit.

Note 1, cont.

1.14.2 Impairment test for financial assets

When accounts are prepared for reporting, the company assesses whether there is objective evidence that any financial asset or group of assets is impaired. Objective evidence consists both of observable circumstances that have arisen which have a negative effect on the ability to recover the cost, and of significant or long-lasting reductions in the fair value of an investment in a financial investment classified as a financial asset measured at fair value via comprehensive income. The recoverable amount of assets in the financial assets not recognised at fair value category which are recognised at amortised cost is measured as the present value of future cash flow discounted at the effective interest rate of the date on which the asset was first recognised. Assets with short maturities are not discounted. Impairment is charged to profit or loss. IFRS 9 replaced the 'incurred loss model' from IAS 39 with an 'expected credit loss model'. The impairment model is applied to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income, but not to any investments in equity instruments.

1.14.3 Reversal of an impairment loss

An impairment is reversed if there is an indication that there is no longer a need for the impairment and there has been a change in the assumptions on which the calculation of the recoverable amount was based. However, impairment of goodwill is never reversed. An impairment is reversed only to the extent to which the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less depreciation where relevant, if no impairment had been made.

Impairments of loans and receivables recognised at amortised cost are reversed if a later increase in the recoverable amount is objectively attributable to an event that occurred after the impairment was made. Impairment losses on equity instruments designated as available-for-sale financial assets that have already been recognised in profit or loss may not subsequently be reversed through profit or loss. The impaired value is the value from which subsequent revaluation takes place, which is recognised in other comprehensive income. Impairments of interest-bearing instruments classified as financial assets available for sale are reversed to profit or loss if the fair value increases and the increase may be objectively attributed to an event that occurred after the impairment was made.

1.15 Dividends

Dividends are recognised as a liability once they have been approved at the Annual General Meeting.

1.16 Employee benefits

1.16.1 Defined-contribution pension plans

Obligations concerning contributions to defined-contribution pension plans are recognised as expenses in the income statement when they are incurred.

1.16.2 Defined-benefit pension plans

The Group's obligations concerning defined-benefit pension plans are calculated separately for each plan by estimating the future payment which the employees earned through employment in both current and previous periods. This payment is discounted to present value. The discount rate is the interest rate at the end of the reporting period on a high-quality investment-grade corporate bond with the term equivalent to the Group's pension obligations. When there is no active market for this type of corporate bond, the market rate for government mortgage bonds with an equivalent term is used instead. The calculations are performed by a qualified actuary using the projected unit credit method.

Actuarial gains and losses are recognised in other comprehensive income for the period in which they arise. The Group's net debt, which is also recognised in the balance sheet for each defined-benefit plan, consists of the present value of the obligation less the fair value of plan assets. If the value of plan assets exceeds the value of the obligations, a surplus arises, and this is recognised as a plan asset under other receivables. Past service costs are recognised immediately in income. When there is a difference in how the cost of a pension is determined for a legal entity and the Group, a provision or claim for special employer's contribution is recognised based on this difference. The provision or claim is not calculated at present value.

1.16.3 Convertible programme

The Group has issued convertible instruments to its employees. The convertible instruments are divided into an amount owed and a conversion option. The latter is recognised in equity. The programmes do not entail any personnel costs.

1.16.4 Termination benefits

A provision is made for termination benefits only when the company is demonstrably committed to terminating employment before the normal date, or when the benefits are based on an offer made to encourage voluntary redundancy. If the company is obliged to lay off members of staff, a detailed plan is drawn up specifying as a minimum the location, function and approximate number of employees involved, the benefits for each job classification or function, and the time at which the plan will be implemented.

1.17 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation from a past event, and when it is probable that an outflow of economic resources will be required to meet this obligation, and a reliable estimate of the amount of the obligation can be made. If the effect of when in time payment is made is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks associated with the liability. A provision for restructuring is recognised when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either been started or published. No provisions are made for future operating expenses.

1.18 Taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in the income statement except when the underlying transaction is recognised in other comprehensive income, in which case the associated tax effect is recognised in other comprehensive income. Current tax is the tax payable or recoverable in respect of the current year, based on the tax rates enacted or substantively enacted at the end of the reporting period, including adjustments of current tax in respect of prior periods.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amount and tax values of assets and liabilities. The following temporary differences are not taken into consideration: temporary differences that occurred when goodwill was first recognised and the first recognition of assets and liabilities that are not business combinations and, at the time of the transaction, do not affect either the recognised or taxable profit. Nor are temporary differences considered that are attributable to participations in subsidiaries and associates in which the parent, the investor or the co-owner may control the time of reversal of the temporary differences, and it is probable that they will not be reversed in the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realised or settled.

Deferred tax is calculated using the tax rates and tax rules enacted or substantively enacted at the end of the reporting period. Deferred tax assets in respect of deductible temporary differences and loss carry-forwards are recognised only to the extent that it is probable that they can be utilised. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised. Any additional income tax arising on the payment of dividends is recognised at the same time as the dividend is recognised as a liability.

1.19 Contingent liabilities

A contingent liability is recognised whenever there is a possible obligation arising from past events and the existence of which is confirmed only by one or more uncertain future events, or there is an obligation not recognised as a liability or provision because it is not probable that an outflow of resources will be required, or the amount cannot be calculated with adequate reliability.

1.20 Earnings per share

Calculation of earnings per share is based on consolidated profit or loss for the year attributable to shareholders of the parent and on the weighted average number of outstanding shares during the year. In calculating earnings per share after dilution, the profit or loss and the average number of shares are adjusted to take account of the effects of potential diluting ordinary shares.

1.21 Parent accounting policies

The parent has prepared its annual report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 requires that the parent's annual report apply all IFRS standards and interpretations approved by the EU as far as is possible within the constraints of the Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen), and while considering the relationship between reporting and taxation. The recommendation specifies which exceptions from and additions to IFRS must be made. The differences between Group and Parent accounting policies are stated below. The accounting policies outlined below have been applied consistently to all periods presented in the parent's financial statements.

Note 1, cont.

Differences between the Group's and the parent's accounting policies

1.21.1 Subsidiaries and associates

Shares in subsidiaries and associates are recognised in the parent using the cost method. Acquisition costs are recognised as shares in subsidiaries instead of being expensed. Dividends received are recognised as income.

1.21.2 Property, plant and equipment

Leased assets

The parent recognises all leases based on RFR 2 as it did previously for operating leases.

1.21.3 Hedge accounting of net investment

Liabilities in foreign currencies which constitute hedge instruments in respect of the parent's investment in subsidiaries are not revalued at the closing day rate if the hedge is effective. Derivatives which are identified in the Group as hedges of net investments are recognised in the parent at fair value through profit or loss.

1.21.4 Financial guarantees

The parent's financial guarantee contracts consist mainly of guarantees in favour of subsidiaries and associates. Financial guarantees mean that the company has an obligation to compensate the holder of a debt instrument for losses the latter incurs as a result of a specified debtor failing to make payment when due under the contract terms. The parent applies RFR 2 for the recognition of financial guarantee contracts. This represents a relaxation compared with the rules in IFRS 9 in respect of financial guarantee contracts issued for the benefit of subsidiaries and associates. The parent recognises financial guarantees as a provision in the balance sheet when the company has an obligation for which payment is probably necessary to settle the obligation.

1.21.5 Employee benefits

Defined-benefit pension plans

In calculating defined-benefit pension plans, the bases for calculation applied by the parent differ from those specified in IAS 19. The parent complies with the provisions of the Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's regulations as this is a precondition for tax deductibility. The most significant differences compared with IAS 19 are the method for determining the discount rate, the calculation of defined-benefit obligations based on current salary levels without assumptions on future salary increases and the recognition of all actuarial gains and losses in profit or loss when they arise.

1.21.6 Taxes

In the parent, untaxed reserves are recognised inclusive of deferred tax liability. In the consolidated accounts, however, untaxed reserves are split into deferred tax liability and equity.

1.21.7 Group contributions and shareholders' contributions for legal entities

Group contributions both received and paid are recognised as appropriations. Shareholders' contributions are recognised directly in equity by the recipient and are capitalised as participations by the contributor, insofar as impairment is not required.

Note 2

Segment reporting

Income and expense

	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group common		Eliminations		Group	
Group	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Sales to external clients	9,973	8,869	6,672	6,045	5,368	4,453	3,490	2,942	1,532	1,249	-56	-7	—	—	26,978	23,552
Sales between segments	242	170	118	333	205	165	92	90	76	54	1,579	1,439	-2,312	-2,250	—	—
Net sales	**10,216**	**9,039**	**6,790**	**6,378**	**5,572**	**4,617**	**3,581**	**3,032**	**1,608**	**1,304**	**1,524**	**1,432**	**-2,312**	**-2,250**	**26,978**	**23,552**
Operating expense	-9,516	-8,323	-6,320	-5,850	-4,896	-4,114	-3,209	-2,728	-1,406	-1,133	-1,227	-1,225	2,312	2,250	-24,261	-21,122
Amortisation and impairment of intangible assets	-6	-5	0	0	-7	-9	-2	-2	-9	0	-6	-24	—	—	-30	-40
Depreciation and impairment, property, plant and equipment	-36	-32	-6	-7	-11	-9	-11	-8	-7	-7	-46	-44	—	—	-118	-106
Depreciation right-of-use assets	—	—	—	—	—	—	—	—	—	—	-632	-555	—	—	-632	-555
EBITA	**657**	**679**	**464**	**521**	**659**	**486**	**360**	**294**	**185**	**164**	**-387**	**-415**	**—**	**—**	**1,938**	**1,729**
Acquisition-related items	—	—	—	—	—	—	—	—	—	—	-159	-285	—	—	-159	-285
EBIT	**657**	**679**	**464**	**521**	**659**	**486**	**360**	**294**	**185**	**164**	**-546**	**-700**	**—**	**—**	**1,779**	**1,444**
Financial items															-337	-224
Profit/loss before tax															**1,441**	**1,220**
EBITA margin, %	6.4	7.5	6.8	8.2	11.8	10.5	10.0	9.7	11.5	12.6	—	—	—	—	7.2	7.3
Total growth, %	13.0	15.9	6.5	11.6	20.7	21.0	18.1	13.0	23.3	22.8	—	—	—	—	14.5	17.1

As a result of an internal redistribution in 2023, comparative figures have been adjusted to provide a better reflection of operations.

Operating segments

The Group's operating structure and internal reporting to the President and CEO are based on accounting by divisions. The aim is to classify the divisions based on their clients and their own expertise. Intra-group sales between segments are based on an internal market price, calculated on an arms-length basis, i.e. as between parties who are mutually independent, well-informed and with an interest in completing the transactions.

The Group common items concern traditional parent functions. The same accounting policies (excl. IFRS 16 Leases) apply to operating segments as to the rest of the Group. There are no individual clients whose sales amount to 10 percent or more of the Group's total sales.

	Net sales		Non-current assets	
By geographical area	**2023**	**2022**	**2023**	**2022**
Sweden	14,921	14,173	230	218
Finland	3,850	3,405	587	736
Norway	2,393	2,182	66	110
Switzerland	1,964	1,724	101	98
Denmark	1,690	1,261	17	11
Germany	1,049	838	13	11
Other countries	5,678	4,298	149	138
Group common/eliminations	-4,566	-4,330	16,667	16,572
Total	**26,978**	**23,552**	**17,830**	**17,894**

Income from external clients is attributable to the countries where the sales have taken place.

Order stock

Order stock represents the total amount of revenue not yet recognised from awarded contracts. Most of these obligations will be realised as revenue in the coming years. At the end of the reporting period, the Group had unfulfilled obligations of approximately SEK 19 billion, see table.

SEK million	**31 Dec 2023**	**31 Dec 2022**
Infrastructure	8,659	8,133
Industrial & Digital Solutions	2,652	2,750
Process Industries	3,028	3,428
Energy	4,570	4,798
Management Consulting	420	331
Group	**19,329**	**19,440**

Note 2, cont.

Income

Net sales according to the business model

	Infrastructure	Industrial & Digital Solutions	Process Industries	Energy	Management Consulting	Group common/ eliminations	Group
Project Business	9,956	2,602	4,099	3,026	1,581	-580	20,684
Professional Services	260	4,188	1,474	555	26	-209	6,294
Total	**10,216**	**6,790**	**5,572**	**3,581**	**1,608**	**-789**	**26,978**

AFRY's business model is divided into two client offerings: Project Business and Professional Services. Project Business is AFRY's offering for major projects and end-to-end solutions. In such projects, AFRY acts as a partner to the client, leading and running the entire project. Professional Services is AFRY's offering in which the client manages and runs the project, while AFRY provides suitable expertise at the appropriate time. Invoicing in Project Business takes place as work proceeds in accordance with agreed terms and conditions, either periodically (monthly) or when contractual milestones are reached. Invoicing ordinarily takes place after the income has been recorded, resulting in contract assets. However, AFRY sometimes receives advance payments or deposits from our clients before the income is recognised, which then results in contract liabilities. In Professional Services, hours spent on a project are ordinarily invoiced at the end of each month. Performance obligations in Project Business are fulfilled over time as the service is provided. Revenue recognition is based on costs with accumulated costs set in relation to total estimated costs. In Professional Services, revenue is recognised by the amount that the unit is entitled to invoice, in accordance with IFRS 15 B16.

Note 3

Acquisitions and divestments of operations

Acquisitions 2023

In 2023, AFRY took possession of all shares in the companies shown in the table to the right. The acquired companies resulted in an increase of approximately 206 employees. No single acquisitions is substantial, based on net sales and number of employees, and for that reason they are recognised jointly in the table under Total net assets of acquired companies at date of acquisition, 2023.

Effects of acquisitions

The table below shows the effect of the 2023 acquisitions on consolidated assets and liabilities. The acquisition analyses are preliminary since fair value has not been determined for all items.

2023	Company	Country	Division	Annual net sales	Average full-time equivalents (FTEs)
March	BLIX Consultancy B.V.	Netherlands	Energy	50	25
March	XPRO AS	Norway	Infrastructure	71	40
April	Grünenfelder + Keller Winterthur	Switzerland	Infrastructure	19	11
May	KSH Solutions Inc.	Canada	Process Industries	180	130
Total				**320**	**206**

Note 3, cont.

Total net assets of acquired companies at date of acquisition, 2023

2023	Identifiable assets and liabilities	Fair value adjustment	Fair value recognised in the Group
Intangible assets	—	13	13
Property, plant and equipment	4		4
Right-of-use assets	6		6
Financial assets	0		0
Trade and other receivables	74		74
Deferred tax	0	-3	-3
Cash and cash equivalents	57		57
Trade payables, loans and other liabilities	-70		-70
Net identifiable assets and liabilities	**72**	**10**	**82**
Goodwill	350		350
Purchase consideration including estimated contingent consideration	**422**	**10**	**432**
Transaction costs	10		10
Less:			
Cash (acquired)	57		57
Estimated discounted contingent consideration	20		20
Holdback	10		10
Net cash outflow	**345**	**10**	**355**

Total net assets of acquired companies at date of acquisition, 2022

	Vahanen Group		Other acquisitions		
2022	Identifiable assets and liabilities	Fair value adjustment	Identifiable assets and liabilities	Fair value adjustment	Fair value recognised in the Group
Intangible assets	64	9	0	10	83
Property, plant and equipment	5		1		6
Right-of-use assets	41		16		57
Trade and other receivables	81		32		113
Deferred tax	4	-2	—	-2	0
Cash and cash equivalents	44		16		60
Trade payables, loans and other liabilities	-179		-72		-250
Net identifiable assets and liabilities	**59**	**7**	**-6**	**9**	**69**
Goodwill	619		212		831
Purchase consideration including estimated contingent consideration	**678**	**7**	**206**	**9**	**900**
Transaction costs	5		2		7
Less:					
Cash (acquired)	44		16		60
Estimated discounted contingent consideration	—		18		18
Holdback	—		24		24
Net cash outflow	**639**	**7**	**150**	**9**	**805**

Acquired companies
Acquisition analyses are preliminary as the net assets in the companies acquired have not been conclusively analysed. The purchase considerations for acquisitions for the year were larger than the booked net assets of the acquired companies, which means that the acquisition analyses have resulted in intangible assets.

Contingent consideration
Agreed contingent considerations in the acquired companies relate to the performance of each company for up to three years. Total undiscounted contingent consideration for the companies acquired during the year is a maximum of SEK 23 million (20). For further information on contingent consideration, see Note 13.

Holdback
Part of the purchase price withheld by the buyer as security for any claims against the seller, paid to the seller according to the agreed payment plan. The withheld parts of the purchase price are independent of conditions linked to the future performance of acquired companies.

Goodwill
Goodwill consists mainly of human capital in the form of employee skills and synergy effects. Goodwill from corporate acquisitions is not expected to be tax-deductible. The acquisition of a consulting business essentially involves the acquisition of human capital, and most of the intangible assets in the company acquired are thus attributable to goodwill. Non-controlling interest arising from an acquisition is recognised at fair value, which means that non-controlling interest has a measure of goodwill.

Other intangible assets
Order stock and client relationships are identified and assessed in connection with completed acquisitions.

Transaction costs
Transaction costs are recognised in Other external costs in profit or loss.

Acquired receivables
The fair value of the acquired receivables is expected to be settled in full. The agreed gross values essentially correspond to the fair values of the receivables.

Revenue from acquired companies
During the year, acquired companies/businesses contributed SEK 240 million (545) to consolidated revenue and SEK 26 million (46) to operating profit.
If the above-mentioned acquisitions had been executed on 1 January 2023, they would have contributed sales of approximately SEK 318 million (576) and an operating profit of approximately SEK 35 million (44).

Assessment of acquisition analyses 2022
In 2022, AFRY acquired all shares in Vahanen International Oy, Swedish Electrical and Power Control AB, Weop AB and Ionic Consulting Limited. The acquired companies resulted in an increase of approximately 580 employees. In January 2022, AFRY acquired all shares in Vahanen International Oy. The acquisition is significant and is reported separately in the table Total net assets of acquired companies at date of acquisition, 2022. Other acquisitions are not individually substantial based on net sales and the average number of employees.
All acquisition analyses have been completed and have not led to any appreciable changes.

Divestments
In 2023, AFRY concluded the divestment of the Russian subsidiary to the local management team. The business included around 125 employees and accounted for less than 1 percent of AFRY's total net sales. The Group's estimated capital losses amounted to SEK -64 million, of which SEK -66 million impacted net profit in 2022, as a result of the write-down of our business in Russia. The divestment had an impact on the Group's cash flow of SEK -107 million.

Note 4

Other operating income

Group	2023	2022
Exchange rate gains	–	7
Capital gain on divestment of non-current assets	–	37[1]
Government assistance	4	3
Other	3	51
Total	**7**	**98**

[1] Capital gains refers primarily to the sale of the associate, Amata Power (Bien Hoa) Ltd. Capital share referred to compensation for previous projects.

Other operating income of SEK 470 million (397) in the parent largely relates to the re-invoicing of rental charges, primarily to subsidiaries.

Note 5

Fees and reimbursement of auditors' expenses

	Group		Parent	
	2023	2022	2023	2022
Auditing firm KPMG				
Audit assignments	16	15	1	1
Tax advice	–	1	–	–
Other services	1	1	–	–
Total	**17**	**17**	**1**	**1**
Other auditors				
Audit assignments	3	3	–	–
Tax advice	2	1	–	–
Other services	0	0	0	0
Total	**5**	**4**	**0**	**0**

"Audit assignments" refers to the auditing of the annual report, the accounting records and the administration by the Board of Directors and the Presidentand CEO, other duties which it is incumbent upon the company's auditors to carry out, as well as advice and other assistance stemming from observations made during such audits or the execution of such other duties.

Note 6

Employees and personnel costs

Average number of full-time employees (FTEs) by gender

	2023			2022		
Parent	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Sweden	164	82	245	144	72	216
Subsidiaries						
Sweden	2,195	5,619	7,815	2,131	5,622	7,753
Finland	825	1768	2,593	797	1,708	2,505
Brazil	367	1045	1,412	330	974	1,304
Norway	375	736	1,111	349	647	996
Switzerland	183	641	825	177	612	789
Denmark	210	573	783	164	503	668
Germany	196	355	551	179	330	509
Czech Republic	101	281	382	80	250	331
Austria	51	244	295	49	225	274
India	47	180	227	11	182	194
China	39	161	201	47	120	167
UK	47	197	244	48	117	165
Thailand	53	92	145	46	109	155
USA	42	154	196	34	109	143
Poland	32	86	118	26	75	101
Hungary	26	70	96	25	70	95
Spain	50	68	118	31	62	93
Philippines	24	75	99	22	59	81
Canada	41	113	154	21	53	74
Other	183	435	618	178	552	730
Group total	**5,251**	**12,977**	**18,228**	**4,889**	**12,451**	**17,340**

Gender distribution on the Board of Directors and in Group Executive Management

	Women, %	
	2023	2022
Board of Directors[1]	60	50
Group Executive Management	36	42

[1] Including employee representatives

Salaries, other remuneration and social security contributions

	2023		2022	
Group	**Salaries and remunera-tion**	**Social security contribu-tions**	**Salaries and remunera-tion**	**Social secu-rity contri-butions**
Board of Directors and senior executives[1]	84	39	88	37
of which annual variable remuneration	*17*	*4*	*21*	*5*
of which long-term variable remuner-ation	*15*	*4*	*13*	*4*
of which pension costs[2]	*–*	*15*	*–*	*14*
Other employees	12,547	3,227	10,869	3,115
of which annual variable remuneration	*334*	*83*	*281*	*70*
of which long-term variable remuner-ation	*30*	*9*	*25*	*8*
of which pension costs[2]	*–*	*1,073*	*–*	*1,018*
Total	**12,631**	**3,266**	**10,956**	**3,152**

[1] Including severance pay 2022 and 2023.
[2] Including statutory charges.

	2023		2022	
Parent	**Salaries and remunera-tion**	**Social security contribu-tions**	**Salaries and remunera-tion**	**Social secu-rity contri-butions**
Board of Directors & the President and CEO	28	13	27	13
of which annual variable remuneration	*5*	*1*	*6*	*2*
of which long-term variable remuner-ation	*6*	*2*	*5*	*2*
of which pension costs[2]	*–*	*4*	*–*	*4*
Other employees[1]	226	103	184	91
of which annual variable remuneration	*18*	*6*	*5*	*2*
of which long-term variable remuner-ation	*38*	*12*	*33*	*10*
of which pension costs[2]	*–*	*36*	*–*	*33*
Total	**254**	**117**	**210**	**104**

[1] Including severance pay 2022 and 2023.
[2] Including statutory charges.

Note 6, cont.

Annual variable remuneration
Within AFRY's divisions, there are different systems of variable remuneration for employees. Remuneration may be based on the division's performance or be linked directly to individual performance.

Remuneration of the Board of Directors
The AGM held on 27 April 2023 approved remuneration, including remuneration for committee work, totalling SEK 6,000,000 for the work of the Board of Directors in 2023. The Chairman of the Board received SEK 1,750,000 and other members of the Board of Directors not employed by the Group received SEK 500,000 each.

The fee paid to the Chairman of the Audit Committee was SEK 250,000. Each of the other two members of the Audit Committee received SEK 100,000. The fee paid to the Chairman of the Remuneration Committee was SEK 50,000. Each of the other two members of the Remuneration Committee received SEK 50,000. The fee paid to the Chairman of the Project Committee was SEK 50,000. Each of the other two members of the Project Committee received SEK 50,000.

The remuneration of the Board of Directors is determined annually at the AGM, and relates to the period until the next AGM. This means that the remuneration of the Board of Directors was at the rate determined by the AGM in 2023 for the first two quarters and at the rate determined by the AGM in 2024 for the remaining two quarters of the year.

Total remuneration of SEK 60,000 (60,000) was paid to the employee representatives.

There are no agreements on future pension commitments/severance pay for either the Chairman of the Board or other Directors.

	Fees in SEK, 2023		
Director	Board of Directors	Committee	Total
Gunilla Berg	500,000	150,000	650,000
Henrik Ehrnrooth	500,000	100,000	600,000
Tom Erixon	1,750,000	100,000	1,850,000
Carina Håkansson	500,000	100,000	600,000
Neil McArthur	500,000	–	500,000
Joakim Rubin	500,000	50,000	550,000
Kristina Schauman	500,000	250,000	750,000
Tuula Teeri	500,000	–	500,000
Total	**5,250,000**	**750,000**	**6,000,000**

	Fees in SEK, 2022		
Director	Board of Directors	Committee	Total
Gunilla Berg	475,000	150,000	625,000
Henrik Ehrnrooth	475,000	100,000	575,000
Tom Erixon	1,750,000	100,000	1,850,000
Carina Håkansson	475,000	100,000	575,000
Neil McArthur	475,000	–	475,000
Joakim Rubin	475,000	50,000	525,000
Kristina Schauman	475,000	230,000	705,000
Anders Snell	225,000	–	225,000
Tuula Teeri	250,000	–	250,000
Total	**5,075,000**	**730,000**	**5,805,000**

Guidelines for salary and other remuneration for the President and CEO and other senior executives
Adopted at the 2022 AGM.
The remuneration guidelines cover the President and CEO along with other members of the Group Executive Management that report to the President and CEO ('senior executives'). The guidelines shall apply to agreed remuneration and changes made to previously agreed remuneration after the guidelines were adopted by the 2022 AGM and until no later than 2026. The guidelines do not cover remuneration decided on by the AGM.

A condition for successfully implementing the company's business strategy and safeguarding its long-term interests, including sustainability, is that the company can recruit and retain qualified employees. This requires the company to offer competitive remuneration.

The remuneration guidelines make it possible to offer competitive total remuneration to senior executives. Remuneration should be at market rates and may consist of these components: fixed cash salary, variable cash remuneration (including STIP and LTIP), pension benefits and other market-relative benefits. The named components, their purpose and their connection to the company's business strategy are described below.

Decision-making processes for establishing, reviewing and implementing the guidelines
The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision on proposed guidelines for the remuneration of senior executives. The Board of Directors shall prepare proposed new guidelines at least every four years and submit the proposal for resolution at the AGM. The guidelines shall apply until new guidelines are adopted by the AGM. The Remuneration Committee shall also follow and evaluate programmes for the variable remuneration of the Group Executive Management, the application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the company. In addition, the AGM may, regardless of these guidelines, make decisions on share-related and share-price-related remuneration, for example.

To avoid conflicts of interest, the Remuneration Committee consists only of members of the Board of Directors who are independent of the company and Group Executive Management.

The President and CEO and other senior executives shall not attend when the terms and conditions for their remuneration are being discussed.

Fixed cash salary
The fixed cash salary is set based on the senior executive's competence, area of responsibility and comparable competitive salaries according to local market conventions. The fixed cash salary is revised annually based on such things as market, performance and how well the senior executive met the company's values.

Variable cash remuneration
Annual short-term incentive programme (STIP)
The size of short-term cash incentive programmes can vary from 0 percent to 60 percent of annual fixed cash salary. Target components, weighting and target levels are set annually by the Board of Directors to ensure that the programme supports the business strategy. The target components, weighting and target levels may vary from year to year to reflect business priorities and usually balance the Group's financial and non-financial targets. Details of the target components, weighting and target levels as well as how the programme supports the business strategy are presented in the annual remuneration report. After the end of the year, the Board of Directors reviews the results and determines to what extent each of the targets has been achieved to determine the final results. As far as financial targets are concerned, the assessment shall be based on the latest financial information published by the company.

The Board of Directors may adjust the STIP outcome in special circumstances to adjust the remuneration in accordance with the value created for the shareholders and to ensure that the outcome reflects the company's results fairly.

Additional variable cash remuneration may be paid in exceptional circumstances, provided that such extraordinary arrangements are made only at the individual level either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance over and above the person's ordinary duties. Such remuneration may not exceed an amount equal to 50 percent of the executive's fixed annual cash salary. Decisions on such remuneration shall be made by the Board of Directors as proposed by the Remuneration Committee.

Long-term incentive programmes (LTIP)
The Board of Directors considers it important to offer long-term incentive programmes to attract and retain key personnel and to give them the opportunity to share in the company's success, just as the shareholders do. In this way, the long-term incentive programmes contribute to the company's long-term value creation and earnings. Decisions on share-related and share-price-related programmes are made by the AGM either through separate decisions or by indicating the essential conditions of the programme in the remuneration guidelines.

Note 6, cont.

The long-term incentive programmes that can be offered are share-related or share-price-related programmes and/or long-term cash-based programmes; all are three-year programmes. For all cash-based programmes there is a cap of maximum 80 percent of the annual fixed cash salary for the President and CEO, and 70 percent of the annual fixed cash salary for the other senior executives.

Target criteria, weighting and target levels are determined annually by the Board of Directors to ensure that they support the business strategy and can vary from year to year to reflect business priorities (at present, average EBITA margin and average growth). Details of each programme and how they support the business strategy are presented in the annual remuneration report. After the end of the programme, the Board of Directors reviews the results and determines to what extent each of the targets has been achieved to determine the final level of payment. For additional information on current long-term incentive programmes or those that ended during the year, see AFRY's remuneration report.

There has also been a long-term cash incentive programme in place for the President and CEO since 2021. According to the terms of the programme, The President and CEO is entitled to receive a cash amount based on the share price's development on the condition that the President and CEO is still employed by the company on 31 March 2024. The share price development shall be above 0 percent at a minimum and 30 percent at a maximum and is measured during the period 1 April 2021 – 31 March 2024. Payment will be made on a linear basis if the share price increases between the minimum and maximum level. If the minimum level is not reached, no payment will be made and if the maximum is reached, the President and CEO will receive SEK 7,500,000 (gross before tax), corresponding to a total cost to the company of SEK 9,856,500 (including social security fees).

Pension benefits and other benefits

The pension benefits provided reflect relevant market practice and may be adjusted from year to year. Senior executives are covered by pension benefits that reflect market practice in each country of employment, but defined contribution pension plans are preferred. No pension benefits shall be dependent on future employment and may amount to a maximum of 40 percent of the executive's fixed annual cash salary.

Other benefits are provided in accordance with reasonable levels in the country where the individual is employed. The benefits can be adjusted from year to year. Other benefits may include company car, health insurance, private accident and life insurance, as well as business travel insurance and liability insurance. Such benefits may amount to a maximum of 20 percent of the executive's fixed annual cash salary. Regarding employment conditions that are governed by rules other than Swedish, in so far as pension benefits and other benefits are concerned, appropriate adjustments may be made to comply with such compulsory rules or standard local practice, whereby the general purpose of these guidelines should be met as far as possible. Additional benefits and remuneration may be offered in certain circumstances, such as relocation in accordance with the company's policy for international transfers. The President and CEO is entitled to participate in programmes that can be offered to other employees at any given time, such as anniversary gifts etc. Further information on the benefits provided during a given year is available in the annual remuneration report.

Discontinuation of employment

The notice period for the President and CEO is 12 months when notice is given by the company and 6 months if notice is given by the President and CEO. If the company terminates the President and CEO, the President and CEO shall be offered severance pay corresponding to up to 12 months' salary. For other senior executives, the notice period is never longer than for the President and CEO. Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made to comply with such compulsory rules or standard local practice, whereby the general purpose of these guidelines should be met as far as possible. The Board of Directors is entitled to decide whether payment should be tied to ongoing incentive programmes for individuals who depart the company and how payment should be handled in the event of leave. Any assessments will be presented in the annual remuneration report.

Salary and terms of employment for employees

In preparing the Board of Directors' proposal for these remuneration guidelines, salaries and terms of employment for the company's employees have been considered by the Remuneration Committee using information on employees' total remuneration, the components of the remuneration, as well as the rate of increase and increase over time of remuneration and have been part of the Remuneration Committee's and the Board of Directors' supporting information for evaluating the reasonableness of the guidelines and their limitations. The development of the distance between remuneration of senior executives and remuneration of other employees will be presented in the remuneration report.

