

Group Policy Risk Management

The purpose of this Risk Management Policy is to outline the management of risk at AFRY to support the achievement of corporate objectives, protect staff and business assets and ensure financial sustainability.

This Policy applies to all employees of subsidiaries and entities in which AFRY AB exercises decisive control, and it also outlines the roles and responsibilities of those operating within risk management.

Purpose

Good risk management ensures that AFRY takes an active role in analysing its risk profile, increases risk awareness and creates greater confidence among shareholders, customers and employees. Successful risk management enhances decision-making without the loss of business momentum.

Risks are inherent to all business activities and the aim of this Policy is not to eliminate risk from AFRY's activities but to apply a risk-based approach and to ensure that every effort is made by AFRY to manage risks appropriately, to maximise potential opportunities while minimising the adverse effects of risks and ensuring that measured risk-related decisions are taken.

Our objectives are to:

- Safeguard our employees and corporate assets.
- Safeguard the interests of our clients.
- Raise risk awareness in the organisation
- Manage risk and opportunities with the aim of improving business performance and ensuring financial sustainability.

Principles

All risk and opportunity management strategies shall be planned and implemented, based on the level of risk.

Analysis, treatment, review, reporting and learning enable us to continually improve the way we manage risks, ensuring we meet the expectations of our stakeholders.

To improve the quality of risk management and to calibrate internal controls the following principles should be emphasised in our daily operations:

- protect strategic objectives and maintain a high level of risk awareness
- resilience based on preparedness, ways of working and timely response to change
- integration of risk management into business operations processes and decision-making
- transparent and clear responsibilities
- facilitation of continuous improvement
- environment and quality performance
- ensure adequate regulatory compliance

Risk Management Processes

AFRY works systematically to identify, assess and manage risks that may affect the company's goals and strategy and has established groupwide mandatory risk management processes.

Risk assessments in the business

AFRY has implemented an annual Enterprise Risk Management (ERM) process that is aligned with the group strategy process. The purpose of this annual process is to identify the key risks to which the Group may be exposed, the probability of the risks being realised, their impact on the Group's strategy and

targets as well as assess whether appropriate and proportionate measures are implemented and agree on additional risk mitigation actions where necessary.

The risk analysis addresses strategic, financial, operational and business integrity risks.

The results of this overarching risk analysis are collated in a risk register and heatmap, which is reviewed and approved annually by the Group Executive Management, the Audit Committee and the Board of Directors.

Risk assessments in connection with client assignments

Assessment and management of risks linked to client assignments take place within the divisions with support from group functions in connection with the tender procedure according to the AFRY Sales and Delivery model.

Project risk assessments conducted pursuant to the Sales & Delivery Model integrate the mandatory Responsible Business Due Diligence (RBDD) process that reflects best practice set out by OECD Due Diligence Guidance for Responsible Business Conduct.

Sustainability aspects

Sustainability is an integral part of AFRY's strategy and thus an integral part of the risk management process. The ERM process incorporates assessment of responsible business risks throughout the organisation.

Internal control aspects

Periodic assessments are also carried out of the effectiveness of existing controls and measures aiming to provide assurance that risks are managed, escalated, treated and mitigated.

Once a year, an annual summary report on risk and internal control within the Group is also prepared for consideration by the Audit Committee and the Board of Directors.

Risk Governance

The *Board of Directors* approves the Risk Management Policy and AFRY's approach to managing risks (risk appetite and tolerance levels), ensures the establishment and maintenance of effective risk management systems,

reviews and approves the formal risk report and annual risk register and risk heatmap.

The *Audit Committee of the Board* reviews and monitors the Group's overall risk exposure, the effective risk management and internal control systems and make recommendations to the Board of Directors to this effect. It reviews and evaluates the risk management framework, including the formal risk reports and annual risk register.

The *CEO* and *Group Executive Management* have overall accountability for the risk exposure and for reviewing and approving the annual risk register and determining a strategic approach to mitigate company exposure.

The *Risk Committee*, represented by the Group CEO, CFO and Group General Counsel, monitors material risks linked to ongoing projects, disputes and litigation as well as regulatory compliance and sensitive ethical matters.

The *Chief Compliance & Ethics Officer* develops and oversees the implementation of the risk management program and is the document owner of this Policy and responsible for its content.

Divisional Management is responsible for identifying, assessing, managing and escalating risks in their respective business areas.

All business managers and project managers are responsible for adhering to this Group Policy, and for managing risks relating to their area of responsibility and projects.

Control owners are responsible for the management of risks within their area of responsibility and duties and for allocating an appropriate risk budget to ensure risk response measures.

All AFRY employees are responsible for following the applicable procedures and guidelines of this Policy as part of the management system.

Compliance with this Policy is monitored by Internal Audit.