Right to recover remuneration and waive the guidelines

The Board of Directors is entitled to withhold or recover payments within the framework of short- and long-term incentive programmes due to exceptional circumstances or if false information is given regarding the financial results. That type of decision is explained (how the circumstances are defined and how measures are taken) in the annual remuneration report.

The Board of Directors may decide to temporarily deviate from the guidelines, in whole or in part, if there are special reasons for this in an individual case and a departure is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, it is part of the Remuneration Committee's tasks to prepare the Board of Directors' decision on remuneration issues, which includes decisions on deviations from the guidelines.

Cost of remuneration for the President and CEO and other members of Group Executive Management

	2023		
Director	President and CEO	Other members of Group Executive Management[1]	Total
Salary including daily allowance	11	36	47
Provisions for annual variable remuneration accrued during current year	5	12	17
Provisions for long-term variable remuneration	6	9	15
Pension costs[2]	4	11	15
Other social expenses	7	15	21
Total	**33**	**82**	**115**

1) Including severance pay.
2) Including statutory charges.

	2022		
Director	President and CEO	Other members of Group Executive Management[1]	Total
Salary including daily allowance	10	37	47
Provisions for annual variable remuneration accrued during current year	6	16	21
Provisions for long-term variable remuneration	5	8	13
Pension costs[2]	4	10	14
Other social expenses	7	15	21
Total	**31**	**85**	**117**

1) Including severance pay.
2) Including statutory charges.

President and CEO

The fixed basic salary was SEK 10.6 million (10.2). There is also a company car benefit. Annual variable remuneration is based on the Group's results, as well as several preset targets, and may amount to a maximum of 60 percent of fixed basic salary. The President and CEO also participates in AFRY's long-term incentive programmes, LTI 2020–2022, LTI 2021–2023 and LTI 2022–2024. There is also a special incentive programme for the President and CEO that is tied to the company's share development up to 2024. The amount of remuneration depends on the performance of the share price between 1 April 2021 and 31 March 2024. The President and CEO's retirement benefit plan is defined-contribution, and an annual provision equivalent to 40 percent of the year's salary is made for this.

On leaving the company, full salary continues to be payable during the period of notice. A duty to work during the period of notice may apply for no more than one year.

Note 6, cont.

Group Executive Management, excluding the President and CEO
The Group Executive Management team consists of ten (eleven) people, excluding the President and CEO.

The remuneration of Group Executive Management has been based on the "Guidelines for the remuneration of senior executives" as set out above.

AFRY has no outstanding pension obligations to present and former directors or any present or former President and CEO. On leaving the company, full salary continues to be payable during the period of notice.

Ongoing and concluded long-term variable remuneration
Staff convertibles
The 2019 convertible programme ended in 2023.

In 2019, AFRY AB issued convertible instruments to key staff members totalling SEK 171 million. The loan runs with an annual interest of Stibor 180 and a margin of 1.60 with effect from 17 August 2019. Conversion may be called during the period from 15 June 2022 to 15 March 2023. The conversion price is SEK 232.10. A commercial interest rate for the corresponding liability without conversion right has been estimated at Stibor 180 and a margin of 3.64.

In 2020, AFRY AB issued convertibles directed to key staff members totalling SEK 149 million. The loan runs with an annual interest of Stibor 180 and a margin of 2.90 with effect from 17 August 2020. Conversion may be called during the period from 15 July 2023 to 15 March 2024. The conversion price is SEK 212.20. A commercial interest rate for the corresponding liability without conversion right has been estimated at Stibor 180 and a margin of 5.0.

The convertible programmes are not conditional on continued employment during the terms of the convertible programmes. No new convertible programme has been initiated since 2020.

Remuneration ratio
The Company's highest paid employee in terms of fixed base cash salary is the President and CEO. In 2023, the President and CEO received a total fixed base cash salary of SEK 10.6 million. In 2023, the average remuneration on a full time basis for employees of AFRY in terms of fixed base cash salary was SEK 0.59 million (excluding the President and CEO's fixed base cash salary).

This means that the quota between the President and CEO's fixed base cash salary in 2023 and the average remuneration on a full time basis for employees of AFRY (excluding the President and CEO's fixed base salary) in terms of fixed base cash salary during 2023 was 17.9 (SEK 10,567,000 / 590,000 = 17.9). The corresponding quota regarding the percentage increase in relation to previous year was 2,1 (3,5 per-cent / 1,7 procent = 2,1).

Note 7

Other operating expenses

Group	2023	2022
Exchange rate losses	-4	0
Capital loss on disposal of non-current assets	-3	—
Other	—	0
Total	**-7**	**0**

Other operating expenses of SEK 393 million (329) in the parent relate primarily to rental charges.

Note 8

Acquisition-related items

Group	2023	2022
Amortisation and impairment of intangible assets	-176	-170
Impairment of business	—	-66
Revaluation of contingent considerations	19	14
Divestment of operations and property	-2	-63
Total	**-159**	**-285**

To improve analysis between periods, acquisition-related items are reported separately here.

Note 9

Items affecting comparability

Group	2023	2022
Costs for the premature termination of leases for office premises	-23	—
Restructuring costs AFRY X Division	-25	—
Restructuring costs Infrastructure Division	-46	-80
Restructuring costs Group functions	—	-20
Cost of customisation/configuration of cloud-based IT systems	—	-57
Total	**-94**	**-157**

To improve analysis between periods, items affecting comparability are reported separately here.

Note 10

Financial items

Group	2023	2022
Interest income[1]	59	12
Other financial income	9	12
Exchange rate gains	463	754
Financial income	**531**	**778**
Interest expense[1]	-291	-131
Interest expense, discounting of contingent considerations	-11	-3
Interest expense, IFRS 16	-70	-48
Other financial expenses	-31	-22
Exchange rate losses	-466	-798
Financial expenses	**-869**	**-1,002**
Financial items	**-337**	**-224**

Parent	2023	2022
Dividends from Group companies	346	402
Impairment of shares in Group companies	9	-11
Impairment of receivables/liabilities in Group companies	—	0
Capital gain/loss on intra-group sales of subsidiaries	181	-1
Profit from participations in Group companies	**537**	**390**
Interest income, Group companies	540	228
Interest income[1]	7	1
Exchange rate gains	410	685
Interest income and similar profit/loss items	**957**	**914**
Interest expense, Group companies	-97	-22
Interest expense, discounting of contingent considerations	—	—
Interest expense[1]	-296	-143
Exchange rate losses	-442	-716
Interest expense and similar profit/loss items	**-835**	**-881**
Financial items	**659**	**423**

[1] Includes interest on pension provisions.

Note 11

Appropriations

Parent	2023	2022
Difference between recognised depreciation and depreciation according to plan	13	-1
Group contribution received	300	300
Transfers to tax allocation reserve	—	—
Total	**313**	**299**

Note 12

Earnings per share and number of shares

	Basic earnings per share		Diluted earnings per share	
SEK	2023	2022	2023	2022
Earnings per share	9.71	8.60	9.71	8.60

The calculation of the numerators and denominators used in the above calculations of earnings per share is specified below.

Basic earnings per share
The calculation of earnings per share for 2023 is based on the profit for the year attributable to the parent's ordinary shareholders, amounting to SEK 1,100 million (974) and on a weighted average number of outstanding shares in 2023 amounting to 113,251,741 (113,247,847).

Diluted earnings per share
In calculating diluted earnings per share, the weighted number of outstanding ordinary shares was adjusted for the dilution effect of all outstanding potential ordinary shares. In calculating diluted earnings per share, outstanding ordinary shares have been adjusted for a potential dilution effect for shares in outstanding staff convertible programmes. Outstanding convertibles were not diluted in 2023 but may be in the future. See Note 6 for more information on the convertible programmes.

Profit attributable to the parent's diluted ordinary shares

Parent	2023	2022
Profit attributable to the parent's ordinary shareholders	1,100	974
Reversal of interest expense for staff convertibles	—	—
Total	**1,100**	**974**

Weighted average number of diluted ordinary shares outstanding

Parent	2023	2022
Weighted average number of basic ordinary shares during the year	113,251,741	113,247,847
Effect of outstanding staff convertibles	—	—
Weighted average number of diluted ordinary shares during the year	**113,251,741**	**113,247,847**

Total number of shares

2022	Class A shares	Class B shares	Total number of shares	Of which own shares	Total number of outstanding shares
Opening balance 2022	4,290,336	108,922,135	113,212,471	—	113,212,471
Conversion to shares (convertible programme)	—	39,270	39,270	—	39,270
Closing balance 2022	**4,290,336**	**108,961,405**	**113,251,741**	—	**113,251,741**

2023	Class A shares	Class B shares	Total number of shares	Of which own shares	Total number of outstanding shares
Opening balance 2023	4,290,336	108,961,405	113,251,741	—	113,251,741
Conversion to shares (convertible programme)	—	—	—	—	—
Closing balance 2023	**4,290,336**	**108,961,405**	**113,251,741**	—	**113,251,741**

The total number of shares is divided into class A shares (10 votes per share) and class B shares (1 vote per share). As per the articles of association, the maximum permitted number of shares is two hundred and eighty million (280,000,000).

Note 13

Financial assets and liabilities

Responsibility for the Group's financial transactions and risks is held centrally by the parent's Treasury Department, which works in compliance with the policy established by the Board of Directors. The finance policy is intended to reduce financial risks at a cost that is reasonable for the Group. The aim is to ensure cost-effective financing while minimising the negative effects of market fluctuations on consolidated profit/loss. The Treasury Department identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units.

The Group is exposed to different kinds of financial risk through its operations, including exchange rate risk, interest rate risk, credit risk financing risk and liquidity risk.

Exchange rate risk

Exchange rate risk is defined as the risk that changes in exchange rates have a negative impact on the consolidated income statement, balance sheet and cash flow. Exchange rate risk can be split into translation and transaction exposures. Transaction exposure is the net of operating and financial inflows and outflows in foreign currencies. Translation exposure consists of the net assets and profit/loss of foreign subsidiaries in foreign currency.

Translation exposure

Translation exposure consists of the net assets and profit/loss of foreign subsidiaries in foreign currency. In line with current policy, the Group does not hedge translation exposure. In connection with major acquisitions, the translation exposure of net assets in foreign currency may be hedged by raising loans in the same currency as corresponding net assets. At the end of 2023, the Group's borrowing totalled SEK 3,141 million, denominated in EUR, of which SEK 2,521 million was designated as net investment hedges.

Transaction exposure

Transaction exposure is the net of operating and financial inflows and outflows in foreign currencies. Transaction exposure is relatively limited in the Group in comparison with sales, as sales and costs are mostly in local currency. Under the current policy, foreign currency inflows and outflows are hedged with derivatives when the net flow is expected to exceed SEK 1 million.

The Group's largest operational transaction exposure involves the currency pairs USD/CHF, EUR/CHF and EUR/SEK. An unhedged currency fluctuation of 10 percent in these currencies would affect the Group's operating profit by approximately SEK 19 million, SEK 14 million and SEK 10 million respectively on an annual basis. An unhedged currency fluctuation of 10 percent in all currencies would affect the Group's operating profit by SEK 64 million on an annual basis.

Interest rate risk

Interest rate risk is the risk that changes in interest rates may have a negative impact on the Group's net interest income/expense and cash flow.

The Group's exposure to interest rate risk relates primarily to outstanding external loans. Under the current policy, the Group raises loans both at fixed and variable interest rates. If necessary, the Group can use interest rate swaps to achieve the desired average fixed interest period. A change of 1 percentage point in market rates in the next twelve months would have an effect of SEK 30 million on the Group's interest expense. At the end of the year, loans and credit facilities consisted of bank loans, bond loans, commercial paper and employee convertibles at both fixed and variable interest rates. Interest swaps are used to convert variable interest rates to fixed interest rates. The Group's cash and cash equivalents are kept in central cash pools or in bank accounts in local banks. There are no other significant interest-bearing assets.

Credit risk

The Group's commercial and financial transactions give rise to credit risks in respect of the Group's counterparties. Credit risk or counterparty risk is the risk of loss if the counterparty does not fulfil its obligations. The credit risk consists of outstanding trade receivables and rendered but unbilled consulting assignments.

This risk is limited through the Group's credit policy. All new clients are vetted for creditworthiness and project services are invoiced on a pay-as-you-go basis to minimise the risk of bad debts. In addition, prepayments are applied to certain major projects to reduce credit risk.

The Group's ten largest clients, which account for 17 percent of Group sales, are all large multinational companies or publicly owned institutions and companies. The remaining 83 percent of net sales is spread over many clients. Counterparties to derivative contracts and cash transactions are limited to financial institutions with a high credit rating.

Financing and liquidity risks

The financing risk faced by the Group is the risk of not being able to raise new loans or refinance existing ones on acceptable terms. The Group is also exposed to liquidity risk, which is defined as the risk that it will not be able to meet its immediate payment obligations. The Group's policy is that the company's net debt in relation to EBITDA must not exceed 2.5 over time. For the Group, prudent management of financing risk also means having adequate cash and cash equivalents and committed credit lines. There is a procedure in place to ensure the availability of appropriate lines of credit. In accordance with the current policy, the company is to have cash and cash equivalents and unutilised credit facilities that together correspond to at least 6 percent of annual sales.

Over and above this yardstick, the Group has applied the following liquidity measure since July 2022 to ensure sufficient liquidity. The total of cash and cash equivalents, unutilised credit facilities and approved new issues in relation to liabilities which fall due over the next 12 months, plus forecast dividends over the next 12 months as well as contracted acquisitions must be at least 1.

Closing day exchange rate	2023	2022
CHF	11.98	11.29
DKK	1.49	1.50
EUR	11.09	11.12
NOK	0.99	1.06

Note 13, cont.

		2023				2022			
Group									
Financial assets	**Level**	**FVPL**	**Fair value via other comprehensive income**	**Amortised cost**	**Total**	**FVPL**	**Fair value via other comprehensive income**	**Amortised cost**	**Total**
Interest rate derivatives, hedge accounting applied	2		63		63		132		132
Forward exchange contracts, hedge accounting applied	2		26		26		15		15
Forward exchange contracts, hedge accounting not applied	2	36			36	45			45
Bought foreign exchange options	2	1			1	4			4
Financial investments				8	8			8	8
Non-current receivables				8	8			12	12
Trade receivables				5,429	5,429			5,205	5,205
Revenue generated but not invoiced				2,442	2,442			2,325	2,325
Cash and cash equivalents				1,167	1,167			1,088	1,088
Total		**36**	**89**	**9,053**	**9,179**	**49**	**147**	**8,638**	**8,835**
Financial liabilities									
Interest rate derivatives, hedge accounting applied	2		62		62		17		17
Forward exchange contracts, hedge accounting applied	2		13		13		18		18
Forward exchange contracts, hedge accounting not applied	2	75			75	54			54
Sold foreign exchange options	2	0			0	2			2
Contingent considerations	3	109			109	197			197
Bank loans				2,834	2,834			2,587	2,587
Bonds				2,500	2,500			2,500	2,500
Commercial paper				402	402			189	189
Staff convertibles				148	148			316	316
Lease liabilities				1,974	1,974			2,203	2,203
Work invoiced but not yet carried out				2,077	2,077			2,134	2,134
Trade payables				1,182	1,182			1,286	1,286
Accrued expenses, subcontractors				196	196			268	268
Total		**184**	**75**	**11,313**	**11,572**	**252**	**35**	**11,483**	**11,770**

Note 13, cont.

Parent		2023				2022			
Financial assets	**Level**	**FVPL**	**Fair value via other comprehensive income**	**Amortised cost**	**Total**	**FVPL**	**Fair value via other comprehensive income**	**Amortised cost**	**Total**
Interest rate derivatives, hedge accounting applied	2		62		62		101		101
Interest rate derivatives, hedge accounting not applied	2	1			1	31			31
Forward exchange contracts, hedge accounting applied	2		0		0		0		0
Forward exchange contracts, hedge accounting not applied	2	94			94	93			93
Bought foreign exchange options	2	1			1	4			4
Intra-group lending to subsidiaries				9,787	9,787			9,666	9,666
Non-current receivables				6	6			10	10
Trade receivables				268	268			300	300
Cash and cash equivalents				429	429			308	308
Total		**96**	**63**	**10,489**	**10,647**	**128**	**101**	**10,283**	**10,513**
Financial liabilities									
Interest rate derivatives, hedge accounting applied	2		16		16		0		0
Interest rate derivatives, hedge accounting not applied	2	47			47	17			17
Forward exchange contracts, hedge accounting applied	2		2		2		1		1
Forward exchange contracts, hedge accounting not applied	2	148			148	109			109
Sold foreign exchange options	2	0			0	2			2
Contingent considerations	3	0			0	21			21
Bank loans				2,813	2,813			2,564	2,564
Bonds				2,500	2,500			2,500	2,500
Commercial paper				402	402			189	189
Staff convertibles				148	148			316	316
Intra-group loans				3,408	3,408			3,212	3,212
Trade payables				257	257			278	278
Other current liabilities				882	882			1,089	1,089
Total		**195**	**18**	**10,410**	**10,622**	**149**	**2**	**10,149**	**10,300**

Note 13, cont.

Derivative instruments	Level	Group 2023	Group 2022	Parent 2023	Parent 2022
Forward exchange contracts, hedge accounting not applied					
Total nominal values		2,894	2,741	4,716	4,795
Fair value, profit	2	36	45	94	93
Fair value, loss	2	-75	-54	-148	-109
Fair value, net		**-39**	**-9**	**-54**	**-11**
Forward exchange contracts, cash flow hedging reporting					
Total nominal values		744	702	247	86
Fair value, profit	2	26	15	0	0
Fair value, loss	2	-13	-18	-2	-1
Fair value, net		**13**	**-2**	**-1**	**-2**
Bought foreign exchange options, no hedge accounting					
Total nominal values		48	270	48	270
Fair value, profit	2	0	2	0	2
Fair value, loss	2	—	—	—	—
Fair value, net		**0**	**2**	**0**	**2**
Sold currency options, no hedge accounting					
Total nominal values		92	540	92	540
Fair value, profit	2	—	1	—	1
Fair value, loss	2	0	0	0	0
Fair value, net		**0**	**1**	**0**	**1**

Measurement of fair value
Fair value corresponds with carrying amount, except for bond loans. The following provides a summary of the main methods and assumptions used to determine the fair value of the Group's financial instruments.

Derivative instruments
Forward exchange contracts, currency options and interest rate swaps are measured at market value in accordance with level 2, i.e. fair value determined using a measurement method based on directly observable market inputs, either direct (such as price) or indirect (derived from price), and which are not included in level 1 (fair value determined on the basis of quoted prices for the same instruments on active markets).

Non-current and current liabilities to credit institutions
Non-current and current liabilities to credit institutions are carried at amortised cost in the Group and parent.

Derivative instruments	Level	Group 2023	Group 2022	Parent 2023	Parent 2022
Interest rate currency swaps, hedge accounting not applied					
Total nominal values		—	—	1,850	1,850
Fair value, profit	2	—	—	1	31
Fair value, loss	2	—	—	-47	-17
Fair value, net		**—**	**—**	**-46**	**14**
Interest rate derivatives, hedge accounting for net investments applied					
Total nominal values		1,850	1,850	1,850	1,850
Fair value, profit	2	1	31	1	31
Fair value, loss	2	-47	-17	-47	-17
Fair value, net		**-46**	**14**	**-46**	**14**
Interest rate swaps, cash flow hedge accounting applied					
Total nominal values		1,354	1,056	1,354	500
Fair value, profit	2	62	101	62	101
Fair value, loss	2	-16	—	-16	—
Fair value, net		**47**	**101**	**47**	**101**

Commercial paper
Outstanding commercial papers are classified as long-term loans since the certificate programme is secured by underlying credit facilities with a maturity exceeding 12 months.

Bonds
The bonds are listed on Nasdaq Stockholm. The market value is based on the market price at the end of the reporting period.

Contingent consideration
Contingent considerations are measured at fair value in accordance with level 3. The calculation of contingent consideration is dependent on parameters in the relevant agreements. These parameters are primarily linked to expected EBIT for the acquired companies over the next two to three years.

An increase in expected EBIT means a higher liability for contingent consideration. Normally, there is a ceiling on each contingent consideration which limits how large the liability can become (for more information, see Note 3).

Maximum pay-out for contingent considerations totalled SEK 111 million (207) at the end of the reporting period.

Due date structure, financial liabilities

Group	2023 <1 year	1–2 years	3–5 years	> 5 years
Bank loans, SEK	50	375	423	877
Bank loans, EUR	—	—	554	554
Bonds	1,000	—	1,500	—
Commercial paper	—	—	407	—
Staff convertibles	149	—	—	—
Lease liabilities	601	476	782	114
Contingent considerations	89	22	—	—
Holdback	18	31	—	—
Trade payables	1,182	—	—	—
Accrued expenses, subcontractors	—	—	—	—
Interest	225	153	232	1

Group	2022 <1 year	1–2 years	3–5 years	> 5 years
Bank loans, SEK	550	50	644	231
Bank loans, EUR	—	—	556	556
Bonds	500	1,000	1,000	—
Commercial paper	—	190	—	—
Staff convertibles	171	149	—	—
Lease liabilities	578	427	804	394
Contingent considerations	75	131	—	—
Trade payables	1,286	—	—	—
Accrued expenses, subcontractors	268	—	—	—
Interest	151	138	209	18

Trade receivables

Age analysis of trade receivables that are due but not impaired	Group 2023	Group 2022	Parent 2023	Parent 2022
< 30 days	586	467	—	0
30–90 days	296	254	—	2
91–180 days	109	104	—	2
> 180 days	522	566	—	2
Total	**1,513**	**1,390**	**—**	**5**

Note 13, cont.

	Group		Parent	
Provision for doubtful receivables	**2023**	**2022**	**2023**	**2022**
Provision at start of year	171	126	–	–
Provision for anticipated losses	66	72	–	–
Established losses	-49	-12	–	–
Recovered losses	-39	-22	–	–
Acquired businesses	-3	-2	–	–
Exchange differences	-3	9	–	–
Provision at end of year	**141**	**171**	**–**	**–**

Credit quality

Client credit risk is handled in each subsidiary in accordance with the centrally established credit policy. Outstanding trade receivables are monitored and reported regularly within each company and within the Group. Provisions are made after individual assessment. The assessment of the amount which is expected to be received is based on careful analysis of the clients' ability to pay and the markets they operate in. The Group's ten largest clients, which account for about 17 percent of Group net sales, are all large multinational companies or publicly owned institutions and enterprises.

Loans and credit facilities

	Group		Parent	
	2023	**2022**	**2023**	**2022**
Non-current liabilities				
Bank loans	2,784	2,037	2,763	2,014
Staff convertibles	–	146	–	146
Bonds	1,500	2,000	1,500	2,000
Commercial paper	402	189	402	189
Lease liabilities	1,373	1,625	–	–
Total	**6,058**	**5,996**	**4,665**	**5,159**
Current liabilities				
Bank loans	50	550	50	550
Staff convertibles	148	171	148	171
Bonds	1,000	500	1,000	500
Lease liabilities	601	578	–	–
Total	**1,799**	**1,799**	**1,198**	**1,451**

AFRY has a Swedish programme for commercial paper that was established in 2017. In 2019, the programme was expanded from SEK 1,000 million to SEK 2,000 million. The programme enables the issuance of commercial paper with maturities of up to twelve months. At 31 December 2023, AFRY had issued commercial papers in the amount of SEK 402 million (189).

AFRY has a Swedish medium term note (MTN) programme that was established in May 2018. In 2019, the programme was expanded from SEK 3,000 million to SEK 5,000 million. At 31 December 2023, AFRY had outstanding bonds totalling SEK 2,500 million (2,500).

During the year, AFRY raised a five-year bilateral bank loan of SEK 800 million and a three-year bond of SEK 500 million. The company repaid a previous bank loan of SEK 500 million, due in March, a convertible loan of SEK 171 million, due in April, and a bond loan of SEK 500 million, due in June.

Until October 2023, AFRY held two syndicated revolving credit agreements totalling SEK 2,500 million (2,500): Revolving Facility Agreement 2014 (RCF 2020) and Revolving Credit Facility Agreement 2018. In October 2023, the previous credit facility agreements were replaced by a new agreement of SEK 2,500 million: a Revolving Credit Facility Agreement with a term of three years from 2023 to 2026. The new facility is provided in equal parts by Svenska Handelsbanken and SEB. At 31 December 2023, AFRY had utilised SEK 0 million (0).

AFRY has one staff convertible loan totalling SEK 149 million.

AFRY has a total of five bank loans, of which SEK 425 million is due for payment in April 2025, EUR 50 million in April 2027, SEK 800 million in April 2028, EUR 50 million in November 2028 and SEK 500 million in June 2029.

The agreements governing the Group's bank loans contain certain financial obligations that must be fulfilled to retain the loans and avoid increased borrowing costs. The most important obligation is net debt/operating profit (EBITDA). During the year, all financial obligations were met.

The Group's unused credit facilities amounted to SEK 3,055 million (3,056).

Conditions and amortisation periods

	2023			
Group	**Nom. amount in original currency**	**Carrying amount**	**Year due**	**Fair value**
Non-current liabilities				
Bonds, SEK	500	500	2026	508
Bonds, SEK	1,000	1,000	2026	1,010
SEK, variable interest rate	375	375	2025	375
SEK, variable interest rate	500	500	2029	500
EUR, variable interest rate	50	554	2027	554
EUR, variable interest rate	50	554	2028	554
Commercial paper	402	402	2024	402
Total		**3,886**		**3,903**
Current liabilities				
Bonds, SEK	1,000	1,000	2024	1,005
SEK, variable interest rate	50	50	2024	50
Total		**1,050**		**1,055**

	2022			
Group	**Nom. amount in original currency**	**Carrying amount**	**Year due**	**Fair value**
Non-current liabilities				
Bonds, SEK	1,000	1,000	2024	997
Bonds, SEK	1,000	1,000	2026	964
SEK, variable interest rate	425	425	2025	425
SEK, variable interest rate	500	500	2029	500
EUR, variable interest rate	50	556	2027	556
EUR, variable interest rate	50	556	2028	556
Commercial paper	189	189	2023	189
Total		**4,226**		**4,187**
Current liabilities				
Bonds, SEK	500	500	2023	499
SEK, variable interest rate	550	550	2023	550
Total		**1,050**		**1,049**

Contingent considerations (level 3)

Change, contingent considerations	**2023**	**2022**
Opening balance	**197**	**225**
Estimated liabilities, acquisitions	20	18
Payments	-103	-44
Changes in value recognised as acquisition related items	-19	-14
Adjustment of preliminary acquisition analysis	-1	-4
Discounting	11	3
Exchange differences	4	12
Closing balance	**109**	**197**

Note 14

Intangible assets

	Goodwill		Intangible assets related to acquired businesses		Other intangible assets		Total	
Group	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Cost	14,813	14,466	2,059	2,100	420	412	17,292	16,978
Accumulated amortisation	—	—	-1,124	-1,002	-373	-350	-1,497	-1,352
Accumulated impairment	-35	-35	—	—	—	—	-35	-35
Carrying amount	**14,778**	**14,431**	**935**	**1,098**	**47**	**62**	**15,760**	**15,591**
Opening carrying amount	14,431	12,814	1,097	1,172	62	60	15,590	14,045
Purchases	—	—	—	—	16	39	16	39
Divestments and disposals	—	—	—	—	-7	—	-7	—
Acquired businesses	357	893	11	21	0	—	368	914
Adjustment of acquisition analysis	-1	-4	—	—	—	—	-1	-4
Reclassification	19	—	—	—	—	—	19	—
Amortisation for the year	—	—	-176	-170	-24	-30	-200	-200
Impairment for the year	—	—	—	—	—	-11	0	-11
Exchange differences	-28	728	2	74	0	4	-26	807
Closing carrying amount	**14,778**	**14,431**	**935**	**1,097**	**47**	**62**	**15,760**	**15,590**

Group
The Group's intangible assets arise primarily from acquired businesses. These acquired intangible assets consist largely of goodwill, as it is mainly human capital in the form of employee skills that constitutes the value of consulting companies. Other intangible assets identified in connection with acquisitions include client relationships. For information on amortisation, see the accounting policies in Note 1.

Goodwill has been allocated to cash-generating units comprising the Group's segments.

Impairment tests on goodwill are carried out annually, during the fourth quarter or when there are indications that an impairment need has arisen, by discounting the anticipated future cash flow by a weighted average cost of capital per cash-generating unit. The present value of cash flows, the value in use, is compared with the carrying amount including goodwill and other intangible assets.

Forecasts used in respect of future cash flows are based on the forecast approved by Group management for the next year supplemented by an individual assessment of a further four years. From that point on, the calculation is based on an annual growth rate of 2 percent.

The forecasts are based on previous experience, internal judgements and external sources of information. The most important variable is operating margin, which is affected by hourly rate, capacity utilisation, payroll expenses and number of employees. No reasonable changes in the assumptions for these variables would lead to impairment.

The weighted average cost of capital is based on assumptions about average interest rates on 10-year government bonds, as well as company-specific risk factors and beta values. The forecast cash flows have been discounted to present value.

	Discount rate before tax, %	
Cash-generating unit	**2023**	**2022**
Infrastructure Division	12.5	11.0
Industrial & Digital Solutions Division	12.5	11.0
Process Industries Division	12.5	11.0
Energy Division	12.5	11.0
Management Consulting Division	12.5	11.0

	Goodwill	
Cash-generating unit	**2023**	**2022**
Infrastructure Division	4,797	4,786
Industrial & Digital Solutions Division	3,747	3,746
Process Industries Division	1,994	1,784
Energy Division	3,003	2,885
Management Consulting Division	1,237	1,231
Total	**14,778**	**14,431**

The comparison figures have been adjusted to account for organisational changes.

	Intangible assets	
Parent	**2023**	**2022**
Cost	22	15
Accumulated amortisation	-20	-10
Carrying amount	**2**	**5**
Opening carrying amount	5	9
Purchases	0	1
Divestments and disposals	—	—
Amortisation for the year	-4	-5
Closing carrying amount	**2**	**5**

Note 15

Property, plant and equipment

	Equipment, tools, fixtures and fittings		Land and buildings		Total	
Group	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Cost	1,545	1,419	4	5	1,549	1,424
Accumulated depreciation	-1,165	-1,066	-2	-3	-1,167	-1,069
Carrying amount	**380**	**353**	**2**	**3**	**382**	**355**
Opening carrying amount	353	331	3	164	355	495
Purchases	148	109	—	1	148	110
Divestments and disposals	-4	-2	-1	-154	-5	-156
Acquired businesses	2	8	—	0	2	8
Depreciation for the year	-118	-105	—	-1	-118	-106
Exchange differences	-1	11	—	-7	-1	5
Closing carrying amount	**380**	**353**	**2**	**3**	**382**	**355**

	Equipment, tools, fixtures and fittings	
Parent	**2023**	**2022**
Cost	398	352
Accumulated depreciation	-252	-219
Carrying amount	**146**	**133**
Opening carrying amount	133	125
Purchases	49	40
Depreciation for the year	-36	-31
Closing carrying amount	**146**	**133**

Note 16

Leasing

Right-of-use asset	**Premises**	**Vehicle**	**Other**	**Total**
Depreciation during the year	-573	-58	-1	-632
Closing balance 31 December 2023	1,578	109	0	1,688

The cost for newly acquired rights of use during the year is included in this amount. Additional amounts when reconsidering lease liabilities due to changed payments resulting from the change in the lease term are included in this amount.

Lease liabilities	**2023**	**2022**
Non-current	1,373	1,625
Current	601	578
Total	**1,974**	**2,203**

Amounts recognised in the statement of income	**2023**	**2022**
Depreciation of right-of-use assets	632	555
Interest on lease liabilities	70	48
Variable lease payments not included in the valuation of the lease liability	—	—
Income from onward leasing of right-of-use assets	8	7
Cost of short-term leases	29	32
Costs for low-value leases, not short-term leases with low value	115	105

Amount recognised in the statement of cash flows	**2023**	**2022**
Total cash outflows attributable to leases	606	492

Note 17

Participations in associates and joint arrangements

Group	**2023**	**2022**
Carrying amount at start of year	1	24
Participations in associates/joint ventures, profit after tax	0	8
Dividend distribution	—	—
Divested associates and joint arrangements	—	-31
Exchange differences	0	-1
Carrying amount at end of year	**1**	**1**

During the year, 40 joint arrangements expired.

Note 18

Prepaid expenses and accrued income

	Group		Parent	
	2023	**2022**	**2023**	**2022**
Rent	91	102	81	87
Support and maintenance agreements	106	115	95	104
Insurance	20	14	11	13
Other	100	81	8	3
Total	**317**	**311**	**196**	**207**

Note 19

Equity

Group
Holders of ordinary shares are entitled to dividends as approved annually by the Annual General Meeting. All shares have the same rights to the company's residual net assets. The quota value of the shares is SEK 2.50 (2.50).

The proposed dividend has not been recognised in these financial statements.

Dividends	2024	2023	2022
Dividend per share, SEK	5.50[1]	5.50	5.50
Number of shares outstanding	113,251,741	113,251,741	113,212,471
Dividend distribution	**623**	**623**	**623**

[1] Proposed dividend.

Reserves	Translation reserve	Hedge reserve	Fair value reserve	Total reserves
Opening balance, 2022	**154**	**60**	**20**	**234**
Translation difference for the year	624	—	—	624
Cash flow hedges	—	101	—	101
Interest rate swap	—	101	—	101
Tax	—	-16	—	-16
Closing balance 2022	**778**	**247**	**20**	**1,044**
Opening balance, 2023	**778**	**247**	**20**	**1,044**
Translation difference for the year	-85	—	—	-85
Cash flow hedges	—	-56	—	-56
Interest rate swap	—	-47	—	-47
Tax	—	10	—	10
Closing balance, 2023	**693**	**154**	**20**	**866**

Capital management
Capital is defined as total equity, which corresponds to equity in the consolidated balance sheet. AFRY's objective is for the Group to maintain a net debt position over time.

Net debt is measured in relation to EBITDA (net debt/EBITDA) and the financial target is 2.5 excl. IFRS 16 Leases.

At 31 December 2023, net debt/EBITDA excl. IFRS 16 Leases was 2.4 (2.5).

At 31 December 2023, net debt/EBITDA including IFRS 16 Leases was 2.5 (2.8).

There are external requirements in the agreements governing the bank loans. Additional information on these is given in Note 13.

There were no changes in capital requirements during the year.

Proposed appropriation of profits
Non-restricted profits of SEK 8,405,743,253 are at the disposal of the AGM. The Board of Directors proposes that these profits be appropriated as follows:

A dividend of SEK 5.50 per share is being paid to the shareholders	622,884,576
To be carried forward	7,782,858,677
Total	**8,405,743,253**

Note 20

Pension obligations

Of the Group's total number of employees at the end of the year, around 10 percent have pensions that are recognised as defined benefit. Other employees within AFRY have pensions that are recognised as defined contribution.

Defined-benefit plans exist in Sweden, Switzerland, Finland, Germany, Austria, Norway, the Philippines, Indonesia and Italy. The plans in Finland, Italy, the Philippines, Indonesia and Norway are not material.

The defined-benefit plans in Sweden and Switzerland are governed by a broadly similar framework of rules. The plans are final salary retirement plans which give employees benefits in the form of a guaranteed level of pension payment during their lives. The plans are exposed, broadly speaking, to similar risks. The Swedish plan, however, covers only pensioners and paid-up pension policyholders, while the Swiss plan covers only active employees. The plan in Switzerland is secured by a fund. The Swedish plan is unfunded. The defined-benefit plans in Germany are individual and partially funded. The company will meet the obligation to make payments for the unfunded plan when it runs out.

Alecta
For white-collar staff in Sweden, the ITP 2 occupational pension plan's defined-benefit pension obligation for retirement and survivor pensions is secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board this is a defined-benefit multiemployer plan. For the financial year, the company has not had access to the information required to recognise this plan as a defined-benefit plan. The ITP supplementary pensions plan for salaried employees' retirement benefits that is secured through insurance with Alecta is, therefore, recognised as a defined-contribution plan.

Contributions during the year for pension insurance with Alecta amounted to SEK 407 million (418). The fees for next year are expected to be in line with this year, adjusted for growth. Alecta's surplus may be allocated to the insurance policy holder and/or the insured. At the end of the year, Alecta's surplus in the form of the collective funding ratio was 157 procent (172). The collective funding ratio is the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial calculation assumptions, which are not in conformity with IAS 19.

If funding is low, one possible action is to raise the agreed price for new entrants and for the extension of existing benefits. If funding is high, one possible action is to reduce premiums.

Group
Defined-benefit plans

	2023	2022
Present value of funded obligations	-2,738	-2,466
Fair value of plan assets	2,830	2,730
Total	**92**	**265**
Present value of unfunded obligations	-113	-113
Unrecognised asset due to asset ceiling	-138	-307
Liability recognised in balance sheet	**-159**	**-155**
of which Sweden	*-17*	*-17*
of which Germany	*-88*	*-86*
of which Switzerland	*-12*	*-11*
of which other countries	*-42*	*-41*

Note 20, cont.

Actuarial gains and losses

	2023	2022
Financial assumptions	-88	402
Demographic assumptions	11	0
Experience-based adjustments	-66	-55
Total	**-143**	**347**

Allocation of plan assets

	2023	2022
Cash and cash equivalents	69	66
Equity instruments	798	792
Debt instruments	1,394	1,316
Real estate	460	453
Other	110	104
Total	**2,830**	**2,730**

The majority of the assets have a quoted market price.

Assumptions for defined-benefit obligations

Sweden	2023	2022
Discount rate, %	3.0	3.7
Inflation, %	1.7	2.0

Switzerland	2023	2022
Discount rate, %	1.5	1.9
Inflation, %	0.0	0.0
Future increase in pensions, %	0.0	0.0
Future increase in salaries, %	1.0	0.5

Germany	2023	2022
Discount rate, %	3.8	3.2
Inflation, %	2.6	2.6
Future increase in pensions, %	2.6	2.6

The discount rate is equivalent to the market interest rate on mortgage bonds and corporate bonds, respectively, with the duration corresponding to the average remaining term of the obligation.

Change in the defined-benefit net debt

	2023				2022			
Group	Present value of plan assets	Present value of obligations	Maximum ceiling, pension fund	Total	Present value of plan assets	Present value of obligations	Maximum ceiling, pension fund	Total
Opening balance	2,730	-2,579	-307	-156	2,778	-2,773	-220	-216
Current service costs	—	-57	—	-57	—	-68	—	-68
Past service costs	—	1	—	1	—	15	—	15
Change in special employers' contribution (Sweden)	—	0	—	0	—	0	—	0
Interest income/expense	55	-54	—	1	6	-4	—	2
Return on plan assets (excluding interest)	-89	—	—	-89	-292	—	—	-292
Actuarial gains/losses	—	-143	—	-143	—	402	—	402
Exchange difference	161	-145	—	17	358	-389	—	-32
Contributions by employer	88	—	—	88	73	—	—	73
Contributions by plan participants	58	-58	—	1	51	-51	—	0
Benefits paid	-174	183	—	9	-244	248	—	4
Acquisitions	—	—	—	—	0	10	—	10
Redemption of pension liability	—	—	—	—	—	31	—	31
Effect of asset ceiling on net defined-benefit obligations	—	—	169	169	—	—	-86	-86
Closing balance	**2,830**	**-2,851**	**-138**	**-159**	**2,730**	**-2,579**	**-307**	**-155**

Sensitivity analysis of pension obligations

	Sweden		Switzerland		Germany	
	Change in assumptions	Increase/ decrease	Change in assumptions	Increase/ decrease	Change in assumptions	Increase/ decrease
Discount rate	+/-0.50%	+/-1	+/-0.50%	+/-1	+/-0.50%	+/-5
Rate of salary increases	—	—	+/-0.50%	+/- 0	—	—

The sensitivity analysis is based on a change in one assumption while all other assumptions remain constant. It is unlikely that this will occur in practice, and changes in several of the assumptions may be correlated. Payments to plans are expected to total SEK 235 million (191) over the coming year. The average remaining term for the Swedish plan is 6 years (6), for the German plan, 10 years (11) and for the Swiss plan, 11 years (10).

Defined-contribution plans

Group	2023	2022
Cost of defined-contribution plans (including Alecta)	945	965

Parent	2023	2022
Cost of defined-contribution plans (including Alecta)	30	38

Defined-benefit plans

Parent	2023	2022
Present value of unfunded obligations	13	13
Net amount recognised for defined-benefit plans	**13**	**13**
Of this, covered by credit insurance via FPG/PRI	13	13

Changes in obligations during the year

Parent	2023	2022
Net present value of pension obligations at start of year	13	15
Cost excluding interest expense charged to profit or loss	1	-1
Interest expense	0	0
Payment of pensions	-2	-2
Net present value of pension obligations at end of year	**13**	**13**

All obligations are for pension provisions under the Pension Obligations Vesting Act.

Note 21

Other provisions

Change in non-current provisions

	Restructuring		Other		Total	
Group	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Carrying amount at start of period	15	13	90	59	106	72
Provisions during the period	8	9	17	53	25	61
Amount utilised during the period	-8	-2	-9	-21	-18	-23
Releases during the period	-3	-3	-7	-5	-10	-8
Transfer from non-current to current	—	-3	—	0	—	-3
Adjustment regarding previously acquired operations	—	—	-43	—	-43	—
Translation differences	0	1	-5	6	-5	6
Carrying amount at end of period	**12**	**15**	**42**	**90**	**54**	**105**

Change in current provisions

	Restructuring		Other		Total	
Group	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Carrying amount at start of period	25	13	20	21	45	34
Provisions during the period	60	94	16	14	76	108
Amount utilised during the period	-43	-82	-11	-13	-55	-95
Releases during the period	-1	-4	-4	-4	-5	-8
Transfer from non-current to current	—	3	—	0	—	3
Translation differences	0	1	0	2	0	3
Carrying amount at end of period	**40**	**25**	**21**	**20**	**61**	**45**

Parent

Other provisions

	2023	**2022**
Carrying amount at start of period	21	20
Provisions during the period	—	3
Amount utilised during the period	—	-3
Releases during the period	-22	—
Discounting of contingent considerations	0	0
Translation differences	1	2
Carrying amount at end of period	**0**	**21**

Of the recognised provisions, SEK 0 million (20) is for contingent considerations.

Note 22

Taxes

Recognised in profit or loss

Group	**2023**	**2022**
Current tax		
Tax for the period	-336	-271
Adjustment of tax attributable to previous years	-12	11
Deferred tax		
Deferred tax	7	15
Total recognised consolidated tax	**-341**	**-246**

Parent	**2023**	**2022**
Current tax		
Tax for the period	25	8
Adjustment of tax attributable to previous years	-1	1
Deferred tax		
Deferred tax	1	1
Total recognised parent tax	**25**	**11**

Note 22, cont.

Reconciliation of effective tax

Group	2023 (%)	2023	2022 (%)	2022
Profit before tax		1,441		1,220
Tax per parent's applicable tax rate	20.6	297	20.6	251
Effect of other tax rates for foreign subsidiaries	3.3	47	1.3	15
Non-deductible costs	2.6	37	2.3	28
Non-taxable income	-0.9	-14	-0.2	-3
Tax for previous non-capitalised loss carry-forwards	-2.7	-39	-1.5	-18
Effects of losses without corresponding capitalisation of deferred tax	0.6	9	-1.2	-14
Effect of changed tax rates	-0.1	-1	0.0	0
Tax attributable to previous years	0.8	12	-0.9	-11
Other	-0.5	-7	-0.3	-3
Recognised effective tax	**23.7**	**341**	**20.2**	**246**

Parent	2023 (%)	2023	2022 (%)	2022
Profit before tax		526		343
Tax per parent's applicable tax rate	20.6	108	20.6	71
Non-deductible costs	2.7	14	2.6	9
Non-taxable income	-20.7	-109	-24.2	-83
Tax attributable to previous years	0.1	1	-0.2	-1
Other	-7	-39	-2	-6
Recognised effective tax	**-4.7**	**-25**	**-3.2**	**-11**

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax asset		Deferred tax liability		Net	
Group	2023	2022	2023	2022	2023	2022
Non-current assets	76	26	-198	-287	-122	-262
Current receivables and liabilities	6	18	-116	-79	-110	-61
Provisions and non-current liabilities	84	84	1	0	85	84
Untaxed reserves	—	—	-79	-16	-79	-16
Loss carry-forward	37	58	—	—	37	58
Tax assets/liabilities	**204**	**186**	**-392**	**-382**	**-189**	**-196**
Set-off	1	15	-1	-15	—	—
Net tax assets/liabilities	**205**	**201**	**-393**	**-397**	**-189**	**-196**

Unrecognised deferred tax assets

Deductible temporary differences and loss carry-forwards for tax purposes for which deferred tax assets have not been recognised in profit or loss and balance sheets:

Group	2023	2022
Tax losses	170	286
Total	**170**	**286**

Deferred tax assets were not recognised for these tax losses, since it has not yet been deemed likely that the Group will be able to utilise them against future taxable profits. The losses are attributable to AFRY's subsidiaries in Germany, Switzerland, Poland, Brazil, Canada, Chile and Mexico. The majority of the tax losses expire within 10 years.

Change in deferred tax in temporary differences and loss carry-forwards

Group	Balance at 1 January 2023	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquisition/ divestment of business	Reclassification, translation differences, etc.	Balance at 31 December 2023
Non-current assets	-262	71	—	—	-9	78	-122
Current receivables and liabilities	-61	-58	—	—	—	8	-110
Provisions and non-current liabilities	84	0	4	8	—	-10	85
Untaxed reserves	-16	14	—	—	—	-78	-79
Loss carry-forward	58	-20	—	—	—	—	37
Total	**-196**	**7**	**4**	**8**	**-9**	**-2**	**-189**

Group	Balance at 1 January 2022	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquisition/ divestment of business	Reclassification, translation differences, etc.	Balance at 31 December 2022
Non-current assets	-294	37	—	—	-5	—	-262
Current receivables and liabilities	-54	-4	—	—	—	-2	-61
Provisions and non-current liabilities	76	-3	14	-15	—	12	84
Untaxed reserves	4	-20	—	—	—	0	-16
Loss carry-forward	54	4	—	—	—	—	58
Total	**-215**	**15**	**14**	**-15**	**-5**	**10**	**-196**

Note 23

Accrued expenses and deferred income

	Group		Parent	
	2023	2022	2023	2022
Personnel-related liabilities	1,683	1,568	162	76
Project-related liabilities	50	64	39	32
Accrued expenses, subcontractors	196	268	–	–
Other	436	404	35	30
Total	**2,364**	**2,303**	**235**	**138**

Note 24

Operating leases

Lease agreements in which the company is the lessee
Operating leases cover rental agreements for real estate, leases for vehicles and the lease of certain items of office equipment. The cars are leased primarily over three years.

The Group applies IFRS 16 Leases. For the parent, leases are reported according to RFR2.

Non-terminable minimum lease payments

	Premises		Other	
Parent	2023	2022	2023	2022
During the year	362	321	4	3
Within one year	306	297	4	3
Between one and five years	769	935	12	11
Longer than five years	31	127	–	–
Total	**1,468**	**1,679**	**20**	**17**

Note 25

Pledged assets, contingent liabilities and contingent assets

	Group		Parent	
	2023	2022	2023	2022
Pledged assets				
In the form of pledged assets for own liabilities and provisions	–	–	–	–
Total pledged assets	**–**	**–**	**–**	**–**
Contingent liabilities				
Guarantee commitments in favour of subsidiaries	–	–	308	198
Guarantee commitments	1,092	895	–	1
Total contingent liabilities	**1,092**	**895**	**308**	**199**

Guarantee commitments refer primarily to performance guarantees for tenders and the completion of projects.

Contingent assets
The Group has determined that no contingent assets exist.

Note 26

Related-party transactions

The parent has a related party relationship with its subsidiaries, see Note 27.

Summary of transactions with related parties
The ÅForsk Foundation, which holds 33.61 percent of the votes in AFRY AB, senior executives, associates and joint ventures are classified as related parties. Transactions with these parties took place on commercial terms.

Group	Year	Sale of services to related parties	Purchase of services from related parties	Receivables from related parties at 31 Dec	Liabilities to related parties at 31 Dec
Joint venture	2023	26	–	3	1
Joint venture	2022	0	–	–	–
Senior executives	2023	–	–	–	10
Senior executives	2022	–	–	–	34
ÅForsk Foundation	2023	1	–	–	–
ÅForsk Foundation	2022	1	–	–	–

In 2023, in addition to the above, the Group received SEK 0 million (0) in appropriations from the ÅForsk Foundation.
For details of other remuneration to senior executives, see Note 6.

Parent	Year	Sale of services to related parties	Purchase of services from related parties	Receivables from related parties at 31 Dec	Liabilities to related parties at 31 Dec
Subsidiaries	2023	1,470	247	10,412	3,507
Subsidiaries	2022	1,320	293	10,304	3,287
Senior executives	2023	–	–	–	3
Senior executives	2022	–	–	–	15
ÅForsk Foundation	2023	0	–	–	–
ÅForsk Foundation	2022	1	–	–	–

Note 27

Group companies

Comprehensive list of all Group subsidiaries

	Corp. ID number	Registered office	2023 Participating interest, %[1]	2023 Carrying amount in parent
AFRY Group Sweden AB	556158-1249	Sweden	100	374
AF Engineering (Chengdu) Co. Ltd.	91510100MA6C7ARL8F	China	100	–
AFRY Group Denmark A/S	42301256	Denmark	100	–
AFRY ApS	20 24 66 93	Denmark	100	–
ÅF Buildings Denmark P/S	34 07 48 01	Denmark	100	–
Komplementaranpartsselskabet Midtconsult	33 58 46 36	Denmark	100	–
AFRY Denmark A/S	13 59 08 85	Denmark	100	–
Gottlieb Paludan Architects A/S	18 35 59 49	Denmark	100	–
AFRY Management Consulting AB	556850-0515	Sweden	100	–
AFRY Ukraine LLC	42703305	Ukraine	100	–
AFRY X AB	559297-0379	Sweden	100	–
Alteco AB	556550-2209	Sweden	100	–
Lexter Ljuddesign AB	556738-2931	Sweden	100	–
Swedish Electrical and Power Control AB	559016-6152	Sweden	100	–
TM Konsult AB	556331-8012	Sweden	100	–
Weop AB	556813-7060	Sweden	100	–
Zert AB	556445-1812	Sweden	100	–
ÅF Digital Solutions AB	556866-4444	Sweden	100	–
ÅF-Consult AB	556101-7384	Sweden	100	–
ÅF-Industry AB	556224-8012	Sweden	100	–
AF Engineering & Design Pty Ltd	2018/414610/07	South Africa	100	–
ÅF-Infrastructure AB	556185-2103	Sweden	100	–
ÅF Sandellsandberg arkitekter AB	556464-9308	Sweden	100	–
Koncept Arkitektur och Design ÅF AB	556496-2941	Sweden	100	–
LeanNova Engineering AB	556880-7233	Sweden	100	0
AF Engineering (Shanghai) Co. Ltd.	9131000007482378XN	China	100	–
AFRY ENGINEERING INDIA PRIVATE LIMITED	U74999DL2019FTC347883	India	1	–
Light Bureau Limited	5333484	UK	100	4
ÅF-Consult Oy	1800189-6	Finland	100	46
AFRY India Private Limited	U74140DL2009FTC197507	India	0.002	–
UAB AF-Consult	135,744,077	Lithuania	100	–
ÅF-Consulting AS	10,449,422	Estonia	100	–
AF Consult do Brazil Ltda	08.307.539/0001-08	Brazil	84.95	8
AFRY CZ s.r.o.	453 06 605	Czech Republic	100	106
AFRY ENGINEERING INDIA PRIVATE LIMITED	U74999DL2019FTC347883	India	99	0
AFRY Group Norway AS	911,567,989	Norway	100	668
Advansia AS	883,889,762	Norway	100	–
AFRY Consult AS	934 948 262	Norway	100	–
AFRY Norway AS	915,229,719	Norway	100	–
AFRY Group Finland Oy	1009321-2	Finland	100	7,093
14865863 Canada Limited	1486586-3	Canada	100	–
AFRY (Beijing) Company Limited	91110105772553297R	China	100	–
AFRY (Chile) Limitada	76.389.454-1	Chile	0.1	–
AFRY (Peru) S.A.C.	20492556671	Peru	0.0004	–
AFRY (Shandong) Company Limited	91370100787416180G	China	100	–
AFRY Australia Pty Ltd	663,425,090	Australia	100	–
AFRY Austria GmbH	FN95496k	Austria	100	–
AFRY Buildings Finland Oy	2911977-7	Finland	100	–
Vahanen Eesti Ou	10965460	Estonia	100	–
Vahanen Romania S.R.L.	RO13591049	Romania	100	–
AFRY Canada Inc.	404505-0	Canada	100	–
AFRY Capital Limited	3639550	UK	100	–
AFRY Deutschland GmbH	HRB 704261	Germany	100	–
AFRY Management Consulting GmbH	HRB 50407	Germany	100	–
AFRY Engineering (Suzhou) Co., Ltd.	91320281094420443X	China	100	–
AFRY ERŐTERV ZRt.	Cg. 01-09-940929	Hungary	98.94	–
AFRY Estonia OÛ	1129 7 301	Estonia	100	–
AFRY Finland Oy	0625905-6	Finland	100	–

Note 27, cont.

			2023	
	Corp. ID number	Registered office	Participating interest, %[1]	Carrying amount in parent
AFRY France S.A.S.	429,750,300 R.C.S. Paris	France	100	–
AFRY GREECE S.A.	173011401000	Greece	100	–
AFRY Group Spain S.L.	C.I.F. B85756310	Spain	100	–
AFRY (Chile) Limitada	76.389.454-1	Chile	99.9	–
AFRY (Peru) S.A.C.	20492556671	Peru	99.9996	–
AFRY Solutions (Mexico) S.A. de C.V.	357161	Mexico	99.99	–
AFRY Solutions Spain, S.A.U.	A2004 9870	Spain	100	–
Mifecor S.A.	21 797395 0010	Uruguay	100	–
Pilowin S.A.	21 657336 0013	Uruguay	100	–
Pöyry Consultoria em Gestão e Negócios Ltda.	07.885.917/0001-60	Brazil	100	–
EPP - Empresa de Pagamentos Planejados Ltda	14.576.556/0001-35	Brazil	33	–
Pöyry Consultoria em Gestao e Negocios Ltda	81.679.268/0001-01	Brazil	100	–
Pöyry Soluções em Projetos Ltda	12.051.324/0001-38	Brazil	100	–
EPP - Empresa de Pagamentos Planejados Ltda	14.576.556/0001-35	Brazil	33	–
Pöyry Tecnologia Ltda.	50.648.468/0001-65	Brazil	100	–
EPP - Empresa de Pagamentos Planejados Ltda	14.576.556/0001-35	Brazil	34	–
AFRY Group Switzerland AG	CHE-340.373.992	Switzerland	100	–
AF-Consult Switzerland AG	CHE-105.949.521	Switzerland	100	–
AF Consult do Brazil Ltda	08.307.539/0001-08	Brazil	15.05	–
AF-Iteco AG	CHE-108.035.698	Switzerland	100	–
ITECO Nepal (Pvt.) Ltd	2616/043-44	Nepal	66.6	–
AFRY India Private Limited	U74140DL2009FTC197507	India	99.998	–
AFRY South-East Asia Ltd	105540071734	Thailand	100	–
Power Design International Ltd	224 309	Uganda	100	–
PT AF-Consult Energy Indonesia	4018020131100230	Indonesia	95	–
AFRY Management Consulting AG	CHE-108.336.384	Switzerland	100	–
AFRY Schweiz AG	CHE-108.100.605	Switzerland	100	–
AFRY (Thailand) Ltd	105539109073	Thailand	49.5	–
AFRY Contracting Philippines, Inc	CS201417557	Philippines	40	–
AFRY Group (Thailand) Ltd.	105549127651	Thailand	48.95	–
AFRY (Thailand) Ltd	105539109073	Thailand	50.5	–
AFRY Philippines, Inc.	A199718934	Philippines	40	–
IFEC Ingegneria SA	CHE-436.940.173	Switzerland	100	–

			2023	
	Corp. ID number	Registered office	Participating interest, %[1]	Carrying amount in parent
Poyry (B) Sdn Bhd	RC00006378	Brunei Darussalam	90	–
Poyry Energy Nigeria Limited	RC 1479096	Nigeria	0.1	–
Pöyry Infra de Venezuela, S.A.	(RIF) J-31047947-0	Venezuela	100	–
Pöyry Infra Ltd.	105534110367	Thailand	49	–
AFRY Group USA Inc.	049137, FEIN 39-1925989	USA	100	–
AFRY Management Consulting Inc.	FEIN 98-0442806	USA	100	–
AFRY USA LLC	FEIN 39-1909415	USA	100	–
AFRY (GA, IL, MI) Inc.	39-1825405	USA	100	–
AFRY Ireland Limited	404893	Ireland	100	–
AFRY Italy S.r.l.	3684000106	Italy	100	–
AFRY Malaysia Sdn Bhd	551240-M	Malaysia	100	–
AFRY Management Consulting (UK) Limited	2573801	UK	100	–
AFRY MANAGEMENT CONSULTING SPAIN, S.L.U.	B56617509	Spain	100	–
AFRY Management Consulting Austria GmbH	FN368887g	Austria	100	–
AFRY Management Consulting Oy	2302276-3	Finland	100	–
DigiTapio Oy	3010774-9	Finland	49	–
Simosol Vietnam Ltd.	402057447	Vietnam	100	–
AFRY Management Consulting S.r.l.	3357900962	Italy	100	–
AFRY Netherlands B.V.	88584917	Netherlands	100	–
AFRY Poland sp. z o.o.	150659	Poland	100	–
AFRY Singapore Pte. Ltd.	199200145K	Singapore	100	–
AFRY Solutions (Mexico) S.A. de C.V.	357161	Mexico	0.01	–
AFRY Solutions UK Limited	1192469	UK	100	–
Poyry Energy Nigeria Limited	RC 1479096	Nigeria	99.9	–
AFRY South Africa (Pty) Ltd	1997/011722/07	South Africa	100	–
AFRY Vietnam Ltd	109293058	Vietnam	100	–
Blix Consultancy B.V.	51465183	Netherlands	100	–
H-Blix Sp. z. o.o.	932746	Poland	50	–
CGMM Renewable Holdings Limited	587928	Ireland	100	–
JAAKKO POYRY SOUTHERN AFRICA (PTY) LTD	2005 / 043571 / 07	South Africa	100	–
Kiinteistö Oy Manuntori	0599822-8	Finland	34.2	–
PT AFRY Indonesia	01.869.762.3-058.000	Indonesia	95	–

[1] Participating interest refers to both voting share and proportion of total number of shares.

Note 27, cont.

Specification of changes in carrying amounts for the year

Parent	2023	2022
Opening carrying amount	8,316	8,328
Internal share transfer	-13	—
Divestment	—	-1
Impairment	-3	-11
Shareholders' contribution	—	—
Closing carrying amount	**8,300**	**8,316**

Note 28

Untaxed reserves

Parent	2023	2022
Accumulated additional depreciation		
Opening balance 1 January	98	97
Depreciation for the year, equipment	-13	1
Closing balance 31 December	**85**	**98**
Transfers to tax allocation reserve		
Opening balance 1 January	4	4
Reversal for the year	–	—
Provisions for the year	–	—
Closing balance 31 December	**4**	**4**
Total untaxed reserves	**89**	**103**

Note 29

Statement of cash flows

Interest paid and dividends received

	Group		Parent	
	2023	2022	2023	2022
Dividends received	—	—	346	402
Group contribution received	—	—	300	500
Interest received	59	12	547	229
Interest paid	-361	-179	-376	-143
Total	**-302**	**-167**	**817**	**987**

Adjustments for items not included in cash flow

	Group		Parent	
	2023	2022	2023	2022
Depreciation/amortisation	949	861	39	36
of which IFRS 16 Leases	*632*	*555*	—	—
Changed estimated contingent considerations	-20	-16	—	—
Restructuring reserve	-15	-25	—	—
Capital gain sold subsidiaries	—	—	-181	—
Transaction costs	13	7	—	—
Unrealised exchange differences	71	103	111	-3
Other	42	74	7	18
Total	**1,041**	**1,005**	**-24**	**51**

Cash and cash equivalents

	Group		Parent	
	2023	2022	2023	2022
Cash and bank balances	739	651	8	2
Balance in Group account with the parent	421	305	421	305
Investments in securities etc., equivalent to cash and cash equivalents	7	132	—	—
Total	**1,167**	**1,088**	**429**	**308**

Reconciliation of liabilities arising from financing activities

		Cash flows		Changes that do not affect cash flow			
Group	Opening balance	Cash receipts	Cash disburse-ments	Conversion	Translation difference	Other	Closing balance
Long-term bank loans	2,036	800	-25	—	-3	-25	2,784
Bond loans	2,500	500	-500	—	—	—	2,500
Short-term bank loans	550	0	-525	—	—	25	50
Commercial paper	189	3,028	-2,811	—	-3	—	402
Staff convertibles	316	—	-171	—	—	3	148
Lease liabilities	2,203	—	-606	—	—	377	1,974
Other	0	—	—	—	—	2	2
Total liabilities arising from financing activities	**7,795**	**4,328**	**-4,639**	**—**	**-6**	**382**	**7,859**

		Cash flows		Changes that do not affect cash flow			
Parent	Opening balance	Cash receipts	Cash disburse-ments	Conversion	Translation difference	Other	Closing balance
Long-term bank loans	2,014	800	-25	—	-1	-25	2,763
Bond loans	2,500	500	-500	—	—	—	2,500
Short-term bank loans	550	0	-525	—	—	25	50
Commercial paper	189	3,028	-2,811	—	-3	—	402
Staff convertibles	316	—	-171	—	—	3	148
Total liabilities arising from financing activities	**5,569**	**4,328**	**-4,033**	**—**	**-5**	**3**	**5,863**

Note 30

Events after end of reporting period

Acquisitions after the end of the reporting period
After the end of the reporting period, AFRY acquired the following companies:
Carelin Oy, Finland, with annual sales of around SEK 60 million and 40 employees.
SOM System Kft. and TTSA Mérnökiroda Kft, Hungary, with annual sales of around SEK 30-40 million and 20 employees.
Both acquisitions will be consolidated into AFRY as of March 2024.

Note 31

Critical accounting estimates

Noteworthy sources of uncertainty in estimates

The Group makes estimates and assumptions about the future. The resulting accounting estimates will rarely correspond to the actual outcome. Estimates and judgements are reviewed regularly and are based on historical experience and other factors, including the expected outcomes of future events that are considered reasonable under the circumstances.

The main features of the estimates and assumptions which represent a significant risk of material adjustments to the carrying amounts of assets and liabilities during the coming financial year are presented below.

Impairment test of goodwill

When calculating the recoverable amount of cash-generating units, several assumptions about future circumstances and estimates of parameters have been made. Changes to these assumptions and estimates could affect the carrying amount of goodwill (see Note 14).

A declining growth rate and reduced operating margin would result in a lower recoverable amount. The reverse applies if the calculation of the recoverable amount is based on a higher growth rate or margin. Were future cash flows to be discounted at a higher rate of interest, the recoverable amount would be lower. Conversely, the recoverable amount would be higher with a lower discount rate. The impairment test for the year did not give rise to any material impairment in respect of goodwill.

Pension assumptions

The Group's net obligations concerning defined-benefit plans are calculated separately for each plan by estimating the future payment which the employees earned through employment in previous periods. This payment is discounted to present value. The calculation of the size of the Group's total pension commitments is based on several assumptions (see Note 20). Were a lower discount rate to be used, the obligations would increase and have a negative effect on consolidated equity. The reverse applies if a higher discount rate is used.

Judgement on forecast and stage of completion of contracts

The Group recognises income based on fulfilment of performance obligations over time and as the service is provided. Revenue recognition is based on costs with accumulated costs set in relation to total estimated costs. This means that the Group must perform multiple estimates of the percentage of total expenditures represented by accrued expenditures at the end of the reporting period. The forecasts for each assignment also represent an estimate of final income and expenditure.

Disputes

There is a risk that disputes may arise in the course of AFRY doing business, such as in client assignments and in conjunction with acquisitions. At year-end, the Group recognised provisions based on a best judgement. The most material disputes in 2023, both in progress and settled, are summarised below.

Disputes arising from the construction of the Brazilian nuclear power plant Angra 3

Legal proceedings are currently being held in Brazil concerning accusations of corruption relating to the awarding of contracts in connection with the procurement of the Brazilian nuclear power plant Angra 3. The previous Brazilian president Michel Temer is the focus of the proceedings, but accusations of corruption have also been lodged against several other people and companies, including some of AFRY's foreign subsidiaries. A former employee of AF Consult do Brazil Ltda has been charged with embezzlement of public funds. In June 2019 the Brazilian prosecutor brought a civil suit against certain subsidiaries of the AFRY Group as well as other parties, which included claims for damages. The Brazilian prosecutor's arguments include that AFRY's subsidiaries ÅF Consult OY and AF Consult do Brazil Ltda were awarded the Angra 3 contract as part of an arrangement to facilitate the transfer of benefits to the former president from one of AFRY's clients. AFRY has disputed the accusations and the prosecution. Most of the process has taken place via written correspondence between the judge, prosecutor and defendant in 2023 and is expected to continue in 2024. The Angra 3 contract is furthermore being examined by the Court of Auditors in Brazil, and a formal arbitration proceeding might be initiated by AF Consult do Brazil Ltda against the owner of Angra 3 in 2024.

Contraloria proceedings in Peru

The Office of the Comptroller General of the Republic of Peru (Spa. La Contraloria General De La Republica, here referred to as "Contraloria") has initiated several legal proceedings concerning the Metro Lima project in Peru against a consortium in which an AFRY subsidiary participated. In 2013 Contraloria brought an action in court in Lima, Peru, with a claim of a total of USD 54 million, concerning alleged harm caused by the consortium, particularly concerning certain alleged failures to perform contracted undertakings. A judgement was delivered in the first instance in the end of 2022, in favor of the consortium, but was appealed by Contraloria. In March 2023 the higher court sent the case back to the first instance and a new judgement is expected in 2024.

Dispute in Latvia

The Latvian Prosecutor's Office has brought charges in a Latvian court against AF-Consult Switzerland AG and two former ÅF employees. The action concerns suspected influence peddling in 2010 via AF-Consult Switzerland AG's previous agent in Latvia in connection with a project to renovate a power plant in Riga. AF-Consult Switzerland AG has disputed the accusations and the prosecution. The main proceedings began in summer 2019 but have been severely delayed, partly due to the COVID-19 pandemic, and are expected to continue in 2024.

Note 32

Information about the parent

AFRY AB is a Swedish public limited company domiciled in Stockholm. The parent's shares are listed on Nasdaq Stockholm. The postal address to the company's head office is AFRY AB, SE-169 99 Stockholm, Sweden.

The consolidated financial statements for 2023 comprise the parent and its subsidiaries, which together form the Group. The Group also includes participations in associates.

Signatures

The undersigned declare that the consolidated accounts and annual report were prepared in accordance with IFRS, as approved by the EU, and with generally accepted accounting practices, and give a fair presentation of the position and performance of the Group and the company, and that the Group administration report and the administration report give a fair review of the progress of the Group's and the company's operations, position and performance, as well as describing the material risks and uncertainty factors to which the companies that are members of the Group are exposed.

Stockholm, 21 March 2024

Tom Erixon
Chairman of the Board

Gunilla Berg
Director

Henrik Ehrnrooth
Director

Carina Håkansson
Director

Neil McAthur
Director

Joakim Rubin
Director

Kristina Schauman
Director

Tuula Teeri
Director

Jessica Åkerdahl
Director,
employee representative

Bodil Werkström
Director,
employee representative

Jonas Gustavsson
President and CEO

Our Audit Report was presented on 21 March 2024

KPMG AB

Joakim Thilstedt
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of AFRY AB, Corp. ID No. 556120-6474

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AFRY AB for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 53–103 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the sustainability report on pages 1–2. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the Group.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue and cost recognition for fixed price projects

See disclosure 2, 31 and accounting principles on page 70 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Some of the Group's revenues originate from customer projects where the Group has undertaken to execute the project for a fixed price. For fixed-price projects, the Group recognises revenue and costs as the projects are completed in relation to the degree of completion, which is calculated based on costs incurred in relation to estimated total costs at the completion of the projects. Anticipated losses are expensed in their entirety as soon as they are known.

Revenue and income recognition are based on estimates of the total cost and revenue of each project. Changed assessments during the implementation of the projects may cause a significant impact on the Group's profit/loss and financial position. Project forecasts are regularly evaluated by the Group during the duration of each project and adjusted as needed.

Remodelling and extra work as well as requirements are considered when the Group deems it likely that the amount will be received from the client and when the amount can be reliably measured.

Response in the audit

We have kept ourselves informed about and evaluated the Group's process for reviewing projects, including procedures for identifying loss projects and/or high-risk projects, as well as the process for assessing revenue and costs (including assessment of changes and expansion work). We have selected a sample of the projects in order to asses the most important estimates. For these projects, we have discussed and challenged management's assessments in the form of estimated final forecasts, we have assessed whether the projects' risks and opportunities have been reflected in a balanced way in the project evaluations and we have assessed loss contracts and whether loss risk reserves reflect the risks of the projects.

We have furthermore evaluated reports from legal experts, both the Group's own legal experts and externally engaged, concerning disputes, and we have assessed whether and how these disputes have been taken into consideration in the project forecasts.

Evaluation of goodwill and the parent's participations in Group companies

See disclosure 14, 27 and 31 and accounting principles on pages 69 and 71 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The consolidated carrying amount of intangible assets in the form of goodwill amounted to SEK 14 779 million at 31 December 2023, which is approximately 52 percent of total assets. Intangible assets with an indefinite useful life should be tested for impairment annually or upon indication of a decline in value. An impairment test is complex and relies upon a significant number of assessments.

According to IFRS, an impairment test must be performed using a certain technique where the senior management must make forecasts about both internal and external conditions and plans. Examples of such assessments are future cash flows and the discount rate that should be used to consider the fact that future estimated payments are associated with risk.

The parent recognised SEK 8 289 million in participations in Group companies as at 31 December 2023. If there are indications of significant impairment needs, for example if the value of the shares exceeds the consolidated value, the same type of testing is performed, using the same technique and initial values described above.

Response in the audit

We have taken part in and assessed the impairment test to ensure that it has been carried out in accordance with the technique prescribed by IFRS.

Furthermore, we have assessed the reasonableness of future cash flows and the assumed discount rate by taking part in and evaluating senior management's written documentation and plans. We have also evaluated previous assessments in relation to actual outcomes. An important part of our work has also been to evaluate how changes in assumptions can affect valuation.

We have also verified the completeness of the disclosures in the annual report and assessed whether they are consistent with the assumptions that senior management has applied in its valuation, and whether they essentially correspond to the disclosures to be provided in accordance with IFRS.

Change in contingent considerations from acquisitions

See disclosure 3 and 13 and accounting principles on page 71 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of the key audit matter

The Group may agree with the seller on a contingent consideration for acquisitions, which usually means that parts of the consideration depend on the financial performance of the acquired business. The value is calculated based on the terms of the agreements and includes estimates of future sales growth and the operating margin that has been calculated at present value. The calculation of the value depends on significant estimates. If the actual outcome deviates from these assumptions or if the assumptions about the future financial performance of an acquired business change, this means a change in the value of recognised contingent considerations which are recognised in the income statement as they arise.

Liabilities for contingent considerations are measured at fair value in the balance sheet and amounted to SEK 109 million at 31 December 2023. Maximum contingent consideration paid totalled SEK 164 million at the end of the reporting period.

Response in the audit

In our audit, we analysed a selection of agreements from completed acquisitions and the parameters on which the conditional considerations are based. We also assessed the Group's assumptions regarding future earnings trends and thus the amount of conditional purchase price.

We have also verified the completeness of the disclosures in the annual report and assessed whether they are consistent with the assumptions that senior management has applied in its valuation, and whether they essentially correspond to the disclosures to be provided in accordance with IFRS.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-41, 104–130 and 132–138. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the President and CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the President and CEO

The Board of Directors and the President and CEO are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the President and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the President and CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the President and CEO intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the President and CEO.
- Conclude on the appropriateness of the Board of Directors' and the Management Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors about matters including the planned scope, focus and timing of the audit. We must also inform them of significant audit findings, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated to the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Auditor's audit of the administration and the proposed appropriations of profit or loss
Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AFRY AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President and CEO be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the President and CEO
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The President and CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the President and CEO in any material respect:
- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The Auditors' audit of the ESEF Report
Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the President and CEO have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for AFRY AB for year 2023.
Our examination and our opinion relate only to the statutory requirements.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of AFRY AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the President and CEO
The Board of Directors and the President and CEO are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the President and CEO determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the President and CEO, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the President and CEO.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of AFRY AB by the general meeting of the shareholders on the 27 April 2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2017.

Stockholm, 21 March 2024

KPMG AB

Joakim Thilstedt
Authorised Public Accountant

Sustainability notes

Contents

Note S1

About the sustainability report

The sustainability report, which is also consistent with AFRY's statutory sustainability report in accordance with Chapter 6 of the Swedish Annual Accounts Act, is covered on pages 12 (sustainability targets), 16 (value creation), 26-29 (strategy), 30-34 (sustainability), 35-39 (employees), 42-46 (corporate governance report), 47-48 (Board of Directors' report on internal control relating to sustainability), 58-60 (risks linked to the environment and climate, corruption, human rights and employees) and 104–130 (sustainability notes). The sustainability report covers the companies in the AFRY Group, in accordance with the same principles applied to financial reporting.

AFRY publishes a sustainability report annually which is signed by the Board of Directors. AFRY's sustainability report for the 2023 financial year is prepared in accordance with the Global Reporting Initiative (GRI) Standards and has been reviewed by the company's independent auditors. The year's report was published on March 25th 2024. See the auditor's Limited Assurance Report of the sustainability report and statement of the statutory sustainability report on page 131.

The content of this year's report was established based on the results of the materiality assessment conducted in 2020. Information and data applies to the entire Group and is valid as of 31 December 2023 unless specified otherwise. Statistics on employees refer to the number of head counts (and not FTEs), and have been consolidated from the HR system as at 31 December 2023 for all companies in the Group unless otherwise stated.

Changes compared to the previous year

In November 2023, the business division AFRY X ceased to exist and was integrated into other divisions. This means that the total number of divisions has gone from six to five. No other significant changes were made to the company's size, organisation, ownership or supply chain. Changes relating to acquisitions, mergers and divestments are referred to in the information on page 54 of the annual report.

Otherwise, no major changes have been made to the report's frameworks or recalculations. Any other changes or recalculations are reported in connection with the disclosure.

Contact point

Inquiries about the sustainability report should be directed to:
Henrik Tegnér, Head of Strategy and Sustainability, +46 10 505 00 00.

Note S2

Stakeholder dialogue and materiality assessment

A close dialogue with our stakeholders is central to AFRY's sustainability work. The dialogue is ongoing in all projects, through meetings and other contacts that we have with the most important stakeholders. Sustainability topics are often part of the dialogue, not least in connection with client assignments. This integrated annual and sustainability report provides an ongoing description of how AFRY meets the demands and expectations of stakeholders.

The table on this page lists our most important stakeholders, how we conduct an ongoing dialogue and what topics the various stakeholders regard as most important. These stakeholders are significant to AFRY because they have a major impact on the company and are affected by the company's operations.

How we engage in dialogue and important topics

Stakeholders	How we engage in dialogue	Important topics
Clients	Client meetings, project meetings, follow-up interviews after finished projects, website, participation in client events	Business ethics, satisfaction, perceived quality, prices, contracts, procurement, deliveries, sustainability where environmental impact including climate impact is of major importance, consultants' sustainability expertise, quantification of climate impact in the tender stage
Employees	Performance reviews, intranet, workplace meetings, conferences, internal training, leadership programmes, newsletters, AFRY's Youth Panel	Well-being, salary, business ethics, work environment and skills development, type of assignment, management of assignments in sectors with particular impact on the world
Partners	Planning meetings, project meetings, website	Prices, agreements, business ethics
Shareholders	Investment events, for example in connection with quarterly reports, capital market days, annual general meetings, interviews, website, newsletters, other meetings	Growth, profitability, business ethics, risk and control, sustainability and macro trends as drivers of profitability and new business opportunities, how strategic sustainability efforts develop, EU Taxonomy
Suppliers	Supplier meetings, follow-up meetings, requests for quotes and procurements, interviews and surveys	Contract negotiations, compliance with our Business Partner Criteria
Media, students, authorities and organisations, universities and colleges	Website, mail, attendance at conferences, counselling on specific issues	Topics on how sustainability efforts are progressing, our offering and business associated with sectors that have a climate impact

Cont. Note S2

Materiality assessment
In 2020, AFRY conducted a materiality assessment which included a pre-study including a benchmark, a stakeholder dialogue – as a complement to the ongoing dialogue with important stakeholders as described above – as well as an assessment of AFRY's impact on society within each of the sustainability topics. This provided the foundation for identifying our material sustainability topics and further developing our sustainability initiatives.

The stakeholder dialogue consisted of a survey sent to both external stakeholder groups and all employees, as well as in-depth interviews with members of the Board of Directors and Group Executive Management to understand how stakeholders prioritise different topics of relevance to AFRY's sustainability efforts. The sustainability topics included in the assessment are presented in the illustration to the right. The survey was answered by 5,887 people, of whom 5,601 were employees. The surveys were also answered by clients, suppliers, students, shareholders, investors and stakeholder associations.

The results of the stakeholder dialogue, including the analysis of the in-depth interviews with members of the Board of Directors and Group Executive Management and dialogues with the entire Group Executive Management, form the basis of the outcome 'significance to stakeholders'. The result is presented in the y-axis in the illustration to the right.

AFRY's impact on society was assessed in a workshop where the AFRY Group's sustainability team and other sustainability experts participated. Each sustainability topic was assessed in relation to potential or actual impact on the environmental, social and economical dimensions. The outcome of the assessment was validated in discussions with selected members of Group Executive Management. The result is presented in the x-axis in the illustration to the right.

The materiality principle was applied using a weighted assessment of the results of the stakeholder dialogue, along with an assessment of AFRY's impact on society. The most material sustainability topics according to the materiality assessment are:
– Good business ethics
– Physical and mental well-being
– Sustainable solutions
– Accelerate the sustainability transition
– Client responsibility

The result of the materiality assessment is presented in the illustration to the right. Delimitations for each sustainability topic are described in the report in the next section.

Preparing for the CSRD
During 2023, we started developing a new materiality assessment. The new materiality assessment follows the principle of double materiality based on the EU's Corporate Sustainability Reporting Directive (CSRD) and associated European Sustainability Reporting Standards (ESRS). This means that the we evaluate the impact our operations have on the world, as well as the financial impact of sustainability topics to our business. The assessment covers the impact throughout the entire value chain – from our business, through our client assignments and supply chain, as well as whether the impact takes place over the short, medium or long term.

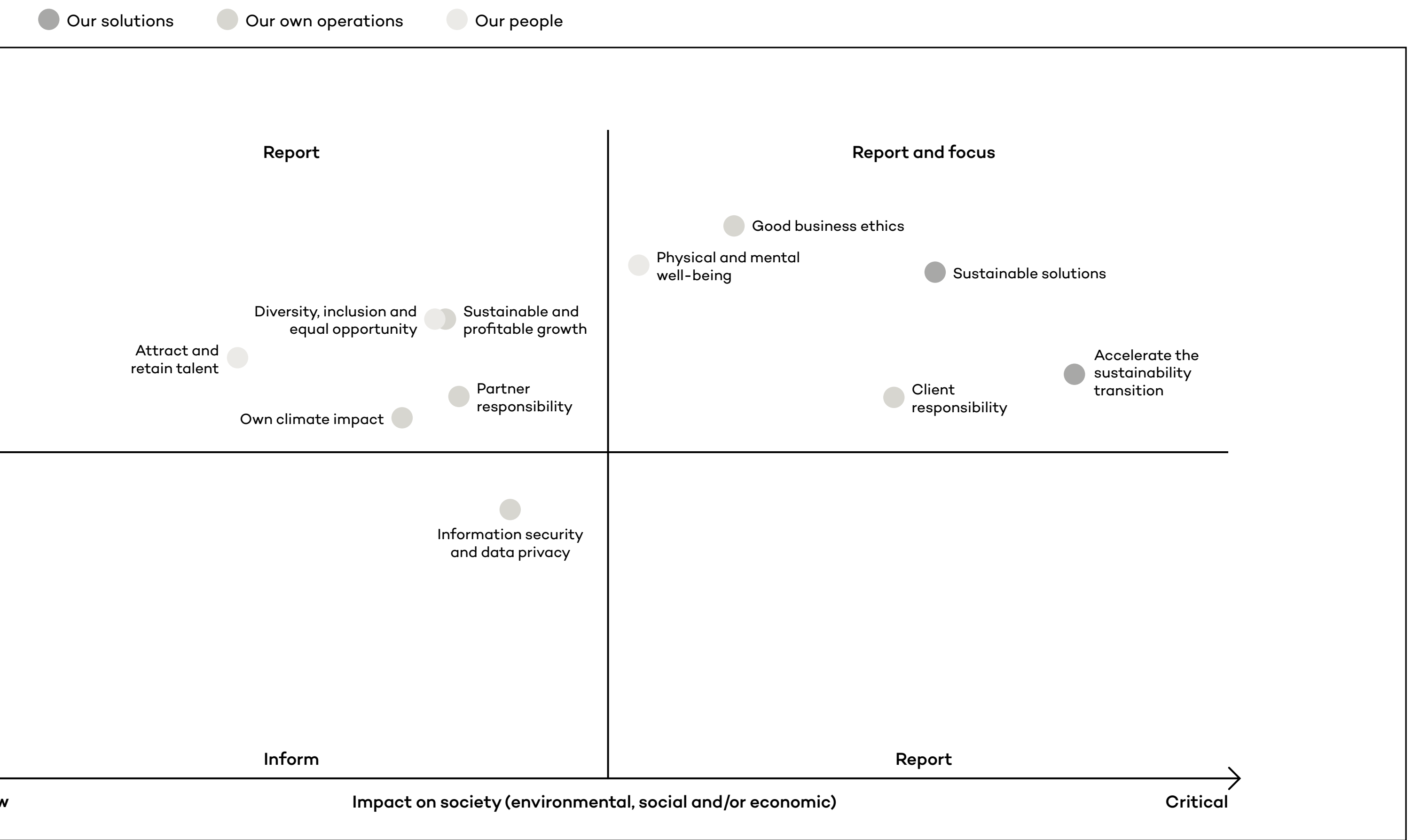
The new materiality assessment will be a central component of our future reporting in line with the directive when it comes into force.

Forward-looking efforts have also been initiated to increase understanding of the company's sustainability-related impact, risks and opportunities. All parts are connected to our work with the materiality assessment but will provide a valuable basis for our overall sustainability efforts.

Based on the work performed during 2021–2022 on implementing the TCFD's (Taskforce on Climate Related Financial Disclosures) recommendations, a project has been launched to take the next step in our ability to evaluate and manage the company's climate-related financial risks and opportunities. This identification builds on the company's business structure and global geographic presence, and evaluates both physical risks and change-over risks, as well as what opportunities arise in the sustainable transition. Based on the results, scenario analyses will be carried out that take a position on how the business would be affected based on the science-based future climate scenario.

From stakeholders as well as regulatory authorities, demands from the outside world to understand and manage potential risks in the supply chain are increasing. One example is the EU's upcoming Corporate Sustainability Due Diligence Directive (CSDDD), which aims to strengthen corporate accountability for sustainability issues and potentially negative impacts in their value chains. During the autumn of 2023, AFRY started work on mapping the company's supply chain. This initiative serves several purposes in our ongoing sustainability work, but will primarily increase the capacity to identify, monitor and reduce environmental and social risks in our supply chain in the long term. As a further step, work is ongoing on deepening our understanding of the impact in the sectoral value chains within which we offer solutions to our clients.

Materiality matrix



Note S3

Sustainability objectives and targets

AFRY's sustainability ambitions encompass our most important sustainability topics throughout our value chain and encompass our people, our own business and our solutions. A number of Group common sustainability targets have been established for our material sustainability topics which, together with a figure and KPI, lay the foundation for managing sustainability efforts.

External evaluations of our sustainability initiatives
Studies and evaluations of our sustainability initiatives are important tools for clients, investors and other stakeholders. AFRY participates, both voluntarily and at the request of clients and investors, in several studies and evaluations of our sustainability initiatives.

In 2023, AFRY received top ratings from several evaluations of our sustainability initiatives, which demonstrates our continuous improvement and commitment to sustainability. In the EcoVadis evaluation, AFRY was awarded the Platinum level, the highest level, with a score of 79/100, placing us among the top one percent of all companies evaluated by EcoVadis.

The recognised climate-reporting initiative CDP (formerly Carbon Disclosure Project) gave AFRY a B ranking, which is above the average for companies in the same sector. This rating demonstrates that we take responsibility for our climate impact, and assures good management of the topic.

During the year, AFRY was also certified as a Nasdaq ECG Transparency Partner. With this certification, AFRY shares its sustainability data with Nasdaq's ESG database and thereby signals our engagement in increased market transparency and our intention to raise performance within environmental, social and governance issues.

According to the analysis carried out by Moody's Analytics in mid-2023 based on externally published information, AFRY performs better in the climate-related area compared with companies in the same sector, receiving 73/100 points compared with the sector average at 50/100.

This is a recognition of our efforts, but it also support AFRYs work on identifying areas that are essential to target our efforts and resources in order to strengthen our contribution to the transition to a sustainable society. The insights from the evaluations inform both strategic and reporting developments, with increased transparency and performance.

To read more about external evaluations of our sustainability initiatives, see page 9.

AFRY's sustainability targets and outcomes	Our solutions	Our own operations	Our people
Objective	Increase our net positive impact and fully integrate sustainability in our solutions to generate long-term value for our shareholders, our clients, people and the planet.	Conduct business responsibly and ethically. Set ambitious targets and reduce our emissions in line with the 1.5°C climate target.	Promote brave leadership, inclusion and diversity. Safeguard well-being, health and safety. Attract the best people to continue to improve our business and solutions.
Sustainability topics	• Sustainable solutions • Accelerate the sustainability transition	• Good business ethics • Client responsibility • Partner responsibility • Information security and data privacy • Sustainable and profitable growth • Own climate impact	• Physical and mental well-being • Diversity, inclusion and equal opportunity • Talent attraction and retention
Governance	• Code of Conduct • Sustainability Policy • Risk Management Policy • Sales and delivery process	• AFRY 1.5°C Roadmap • Code of Conduct • Sustainability Policy • Health, Safety, Environment and Quality Policy • Compliance and Ethics Policy • Business Partner Criteria • Human Rights and Modern Slavery Statement • Information and IT Security Policy	• Code of Conduct • Health, Safety, Environment and Quality Policy • People Policy
Strategy pillar	• Increase client value • Scale globally in decarbonisation, energy and biobased material • Strengthen position and profitability in infrastructure • Grow Nordic industrial and digital portfolio, expand globally in niches	• Drive operational excellence	• Be the employer of choice
Overarching Group sustainability targets & outcome 2023 (2022)	• Increase taxonomy-eligible turnover (eligibility) **Outcome:** 41% (42%) • 95% of employees who completed sustainability training[1] **Outcome:** 92.8% (88.3%)	• Halve CO_2 emissions by 2030 and achieve net zero emissions by 2040[2] **Outcome:** −32% (−31%) • 95% of employees who completed training in AFRY's Code of Conduct[1] **Outcome:** 97.6% (96.5%)	• 40 percent female leaders by 2030[1] **Outcome:** 26.6% (25.3%) • Increase employee engagement[3] **Outcome:** 78 (78)
Supportive KPIs & outcome 2023 (2022)	• Employees' awareness of their contribution to accelerating the sustainability transition through their assignments or daily work[3] **Outcome:** 71% (65%)	• Reported absolute emissions (tonnes CO_2) **Outcome:** 14,553 (15,040)[6] • Emission intensity (kg CO_2/employee) **Outcome:** 767 (804) • Average emission level for company cars (g CO_2/ km)[5] **Outcome:** 45 (52)	• Female employees[1] **Outcome:** 30.3% (29.6%) • Leadership Index[3] **Outcome:** 82 (82) • Organisational and Social Work Environment Index[3] (OSI) **Outcome:** 77 (80) • Lost Time Injury Frequency (LTIF)[4] **Outcome:** 0.59 (0.31) • Sickness absence **Outcome:** 2.70% (2.97%)
Read more	Pages 107–117	Pages 118-123	Pages 124-127

1) Permanent employees.
2) Base year 2019 (21,550 tonnes CO_2). Refers to CO_2 emissions from AFRY's own operations (business travel and energy consumption in offices). AFRY has validated near-term Science Based Targets.
3) Outcome from the Employee Engagement Survey. Previous result reflects outcome from 2021 as the survey was not performed in 2022.
4) Outcome has been updated compared with what was reported in 2022 based on a new calculation method.
5) Concerns vehicles in the Swedish business.
6) Data for 2022 has been adjusted to reflect the number of employees from previous year and increase comparability with 2023.

Note S4

Strategic partnerships and initiatives

AFRY is an active member of several initiatives and strategic partnerships aiming to monitor, influence and drive sustainable development. Our sustainability policy states that we will work to share knowledge and expertise through collaborations and partnerships.

We aim for all our partnerships to be in line with the target of halving emissions by 2030 and reaching net zero by 2050. During 2023-2024, work is ongoing to map the Group's participation in trade and industry organisations and their alignment with the 1.5 degree target.

A selection of these intiatives, partnerships and memberships that AFRY was involved with in 2023 are specified below.

- UN Global Compact: AFRY has been a signatory member of the UN Global Compact since 2014 and adopted the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption in 2009.
- CLC: Member of the Climate Leadership Coalition (CLC), Europe's largest non-profit network for a more sustainable society. CLC is supported by companies, universities, researchers and private individuals, among others.
- Exponential Roadmap Initiative: This initiative focuses on exponential climate action and solutions across sectors and value chains. The initiative developed the 1.5ºC Business Playbook to support companies in rapid decarbonisation and the Exponential Roadmap, which highlights existing and scalable solutions to halve global greenhouse gas emissions by 2030.
- UNICEF: AFRY donates to UNICEF to support their efforts to strengthen children's rights and opportunities for a happy childhood.
- Royal Swedish Academy of Engineering Sciences (IVA): AFRY takes part in the Royal Swedish Academy of Engineering Sciences' Tekniksprånget internship programme, which contributes to the long-term supply of talent in Sweden. It aims to inspire young adults to undertake engineering studies in higher education through internships. We also participate in the national academic programme Jobbsprånget, in which we open our operations to newly arrived academics and offer them support from mentors and their first professional experience in Sweden.
- Immigrated Competence: The company has been offering a trainee programme since 2016 aimed at engineers who have recently immigrated to Sweden as a way of bringing valuable skills to the company.
- Diversity Charter: Member of Diversity Charter, which works to create a world in which different ideas, expertise, experiences and skills count and where difference is seen as a resource.
- RenewAfrica: AFRY is one of 27 organisations supporting RenewAfrica, which aims to promote investments in renewable energy in Africa.
- LFM30: AFRY is an active and energetic member of the financial association LFM30 (local roadmap for a climate-neutral construction sector in Malmö by 2030).

OUR SOLUTIONS

AFRY's offering and solutions respond to the global challenges the world is facing, thus contributing to the sustainable transition. This occurs through our client assignments, that is, via deliveries of engineering and design services, CAPEX projects, digital solutions and advisory services. The market trends driving our business – decarbonisation, electrification, circularity and digitalisation – stem from international agreements on how to address the global challenges and the technological and innovative advancements we have experienced in recent years. Read more about market trends and our client offering on pages 13-25.

It is through our assignments that we have the greatest opportunity to make a positive impact and contribute to the transition to a sustainable society in line with the 1.5 degree target. One of AFRY's objectives is to increase the net positive impact through our client assignments to accelerate the sustainable transition. AFRY's solutions generate values such as greater energy efficiency, increased use of renewable energy, resource efficiency, safe workplaces, improved health and safety, streamlined production processes, circular resource flows, increased accessibility, greater traffic safety, secure and inclusive societies and improved air and water quality. These values are reflected in the UN's 17 Sustainable Development Goals. Read more about our contribution to the 2030 Agenda on pages 16 och 32-34

AFRY's material sustainability topics of delivering sustainable solutions and accelerating the sustainability transition relate to the impact of our assignments from two dimensions. One is to ensure that sustainability aspects are identified and managed in the client assignments carried out. The second is to actively seek out business opportunities, strengthen our offering and grow in sectors where innovation, emerging technologies and scalable solutions can accelerate the transition. This is a holistic approach in which both positive and negative effects should be given consideration and in which the value chain perspective is a central element to addressing sustainability in our assignments. This is controlled through AFRY's business strategy, which is the foundation for AFRY's mission to accelerate the transition to a sustainable society and through a number of Group common policies and risk processes. Read more about our business strategy on pages 26–29 and about our sustainability work on pages 30-34.

Opportunity to influence

The sustainability performance of our assignments is strongly linked to what the client defines and requests, and the opportunity to influence decisions early in the development process – as early as in the design phase – is crucial to AFRY's ability to maximise positive values and minimise negative impact. Thanks to acquisitions of some of the Nordics' most high-profile design and architecture companies combined with a strong offering in strategic advisory services, we can enter our clients' strategy, design and development processes at an early stage, deliver more value and maximise the sustainability performance of our solutions.

Digitalisation is a key enabler of greater resource efficiency and circular business models, and by strengthening our digitalisation offering we can drive the transition even more effectively via sustainable digital solutions in the segments that are facing major digitalisation.

Note S5

Sustainable solutions

Sustainability must be fully integrated into all client assignments and solutions to generate long-term value for our clients, the environment and society, which is also expressed in our sustainability policy. AFRY's sustainability policy also states that we should increase our employees' knowledge and awareness of how they can contribute to sustainability through their daily work and their assignments, that we should develop solutions and encourage our clients to implement solutions that contribute to the sustainability transition and the SDGs, and that they should apply the precautionary principle. All these aspects are critical to our ability to increase the net positive impact of our client assignments. The Responsible Business Due Diligence process supports the assessment of risks and opportunities for potential assignments based on the ten principles of the UN Global Compact, the UN's 17 Sustainable Development Goals and the 1.5°C target. Read more about the Responsible Business Due Diligence process on pages 58 and 118.

As part of the ongoing stakeholder dialogue, and within the framework of our work on the company's materiality assessment, we invited all employees to participate in a survey during the year. About 85 percent of respondents answered positively to the question about whether the employee considers that AFRY as a company contributes to sustainable development and promotes awareness about sustainability. To the question of whether the employee is aware of their contribution to AFRY's sustainability performance through their assignments or their daily work, 71% of employees answered positively.

In 2022, a new Group common learning programme, the Sustainability Learning Programme, was launched with a focus on sustainability. The new Sustainability Learning Programme is central to our efforts to fully integrate sustainability into solutions to generate long-term value for our shareholders, our clients, society and the planet. The first part consists of a mandatory e-learning course that was launched in January 2022, and at the end of 2023, 92.8 percent of all employees completed the course (see table below). The second part of the Sustainability Learning Programme focuses on sustainability in each area of AFRY's deep sector knowledge, where the divisions, based on the strategy as well as local market conditions and expectations, get the opportunity to conduct workshops locally in the business. In addition, training activities regularly take place in line with local conditions to meet the clients' expectations of sustainability competence among consultants, and both courses and resources for further learning are available on the company's intranet.

Sustainability training

	Managers		Consultants		Administrative staff		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Sweden	975	90.4%	5,737	92.0%	226	90.0%	6,938	91.7%
Finland	303	95.6%	1,734	97.3%	104	95.4%	2,141	97.0%
Switzerland	109	92.4%	638	88.0%	43	84.3%	790	88.4%
Norway	148	83.1%	733	81.6%	25	73.5%	906	81.6%
Denmark	95	94.1%	629	95.9%	35	87.5%	759	95.2%
Other	487	97.6%	2,785	96.2%	157	96.9%	3,429	96.4%
Total	**2,117**	**92.4%**	**12,256**	**92.9%**	**590**	**91.2%**	**14,963**	**92.8%**

Permanent employees who have completed the new Group common, mandatory e-learning course in sustainability.

Note S6

Accelerate the sustainability transition

AFRY's sustainability policy points out that we should actively seek transformative and innovative assignments to accelerate the sustainability transition and that we shall actively strive to pioneer a more sustainable future through transforming our offering in line with global challenges and best available technologies. We aim to create strong and long-term value for generations to come by delivering scalable, cross-functional and sustainable solutions that accelerate the transition towards a sustainable society. We do this by combining our design and engineering solutions in our areas of deep sector knowledge with our strong offer in digitalisation and our sustainability expertise. In addition, our global presence enhances our ability to scale disruptive, transformative and innovative technologies.

Our strategy targets several strategic areas that reflect the direction of our divisions. This includes supporting the transformation from fossil-based energy, materials and industries to a low-carbon, bio-based and circular economy. It also focuses on providing clean water, air and food for people's health and well-being, as well as securing clean and effective transportation and safe and inclusive communities. You can read more about the strategic pillars on pages 26-29.

Positioning our offering

AFRY has since before taken the strategic decision not to take on any new-build coal-fired power plant projects (effective from January 2021). We continuously evaluate our position and take strategic decisions in areas of our business that have the biggest potential or actual impact, or that have complex considerations in relation to the management of sustainability aspects, in order to further strengthen our business.

In 2023, AFRY began the development and implementation of Group common sector directives that will establish enhanced mandatory requirements and expectations that apply to assignments within a specific sector. The directives play a crucial role in identifying significant environmental and social risks in each sector. They also serve as vital tools for AFRY's sales managers and consultants when it comes to risk assessments of assignments within the framework of the Group common process for the Responsible Business Due Diligence (RBDD) (see pages 58 and 118 for more information about RBDD) as well as during the assignment's implementation. The development and implementation of the directives takes place in close collaboration between Group Compliance & Ethics, Group Strategy & Sustainability, division management and business area managers.

Exponential climate action and solutions

As a member of the Exponential Roadmap Initiative (ERI), AFRY works together with actors across sectors and value chains worldwide in order to drive climate action forward. The initiative sets strict criteria for members about the intention to be at the forefront of driving change in the right direction. It is in our assignments that we have the greatest possibility to tackle climate change and contribute to a resilient future in line with the 1.5°C target. We do this by supporting innovators, disruptors and transformers in implementing climate solutions and scaling the climate impact exponentially. The Exponential Roadmap, a report developed by the Exponential Roadmap Initiative, highlights 36 scalable solutions with the potential to halve global greenhouse gas emissions by 2030. The highlighted solutions are within the energy, transport, buildings, food, and nature-based resources and sinks, all of which are within the scope of AFRY's offerings.

The EU Taxonomy

The EU Taxonomy, which came into effect in July 2020, is a common classification system for environmentally sustainable economic activities in the EU. It is part of the EU Green Deal and an important element to steer capital flows towards sustainable activities, focusing on establishing science-based definitions to guide policy makers, industry and investors in their decision-making processes. AFRY supports the ambitious goals set by the EU Commission to make Europe the first climate-neutral continent by 2050, safeguard biodiversity, establish a circular economy and eliminate pollution.

The EU Taxonomy outlines six environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems) and includes economic activities relating to the environmental objectives within 16 macro sectors. For the currently included economic activities, the EU Taxonomy outlines technical screening criteria for when the activity is considered as sustainable based on criteria for substantial contribution to at least one of the six environmental objectives, do no significant harm to any of the other five environmental objectives as well as criteria for minimum safeguards.

The EU Taxonomy definitions and measurable criteria are central in several of the EU's new frameworks for a sustainable development. AFRY views the EU Taxonomy as a business opportunity for driving the business in sectors that need to ensure taxonomy alignment. We carry out assignments in most sectors covered by the EU Taxonomy and are positioned as enablers in supporting our clients in increasing their alignment with the taxonomy for all six environmental objectives. AFRY's services support companies in assessing and increasing sustainability performance for existing assets and contribute to the development of new assets that are aligned with the technical screening criteria. We also see that certain clients incorporate the taxonomy criteria in the tender stage. We have also noted an increased demand for sustainability reporting support as a result of the tougher, more extensive requiements from the new reporting framework CSRD/ESRS. In dialogues with various financial institutions, we also note that the interest in green financing is strong and growing.

AFRY is required to present a statutory report on how our business activities are associated with the EU Taxonomy. The requirements include reporting on taxonomy-eligible activities for all six environmental objectives and taxonomy-aligned activities for the first two objectives (climate mitigation and climate adaption). Those EU Taxonomy activities where AFRY's business activity is explicitly expressed in the description of the economic activity can be defined as relevant for AFRY according to the regulation's strict definitions. AFRY has a broad and diversified portfolio, and provides services in management consulting, engineering, design, architecture, technical consultancy, research and development, technical testing and analysis, computer programming and construction. AFRY's business activities are reflected in several of the defined economic activities and within the majority of macro sectors in the EU Taxonomy. These include energy, water supply, sewage treatment, waste management and sanitation, transport, construction and real estate, information and communication, and professional, scientific and technical activities.

For certain sectors where AFRY provides solutions, the operations phase is included but not the design, engineering and construction phases, meaning that AFRY's activities in these areas are not represented. One example is in the manufacturing sector. Here, AFRY contributes to the design and construction phases when new manufacturing facilities are established – such as for the manufacture of fossil-free steel and batteries – as well as during improvements of existing manufacturing facilities. This means that the turnover from AFRY's assignments in relation to these economic activities is not included as taxonomy-eligible and they are therefore not covered by AFRY's taxonomy reporting. Due to this, we conclude that taxonomy-eligible and taxonomy-aligned turnover to a limited extent describes our potential and actual

Six environmental objectives

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

Substantially contribute to at least one of the six environmental objectives + **Do no significant harm** to any of the other five environmental objectives + Comply with **minimum safeguards**

Cont. Note S6

contribution to climate change mitigation and adaptation and the goal of sustainable development under the prevailing definitions in the economic activities included in the EU Taxonomy. Furthermore, the EU Taxonomy contains parts with significant uncertainties and room for interpretation. With this is mind, we welcome a future development of the Delegated Acts to include the advisory, design and construction stages for all sectors where relevant, so that the full life cycle of the activities is reflected, to better incorporate the value chain perspective as well as to support the overarching ambition of the EU Taxonomy to support assessments of how green the companies' business activities are.

For the parts of AFRY's business activities that are now included in the EU Taxonomy, it will support us in our efforts to understand which assignments are aligned with what is defined as environmentally sustainable by the EU, develop our business in line with the criteria and anticipated changed client behaviour as well as to better understand our impact.

Outcome

In the subsequent chapters, the share of our turnover, capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting period 2023 is presented in accordance with the Taxonomy Regulation as well as the calculation principles and methodology.

For the 2022 financial year, AFRY reported on taxonomy-eligible and taxonomy-aligned economic activities for the first two environmental objectives (climate change mitigation and climate change adaptation). For 2023, according to the guidelines, we also included reporting of taxonomy-eligible activities for the other four environmental objectives. We conclude that we are still limited in our ability to report the proportion of taxonomy-aligned activities based on turnover for the 2023 financial year due to limited access to evidence, mainly due to AFRY being reliant on our clients' data readiness to conduct alignment assessments based on the technical screening criteria in the taxonomy. For a few economic activities and for a few clients with a high degree of maturity in their taxonomy reporting, the conclusion is that taxonomy-aligned turnover can be confirmed. AFRY's taxonomy-eligible turnover for 2023 amounted to 41 percent compared with 42 percent in 2022. Taxonomy-aligned turnover was assessed to be 0.5 percent compared with 0 percent reported taxonomy-aligned turnover for 2022.

Our analysis shows that AFRY's taxonomy-eligible turnover primarily comes from assignments in the sectors of energy, transport, construction and real estate, information and communication, and professional, scientific and technical activities. Taxonomy-aligned turnover derive from assignments in the sectors energy and professional, scientific and technical activities.

Taxonomy-eligible CAPEX is assessed at 43 percent and consists of leasing of vehicles and offices. No taxonomy-aligned CAPEX is reported for the 2023 financial year. No taxonomy-eligible or taxonomy-aligned OPEX has been identified.

The results are presented in the tables on the following pages.

Accounting principles

According to Article 8 of the Taxonomy Regulation and the underlying delegated acts, AFRY shall report the proportion of taxonomy-eligible and taxonomy-aligned activities based on turnover, capital expenditures (CAPEX) and operating expenditures (OPEX). The EU Commission's criteria form the foundation of AFRY's taxonomy disclosure. AFRY has carefully reviewed the delegated acts and the EU Commission's related publications with clarification in the work of interpreting the regulation and further developing AFRY's approach. AFRY applies the precautionary principle and bases its assessments on actual data, in line with the EU Commission's ambition to avoid greenwashing and to increase access to sustainability performance data.

For the 2023 financial year, the reporting requirements have been extended com pared to the previous year. A more comprehensive reporting of taxonomy eligibility must be included and presented according to a predefined format as specified in the Disclosures Delegated Act. It is also a requirement to report taxonomy eligibility for the four additional environmental objectives (sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems). In addition, tables within nuclear power and fossil gas must be included in the reporting.

The Group Sustainability, Group Accounting, Group Controlling, Group Sales & Delivery, Group Compliance & Ethics functions as well as divisional representatives were involved in the process and formed a project group to analyse the taxonomy, develop necessary system support and control mechanisms, and for the work on consolidation and reporting.

Minimum safeguards

According to the criteria for minimum safeguards, procedures must be implemented in order to evaluate alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

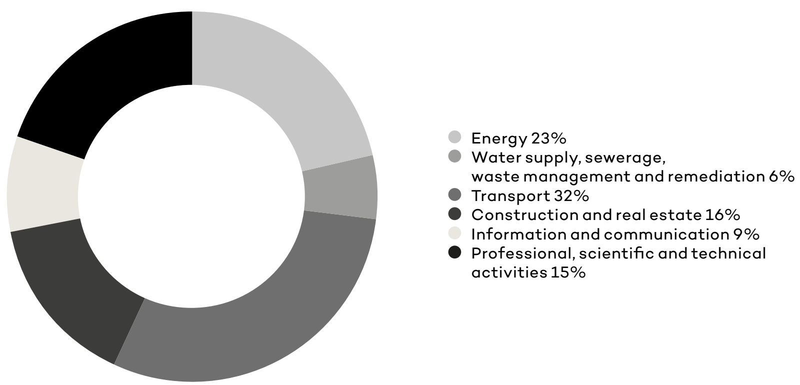
An assessment of AFRY's compliance with the minimum safeguards criteria has been performed on Group level based on AFRY's existing commitments, principles, policies, processes, internal controls as well as potential breaches against the criteria in the minimum safeguards. The conclusion is that the minimum safeguards are fulfilled.

Read more about how AFRY complies with the minimum safeguards in sustainability notes S7–S9, S11 and S13–S15, in the section Sustainability in the Corporate Governance Report on pages 45–46, in the Directors' Report on Internal Controls on pages 47–48 as well as in the risk section on pages 58–60. AFRY will continue to further embed these commitments and principles into policies, Group common processes and operating systems as well as internal controls.

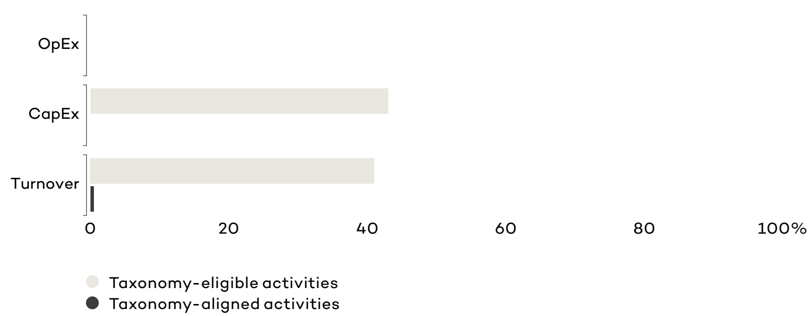
Turnover

For AFRY's operating model, the reporting requirements imply an assignment-based approach to assess taxonomy-eligible and taxonomy-aligned turnover. This means that assignments where AFRY's business activity corresponds to the description of an economic activity in the taxonomy (taxonomy-eligible assignments) as well as assignments that perform in line with the technical screening criteria (taxonomy-aligned assignments) for the relevant economic activity need to be identified. A bottom-up approach is necessary to classify assignments with the relevant economic activity, if applicable, and to support the necessary assessments against the criteria of substantial contribution and no significant harm.

Distribution of taxonomy-eligible turnover per EU Taxonomy sector



Share of taxonomy-eligible and taxonomy-aligned activities



Cont. Note S6

Definitions

- Taxonomy-eligible turnover is defined as turnover from assignments that have been classified against an economic activity. Each assignment can be classified against one economic activity, and the total generated annual turnover from the assignment is counted as taxonomy-eligible turnover. The classification is made based on whether AFRY's activity within the scope of the assignment fulfils the description of the economic activity and irrespective of whether the assignment meets any or all of the technical screening criteria for the economic activity it has been classified against.
- Taxonomy-aligned turnover is defined as turnover from assignments that fulfil the technical screening criteria (substantial contribution, do no significant harm and minimum safeguard measures) for the economic activity that the assignment has been classified against and for the applicable (one) environmental objective. This eliminates the possibility of double counting of taxonomy-aligned turnover.
- Total turnover equals AFRY's total turnover, i.e. reported net sales (see page 62).

Methodology

AFRY's approach to eligibility assessments is based on a mapping between the EU Taxonomy economic activities and AFRY's categorisation of assignments in subsectors in our CRM and ERP systems. This mapping is used to support the classification of assignments against the relevant economic activity according to the EU Taxonomy. The mapping that laid the foundation for 2022 taxonomy-eligibility assessment has been validated to align with emerging best industry practice and clarifications from the EU Commission. In 2022, AFRY's CRM system was also prepared with the economic activities that applied at the time for the first two environmental objectives, in order to support assignment classification with the relevant economic activity based on the predefined mapping as well as for classification based on whether the assignment is aligned with the taxonomy. The system support has been used to identify and classify eligible assignments by the taxonomy project group together with the business. During the year, most of AFRY's divisions introduced classification of eligibility in the CRM system as mandatory for all new assignments. All divisions have been engaged in the assessment of eligible turnover, and all with the exception of Management Consulting have carried out extensive communication and training efforts to support these efforts. For 2023, we assess that the Management Consulting division is not included in the economic activities that are currently defined in the EU Taxonomy. The main focus for this year's engagement and training activities was on the Infrastructure and Energy divisions, since last year's assessment showed that the majority of AFRY's taxonomy-eligible turnover was generated in those divisions. The additional economic activities for the remaining four environmental objectives have been assessed separately as a Group level assessment carried out by the taxonomy project group in cooperation with company experts.

By year-end the assessments carried out during the year were validated against the full-year data, and additional eligibility assessments were made to secure an adequate coverage of assessed assignments relative to total turnover. The assignments classified through this process correspond to about 77 percent of AFRY's total turnover.

To support the identification of taxonomy-aligned turnover, we engaged company experts who assessed the opportunities and obstacles in order to assess and reach the criteria for alignment. In parallel, during dialogues with clients and industry associations, we found that in several macro sectors, interpretation and necessary assessments relative to the taxonomy criteria remain before sufficient evidence can be presented in order to report taxonomy alignment. In some macro sectors, a large portion of AFRY's clients are in the public sector and are therefore not covered by EU Taxonomy reporting requirements, making the taxonomy a low priority. AFRY's conclusion is that taxonomy-aligned turnover can only be reported to a limited extent for the 2023 financial year due to continued limitation in access to supporting evidence, as AFRY's ability to assess whether a client assignment meets the requirements is often based on data or information from the client or a third party who is involved in the project. The assignments that we assess as taxonomy-aligned are based on a combination of the client's reporting of taxonomy-alignment and AFRY's technical experts' assessment of the criteria.

In 2023, system support in AFRY's business intelligence environment was developed in order to continuously monitor the turnover from taxonomy-eligible and taxonmy-aligned assignments. The data set that formed the basis for reported taxonomy-eligible and aligned turnover is a consolidation of project data and financial data from AFRY's biggest finance system and constitutes around 98 percent of AFRY's total turnover. The outcome from the turnover assessment for the 2023 financial year is presented in the table on the following pages.

Future development of AFRY's approach and methodology

The system support in AFRY's CRM system and business intelligence environment, combined with continued training in the divisions, will continue to support AFRY's monitoring and reporting in relation to the key figure for turnover, while the business also gets support in driving taxonomy-related sales. The system support and Group common requirements alongside the necessary processes, guidelines, training courses and capacity building will be further developed in 2024 to support the taxonomy-related assessments. A methodology guide is under development as support for the business, both in assessing the taxonomy alignment of assignments and in continuing to drive taxonomy-related sales.

AFRY will continue to closely follow guidance from the EU Commission and the EU's Platform on Sustainable Finance as well as the development and expansion of the Delegated Acts within all six environmental objectives.

Capital and operating expenditures

Economic activities related to capital expenditures (CAPEX) and operating expenditures (OPEX), as they are defined in the taxonomy, are limited for AFRY's business operations since AFRY does not have any significant investments associated with the proportion of taxonomy-eligible and taxonomy-aligned turnover for the Group. The taxonomy-eligible and taxonomy-aligned CAPEX and OPEX were analysed based on defined accounting standards as well as the definitions in the Taxonomy Regulation, and only material expenses have been included.

CAPEX

CAPEX that were analysed include the categories property, plant and equipment; internally generated intangible assets; investment properties; agriculture; and leases. The conclusion is that the relevant and material taxonomy-eligible CAPEX relate to new leased vehicles and new leased office spaces.

For the 2022 financial year, the approach for calculating taxonomy-eligible and taxonomy-aligned CAPEX relating to new leased vehicles was further developed, and the same approach forms the basis for reporting for the 2023 financial year. Information about expenses for new leased vehicles as well as the leasing companies' alignment with the technical screening criteria was collected for our Swedish and Finnish businesses.

As for the taxonomy-eligible CAPEX from new leased office spaces, it should be noted that the majority relates to leasing contracts that have been added to the Group through acquisitions. AFRY has not assessed taxonomy alignment for new leased office spaces for the 2023 financial year.

The remaining expenses that constitute the numerator for calculating the proportion of taxonomy-eligible and taxonomy-aligned CAPEX were collected through AFRY's existing accounting. The outcome from the CAPEX assessment for the 2023 financial year is presented in the table on the following pages.

Measures will be put in place to increase the coverage and reporting processes for taxonomy-related CAPEX.

OPEX

OPEX that were analysed include the categories non-capitalised costs for research and development; property renovation; short-term leases; maintenance and repairs; and maintenance of property, plant and equipment. No material taxonomy-eligible OPEX were identified based on the taxonomy's prevailing definition.

Turnover KPI

				Substantial contribution criteria						DNSH Criteria (Does not significantly harm)									
Economic activities	Code	Turnover	Proportion of turnover year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1	Category (enabling activity	Category (transitional activity
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation from wind power	**CCM 4.3**/CCA 4.3	1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	-	Y	Y	0%		
Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	17	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	-	-	Y	Y	0%		
Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	14	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	-	Y	Y	Y	Y	0%	E	
Storage of electricity	**CCM 4.10**/CCA 4.10	5	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	-	Y	Y	0%	E	
District heating/cooling distribution	**CCM 4.15**/CCA 4.15	1	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	-	Y	Y	Y	0%		
Production of heat/cool from bioenergy	**CCM 4.24**/CCA 4.24	0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	-	Y	Y	Y	0%		
Electricity generation from nuclear energy in existing installations	**CCM 4.28**/CCA 4.28	67	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T
Close to market research, development and innovation	**CCM 9.1**	43	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**148**	**0.5%**	**0.5%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
Of which Enabling		**62**	**0.2%**	**0.2%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**	**E**	
Of which Transitional		**67**	**0.2%**	**0.2%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		**T**
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Electricity generation using solar photovoltaic technology	**CCM 4.1**/CCA 4.1	99	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Electricity generation using concentrated solar power (CSP) technology	**CCM 4.2**/CCA 4.2	14	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from wind power	**CCM 4.3**/CCA 4.3	217	0.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Electricity generation from ocean energy technologies	**CCM 4.4**/CCA 4.4	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from hydropower	**CCM 4.5**/CCA 4.5	517	1.9%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.4%		
Electricity generation from geothermal energy	**CCM 4.6**/CCA 4.6	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from renewable non-fossil gaseous and liquid fuels	**CCM 4.7**/CCA 4.7	21	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Electricity generation from bioenergy	**CCM 4.8**/CCA 4.8	64	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Transmission and distribution of electricity	**CCM 4.9**/CCA 4.9	891	3.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.1%		
Storage of electricity	**CCM 4.10**/CCA 4.10	119	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Storage of thermal energy	**CCM 4.11**/CCA 4.11	12	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Storage of hydrogen	**CCM 4.12**/CCA 4.12	29	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Transmission and distribution networks for renewable and low-carbon gases	**CCM 4.14**/CCA 4.14	3	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
District heating/cooling distribution	**CCM 4.15**/CCA 4.15	76	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Cogeneration of heat/cool and power from solar energy	**CCM 4.17**/CCA 4.17	1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Cogeneration of heat/cool and power from geothermal energy	**CCM 4.18**/CCA 4.18	1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		

Turnover KPI (cont.)

				Substantial contribution criteria						DNSH Criteria (Does not significantly harm)									
Economic activities	Code	Turnover	Proportion of turnover year N	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosys-tems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosys-tems	Minimum safeguards	Proportion of taxono-my-aligned (A.1.) or -eligi-ble (A.2.) turnover, year N-1	Category (enabling activity	Category (transitional activity
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels	**CCM 4.19**/CCA 4.19	3	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Cogeneration of heat/cool and power from bioenergy	**CCM 4.20**/CCA 4.20	177	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Production of heat/cool from solar thermal heating	**CCM 4.21**/CCA 4.21	3	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Production of heat/cool from geothermal energy	**CCM 4.22**/CCA 4.22	1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Production of heat/cool from renewable non-fossil gaseous and liquid fuels	**CCM 4.23**/CCA 4.23	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Production of heat/cool from bioenergy	**CCM 4.24**/CCA 4.24	44	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Production of heat/cool using waste heat	**CCM 4.25**/CCA 4.25	24	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	**CCM 4.26**/CCA 4.26	18	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Construction and safe operation of new nuclear power plants, for the generation of electric-ity or heat, including for hydrogen production, using best-available technologies	**CCM 4.27**/CCA 4.27	64	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.4%		
Electricity generation from nuclear energy in existing installations	**CCM 4.28**/CCA 4.28	65	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Electricity generation from fossil gaseous fuels	**CCM 4.29**/CCA 4.29	48	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**/CCA 4.30	33	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**/CCA 4.31	0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.1**/CCA 5.1	105	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Renewal of water collection, treatment and supply systems	**CCM 5.2**/CCA 5.2	40	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Construction, extension and operation of waste water collection and treatment	**CCM 5.3**/CCA 5.3	166	0.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Renewal of waste water collection and treatment	**CCM 5.4**/CCA 5.4	130	0.5%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.8%		
Anaerobic digestion of sewage sludge	**CCM 5.6**/CCA 5.6	1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Anaerobic digestion of bio-waste	**CCM 5.7**/CCA 5.7	1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Composting of bio-waste	**CCM 5.8**/CCA 5.8	2	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Material recovery from non-hazardous waste	**CCM 5.9**/CCA 5.9	6	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Infrastructure for personal mobility, cycle logistics	**CCM 6.13**/CCA 6.13	66	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.6%		
Infrastructure for rail transport	**CCM 6.14**	1,955	7.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.8%		
Infrastructure enabling low-carbon road transport and public transport	**CCM 6.15**	121	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.8%		
Infrastructure enabling low carbon water transport	**CCM 6.16**	2	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Low carbon airport infrastructure	**CCM 6.17**	10	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Infrastructure enabling road transport and public transport	**CCA 6.15**	1,263	4.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Infrastructure for water transport	**CCA 6.16**	24	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Airport infrastructure	**CCA 6.17**	25	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		

Turnover KPI (cont.)

				Substantial contribution criteria						DNSH Criteria (Does not significantly harm)									
Economic activities	Code	Turnover MSEK	Proportion of turnover year N %	Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water and marine resources Y; N; N/EL	Circular economy Y; N; N/EL	Pollution Y; N; N/EL	Biodiversity and ecosystems Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 %	Category (enabling activity E	Category (transitional activity T
Construction of new buildings	**CCM 7.1**/CCA 7.1/CE 3.1	1,093	4.1%	EL	EL	N/EL	EL	N/EL	N/EL								7.7%		
Renovation of existing buildings	**CCM 7.2**/CCA 7.2/CE 3.2	653	2.4%	EL	EL	N/EL	EL	N/EL	N/EL								2.7%		
Data-driven solutions for GHG emissions reductions	**CCM 8.2**	12	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Computer programming, consultancy and related activities	**CCA 8.2**	927	3.4%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Close to market research, development and innovation	**CCM 9.1**	1,238	4.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6.8%		
Engineering activities and related technical consultancy dedicated to adaption to climate change	**CCA 9.1**	369	1.4%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Professional services related to energy performance of buildings	**CCM 9.3**	50	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Desalination	**CCA 5.13**	84	0.3%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Consultancy for physical climate risk management and adaption	**CCA 9.3**	3	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Depollution and dismantling of end-of-life products	**CE 2.6**	39	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Sorting and material recovery of non-hazardous waste	**CE 2.7**	12	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.0%		
Remediation of contaminated sites and areas	**PPC 2.4**	38	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Conservation, including restoration, of habitats, ecosystems and species	**BIO 1.1**	1	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.0%		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**10,978**	**40.7%**	**30.4%**	**10.0%**	**-**	**0.2%**	**0.1%**	**0.0%**								**42.0%**		
A. Turnover of taxonomy-eligible activities (A.1+A.2)		**11,126**	**41.2%**	**30.9%**	**10.0%**	**-**	**0.2%**	**0.1%**	**0.0%**								**42.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities		**15,852**	**58.8%**																
Total		**26,978**	**100.0%**																

Proportion of turnover / Total turnover[1]		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.5%	30.9%
CCA	0%	10.0%
WTR	0%	0.0%
CE	0%	0.2%
PPC	0%	0.1%
BIO	0%	0.0%

[1)] Includes the turnover for the most relevant environmental objective as indicated in the table above.

CAPEX KPI

				Substantial contribution criteria						DNSH Criteria (Does not significantly harm)									
	Code	Absolute CAPEX	Proportion of CAPEX	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosys-tems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosys-tems	Minimum safeguards	Proportion of taxono-my-aligned (A.1.) or -eligi-ble (A.2.) turnover, year N-1	Category (enabling activity	Category (transitional activity
Economic activities		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (taxonomy-aligned)																			
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0%**	**–**	
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5**/CCA 6.5	62	19.5%	EL	EL	N/EL	N/EL	N/EL	N/EL								3.1%		
Acquisition and ownership of buildings	**CCM 7.7**/CCA 7.7	74	23.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								86.6%		
CAPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2.)		**136**	**42.7%**														**89.9%**		
Total (A.1+A.2)		**136**	**42.7%**														**89.9%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CAPEX of taxonomy non-eligible activities (B)		**182**	**57.3%**																
Total (A+B)		**319**	**100%**																

Proportion of CAPEX/total CAPEX[1]		
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	42.7%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

[1] Includes Capex for the most relevant environmental objective as indicated in the table above.

OPEX KPI

				Substantial contribution criteria						DNSH Criteria (Does not significantly harm)									
	Code	Absolute CAPEX	Proportion of CAPEX	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosys-tems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosys-tems	Minimum safeguards	Proportion of taxono-my-aligned (A.1.) or -eligi-ble (A.2.) turnover, year N-1	Category (enabling activity	Category (transitional activity
Economic activities		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (taxonomy-aligned)																			
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1.)		**0**	**0%**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0%**	**–**	
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
–	–	–	–	–	–	–	–	–	–								-		
OPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2.)		**0**	**0%**														**0%**		
Total (A.1+A.2)		**0**	**0%**														**0%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OPEX of taxonomy non-eligible activities (B)		**581**	**100%**																
Total (A+B)		**581**	**100%**																

Proportion of OPEX/Total OPEX[1]		
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

[1)] Includes Opex for the most relevant environmental objective as indicated in the table above.

Nuclear and fossil gas related activities, table 1

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Taxonomy-aligned economic activities (denominator), table 2[1] (sum of taxonomy-aligned and taxonomy-eligible activities)

	Amount and proportion (the information must be expressed as a monetary amount and as a percentage)					
	Climate change mitigation and adaption		Climate change mitigation		Climate change adaptation	
Economic activities	MSEK	%	MSEK	%	MSEK	%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	132	4%	132	4%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion for other taxonomy-aligned economic activities which are not referred to in rows 1–6, in the denominator for the applicable key performance indicator	**3,183**	**96%**	**3,183**	**96%**	**0**	**0%**
Total for the applicable key performance indicator	**3,315**	**100%**	**3,315**	**100%**	**0**	**0%**

[1] Sum of turnover for the most relevant environmental objective as indicated in the table on pages 111–113.

Taxonomy-aligned economic activities (numerator), table 3[1]

Economic activities	Amount and proportion (the information must be expressed as a monetary amount and as a percentage)					
	Climate change mitigation and adaption		Climate change mitigation		Climate change adaptation	
	MSEK	%	MSEK	%	MSEK	%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to the Delegated Regulation 2021/2139, in the numerator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to the Delegated Regulation 2021/2139, in the numerator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to the Delegated Regulation 2021/2139, in the numerator for the applicable key performance indicator	67	45%	67	45%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to the Delegated Regulation 2021/2139, in the numerator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to the Delegated Regulation 2021/2139, in the numerator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of the taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to the Delegated Regulation 2021/2139, in the numerator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of other taxonomy-aligned economic activities which are not referred to in rows 1–6, in the numerator for the applicable key performance indicator	**81**	**55%**	**81**	**55%**	**0**	**0%**
Total amount and proportion of taxonomy-aligned economic activities, in the numerator for the applicable key performance indicator	**148**	**100%**	**148**	**100%**	**0**	**0%**

Economic activities included in, but not aligned with, the taxonomy, table 4[1]

Economic activities	Proportion (the information must be expressed in a monetory amount and as a percentage)					
	Climate change mitigation and adaption		Climate change mitigation		Climate change adaptation	
	MSEK	%	MSEK	%	MSEK	%
Amount and proportion of the economic activity which is included in, but is not aligned with, the taxonomy and which is referred to in section 4.26 of Annexes I and II of the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	18	0%	18	0%	0	0%
Amount and proportion of the economic activity which is included in, but is not aligned with, the taxonomy and which is referred to in section 4.27 of Annexes I and II of the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	64	1%	64	1%	0	0%
Amount and proportion of the economic activity which is included in, but is not aligned with, the taxonomy and which is referred to in section 4.28 of Annexes I and II of the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	65	1%	65	1%	0	0%
Amount and proportion of the economic activity which is included in, but is not aligned with, the taxonomy and which is referred to in section 4.29 of Annexes I and II of the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	48	0%	48	1%	0	0%
Amount and proportion of the economic activity which is included in, but is not aligned with, the taxonomy and which is referred to in section 4.30 of Annexes I and II of the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	33	0%	33	0%	0	0%
Amount and proportion of the economic activity which is included in, but is not aligned with, the taxonomy and which is referred to in section 4.31 of Annexes I and II of the Delegated Regulation 2021/2139, in the denominator for the applicable key performance indicator	0	0%	0	0%	0	0%
Amount and proportion of other economic activities which are included in, but which are not aligned with, the taxonomy and which are not referred to in rows 1–6, in the denominator for the applicable key performance indicator	**10,662**	**98%**	**7,967**	**97%**	**2,695**	**100%**
Total amount and proportion of the economic activities which are included in, but not aligned with, the taxonomy in the denominator for the applicable key performance indicator	**10,890**	**100%**	**8,195**	**100%**	**2,695**	**0%**

1) Sum of turnover for the most relevant environmental objective as indicated in the table on pages 111–113.

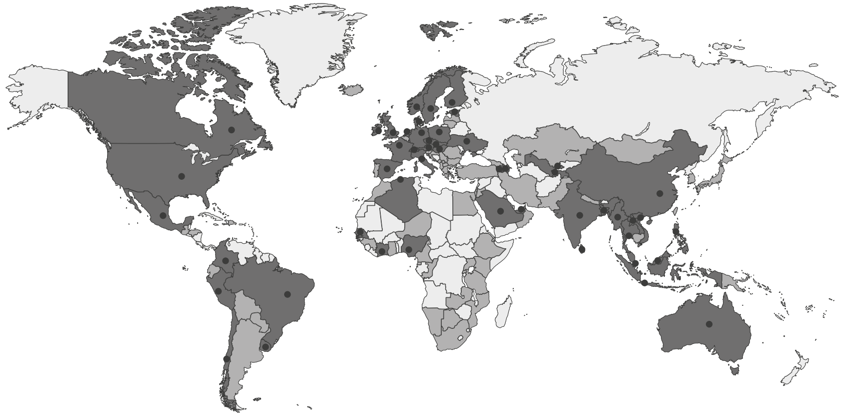
Table 5 not included since not applicable.

OUR BUSINESS

Our business is conducted according to strict principles concerning business ethics, client and partner responsibilities, information security and data privacy, tax compliance, and taking responsibility for the climate impact we have through our operations.

AFRY is a decentralised organisation with offices in around 50 countries and assignments in over 100 countries. A key part of our strategy is to drive operational excellence, enabling us to deliver sustainable solutions to our clients efficiently and ethically. The combination of local and global expertise as well as cooperation across our company enables us to provide solutions where a combination of services from different parts of AFRY are included. Read more about the strategy pillar 'drive operational excellence' on page 29.

Countries where AFRY has offices and projects, 2023[1]



[1] During 2023, AFRY exited all its project engagements in Myanmar and divested the operations in Russia. Read more in chapter Human rights, page 119, and in the administration report, page 54.

Note S7

Good business ethics

The material sustainability topic of good business ethics encompasses responsible business conduct, which includes areas such as anti-corruption, compliance with sanction regulations, fair competition and human rights, both in our own business and in relation to our clients, business partners, employees and other stakeholders. Support for this is found principally in AFRY's Code of Conduct and Business Partner Criteria but also in supplementary policies, guidelines, processes and training courses.

One of AFRY's objectives is to ensure ethical business behaviour. We work to achieve this objective using several complementary mechanisms. These include monitoring of the completion rate for the mandatory e-learning course on AFRY's Code of Conduct, reviewing whistleblowing reports and conducting various training activities, such as workshops with senior executives and employees tasked with supporting implementation of Group directives, as well as through common Group-level due diligence and whistleblowing processes.

Targeted questions are also found within the framework of AFRY's tool for performance reviews called Career Model. The objective is followed up through processes for enterprise risk management and Responsible Business Due Diligence (see page 58 and in the section below on this page), and by the degree to which business partners that have been identified as high risk have undergone appropriate due diligence.

Training courses

AFRY's sustainability efforts builds on the understanding of all employees on how the integration of sustainability aspects is relevant to them in their daily work and how they should manage any situations that arise. All employees must carry out mandatory training in AFRY's Code of Conduct. At year's end, 97.6 percent of all permanent employees had completed the course. Targeted training initiatives are held on a continuous basis to develop an understanding of corruption risks and other sustainability-related risks and opportunities in particular operational areas. An introduction to AFRY's sustainability initiatives and Code of Conduct is also a significant part of AFRY's induction of new employees and of the Group's leadership training. Since 2023 the Group has a mandatory orientation course for senior executives of acquired companies, and 50% of the target group took part in this training during 2023. In 2024, the Group also intends to roll out a training for country managers that addresses responsible business.

Training in AFRY's Code of Conduct

	Managers		Consultants		Administrative staff		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Sweden	1,062	97.7%	6,131	97.7%	240	95.2%	7,433	97.6%
Finland	314	99.1%	1,765	98.9%	108	98.2%	2,187	98.9%
Switzerland	118	100.0%	717	98.9%	45	88.2%	880	98.4%
Norway	169	94.9%	828	92.1%	27	79.4%	1,024	92.2%
Denmark	100	97.1%	654	99.4%	38	95.0%	792	98.9%
Other	494	99.0%	2,836	97.8%	162	99.4%	3,492	98.0%
Total	**2,257**	**98.0%**	**12,931**	**97.6%**	**620**	**95.4%**	**15,808**	**97.6%**

Permanent employees who have completed the mandatory e-learning course on AFRY's Code of Conduct.

Monitoring of Responsible Business Due Diligence

The Group has implemented a due diligence process in connection with the tender process based on OECD's Due Diligence Guidance for Responsible Business Conduct. This process is a further development of the Group's previous Code of Conduct Assessment process. As a part of this process, an evaluation is made of the risks of links to corruption, potential negative impact on human rights, sanction risks, safety and working conditions for employees and suppliers as well as social, environmental and climate-related risks. If a project is deemed to be high risk, an in-depth due diligence is required that is reviewed by the Compliance & Ethics function. The sustainability risks are discussed with senior executives before a tender can be submitted according to the Group's delegation of authorities. The Responsible Business Due Diligence process evaluates the risks linked to country, client, sector and any partners, and is a central part of the Group's risk management (see pages 58–60).

How AFRY complies with the Responsible Business Due Diligence criteria in relation to the tender process is evaluated on an ongoing basis within the framework of the Group common internal audit programme. Any deviations are reported to the risk manager, the person responsible for the tender and the division's quality control function for follow-up. Quality audits that are carried out also take this process into account. Since 1 November 2023, the follow-up mechanism in the Group common CRM system for the follow-up of risk assessments for high-risk assignments has been strengthened. When registering new opportunities for assignments in high-risk countries, an automatic notification is submitted to the Compliance & Ethics function. In 2023, the Compliance & Ethics function has been involved in risk assessments regarding Responsible Business risks in relation to tenders on average 20 times per quarter, which is higher than in 2022 when the figure was 14. This increase reflects AFRY's progress in implementing the Group's risk assessment and due diligence processes.

Whistleblowing function, investigations and measures

AFRY urges all of its employees to report misconduct, unethical behaviour, suspected violations of laws, rules or regulations and violations of AFRY's Code of Conduct. A Group common whistleblowing function named Listen Up has been made available to the entire Group and to external parties via the website. The platform is hosted by an independent third party and enables anonymous and confidential reporting, and supports the Group's grievance mechanism for human rights. AFRY's Compliance & Ethics Policy supports prohibition against reprisals of whistleblowers, and suspicions of reprisals are investigated as breaches of our Code of Conduct. All reports through this channel are received by the Chief Compliance & Ethics Officer, who has overall responsibility for investigating the reports and giving feedback to the whistleblower. A fundamental aspect of managing the whistleblowing function is to ensure that any harm the organisation has been linked to is remediated. Since 2020, reporting of all whistleblowing, compliance matters and material security incidents have been integrated. Critical reports are immediately escalated to the most senior manager of the unit concerned, and a report summary is presented each year to Group Executive Management and the Audit Committee. From Q4 2023, internal investigations are reported on a quarterly basis to a special risk committee with members of Group Executive Management, with the aim of strengthening the analysis of root causes, discussing the management of cases and learning lessons. The table below presents the number of internal matters that were reported in 2023.

Reported internal matters

Type of matter	No. of cases
Security incident	12
HR matter	34
Compliance violation	12
Third-party misconduct	3
Social aspects	3
Total	**64**

Cont. Note S7

Other follow-up efforts
Follow-up of how well AFRY is achieving the objective of ethical business is complemented through targeted questions in risk assessment processes, audits, employee surveys and employee dialogues.

Risks linked to responsible business are continuously evaluated as a part of the ERM process, through which all five divisions evaluate how risks affect their division and what measures are required to mitigate them. Follow-up of the mitigation measures takes place twice a year (see pages 58-60). The Group evaluates particular risks linked to responsible business, in particular corruption and violation of human rights, in the countries where AFRY has a broad business interest. In 2023 such a risk evaluation was carried out in Brazil, where the company manager and all business area managers were interviewed about how risks linked to responsible business affect their business area and how the risks were mitigated.

Anti-corruption
At AFRY there is zero tolerance for corruption and other forms of anti-competitive activities such as fraud. These are governed by our Compliance and Ethics Policy and Code of Conduct, along with our anti-corruption directive and other guidelines for preventive measures. The Group's rules are based on the UN Convention against Corruption and the ten principles of the UN Global Compact. Assignments that entail risks related to corruption are identified within the context of Responsible Business Due Diligence. To assess the risk of corruption in countries where AFRY is present, we use a risk management tool tailored for AFRY (Country Risk Database) and targeted risk assessments. All members of Group Executive Management have taken the e-learning course on AFRY's Code of Conduct, which contains anti-corruption training. Read more about corruption risks in the risk section on pages 58–60 and in the section on disputes on page 99.

Human rights
For AFRY, respecting human rights throughout our business is fundamental. We uphold our commitment by applying the UN Guiding Principles on Business and Human Rights. Our commitment to respect human rights permeates our governing instruments including our Compliance and Ethics Policy; Human Rights Policy, which includes our position on modern slavery; HR Policy; our Supplier Code and our Code of Conduct.

AFRY pursues human rights through several Group common programmes and initiatives including the right to integrity and privacy through the Data Privacy programme, right to dignity and equality through our Diversity & Inclusion programme and right to a safe workplace through our Occupational Health and Safety programme. For AFRY, following international guidelines is crucial. We have integrated human rights due diligence within the framework for our Responsible Business Due Diligence. The criteria that underpin our country risk evaluation include protecting freedom of expression and working conditions in the supply chain. To the extent that we can influence, we propose the Equator Principles and the IFC Performance Standards. When applicable, the results of the Environmental and Social Impact Assessment (ESIA) are used as the basis for project planning. Read more about risks linked to human rights in the risk section on pages 58-60. In 2023, AFRY decided to cease supporting projects in Myanmar and exited all its project engagements in the country due to the negative development in relation to respect for human rights in the country.

Note S8

Client responsibility

AFRY takes an active client responsibility through our sustainability policy and wants to serve as a role model, influencing clients to take a sustainable direction as much possible. We expect our clients to adhere to the same ethical principles, including respect for human rights, working conditions, the environment and anti-corruption. AFRY can have a major positive influence on society by influencing clients in a sustainable direction or by not taking on assignments involving clients who do not adhere to our values, for example, businesses that have an undue impact on the environment, society or individuals due partly through their own operations or through their products or services. An active standpoint is ensured, for example, by conducting appropriate due diligence on high-risk clients (for example, clients who are established in a high-risk country or if red flags are noted in the tender process). This takes place via the Responsible Business Due Diligence process, which is based on the UN Global Compact's ten principles and our sustainability policy (see page 46). A further cornerstone in raising requirements and expectations is the development and implementation of our sector directive. Read more about these efforts on page 108.

Note S9

Partner responsibility

AFRY works actively on partner responsibility, which has a positive effect on the industries and contexts in which we operate. Partner responsibility is managed using AFRY's Business Partner Criteria based on the Global Compact's ten principles. The criteria have been in place in their current form since 2020 and are updated annually. They were also made available through online training. The Business Partner Criteria ensure that AFRY's requirements for business ethics, health and safety, environmental responsibility, human rights and information security are clear to all of our business partners. The Business Partner Criteria must be attached to all of AFRY's agreements with subcontractors, suppliers and business partners. AFRY will not hesitate to discontinue a collaboration if the partner does not respect and live up to our criteria. AFRY applies a risk-based partner analysis to evaluate partners linked to high-risk projects and transactions, and business partner due diligence forms part of the Responsible Business Due Diligence process.

Number of active sub-consultants in our largest markets

	Sub-consultants
Sweden	3,388
Finland	584
Switzerland	113
Norway	112
Denmark	70
Other	621
Total	**4,888**

Number of active sub-consultants (headcount) in AFRY's system for overview of sub-consultants, SubCon App, which includes partners in the AFRY partner network. The figures refer to the number of active sub-consultants during 2023.

AFRY Partner Network
The AFRY Partner Network is for independent consultants, such as self-employed business owners and employees of mid- or large-sized consulting companies, who want to collaborate with AFRY's organisation and clients. Partners are time- or project-based consultants and mainly consists of partners in Sweden. In 2023, the AFRY Partner Network consisted of approximately 16,000 partners and 1,900 contracted partners.

Supplier procurement
Procurement is governed through AFRY's procurement policy, the Sourcing Directive. Evaluation and selection of suppliers is to be based on a weighted assessment of environmental and climate impact, quality, costs and social aspects, in which the Business Partner Criteria are a basic requirement. As a service provider of engineering and design solutions, most of our purchases are for office equipment, facility management services, IT equipment, licences, travel and services. In 2023, a new agreement management system was implemented in which framework agreements are registered. The contract value from framework suppliers, where AFRY's Business Partner Criteria are applied, totals SEK 1,500 million. AFRY's largest suppliers are in Sweden and include Microsoft, Tieto and Telia.

Note S10

Information security and data privacy

AFRY has a responsibility towards clients, individuals and the wider society in our digital world. Digitalisation and new technology continue to drive the use of cloud services and a reliance on information technology for nearly all aspects of project delivery. Although the ongoing war in Europe has led to increased threats, it also created opportunities for both hostile government actors and criminals to commit attacks.

AFRY's focus on sustainability also encompasses this area, and we see an engaged, trained workforce as the frontline of sustainable cyber security. We are continuously strengthening our security capabilities to counteract external threats and protect our information assets. This encompasses initiatives to prioritise valuable data and information, provide courses in cyber security for our employees, prevent and detect attacks and data leaks, and ensure business continuity. Adjustments to the responsibilities laid out in AFRY's Information and IT Security Policy, which is designed to align with ISO/IEC 27001, as well as clarifications to guidelines and AFRY's management system, further support these capabilities.

Note S11

Sustainable and profitable growth

AFRY strives for sustainable and profitable growth to generate long-term value for our shareholders, people and the planet. We do this by delivering sustainable solutions to our clients and being an attractive employer for our employees, and through the economic value created for the local communities where AFRY does business. Read more in our value creation model on page 16.

Direct economic value and tax
AFRY creates value through the solutions we deliver to our clients. Net sales comprise most of the economic value generated. The distributed economic value is allocated among suppliers, employees, lenders, society and owners. The largest portion of our distributed economic value is employee wages and benefits.

Economic value creation

Economic value generated, SEK million	2023	2022	2021
Net sales	26,978	23,552	20,104
Distributed economic value, SEK million			
Operating costs, incl. depreciation/amortisation	-8,888	-7,676	-6,445
Employee wages and benefits	-14,050	-12,315	-10,503
Income tax and employer's contributions	-2,601	-2,359	-2,027
Dividend distribution	-623	-623	-566
Interest on loans[1]	-291	-130	-71
Interest on pensions	-1	-1	0
Value of societal investment[2]	-1	-5	-3
Economic value retained	523	444	490

1) Excluding IFRS 16 Leases
2) Only central sponsorship and contributions

Tax policy
AFRY is a global operator that complies with the OECD guidelines for multinational companies and local laws and regulations for the countries in which we operate. AFRY strives to pay the correct tax to the correct jurisdiction at the correct time to ensure transparent tax activity. Any mistakes caused by human error and/or regional interpretations are communicated openly and reported to the relevant authorities. AFRY acts as a good citizen and does not participate in, or encourage others to participate in, any form of money laundering or tax evasion. All financial and tax-related documents are stored to correctly reflect business transactions and facilitate any audits. AFRY's principles for responsible tax practices are governed by our Ethics & Compliance Policy and our Tax and Corporate Structure Directive.

Note S12

Own climate impact

The sustainability work concerning our own climate impact is the reduction of climate impacts from our business, which is mainly from carbon dioxide emissions due to business travel, energy use in offices, and purchased goods and services. AFRY will lead the way through high energy efficiency and low emissions intensity. AFRY has an environmental management system certified in line with ISO 14001 which ensures systematic environmental efforts, and management is ensured via the sustainability policy, travel directive and the health, safety, environment and quality policy and purchasing policy. AFRY's emissions of carbon dioxide are measured annually to follow up AFRY's climate targets. The results of the climate calculations and the Group's climate efforts are also reported annually to the CDP in the Climate Change category. In 2023 AFRY recieved the scope B in the CDP climate change questionnaire, which is above average for companies in the same sector.

Science-based climate targets
AFRY's emission reduction targets for its own climate impact are to halve carbon dioxide emissions by 2030 using 2019 as the base year (21,550 tonnes CO_2) and to achieve net zero emissions by 2040 (Scope 1 and Scope 3 emissions from business travel and Scope 2 emissions from energy use in offices). In 2021 AFRY also set a climate target for supplier engagement, which targets upstream emissions in AFRY's supply chain. The supplier engagement target steers towards more suppliers setting their own science-based climate targets contributing to decarbonisation of the goods and services purchased for AFRY's operations such as IT hardware, IT software, IT services, telecom, office-related purchases and professional services.

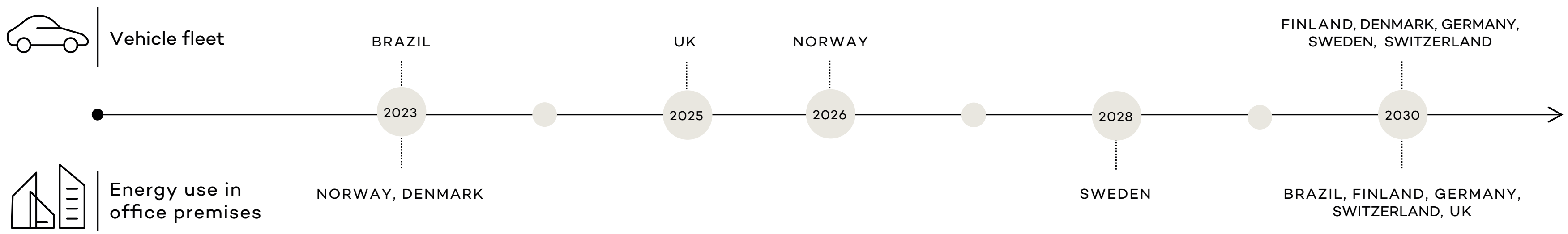
On our journey towards net zero, we have set near-term climate targets covering emissions from energy consumption in offices, business travel and purchases of goods and services. These targets have been validated by the Science Based Targets initiative (SBTi), This means that they have been independently verified as being in line with the 1.5°C target and the latest climate research. AFRY's science-based targets are to reduce our greenhouse gas emissions from business travel (Scope 1 and Scope 3 category 6) and energy consumption in offices (Scope 2) by 36 percent by 2027. We commit to ensuring that 87 percent of our suppliers by spend covering purchased goods and services and capital goods (Scope 3 category 1 and 2) will set science-based targets by 2027.

In the process of setting closely related science-based climate targets with the SBTi, recalculation criteria have been established to recalculate base year and historical emissions in line with the Greenhouse Gas Protocol and the SBTi criteria. The recalculation criteria for the base year considers structural changes, such as acquisitions, identified data gaps and methodological changes. The base year for AFRY's climate targets is 2019, which is appropriate since this is after ÅF's acquisition of Pöyry (that together became AFRY), before the Covid-19 pandemic and recent enough to meet SBTi requirements. AFRY's closely related science-based targets, emission reduction target for 2030 and net zero target for 2040 all follow the same emission reduction trajectory, reinforcing AFRY's commitment to decarbonise the business.

AFRY 1.5°C Roadmap
AFRY joined the Exponential Roadmap Initiative, whose purpose is to help organisations and companies take measures that align with the 1.5°C target. This is among other ways done by employing the 1.5°C Business Playbook, the world's first framework for exponential climate action towards net zero emissions. The framework includes own emissions, emissions in the value chain, providing and scaling sustainable climate solutions and accelerating climate action in society. In 2022, AFRY launched the AFRY 1.5°C Roadmap (see afry.com), which formalises and supports AFRY's climate action based on the 1.5°C Business Playbook. The AFRY 1.5°C Roadmap serves as a transition plan for helping AFRY achieve its climate targets, and will be updated as our climate efforts progress.

Climate Milestones
In 2023, AFRY set clear climate milestones that focus on AFRY's largest and divisionally most representative markets in order to achieve the Group's climate targets and be proactive in the transition. The milestones are to encompass activities relating to emissions stemming from the vehicle fleet (Scope 1) and energy consumption in offices (Scope 2), which are managed on a market level. These milestones encompass more than 85% of our number of employees, with the aim of having fossil free vehicle fleets and fossil free energy in offices by 2030 in markets where the local conditions prevail. Each market also aims to plan and implement local emission reduction

Climate milestones



Cont. Note S12

activities required to meet the milestones, focusing on energy and space efficiency, energy contracts, sustainable travel practices and decarbonisation of the vehicle fleet. To monitor efforts around the milestones, we have established a climate forum to coordinate and share lessons learnt among the countries in their implementation of the emission reduction measures. The forum's participants consist of country representatives for climate and Group Sustainability. The achievement of these milestones relates both to measures taken by us and others in our value chain, including landlords, which depends on the market's maturity. Their progress and any challenges in achieving them will be updated regularly in our transition plan.

Climate Milestones per country

In 2028, energy consumption for AFRY Sweden aims to be fossil-free. For electricity consumption in Sweden, a centrally prepared agreement is available for securing renewable electricity at all offices where this can be chosen. This electricity agreement covered 53% of our Swedish office space in 2023. AFRY Sweden's vehicle fleet aims to be fossil-free by 2030, governed by a national vehicle policy. In 2023, AFRY Finland launched a new real estate strategy with its milestone to have only green electricity in offices by 2030. An additional milestone is to secure carbon-neutral district heating in all offices by 2030. AFRY Finland's vehicle fleet aims to be fossil-free by 2030. AFRY Brazil's vehicle fleet has been running on ethanol since 2023, and has a milestone for fossil-free electricity by 2030. AFRY Norway has fossil-free energy in offices, and its vehicle fleet aims to be fossil-free by 2026. AFRY Switzerland has a milestone of 95% electric vehicle fleet by 2030. In 2025, AFRY Switzerland aims to have 100% renewable electricity in offices, and a target of having 95% fossil-free energy from heating and cooling by 2030, where locally possible with landlords. AFRY Denmark has set a milestone for a fossil-free vehicle fleet by 2030, 100% electricity from renewable sources by 2023, and district heating for at least 92% of offices (based on employees) by the same year. AFRY Germany aims to have a 100% electric vehicle fleet, with fossil-free energy at its offices, by 2030. AFRY UK has a milestone to ensure a fossil-free vehicle fleet from 2025, and another milestone to have fossil-free energy at offices covering at least 80% of the number of employees by 2030.

System support for climate action

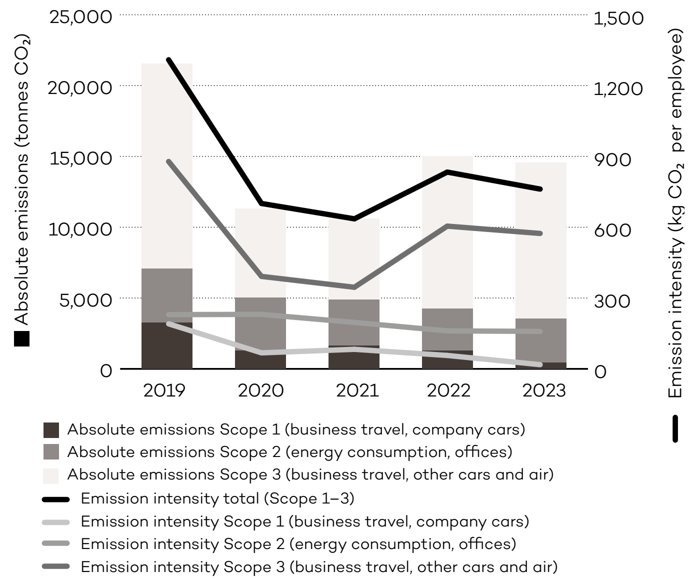
In 2023, governance and system support for climate action has advanced through the launch of a Business Intelligence system support for the consolidation of data, calculation, analysis and visualization of carbon dioxide emissions for our business trips, which increases the quality assurance of our calculations and supports us to adapt and follow up on emission reduction measures in the business . In the coming year, we will continue the development of the platform to improve data quality and increase the coverage of emissions.

Outcome

In 2023, AFRY's total reported emissions amounted to 14,553 tonnes CO_2, a decrease compared to the previous year (15,040 tonnes CO_2 in 2022), and reduction of 32 percent compared to the base year (21,550 tonnes CO_2 in 2019). The emission reduction compared to the base year is in line with the emission reduction trajectory determined by AFRY's climate targets. Reported emissions per employee amounted to 767 kg CO_2/employee, a reduction of 42 percent compared with the base year. Compared to the previous year, emissions per employee for business travel by air increased by 16 percent. Emissions per employee from energy consumption in offices is similar in comparison with the previous year.

For our supplier engagement target, the outcome for 2023 is that at least 69 percent of AFRY's suppliers based on spend within the categories for purchased goods and services as well as capital goods have set science-based climate targets approved by the SBTi. In 2023, AFRY drove supplier engagement by contacting our prioritised suppliers in order to continue informing them about our climate targets and how they can join efforts in climate action in line with the 1.5 degree target. We have also initiatied collection of emission data from our largest suppliers.

Greenhouse gas emissions



Reported greenhouse gas emissions

Scope according to Greenhouse Gas Protocol	Absolute emissions (tonnes CO_2)				Emission intensity[1] (kg CO_2/employee)			
	2023	2022[2]	2021	2019	2023	2022[2]	2021	2019
Scope 1	440	1,305	1,626	3,259	23	59	100	196
Scope 2	3,114	2,944	3,283	3,835	164	166	202	235
Scope 3	10,999	10,791	5,718	14,456	579	580	351	884
Total	**14,553**	**15,040**	**10,627**	**21,550**	**767**	**804**	**653**	**1,315**

1) Based on all types of employment.
2) Data for 2022 has been adjusted to reflect the number of employees from the previous year and to increase comparability with 2023. Adjustment applied in subsequent tables.

Reported absolute greenhouse gas emissions reduction

	Progress during the year	Progress since the base year
Absolute reduction of CO_2emissions	**2022–2023**	**2019–2023**
Absolute CO_2emissions Scope 1 (business travel, company cars)	-66%	-86%
Absolute CO_2emissions Scope 2 (energy consumption, offices)	6%	-19%
Absolute CO_2emissions Scope 3 (business travel, other cars and air)	-2%	-24%
Absolute CO_2emissions total (Scope 1–3)	-3%	-32%

Reduction in greenhouse gas emissions intensity

	Progress during the year	Progress since the base year
Reduced emission intensity	**2022–2023**	**2019–2023**
Emission intensity Scope 1 (business travel, company cars)	-61%	-88%
Emission intensity Scope 2 (energy consumption, offices)	-1%	-30%
Emission intensity Scope 3 (business travel, other cars, air)	0%	-34%
Emission intensity total (Scope 1–3)	-5%	-42%

Greenhouse gas emissions per employee in our largest markets

kg CO_2/employee[1, 2]	2023	2022	2021
Sweden	579	623	429
Finland	617	1,029	689
Switzerland	476	1,006	831
Norway	265	641	584
Denmark	301	784	678
AFRY total	**767**	**839**	**641**

1) Based on all types of employment.
2) Comparability between years is limited due to organisational changes and development of the methodology.

Emissions of carbon dioxide from business travel

Emissions of carbon dioxide from business travel account for much of AFRY's total emissions, as the Group is a global organisation with employees who have assignments all over the world. One challenge for AFRY is that the more the business expands, the more travel increases. We have a global travel directive that aims to reduce emissions from business travel. We are also working to expand the use of virtual meeting solutions wherever possible, instead of physically travelling to meetings. Local initiatives relating to sustainable mobility solutions are being implemented

Cont. Note S12

based on local conditions and needs, such as bike share, electric car share schemes, and public transit cards that can be borrowed for business trips. In the Swedish part of the business there has been a vehicle policy in place since 2018 (see below).

The climate calculations show that in 2023, emissions from business travel with vehicles covered by the vehicle policy per employee decreased by 66% percent compared to the previous year. In 2023, the average emission level for vehicles used in business travel in the Swedish part of the business was 45 g CO_2/km, roughly a 13 percent reduction from 2022. Emissions per employee from business travel by car decreased by around 31 percent, while emissions from business travel by air increased by around 16 percent compared with 2022. New working methods seem to still have an effect since the covid-19 pandemic, in combination with AFRY's management of business travel, since emissions from business travel has been reduced by nearly 35 percent since 2019.

Greenhouse gas emissions per employee and division, business travel

kg CO_2/employee[1,2]	Car travel	Air travel
Infrastructure	152	100
Industrial & Digital Solutions	314	195
Process Industries	352	565
Energy	496	940
Management Consulting	62	493
Group Common	33	359
AFRY total	**261**	**342**

Based on actual data (>85%) and interpolated data for completeness as per the Greenhouse Gas Protocol. Car travel concerns business travel via company cars, privately-owned cars and rental cars.
1) Based on all types of employment.
2) Some uncertainty may exist in the distribution of emissions per division.

Travel directive
AFRY's policy for business travel, the travel directive, conveys clear global guidelines for planning, booking and undertaking business travel. The aim of the directive is to ensure that the company's business travel is conducted in an efficient way and that the environmental impact and travel-related risks linked to employees' well-being are minimised. The basic principle is that all business travel must be justified, in the sense that there needs to be a clear business purpose for the trip. The potential for virtual collaboration must always be evaluated with the aim of reducing climate impact, travel-related risks and costs.

Vehicle policy in Sweden
AFRY's vehicle policy regulates the choice of on-demand, personnel and company cars for the Swedish part of the business, with the aim of transitioning to a fossil-free and injury-free fleet of vehicles by 2030. The emissions limit for new contracts in 2023 was 40 g CO_2/km (WLTP). The average emission level for vehicles covered by the vehicle policy was 16 g CO_2/km for new vehicles and 25 g CO_2/km for all vehicles. For 2024, the emission and safety requirements will still be set at a maximum of 40 g CO_2/km in accordance with our long-term goal, which means that we will continue to be below the EU's 2024 target, and only models rated with five stars by EuroNCAP from 2019 onwards will be approved.

Energy use in offices
AFRY's offices cause CO_2 emissions from energy consumption in form of electricity, heating and cooling. Electricity encompasses both facility electricity for ventilation and lights as well as operational electricity that runs our computers, screens and virtual meeting technology. We aim to reduce the emissions stemming from the energy consumption in our offices by reducing energy consumption, through space and energy efficiency, and by reducing the emission intensity of consumed energy, by striving for fossil free energy contracts. AFRY leases its offices, which means that AFRY does not always control the choice of energy supplier or stand for investments in the office facility. Therefore, we strive to cooperate with our landlords to reduce the CO_2 emissions stemming from our offices.

In the Swedish part of the business and where AFRY controls the choice of electricity supplier, we have for nine years been centrally procuring electricity contracts with entirely renewable energy sources (as defined in EU Directive 2018/2001/EC). This agreement cover 53 percent of AFRY's total office space in Sweden. In 2023, 48 percent of the energy used in offices in Sweden came from renewable energy sources, which is an increase of 13 percent compared to the previous year. In line with the annual climate calculations, we monitor and measure energy use in seven additional countries, meaning the data covers the eight countries where the majority of AFRY's employees are stationed. Actual energy use for office space in other countries is not measured. Energy use for offices in these countries is instead calculated using standard amounts based on data for countries other than Sweden and Finland.

Energy use in offices amounted to 37,000 MWh in 2023, of which 18,000 MWh was electricity and 19,000 MWh was heating and cooling. The climate calculations show that for 2023, total emissions from energy consumption at offices increased by around 6 percent across the entire Group. Emission from energy consumption per employee decreased by around one percent compared to the previous year. Compared to the 2019 base year, energy consumption per employee for the entire Group decreased by around 30 percent.

Energy consumption in our largest markets

Energy consumption in AFRY's largest markets	Electricity, MWh	Heating and cooling, MWh	Emissions (location based), tonne CO_2
	2023	2023	2023
Sweden	7,471	5,992	375
Finland	5,799	7,104	291
Switzerland	493	1,324	213
Norway	1,083	314	54
Denmark	602	850	30
AFRY total	**18,000**	**19,000**	**2,275**

Energy sources and energy intensity

	2023
Energy from renewable sources, MWh	11,209
Energy from non-renewable and non-verifiable renewable sources, MWh	26,063
Energy intensity[1], kWh/employee	1,963

1) Includes energy for electricity, heating and cooling, from both renewable and non-renewable sources.

Calculation methods for greenhouse gas emissions
The calculations of AFRY's greenhouse gas emissions follow the guidelines of the Greenhouse Gas Protocol. AFRY's greenhouse gas accounting and reporting encompasses carbon dioxide emissions, CO_2, and uses the global warming potential (GWP) 1. Data is collected from the eight countries: Sweden, Finland, Switzerland, Norway, Brazil, Germany, the UK and Denmark. The aggregated data is used as a basis for estimating AFRY's total emissions, including those countries from which data have not been collected. AFRY uses the consolidation approach operational control.

AFRY's emissions under Scope 1 refer to direct emissions of greenhouse gases generated from our business travel with company cars operated by employees: account-, benefit- and and service cars. The Swedish operation's company cars are based on calculated, detailed emission data per car from AFRY's supplier of vehicle administrative services. For other countries, data is collected from our travel expense management systems as kilometres driven or cost for fuel. It is assumed that detailed emissions data collected through the travel expense management systems is correct and is specified manually or using threshold values (0 g CO_2/km, <95 g CO_2/km and >95 g CO_2/km). In 2023, an improved data collection of emissions from company cars resulted in a increased coverage of emissions, which led to an adjustment of emissions from Scope 1 from the base year onwards. The adjustment has a marginal effect on the total result.

AFRY's emissions under Scope 2 refer to indirect emissions of greenhouse gases generated from our energy consumption in our offices, more specifically electricity, heating and cooling. The market-based method was used to calculate energy-related emissions, which means that the calculations consider whether the purchased electricity was origin-labelled. For electricity use in Sweden and Finland, the emission factor for origin guarantees is used where such is purchased (0 g CO_2/kWh), and otherwise residual mix is used (467.72 g CO_2/kWh). For other Nordic countries, Nordic electricity mix is used (50 g CO_2/kWh). For countries outside the Nordics, European electricity mix is used (432 g CO_2/kWh).

The source of the electricity mixes are Swedenergy outside the Nordics and the Swedish Energy Markets Inspectorate for residual mix. In cases where district heating is used in Sweden, emissions are calculated from the local production mix. For offices in Finland, Norway and Denmark using district heating, the same emissions are assumed as from average Swedish district heating production. Offices outside the Nordics are assumed to be heated using electricity.

AFRY's reported emissions under Scope 3 concern other indirect emissions of greenhouse gases and include our business travel (Scope 3 category 6). Business travel in Scope 3 include privately owned-, rental- and pool cars as well as air travel. Emission data relating to air travel for Sweden, Finland, Switzerland, Norway, Germany and Denmark are obtained from our travel agency, supplemented with data from our travel expense management systems. Emission data provided by our travel agency is based on standard values from the Network for Transport and Environment (NTM). Emissions per kilometre flown are assumed to be the same as the average for trips booked via the travel agency. Air travel emissions are not adjusted for high altitude effects using the RFI factor. For rental and pool cars, emissions data is supplied from travel agencies, supplemented with data from our travel expense management systems. For privately owned cars, the Swedish Environmental Protection Agency's emission factors are used (0.112–0.172 kg CO_2/km depending on vehicle type), if not more specific data on vehicle type or emission factor is available in our systems.

Cont. Note S12

Other Scope 3 emissions are also generated from AFRY's supply chain, but they are not measured. Emissions from purchased goods and services (Scope 3 category 1 and 2) have been identified as a material emissions source during the greenhouse gas inventory performed in 2021, and are included in AFRY's supplier engagement target, which steers towards more suppliers setting their own climate targets. AFRY estimates share of spend stemming from suppliers with set science-based targets and aims for this share to increase. Science-based targets are defined as targets that follow the criteria, scope and methodology of the Science Based Targets initiative. Work has been initiated to collect data for the emission category. Commuting by employees has also been identified from the inventory as a significant source of emissions, and work to produce estimates has begun. There is also some impact from other categories like waste, but because they account for a marginal part of our overall impact and data collection requires considerable resources, we prioritise the most significant source of Scope 3 emissions where we have the best opportunity to make a difference.

OUR PEOPLE

Our people are our greatest asset and therefore it is a key part of our strategy to be the employer of choice. For us it is important to provide a work environment where our employees are safe, healthy and where they can achieve work-life balance. We aim to attract and retain the best people by offering interesting assignments where our employees and their teams' can deliver sustainable solutions in collaboration with our clients. By investing in our employees and leadership, working proactively with diversity, equality and inclusion, we safeguard access to the competence required to accelerate the sustainability transition. Read more on pages 35-39.

Number of employees by type of employment and gender in our largest markets

	Permanent employment				Other temporary				All forms of employment			
AFRY's largest markets	**Women**	**Men**	**Other**	**Total**	**Women**	**Men**	**Other**	**Total**	**Women**	**Men**	**Other**	**Total**
Sweden	2,282	5,371	5	7,658	158	488	1	647	2,440	5,859	6	8,305
Finland	732	1,477	5	2,214	156	404	1	561	888	1,881	6	2,775
Switzerland	222	671	1	894	18	60	0	78	240	731	1	972
Norway	378	736	0	1,114	10	19	0	29	388	755	0	1,143
Denmark	217	585	0	802	8	13	0	21	225	598	0	823
Other	1,097	2,472	3	3,572	284	1,102	8	1,394	1,381	3,574	11	4,966
Total	**4,928**	**11,312**	**14**	**16,254**	**634**	**2,086**	**10**	**2,730**	**5,562**	**13,398**	**24**	**18,984**

Number of head counts and for all forms of employment. Non-guaranteed employees is not applicable for AFRY's business.

Number of employees by capacity utilisation rate and gender in our largest markets

	Full-time employees				Part-time employees				All employees			
AFRY's largest markets	**Women**	**Men**	**Other**	**Total**	**Women**	**Men**	**Other**	**Total**	**Women**	**Men**	**Other**	**Total**
Sweden	2,212	5,436	5	7,653	228	423	1	652	2,440	5,859	6	8,305
Finland	794	1,789	5	2,588	94	92	1	187	888	1,881	6	2,775
Switzerland	107	528	1	636	133	203	0	336	240	731	1	972
Norway	356	724	0	1,080	32	31	0	63	388	755	0	1,143
Denmark	188	550	0	738	37	48	0	85	255	598	0	823
Other	1,170	3,355	11	4,536	211	219	0	430	1,381	3,574	11	4,966
Total	**4,827**	**12,382**	**22**	**17,231**	**735**	**1,016**	**2**	**1,753**	**5,562**	**13,398**	**24**	**18,984**

Number of head counts and for all forms of employment.

Leadership and culture

AFRY has a strong values-based culture grounded in our core values Brave, Devoted Team players where sustainability and responsible business are important guiding principles for employees. All managers in the Group have particular responsibility to live up to the values and principles described in our Code of Conduct and to ensure employees have understood and are complying with it in their areas of responsibilities. Serving as a good role model is part of AFRY's brave leadership criteria. A changing world increases the need to continue developing leaders, and therefore AFRY continuously takes steps to maintain a strong leadership culture.

In 2022, a new Group common leadership programme was launched aimed at all our first line managers, the Brave Leadership I programme. It aims to provide long-term support to our leaders in being role models for AFRY's leadership principles and to build fundamental knowledge and skills among our managers. Since the programme was launched, 800 line managers have participated with all divisions represented.

An impact study carried out of the programme shows that the participants rated their learning experience very highly. Data indicates that the majority have internalised the learning experience and have consistently applied the skills and principles in their daily work.

In 2023, AFRY took a further step by also launching a tailor-made leadership programme aimed at out senior managers. The Leading Future programme is designed to help leaders to grow by working on real leadership and business challenges in collaboration with key colleagues.

By continuously stregthening leadership, we intend to ensure a good culture and a positive employee experience. How employees perceive their work at AFRY is monitored through regular employee surveys. They are a powerful tool for employees to offer feedback and influence the identification of change and development activities. Employee engagement is key for us as a company to get a better understanding of motivation, satisfaction and engagement in the organisation and in our teams.

In 2023, we launched an improved survey with a new, dynamic platform that allows for conducting annual group surveys and pulse surveys when needed. The employee engagement results of the 2023 survey, with a response rate of 79%, demonstrates that AFRY has strong results in most indexes. We can see that eNPS has decreased slightly from 29 to 26 albeit at a continued robust level above the global benchmark.

The Leadership Index is one of the most vital aspects of our organisation's success. The results show that we have strong leadership at AFRY, something we are extremely proud of. We can also see a stable level of the Engagement Index. The Team Efficiency Index and Social Work Environment Index fell back slightly, but still outperform the global benchmark.

Managers and teams are working on the results, and we are determined to take measures when needed to continue being an attractive employer and a successful company.

Note S13

Physical and mental well-being

At AFRY, our employees are our greatest asset. We believe that every person matters, and we work proactively to ensure a safe and healthy workplace for everybody who work for AFRY. We focus on our employees' physical health, safety and well-being, and strive to make our people feel they have a good work-life balance.

Our top management is committed to building safe and healthy working conditions for leaders, employees, partners, and other stakeholders. A good work environment ensures both sustainable results and long-term relationships, and at the same time is a prerequisite for being an attractive employer.

For the AFRY Group, we require that our operations comply with local legal requirements, industry standards and AFRY common standards. Our cooperation with trade union representatives is important as it brings value in this area. To ensure compliance, we work consistently and proactively through policies, directives and supporting processes and tools to prevent accidents and safety incidents, and to promote health and wellbeing.

AFRY's Code of Conduct and our Health, Safety, Environment and Quality Policy form the basis of our global health and safety initiatives and our ISO 45001 compliance. The policy sets the framework for local objectives, target settings and decision making in our management and business processes. Compliance with the policy is mandatory for all employees and anyone working on behalf of AFRY.

We consider health and safety in the full value chain perspective, when planning our business and our assignments. When entering each new business agreement or business opportunity, AFRY places requirements both on our own and our clients' health and safety management. A fundamental part of our work is that clients' health and safety standard and values also reflect AFRY's values.

Enhanced health and safety framework

Our management system is the frame for AFRY's health and safety efforts and complies with ISO 45001. It includes routines for communication, reporting, risk identification and safety inspections. It also contains routines for quarterly global follow-up of the work being done on health and safety, which is presented to Group Executive Management and the Board of Directors. However, at AFRY we wish to work even more proactively on health and safety. Our employees are our greatest asset, we believe that every person matters. We view people as the solution for creating a mature health and safety culture that is founded on inclusion and care.

We aim to include and build a trusting learning culture throughout the organisation. We thus aim to understand working conditions, take preventive steps to avoid accidents and safety incidents, and promote health and well-being. In our local units, managers, employees and subconsultants engage in the health and safety work by attending joint forums, meetings, activities, and trainings.

During the year, we have continued to strengthen AFRY's health and safety collaboration on a global level. We have established a new Group Health & Safety function, and we have continued our inclusion and collaboration initiatives across countries and business areas. Our new Group function will provide dedicated support and enhance the alignment, harmonization and sharing of learnings and best practice across the global organization.

We have strengthened our global Health and Safety Community forum which consist of specialists and key persons representing the different parts of our global organization. Here, we share learnings and best practices and discuss common challenges and improvement ideas. With this forum in place, we have a strong foundation for business and operational involvement necessary to support implementation of improvements throughout the Group.

Enhanced reporting programme

AFRY's business includes many local entities in different sectors and geographical areas where we operate. For these units individual local reporting practices for health and safety exists and on a global level, we collect the data per country and consolidate it in a global report every quarter. To make the collection of data more efficient, accurate and quality assured, we have initiated a mapping of the various local methods and tools and started the implementation of a digital system for the global data collection. We will continue our focus on reporting quality and accuracy, and we expect the digitalisation of global data collection to be fully implemented during the coming years.

We are currently collecting global data for physical work environment based on total recordable injuries (TRI) and related sub-categories. We consider these indicators as valuable and important to track. The key indicators, however, are either lagging or reactive. Our approach at AFRY is to work proactively on health and safety, and we have launched initiatives to identify more leading indicators that better support the proactive and preventive approach.

Specific focus on health and well-being

One of AFRY's sustainability objectives is to safeguard employees' health at work and their work-life balance. The importance of ensuring that AFRY is well positioned to meet the needs of future talent and adapt to the future of work is clear. Safe and healthy working conditions are prerequisites for being an attractive employer. For a couple of years, we have implemented processes for follow-up, health-checks, training of our leaders, employees' surveys, rehabilitation and preventive health measures.

We have already established a clear approach for employee well-being, and during the year we strengthened our global focus on this even more, especially focusing on preventing and following the development of stress in the organisation. We have initiated activities to create deeper knowledge and to identify a range of services and support for leaders and employees.

In the countries where AFRY operates, we make various efforts and arrangements for occupational health services including health checks and wellness contributions. One outstanding example is the effort in our German units.

AFRY Germany has implemented an extensive local health programme involving voluntary health representatives for each of the 16 locations in Germany. The health representatives serve as contact partners, motivators, and organisers for healthcare management at their respective workplace. Some of them are engineers, assistants or draughtsmen. They know the employees in the individual workplaces well and promote precisely the measures that the employees want. Each workplace has its own health budget managed by the health multipliers.

Other people involved in the German programme are the under-30s, who represent the younger generation and who typically have different expectations and wishes for their professional life, work-life balance and health.

During the year, they conducted a Germany-wide online health day on the topic of sustainable health, with lectures, a variety of unit-specific activities, additional in-depth activities in some units, and presentation of a new health app for all employees.

Every quarter a steering committee consisting of the German country manager, HR, the occupational safety manager, health multipliers and representatives from department leaders, the workers council, company management and the Under-30 group meets to discuss health-related topics and trends. This is a truly inclusive, collaborative set-up that we aim to roll out through our global Health & Safety Community.

Outcome

Our measurements of the physical work environment are based on Total Recordable Injuries (TRI) and related sub-categories, for example Restricted Work Case (RWC), Medical Treatment Injury (MTI) and Minor Injury as well as Lost Time Incident (LTI) and Fatalities (F). The accident rate is low, although we see an increase compared to the previous year. It remains of high relevance for AFRY to continue its focus on the risk of injuries so that we can prevent our employees from becoming injured on the job.

Health, safety and sickness absence

	2023	2022[1]
LTIF[2]	**0.59**	**0.31**
Accidents with fatal outcome (F)	0	0
High consequence LTI[3] [4]	0	0
LTI[3] total	18	9
TRIF[5]	1.42	0.97
Hours worked (million)	30.33	28.80
Sickness absence[6] (%)	**2.70**	**2.97**

All forms of employment. The statistics on health and safety include the number of employees at 99.1% for 2023 and 98.6% for 2022, which means 178 (2023) and 255 (2022), respectively, are not included. The total hours worked has been reduced accordingly.

1) Outcome has been updated compared with what was reported in 2022 based on a new calculation method.
2) LTIF (lost time injury frequency), defined as (F+LTI)/million hours worked.
3) LTI (lost time injury), number of work-related accidents entailing an absence longer than one day from the day following the accident.
4) LTI with serious consequences, defined as the number of work-related accidents with a fatal outcome or with an actual or expected absence of longer than six months.
5) TRIF (total recordable injury frequency), defined as (F+LTI+R - WC+MTI)/million hours worked.
6) Based on the total number of reported hours (36.47 million in 2023 and 34.92 million in 2022).

Note S14

Diversity, equal opportunity and inclusion

AFRY has clear targets in our endeavour for a more even gender distribution, and actively works to increase inclusion and to reach our goal of having 40 percent women in leading positions. AFRY takes active steps to increase diversity and gender balance to get the best people, secure long-term growth and profitability, and creating a positive workplace environment. Read more about our inclusion, diversity and equal opportunity initiatives on pages 37-38.

The foundation of AFRY's work on inclusion is anchored to the company's strategy to become the most attractive employer. The work is based on the Discrimination Act's discrimination grounds, which exist in many of the world's countries. The discrimination grounds are sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation and age. One of AFRY's objectives is to promote brave leadership, inclusion and diversity and having 40 percent female leaders by 2030. The outcome for 2023 is presented on page 12.

During the year, a fundamental analysis was carried out of trends and forecasts for AFRY's development, and materials and approaches were developed for how divisions, countries and regions can achieve the objective. We now know in more detail how AFRY's divisions and countries are doing in terms of gender diversity, and the picture differs depending on country, division and region. Concrete measures that emerged after the analysis are that AFRY must continue to train and increase awareness of the importance of inclusion and diversity, as well as the need for different measures depending on division, country and region.

A new initiative launched in 2023 was an e-learning course on inclusion and diversity, as well as working materials on unconscious bias. This initiative was launched during the year's global Inclusion & Diversity Week 2023. Also new for this year is that many countries and offices participated in Inclusion & Diversity Week, and 50 or so local events were arranged around the world including in Brazil, China, Saudi Arabia, Norway, Denmark and Switzerland.

Gender and age distribution

	2023						2022					
Distribution in %	**Women**	**Men**	**Other**	**Age <30**	**30–50**	**>50**	**Women**	**Men**	**Other**	**Age <30**	**30–50**	**>50**
Board of Directors[1]	50.0	50.0	0.0	0.0	0.0	100.0	50.0	50.0	0.0	0.0	0.0	100.0
Group Management	36.4	63.6	0.0	0.0	45.5	54.5	41.7	58.3	0.0	0.0	50.0	50.0
Managers	26.6	73.4	0.0	1.1	65.1	33.8	25.3	74.6	0.0	1.2	66.3	32.5
Consultants	28.8	71.2	0.1	17.9	58.8	23.3	28.1	71.9	0.1	18.1	58.3	23.6
Administrative staff	75.0	24.7	0.3	15.7	51.6	32.7	74.2	25.5	0.3	13.7	51.7	34.6
Total	**30.3**	**69.6**	**0.1**	**15.4**	**59.4**	**25.2**	**29.6**	**70.3**	**0.1**	**15.5**	**59.1**	**25.3**

Number of head counts and for permanent employees.
Excluding employee records without data on age due to local regulations (80).
1) Excluding employee representatives. The proportion of women on the Board of Directors, including ordinary employee representatives, is 50 percent for 2023 and 50 percent for 2022.

Percentage of women per division

Share of women in %	Consultants	Managers	Administrative staff	Total
Energy	21.3	17.9	64.4	22.9
Industrial & digital solutions	22.5	25.8	86.8	24.4
Infrastructure	33.4	26.2	84.2	33.4
Management consulting	35.0	30.3	60.0	34.3
Process industries	23.8	17.8	84.7	24.2
Group Common	61.9	57.0	67.6	63.7
Total	**27.8**	**25.8**	**74.3**	**29.3**

Number of head counts and for all forms of employment.

Age distribution

	2023			2022			2021	
Age distribution in %	**Women**	**Men**	**Other**	**Women**	**Men**	**Other**	**Women**	**Men**
–29	6.0	10.6	0.1	6.3	10.9	0.0	6.3	10.7
30–39	10.7	21.9	0.0	10.1	21.9	0.0	9.7	22.4
40–49	6.4	16.1	0.0	6.5	16.3	0.0	6.3	16.7
50–59	4.7	13.3	0.0	4.4	13.7	0.0	4.2	14.0
60–	1.5	8.6	0.0	1.4	8.4	0.0	1.5	8.3
Total	**29.3**	**70.6**	**0.1**	**28.7**	**71.2**	**0.1**	**27.9**	**72.1**

Based on headcount and for all types of employment.
Excluding employee records without data on age (197) due to local regulations.

Another inclusion initiative that was implemented was "Diversity Questions" as a part of our recruitment system SmartRecruiters. By implementing diversity topics, AFRY has a tool for tracking age and gender in order to seek job candidates. This represents a step forwards for tracking and gaining an overview of candidate trends.

In 2023 AFRY's work on HBTQI+ people's rights also continued, with participation in Gothenburg Pride, where many of AFRY's employees participated locally. At the beginning of Pride Month on 1 June, an online global seminar was arranged about HBTQI+ people's rights and how we as a company can support a more inclusive world.

Harassment is totally unacceptable at AFRY, and there is zero tolerance for discrimination just as for other human rights violations. All employees must be aware of this, and anyone affected should know where they can turn for help and to initiate an investigation. AFRY's equal treatment and diversity policy, People Policy, Code of Conduct, procedures and guidelines all address forms of harassment such as bullying or discrimination. It is essential that AFRY's equal treatment and diversity policy is followed, and for harassment and discrimination not to be tolerated in any form. Inappropriate behaviour, including harassment and discrimination at AFRY, is managed by the local units' HR managers and managers in charge according to national law. Necessary measures are taken in accordance with the law and AFRY's policies. In 2023, 34 cases were reported to the Chief Compliance & Ethics Officer which were managed together with the divisional HR functions (see page 118).

The annual employee survey includes questions about areas such as discrimination, equal opportunities and how employees perceive their line managers' efforts to ensure inclusion and diversity. During 2022 AFRY decided to investigate and improve the Employee Engagement Survey tool. Therefore, the annual Employee Engagement Survey was put on hold. In our efforts, we focused on improved approaches with future engagement surveys and in 2023 launched a new, dynamic platform to measure and follow up on employee engagement. Meanwhile, all employees, teams and managers are encouraged to continue building a culture of feedback through in-depth 1-to-1 discussions and follow up on the targets set in the performance and development dialogues. Devoted, engaged employees are the key to our shared success. AFRY's yearly Group Employee Engagement survey is a powerful tool for employees to provide feedback and be included in identifying change and development activities. Engagement is key for us as a company to get a better understanding of motivation, satisfaction and engagement in the organisation and in our teams.

Note S15

Talent attraction and retention

AFRY's personnel policy states that AFRY should work towards responsible, healthy, safe and fair working conditions with equal opportunities for all of our employees. Diversity and inclusion are at the core of our personnel policy, and with bold leadership, where our employees are provided with opportunities for long-term development and broad career opportunities, we strive to be and be perceived as a good, attractive employer so as to retain and recruit committed employees and the best talent. Read more on pages 35–38.

New hires by gender and age group

	2023															
	Women		Men		Other		Total		Age <30		30–50		>50		Total	
Largest markets	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Sweden	279	12.2%	646	12.0%	2	40.0%	**927**	**12.1%**	206	19.7%	570	12.2%	150	7.7%	**926**	**12.1%**
Finland	79	10.8%	129	8.7%	1	20.0%	**209**	**9.4%**	53	18.3%	139	10.6%	17	2.8%	**209**	**9.4%**
Switzerland	50	22.5%	98	14.6%	1	100.0%	**149**	**16.7%**	57	32.2%	75	14.8%	17	8.1%	**149**	**16.7%**
Norway	78	20.6%	164	22.3%	-	-	**242**	**21.7%**	48	38.7%	134	21.6%	60	16.3%	**242**	**21.7%**
Denmark	53	24.4%	132	22.6%	-	-	**185**	**23.1%**	38	35.2%	111	22.9%	36	17.2%	**185**	**23.1%**
Other	244	22.2%	534	21.6%	1	33.3%	**779**	**21.8%**	293	38.9%	399	19.9%	75	10.3%	**767**	**22.0%**
Total	**783**	**15.9%**	**1,703**	**15.1%**	**5**	**35.7%**	**2,491**	**15.3%**	**695**	**27.8%**	**1,428**	**14.9%**	**355**	**8.7%**	**2,478**	**15.3%**

Number of head counts and for permanent employees. Excluding records where age is unknown (13).

Employee turnover

	2023															
	Women		Men		Other		Total		Age <30		30–50		>50		Total	
Largest markets	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Sweden	359	15.6%	801	14.9%	2	40.0%	**1,159**	**15.1%**	185	17.7%	799	17.1%	175	9.0%	**1,159**	**15.1%**
Finland	69	9.4%	126	8.5%	-	-	**195**	**8.8%**	45	15.6%	123	9.4%	27	4.4%	**195**	**8.8%**
Switzerland	31	14.0%	80	11.9%	-	-	**111**	**12.4%**	30	16.9%	71	14.0%	10	4.8%	**111**	**12.4%**
Norway	42	11.1%	85	11.5%	-	-	**127**	**11.4%**	18	14.5%	69	11.1%	40	10.8%	**127**	**11.4%**
Denmark	21	9.7%	76	13.0%	-	-	**97**	**12.1%**	12	11.1%	64	13.2%	21	10.0%	**97**	**12.1%**
Other	131	11.9%	338	13.7%	-	-	**469**	**13.1%**	134	17.8%	285	14.2%	42	5.8%	**461**	**13.2%**
Total	**650**	**13.2%**	**1,506**	**13.3%**	**2**	**14.3%**	**2,158**	**13.3%**	**424**	**17.0%**	**1,411**	**14.7%**	**315**	**7.7%**	**2,150**	**13.3%**

Number of head counts and for permanent employees. Excluding records where age is unknown (8).

Employee engagement and development dialogues

The development of our employees and teams is key to our growth and success, both individually and together as a company. The continuous development of our employees' competence creates the foundation for engagement and results, and strengthens the relevance in our delivery to clients.

To create clarity around expectations and targets, address well-being and identify development activities, each employee and manager should have target and development dialogues. The Career Model tool provides structured support for the dialogue, where reflection and feedback on values, performance and ethical behaviour are included. We encourage employees and managers to have a continuous dialogue about targets and development activities, which should be registered in the tool at least once a year. Our sustainability objective includes empowering brave leadership and increasing employee engagement. These are followed up within the framework of the annual employee survey through indexes for engagement, leadership and attractive employer.

Outcome from the annual Employee Engagement Survev

	2023	2022[3]
Engagement Index[1]	78	-
Leadership Index[1]	82	-
Attractive Employer Index[2]	26	-

1) Scale of −0 to +100. Based on average value of targeted questions on engagement and leadership.
2) Scale of −100 to +100. Based on Employee Net Promoter Score question.
3) The Group common survey was not conducted in 2022.

Regular performance reviews

Employees who received regular evaluation and follow-up of their performance and career development (%)	Women	Men	Other
Managers	71.7	72.0	100.0
Consultants	71.4	72.0	50.0
Administrative staff	68.1	73.6	50.0
Total	**71.1**	**72.0**	**53.8**

Permanent employees.
313 employees were excluded.

Cont. Note S15

Skills development

Hours of training/employee	2023	2022	2021[1]
Hours of training	737,123	667,203	541,764
Average full-time equivalents (FTEs)	18,228	17,340	15,659
Total hours of training/employee	**40.4**	**38.5**	**34.6**

Permanent employees.
[1] Figures adjusted compared to the 2022 report.

Collective bargaining agreements
A total of 11,332 employees (of which 8,722 in Sweden) were covered by collective agreements at year-end, which is 61.2 percent of all employees. In the entire business, employment conditions are competitive in the local market and comply with local regulations.

Collective bargaining agreements in our largest markets

	2023		2022	
	Number	Percent	Number	Percent
Sweden	8,277	99.7%	8,224	99.4%
Finland	2,436	100.0%	2,408	86.1%
Switzerland	-	-	-	-
Norway	75	6.6%	84	8.1%
Denmark	212	25.8%	195	26.4%
Other	332	6.9%	328	6.7%
Total	**11,332**	**61.2%**	**11,239**	**60.1%**

Number of head counts and for all forms of employment.

GRI Index

AFRY has reported in accordance with the GRI Standards for the period 1st of January 2023 to 31st of December 2023. The GRI Index below lists the GRI Standards used, all with publication year and latest updates in 2016, 2018 and 2021, and reported general and specific disclosures.

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE REFERENCE	OMISSION Omissions from	OMISSION Reason	OMISSION Explanation
GRI 2: General disclosures 2021		**THE ORGANISATION AND ITS REPORTING PRINCIPLES**				
	2-1	Organisational details	42, 95–96, 118			
	2-2	Entities included in the organisation's sustainability reporting	95–96, 104, 122			
	2-3	Reporting period, frequency and contact point	104			
	2-4	Restatements of information	104			
	2-5	External certification	102, 131			
		ACTIVITIES AND EMPLOYEES				
	2-6	Activities, value chain and other business relationships	6, 7, 17–25, 118			
	2-7	Employees (FTEs)	104, 123			
	2-8	Workers who are not employees	119			
		GOVERNANCE				
	2-9	Governance structure and composition	42–44, 45–46, 49–50			
	2-10	Nomination and selection of the highest governance body	43–44			
	2-11	Chair of the highest governance body	43, 49–50			
	2-12	Role of the highest governance body in overseeing the management of impacts	45–46, 105			
	2-13	Delegation of responsibility for managing impacts	45–46			
	2-14	Role of the highest governance body in sustainability reporting	45–46			
	2-15	Conflicts of interest	43–44			
	2-16	Communication of critical concerns	118–119			
	2-17	Collective knowledge of the highest governing body	49–52			
	2-18	Evaluation of the performance of the highest governance body	44			
	2-19	Remuneration policies	44–45, 54, 77			
	2-20	Process to determine remuneration	44–45			
	2-21	Annual total compensation ratio	77, 79–80			

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE REFERENCE	OMISSION Omissions from	OMISSION Reason	OMISSION Explanation
GRI 2: General disclosures 2021		**STRATEGY, POLICIES AND PRACTICES**				
	2-22	Statement on sustainable development strategy	5			
	2-23	Policy commitments	9, 31, 45–46, 58, 109, 118–119			
	2-24	Embedding policy commitments	45–46, 106, 109, 118–119			
	2-25	Processes to remediate negative impacts	47–48, 118–119			
	2-26	Mechanisms for seeking advice and raising concerns	45–46, 118–119			
	2-27	Compliance with laws and regulations	42, 118–119	No registered instances with fines		
	2-28	Membership in organisations	107			
		STAKEHOLDER ENGAGEMENT				
	2-29	Approach to stakeholder engagement	104–105			
	2-30	Collective bargaining agreements	127			

TOPIC-SPECIFIC DISCLOSURES

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE REFERENCE	OMISSION: Omissions from	Reason	Explanation
GRI 3: Material Topics 2021	3-1	Process to determine material topics	104–105			
	3-2	List of material topics	105			
ACCELERATE THE SUSTAINABILITY TRANSITION AND SUSTAINABLE SOLUTIONS						
GRI 3: Material Topics 2021	3-3	Management of material topics	30–32, 45–46, 104–105, 107–109, 121			
	Company-specific disclosure	Positive contribution to the UN SDGs	31–32, 107			
GOOD BUSINESS ETHICS, CLIENT RESPONSIBILITY AND PARTNER RESPONSIBILITY						
GRI 3: Material Topics 2021	3-3	Management of material topics	45–46, 58–60, 118–119			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	58–60, 118–119			
	205-2	Communication and training about anti-corruption policies and procedures	106, 118–119			
	205-3	Confirmed incidents of corruption and actions taken	99, 119			
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	58–60, 118–119			
OWN CLIMATE IMPACT						
GRI 3: Material Topics 2021	3-3	Management of material topics	33–34, 45–46, 104–105, 120–121			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	122			
	302-3	Energy intensity in the organisation	122			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	120–122			
	305-2	Energy indirect (Scope 2) GHG emissions	120–122			
	305-3	Other indirect (Scope 3) GHG emissions	120–122			
	305-4	GHG emissions intensity	121–122			
	305-5	Reduction of GHG emissions	120–122			

GRI STANDARD	DISCLOSURE	DESCRIPTION	PAGE REFERENCE	OMISSION: Omissions from	Reason	Explanation
PHYSICAL AND MENTAL WELL-BEING						
GRI 3: Material Topics 2021	3-3	Management of material topics	35–39, 45–46, 123–124			
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	124			
	403-2	Hazard identification, risk assessment and incident investigation	60, 123–124			
	403-3	Occupational health services	123–124			
	403-4	Worker participation, consultation and communication on occupational health and safety	123–124			
	403-5	Worker training on occupational health and safety	124			
	403-6	Promotion of occupational health	123–124			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	123–124			
	403-9	Work-related injuries	124			
DIVERSITY, EQUAL OPPORTUNITY AND INCLUSION, TALENT ATTRACTION AND RETENTION						
GRI 3: Material Topics 2021	3-3	Management of material topics	35–39, 45–46, 125			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover rate	126			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	127	Not reported by gender or job classification	Technical collection limitations	
	404-3	Percentage of employees receiving regular performance and career development reviews	126			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Board of Directors, governance bodies and employees	125			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	125			
SUSTAINABLE AND PROFITABLE GROWTH						
GRI 3: Material Topics 2021	3-3	Management of material topics	42–48, 120			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	120			

TCFD Index

TCFD RECOMMENDATIONS

	Page reference	Comments
CORPORATE GOVERNANCE		
Describe the Board of Directors' oversight of climate-related risks and opportunities.	42–48, 58	
Describe management's role in assessing and managing climate-related risks and opportunities.	42–48, 58	
STRATEGY		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	13–15, 28, 30–34, 58–60	AFRY's first three strategic pillars describe climate-related opportunities.
Describe the impact of climate-related risks and opportunities in the organisation's businesses, strategy and financial planning.	13–15, 28, 30–34, 58–60	AFRY's first three strategic pillars describe climate-related opportunities.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	30–34, 58	During the year, AFRY has continued the work with climate scenario analyses.
RISK MANAGEMENT		
Describe the organisation's processes for identifying and assessing climate-related risks.	47, 58, 107, 118–122	
Describe the organisation's processes for managing climate-related risks.	47, 58–60, 107	
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	47, 58–60, 107	
METRICS AND TARGETS		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	58, 106–117, 118	
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	34, 120–122	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	34, 120–122	

Audit statement

Auditor's Limited Assurance Report on AFRY AB's Sustainability Report and statement regarding the Statutory Sustainability Report

To AFRY AB, Corp. Id. 556120-6474

Introduction
We have been engaged by the Board of Directors and the President and CEO of AFRY AB to undertake a limited assurance engagement of AFRY ABs Sustainability Report for the year 2023. AFRY AB has defined the scope of the Sustainability Report that also is the Statutory Sustainability Report on page 104.

Responsibilities of the Board of Directors and the President and CEO
The Board of Directors and the President and CEO are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 104 in the Sustainability Report and are part of the Sustainability Reporting Standards published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance engagements other than audits or reviews of historical financial information (revised). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12 The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of AFRY AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and President and CEO as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions
Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the President and CEO.

A Statutory Sustainability Report has been prepared.

Stockholm, 21 mars 2024
KPMG AB

Joakim Thilstedt
Authorised Public Accountant

Karin Sivertsson
Expert Member of FAR

Five-year financial summary

1 January – 31 December (SEK million)	2023	2022	2021	2020	2019
Net sales and earnings					
Net sales	26,978	23,552	20,104	18,991	19,792
EBITA excluding items affecting comparability	2,032	1,886	1,712	1,635	1,731
EBITA	1,938	1,729	1,662	1,509	1,368
Operating profit, EBIT	1,779	1,444	1,523	1,382	1,276
Profit after financial items	1,441	1,220	1,393	1,196	1,039
Profit for the year	1,100	974	1,130	932	821
Capital structure					
Non-current assets	18,162	18,217	16,857	15,928	16,872
Current assets	10,010	9,778	9,056	7,592	7,502
Equity including non-controlling interest	12,454	12,178	10,993	10,005	9,369
Non-current liabilities	6,674	6,797	7,014	6,314	8,240
Current liabilities	9,043	9,021	7,905	7,199	6,767
Balance sheet total	28,172	27,996	25,913	23,520	24,375
Equity (average)	12,465	11,522	10,435	9,766	7,740
Total capital (average)	28,478	26,711	24,385	23,948	21,833
Capital employed (average)	20,868	19,432	17,920	17,534	15,507
Net debt excl IFRS 16	4,868	4,646	3,565	2,756	4,424
Key ratios					
EBITA margin excluding items affecting comparability	7.5	8.0	8.5	8.6	8.7
EBITA margin, %	7.2	7.3	8.3	7.9	6.9
Operating margin, %	6.6	6.1	7.6	7.3	6.4
Profit margin, %	5.3	5.2	6.9	6.3	5.2
Equity ratio, %	44.2	43.5	42.4	42.5	38.4
Net debt/EBITDA excl IFRS 16, times	2.4	2.5	2.0	1.7	3.0
Net debt/equity ratio, %	39.1	38.2	32.4	27.5	47.2
Current ratio, times	1.1	1.1	1.1	1.1	1.1
Return on equity, %	8.8	8.5	10.8	9.5	10.6
Return on total capital, %	6.2	5.1	6.1	5.4	5.5
Return on capital employed, %	8.8	7.3	8.6	7.7	8.3
Interest cover, times	4.6	6.9	10.4	8.7	5.2

1 January – 31 December (SEK million)	2023	2022	2021	2020	2019
Shares					
Basic earnings per share, SEK	9.71	8.60	9.97	8.29	8.07
Diluted earnings per share, SEK	9.71[1]	8.60[1]	9.97[1]	8.29[1]	7.99
Dividend yield, %	3.9	3.2	2.2	2.0	–
Equity per share, SEK	109.97	107.53	97.09	88.52	83.51
Diluted equity per share, SEK	109.97	107.53	97.09	88.52[1]	83.51[1]
Cash flow from operating activities per basic share, SEK	15.84	9.20	13.23	17.81	19.59
Cash flow from operating activities per diluted share, SEK	15.84	9.20	13.23	17.81[1]	19.16
Market price on 31 December, SEK	139.70	170.90	255.00	251.20	218.60
Market capitalisation	15,821	19,355	28,869	28,392	24,521
Ordinary dividend per share, SEK	5.50[2]	5.50	5.50	5.00	–
Other					
Cash flow from operating activities	1,794	1,042	1,498	2,004	1,993
Cash flow from investing activities	-756	-873	-1,213	-264	-5,290
Cash flow from financing activities	-942	-1,012	-12	-987	4,066
Capacity utilisation, %	73.5	74.7	74.7	75.6	75.8
Average number of FTEs excluding associates	18,228	17,340	15,647	15,271	14,680

1) Issued convertibles do not entail any dilution during the year.
2) Proposed dividend.

Alternative performance measures

Definitions
The key ratios and alternative performance measures used in this report are defined on page 136 and on our website: https://afry.com/en/investor-relations/.

Organic growth
Since the Group is active in a global market, sales are transacted in currencies other than the Swedish krona, which is the reporting currency. Exchange rates have been relatively volatile historically, and the Group carries out acquisitions/divestments of operations on an ongoing basis. Taken together, this has led to the Group's sales and performance being evaluated on the basis of organic growth. Organic sales growth represents comparable sales growth or sales reduction and enables separate valuations to be carried out on the impact of acquisitions/divestments and exchange rate fluctuations.

Alternative performance measures
The consolidated financial statements contain financial ratios defined according to IFRS. They also include measurements not defined according to IFRS, known as alternative performance measures. The purpose of this is to provide information for comparing trends across years and to understand the underlying operations. These terms may be defined in a different way by other companies and are therefore not always comparable to similar measures used by other companies.

	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group[1]	
%	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Total growth	13.0	15.9	6.5	11.6	20.7	21.0	18.1	13.0	23.3	22.8	14.5	17.1
(-) Acquired	0.8	6.6	0.1	1.7	1.8	1.1	3.2	2.1	0.0	0.0	1.1	4.5
(-) Currency effects	3.2	3.9	0.7	1.1	5.2	8.6	6.7	6.6	9.0	9.5	3.8	4.9
Organic	**9.0**	**5.4**	**5.6**	**8.8**	**13.7**	**11.3**	**8.3**	**4.3**	**14.3**	**13.3**	**9.6**	**7.8**
(-) Calendar effects	-0.5	-0.3	-0.5	0.0	-0.7	-0.5	-1.2	-0.6	-0.9	-0.2	-0.6	-0.3
Organic growth adjusted for calendar effects	**9.5**	**5.6**	**6.1**	**8.8**	**14.4**	**11.8**	**9.4**	**4.9**	**15.1**	**13.6**	**10.2**	**8.1**

[1] The Group includes eliminations.

	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group[1]	
SEK million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Total growth	1,176	1,225	412	572	955	801	549	349	304	216	3,426	3,448
(-) Acquired	75	509	8	83	85	41	96	57	0	0	264	896
(-) Currency effects	286	302	47	56	240	329	203	177	118	90	903	980
Organic	**815**	**414**	**357**	**434**	**630**	**431**	**250**	**116**	**186**	**126**	**2,259**	**1,572**
(-) Calendar effects	-47	-21	-33	-2	-32	-19	-35	-16	-11	-2	-151	-59
Organic growth adjusted for calendar effects	**862**	**435**	**390**	**436**	**663**	**450**	**285**	**132**	**197**	**128**	**2,410**	**1,632**

[1] The Group includes eliminations.

EBITA/EBITA exclusding items affecting comparability

Operating profit before associates and items affecting comparability refers to the operating profit after restored tangible items and events related to changes in the Group's structure and operations which are relevant for an understanding of the Group's performance on a comparable basis. This metric is used by Group Executive Management to monitor and analyse underlying profit/loss and to provide comparable figures between periods.

	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group[1]	
SEK million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
EBIT (operating profit/loss)	657	679	464	521	659	486	360	294	185	164	1,779	1,444
Acquisition-related items												
Amortisation and impairment of intangible assets	–	–	–	–	–	–	–	–	–	–	176	170
Revaluation of contingent considerations	–	–	–	–	–	–	–	–	–	–	-19	-14
Divestment of operations	–	–	–	–	–	–	–	–	–	–	2	63
Impairment of operations	–	–	–	–	–	–	–	–	–	–	–	66
Profit/loss (EBITA)	**657**	**679**	**464**	**521**	**659**	**486**	**360**	**294**	**185**	**164**	**1,938**	**1,729**
Items affecting comparability												
Costs for the premature termination of leases for office premises	–	–	–	–	–	–	–	–	–	–	23	–
Restructuring costs AFRY X Division	–	–	–	–	–	–	–	–	–	–	25	–
Restructuring costs Infrastructure Division	–	–	–	–	–	–	–	–	–	–	46	80
Restructuring costs Group functions	–	–	–	–	–	–	–	–	–	–	–	20
Cost of customisation/configuration of cloud-based IT systems	–	–	–	–	–	–	–	–	–	–	–	57
EBITA excl. items affecting comparability	**657**	**679**	**464**	**521**	**659**	**486**	**360**	**294**	**185**	**164**	**2,032**	**1,886**

The historical figures above have been adjusted to account for organisational changes.
1) The Group includes eliminations.

	Infrastructure		Industrial & Digital Solutions		Process Industries		Energy		Management Consulting		Group[1]	
%	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
EBIT margin	6.4	7.5	6.8	8.2	11.8	10.5	10.0	9.7	11.5	12.6	6.6	6.1
Acquisition-related items												
Amortisation and impairment of intangible assets	–	–	–	–	–	–	–	–	–	–	0.7	0.7
Revaluation of contingent considerations	–	–	–	–	–	–	–	–	–	–	-0.1	-0.1
Divestment of operations	–	–	–	–	–	–	–	–	–	–	0.0	0.3
Impairment of operations	–	–	–	–	–	–	–	–	–	–	–	0.3
Profit/loss (EBITA)	**6.4**	**7.5**	**6.8**	**8.2**	**11.8**	**10.5**	**10.0**	**9.7**	**11.5**	**12.6**	**7.2**	**7.3**
Items affecting comparability	–	–	–	–	–	–	–	–	–	–	0.3	0.7
EBITA excl. items affecting comparability	**6.4**	**7.5**	**6.8**	**8.2**	**11.8**	**10.5**	**10.0**	**9.7**	**11.5**	**12.6**	**7.5**	**8.0**

The historical figures above have been adjusted to account for organisational changes.
1) The Group includes eliminations.

Net debt excluding IFRS 16, Net debt/EBITDA excluding IFRS 16 and Net debt/equity ratio

Net debt is the total of interest-bearing liabilities less cash and cash equivalents and interest-bearing assets. Lease liabilities after the deduction of receivables relating to subleases are included in net debt. Net debt also includes dividends approved but not yet paid out. Net debt is used by Group Executive Management to monitor and analyse the debt trend in the Group and evaluate the Group's refinancing requirements. Net debt/EBITDA is a key ratio for net debt in relation to cash-generating profit in the operation, which provides an indication of the operation's ability to pay its debts. This metric is commonly used by financial institutions to measure creditworthiness. A negative figure means that the Group has a net cash balance (cash and cash equivalents exceed interest-bearing liabilities).

Net debt excl. IFRS 16

SEK million	2023	2022
Loans and credit facilities	5,876	5,580
Net pension liability	159	155
Cash and cash equivalents	-1,167	-1,088
Total net debt	**4,868**	**4,646**

Net debt/EBITDA, excl. IFRS 16

SEK million	2023	2022
Operating profit (EBITA)	1,938	1,729
Depreciation/amortisation and impairment of non-current assets.	780	702
EBITDA	**2,718**	**2,430**
Lease expenses	-666	-540
EBITDA excl. IFRS 16	**2,052**	**1,890**
Net debt	4,868	4,646
Net debt/EBITDA, excl. IFRS 16, times	**2.4**	**2.5**
Items affecting comparability	94	157
EBITDA excl. IFRS 16 and items affecting comparability	**2,146**	**2,047**
Net debt	4,868	4,646
Net debt/EBITDA, excl. IFRS 16 and items affecting comparability, times	**2.3**	**2.3**

Net debt/equity ratio

SEK million	2023	2022
Net debt	4,868	4,646
Equity	12,454	12,178
Net debt/equity ratio, %	**39.1**	**38.2**

Return on equity

Return on equity is the business's profit/loss after tax during the period in relation to average equity. This key ratio is used to show how great a proportion of the shareholders' contributed capital generates a return, which gives an indication of the operation's ability to create value for its owners.

SEK million	2023	2022
Profit after tax	1,100	974
Average equity	12,465	11,522
Return on equity, %	**8.8**	**8.5**

Return on capital employed

Return on capital employed shows the business's profit/loss after financial items, adjusted for interest expenses in relation to average interest-bearing capital in the business's balance sheet total. The key ratio is used to evaluate how the company utilises capital which has some form of return requirement (for example, dividends on invested capital from shareholders as well as interest on bank loans).

SEK million	2023	2022
Profit after financial items	1,441	1,220
Financial expenses	396	206
Profit	**1,837**	**1,426**
Average balance sheet total	28,478	26,711
Other current liabilities	-7,278	-6,853
Other non-current liabilities	-140	-237
Deferred tax liability	-192	-190
Capital employed	**20,868**	**19,432**
Return on capital employed, %	**8.8**	**7.3**

Interest cover

Interest cover shows profit/loss after financial items adjusted for interest expenses in relation to interest expenses. The key ratio shows the operation's ability to cover its interest expense during the period. A negative interest coverage ratio indicates that the company is making a loss, or that interest expense is greater than the profit for the period.

SEK million	2023	2022
Profit after financial items	1,441	1,220
Profit after financial items, excl. interest expenses	1,837	1,426
Interest expenses	396	206
Interest cover, times	**4.6**	**6.9**

Equity ratio

The equity ratio shows the business's equity in relation to total capital and describes how large a proportion of the business's assets are not matched by liabilities. The equity ratio can be seen as the business's ability to pay in the long term. The key ratio is impacted by profitability during the period and by how the business is financed. This metric is often used to provide an indication of how the company is financed and also to see trends in how the business's funds are utilised. A change in the equity ratio over time may, for example, be an indication that the operation is reviewing its financing structure or is utilising its equity to finance an expansion.

SEK million	2023	2022
Equity	12,454	12,178
Balance sheet total	28,172	27,996
Equity ratio, %	**44.2**	**43.5**

Current ratio

The current ratio shows current assets in relation to current liabilities and gives an indication of the operation's ability to cover its current liabilities. The key ratio also shows the operation's efficiency in utilising short-term funds. A current ratio over 1 suggests that the company is able to cover its current liabilities.

SEK million	2023	2022
Current assets	10,010	9,778
Current liabilities	9,043	9,021
Current ratio, times	**1.1**	**1.1**

Definitions

Financial definitions

Number of employees – Total number of employees at end of reporting period.

Average number of FTEs – Average number of FTEs during the year converted to the equivalent number of year-long, full-time positions. The actual number of employees is higher, owing to part-time employment and the fact that some employees work for only part of the year.

Acquisition-related items – Depreciation/amortisation and impairment of goodwill and acquisition-related intangible assets, revaluation of contingent considerations and gains/losses on divestment of companies and operations.

Items affecting comparability – Refers mainly to costs of restructuring and costs for major acquisitions. Other one-off items may also be reported as items affecting comparability in cases where this gives a fairer picture of the underlying operating profit.

Rolling twelve-month sales and operating profit – Net sales and operating profit for the most recent twelve-month period.

Operating profit (EBIT) – Profit/loss before net financial items and tax (earnings before interest and tax).

Operating profit excl. items affecting comparability – Operating profit/loss adjusted for items affecting comparability.

EBITA – Earnings before interest, taxes and amortisation. Operating profit/loss with restoration of acquisition-related items.

EBITDA – Earnings before interest, taxes, depreciation and amortisation. Operating profit/loss before interest, taxes, impairment, depreciation/amortisation and acquisition-related items.

Capacity utilisation – Time invoiced to clients in relation to total time all employees are present at work.

Outstanding orders – Opening balance of order value for the period less settlements from this recognised as income for the period.

Key ratios

Operating margin – Operating profit in relation to net sales.

Operating margin excl. items affecting comparability – Operating margin adjusted for items affecting comparability.

EBITA margin – EBITA in relation to net sales.

Profit margin – Profit/loss after financial items, in relation to net sales.

Return on total capital – Profit/loss after financial items and restoration of financial expenses, in relation to average balance sheet total.

Alternative performance measures

Current ratio – Current assets in relation to current liabilities.

Equity ratio – Equity including non-controlling interests in relation to balance sheet total.

Net debt – Interest-bearing liabilities (excluding contingent considerations) and pension provisions less cash, cash equivalents and interest-bearing receivables.

Net debt/equity ratio – Net debt in relation to equity including non-controlling interests.

Interest cover – Profit/loss after financial items adjusted for interest expenses in relation to interest expenses.

Dividend yield – Dividend per share in relation to share price at end of reporting period.

Adjusted EBITA margin – EBITA margin excluding items affecting comparability.

Cash flow per share – Cash flow from operating activities in relation to average number of outstanding shares.

Equity per share – Equity attributable to the parent's shareholders relative to total number of outstanding shares.

Earnings per share – Earnings attributable to the parent's shareholders in relation to average number of outstanding shares. Own shares are not regarded as outstanding shares.

Return on equity – Profit/loss after tax in relation to average shareholders' equity including non-controlling interests.

Return on capital employed– Profit/loss after financial items and restoration of interest expenses in relation to average balance sheet total less non-interest-bearing liabilities and net deferred tax.

Total shareholder return – Share price development including re-invested dividend.

Growth–total – Growth between two periods presented as a change in value or percentage. Calculation: Value (net sales minus net sales in the comparative period) and percentage (net sales minus net sales in the comparative period divided by net sales in the comparative period).

Growth–acquired – Net growth between net sales in acquired operations and divested operations between two periods presented as a change in value or percentage. The net sales of the acquired or divested unit are included in the calculation 12 months from the date on which the acquisition or divestment impacted results. Calculation: Value (net sales in the acquired operation minus sales in the divested operation minus the corresponding calculation in the comparative period) and percentage (net sales in the acquired operation minus sales in the divested operation minus the corresponding calculation in the comparative period divided by sales in the comparative period).

Growth–currency effect – Growth between two periods presented as a change in value or percentage. Calculation: Value (net sales minus the corresponding net sales translated using the comparative period's exchange rates) and percentage (net sales minus the corresponding net sales translated at a comparative period's exchange rates divided by sales in the comparative period).

Growth–organic – Growth adjusted for acquisitions, divestments and currency effects between two periods presented as a change in value or percentage. Calculation as follows: Value (net sales minus net sales for acquired operations, divested operations and currency effects) and percentage (net sales minus net sales for acquired operations, divested operations and currency effects divided by net sales in the comparative period).

Growth–calendar effect – The calendar effect between two periods presented as a change in value or percentage. Calculation: Value (difference in working hours between two periods divided by the total number of working hours in the comparative period multiplied by total net sales in the comparative period) and percentage (difference in working hours between two periods divided by the total number of working hours in the comparative period multiplied by total net sales in the comparative period divided by net sales in the comparative period).

Growth–organic, adjusted for calendar effects – Organic growth adjusted for calendar effects between two periods presented as a change in value or percentage. Calculation: Value (organic growth minus the calendar effect) and percentage (organic growth minus the calendar effect divided by net sales in the comparative period).

ARR (Annual Recurring Revenue) – Recurring revenue from subscriptions or commitments such as maintenance and support contracts, normalized on an annual basis.

Sustainability definitions

The 1.5 degree ambition – That the global average temperature does not rise by more than 1.5°C compared to pre-industrial levels.

Greenhouse Gas Protocol (GHG Protocol) – A global greenhouse gas measuring and accounting standard.

Net zero – When unavoidable greenhouse gas emissions are neutralised by corresponding greenhouse gas capture and storage, taking account of heating effects, timescale and duration. AFRY has accepted the definition of net zero developed by the Science Based Targets initiative (Corporate Net Zero Standard).

Science-Based Targets (SBTs) – Science-based climate targets that are reviewed and validated by the Science Based Targets initiative (SBTi).

SDGs (Sustainable Development Goals) – The global goals in the UN's 2030 Agenda for Sustainable Development. The global goals cover 17 interlinked development goals and 169 targets.

United Nations Global Compact (UNGC) – A principle-based framework for businesses covering human rights, rights at work, the environment and anticorruption.

Shares

Over the last three-year period, 2021–2023, the AFRY B share's return was -44 percent compared with 18 percent for the OMX Stockholm PI.

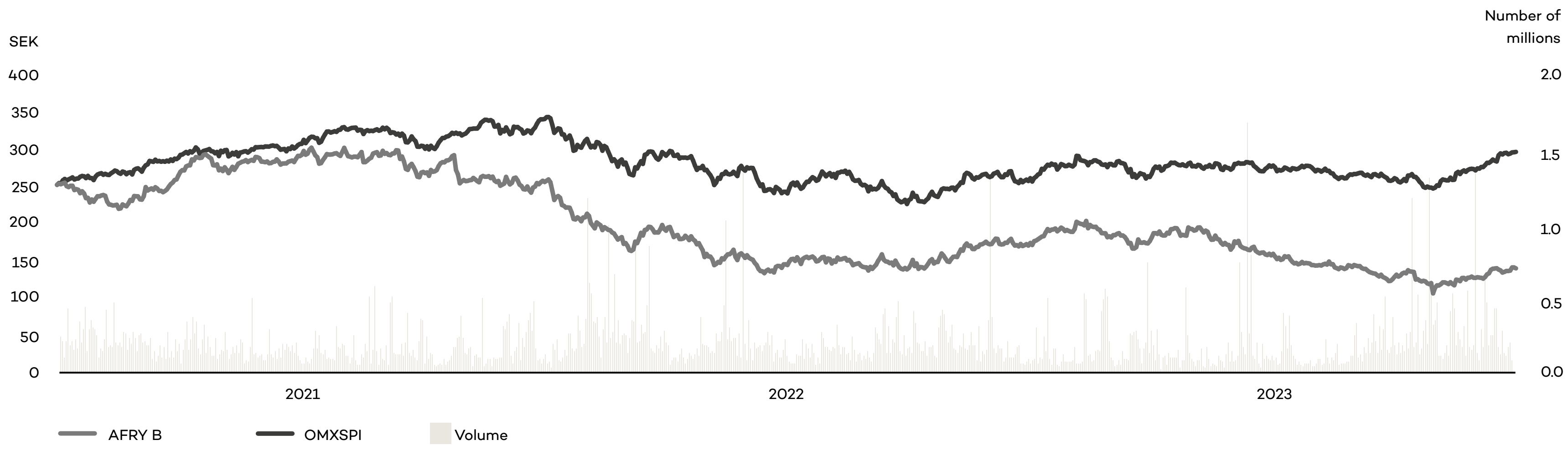
AFRY's B shares have been listed on Nasdaq Stockholm since January 1986. Since January 2017, AFRY's shares have been trading on the Nasdaq Stockholm Large Cap. AFRY AB has issued two classes of shares: Class A shares and Class B shares. Each Class A share is entitled to 10 votes, and each Class B share to 1 vote. At 31 December 2023 was 4,290,336 and the number of B shares was 108,961,405. The Group had no holdings in own shares at the end of the financial year. Total number of shares was 113,251,741. At the year-end, the combined market value, including A shares, was SEK 15,821 million (19,355).

Price trend and share turnover
At the end of 2023, the AFRY B share price was SEK 139.70 (170.90). The return on the share, that is, its price performance, was -18 percent during the year, while the OMX Stockholm PI index was 15 percent. Over the last three-year period, 2021–2023, the AFRY B share's return was -44 percent compared with 18 percent for the OMX Stockholm PI. The diagram to the right shows the price performance for AFRY B compared to the index. In 2023, a total of 48 million shares (54) were traded on Nasdaq Stockholm. The average turnover per trading day was 192,019 shares (211,952), corresponding to SEK 29 million (39). The share was traded on all trading days.

Dividend policy and dividend
The Board of Directors has adopted a dividend policy according to which the dividend corresponds to approximately 50 percent of consolidated profit after tax excluding capital gains. For the 2023 financial year, the Board of Directors proposes a dividend of SEK 5.50 (5.50) per share.

Long-term communication with the stock market
The company has an ongoing long-term communication strategy towards the capital market, and interest in the share remained strong in 2023. The President and CEO and CFO have held many digital and in-person meetings with investors and analysts, and given presentations at digital investment seminars. In addition, there are regular online conferences with investors, analysts and the media when interim reports are published.

Price trend and volume 2021–2023



Key ratios per share

SEK	2023	2022	2021	2020	2019
Share price 31 December	137.70	170.90	255.00	251.20	218.60
Basic earnings	9.71	8.60	9.97	8.29	8.07
Diluted earnings	9.71[3]	8.60[3]	9.97[3]	8.29[3]	7.99
Equity attributable to shareholders of the parent	109.97	107.53	97.09	88.52	83.51
Dividend yield, %[1]	3.9	3.2	2.2	2.0	0.0
Dividend	5.50[2]	5.50	5.50	5.00	0.00
Market capitalisation, SEK million	15,821	19,355	28,869	28,392	24,521

1) Based on proposed dividend.
2) Proposed dividend.
3) Issued convertibles do not entail any dilution during the year.

Analyst

Name	Company
Johan Sundén	Carnegie
Fredrik Lithell	Handelsbanken
Raymond Ke	Nordea
Johan Dahl	Danske Bank
Dan Johansson	SEB
Stefan Knutsson	ABG Sundal Collier
Tom Guinchard	Pareto
Ebba Björklid	DNB
Anders Jafs	Kepler Cheuvreux

Shareholders in Sweden and abroad

31 Dec 2023	Number of known shareholders	Holding, %
Sweden	20,024	74.07
USA	43	8.04
Norway	81	5.76
Luxembourg	8	3.17
Finland	350	2.75
Other countries	340	4.53
Unknown countries	2	1.68
Total	**20,848**	**100.00**

Ownership by holding

31 Dec 2023	Number of known shareholders	Holding, %
1–500	16,901	1.49
501–1,000	1,704	1.12
1,001–	2,243	95.70
Unknown	0	1.68
Total	**20,848**	**100.00**

Ten largest shareholders, 31 December 2023

Owners	Holding, %	Votes, %	Class A shares	Class B shares
ÅForsk Foundation	11.10	33.61	4,274,336	8,291,837
Swedbank Robur Fonder	9.06	6.76		10,261,222
SEB Fonder	8.77	6.54		9,926,697
Handelsbanken Fonder	7.63	5.69		8,643,421
EQT	5.00	3.73		5,658,199
Fourth Swedish National Pension Fund (AP4)	4.47	3.33		5,060,797
Cliens Fonder	3.19	2.38		3,616,808
Vanguard	3.16	2.36		3,578,959
Corbis S.A.	3.10	2.32		3,515,996
Mondrian Investment Partners	2.05	1.53		2,321,002
Total ten largest shareholders	**57.53**	**68.23**	**4,274,336**	**60,874,938**
Total other	42.47	31.77	16,000	48,086,467
Total shares	**100.00**	**100.00**	**4,290,336**	**108,961,405**

Source: Modular Finance

Calendar 2024

Q1 2024
23 April 2024

Annual General Meeting
23 April 2024

Q2 2024
16 July 2024

Q3 2024
25 October 2024

Q4 2024
7 February 2025

AFRY provides advisory engineering, design, digital and services to accelerate the transition towards a more sustainable society. We are 19,000 devoted experts in industry, energy and infrastructure, creating impact for generations to come. AFRY has Nordic roots with a global reach, net sales of SEK 27 billion and is listed on Nasdaq Stockholm.

Making Future