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BIO-CONVERGENCE  
REVOLUTION **

**BICO GROUP AB (publ)**

**CORPORATE ENVIRONMENTAL POLICY**

## 1. Introduction

The BICO Group AB (publ) (“BICO”) environmental responsibility concerns the impact that we or our business Partners have on living and non-living natural systems, including ecosystems, land, air and water. Our environmental policy aligns with the European Sustainable Development Goals and the European Commission's Circular Economy Action Plan. We are committed to implementing the principles of the ESRS (European Social Responsibility Standard), directives E1 Climate Change, E2 Pollution, E3 Water and Marine resources, E4 Biodiversity & Ecosystems and E5 Resource use and circular economy.

BICO's overall sustainability ambitions are articulated in the business strategy through sustainability related business targets and through sustainability policies. The purpose with sustainability policies is to ensure a certain level of sustainability performance among Partners and BICO Group Subsidiaries.

This Environmental Policy is developed on the basis of an impact perspective. Each of the thematic areas in this document, i.e., climate change, pollution, water and biodiversity, are described according to the following structure:

- a) Position: description of BICO's position
- b) Approach: identification of material impact areas
- c) Assessment and engagement supporting transition: expectations regarding the BICO's transition process.

## 2. Definitions

**“Biodiversity baseline”**: collection and interpretation of biodiversity values occurring through operation or new projects, their current condition and future development.

**“Deforestation”**: the permanent destruction of forests and woodlands and conversion to non-forest uses. The term specifically excludes areas where the trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the aid of silvicultural measures.

**“GHG (Greenhouse Gas) Emissions”**: emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrochlorofluorocarbons (HCFCs), ozone (O<sub>3</sub>), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF<sub>6</sub>) and water vapor.

**“Impact Perspective”**: are positive or negative contributions of a company or other actor toward the state of nature.

**“Investment”**: where BICO, directly or indirectly through investments, managed by BICO or its subsidiaries, invests in equities.

**“Partner”**: a company or organization with which BICO has a business relationship.

**“Scope 1, 2 and 3”**:

- Scope 1 covers direct emissions from owned or controlled sources.
- Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling.
- Scope 3 includes all other indirect emissions that occur in a Company's value chain.

**“Time Horizons”**: short term 0-3 years, medium term 4-8 years, long term 8+ years.

**“Water Stress”**: the ability or lack of meeting human and ecological demand for fresh water. It includes the water availability, water quality and the accessibility of water whereby water scarcity can be used as an assessment element.

**“Natural Habitats”**: a place where plants or animals normally live, characterized primarily by its physical features (topography, plant or animal physiognomy, soil characteristics, climate, water quality etc.) and secondarily by the species of plants and animals that live there.

### **3. Purpose**

The purpose of this policy is to define BICO’s position and approach towards The EU CSRD/ESRS E1-E5, climate, pollution, water, biodiversity and resource use and circular economy.

### **4. Scope**

This policy shall be implemented in all parts of the BICO Group, taking local or sector specific rules into account, when relevant. Branches and subsidiaries shall take necessary steps to implement this policy.

### **5. Climate Change**

Global climate change is one of today’s most serious challenges. Scientific evidence points to substantial risks to the planet from climate change if we do not manage to limit global warming to 1,5 degrees compared to preindustrial levels. BICO has a role to play in supporting its customers in the transition towards a low carbon economy, being net zero by 2050, in line with the Paris Agreement.

#### **5.1 Position**

To manage the transition towards a low carbon economy in a consistent and predictable manner, BICO will take the following positions:

- BICO has a net zero Paris aligned target for the climate impact of its value chain;
- BICO strives to base climate related business decisions on science-based climate data, models and scenarios;
- BICO integrates climate considerations in its M&A and investment processes;
- BICO’s climate strategy is aligned with internal incentives and KPIs;
- BICO shall be transparent on its climate risks and opportunities.

#### **5.2 Approach**

##### **5.2.1 Understanding the climate impact of the value chain**

A sector specific approach is used to assess the value chain climate impact. Where available, sector specific climate intensity metric shall be used. Otherwise, the value chain Partners’ material Scope 1,2 and 3 is used. For BICO managed M&A prospects, there is a preference for business models that fulfil BICO’s sustainability policies.

##### **5.2.2 Assessment and engagement supporting transition**

Partners or subsidiaries which have a risk for potential material climate impact should be further assessed as to any potential mitigating action. In this assessment internal or external models and data as well as any sector policy position should be included. A BICO engagement should over time result in commitments from Partners to achieve Scope 1, 2 and 3 emissions reductions, based on a credible strategy with explicit short, medium and long-term targets, aligned to the Paris Agreement.

Carbon removal technologies are supported in case of residual emissions or as a mitigant action if a robust methodology is applied, but not replacing actual carbon reduction requirements.

Over time BICO will gradually find other solutions to Partners that contribute to significant negative climate impact without a credible transition plan. Leaving a Partner relationship in the value chain should only be considered after significant engagement and if the Partner has not fulfilled/accepted a pre-agreed timeline to develop transition ambitions consistent with the Paris Agreement.

### 5.3 BICO's operational CO<sub>2</sub> footprint

BICO has a responsibility and ambition to reduce its operational climate footprint. BICO has set direct CO<sub>2</sub> targets as a part of the sustainability strategy.

To achieve this BICO will work to:

- Improve energy efficiency of operations and buildings;
- Use renewable energy in buildings owned or rented;
- Reduce business travel by using alternative techniques for meetings and reduce travel related emissions by choosing bio-fuel and electricity where possible;
- Move to an electrified fleet of company cars;
- Work together with the value chain Partners to minimize BICO's broader carbon footprint from operations;
- Provide transparent public reporting on BICO's emissions profile and the actions BICO undertakes to manage and mitigate emissions.

## 6. Pollution

Air pollution continues to have significant impacts on the health of people, particularly in urban areas. These health impacts have economic costs, cutting short lives, increasing medical costs and reducing productivity through lost working days. BICO has a minimal impact to air pollution in its own operations as well as in the value chain.

### 6.1. Position

Considering that BICO has a minimal impact to air pollution in its own operations as well as in the value chain, to manage the low impact level BICO will take the following positions:

- BICO continuously assess the Partners in the value chain towards pollution risks;
- BICO strives to base pollution related business decisions on science-based data, models and scenarios;
- BICO integrates pollution considerations in its M&A and investment processes;
- BICO's pollution strategy is aligned according to business risk assessments;
- BICO shall be transparent on its pollution risks and opportunities.

### 6.2. Approach

#### 6.2.1 Understanding the pollution impact of the value chain

BICO will assess its upstream value chain in order to keep the impact at a low level. BICO will consider pollution as a risk in its M&A and investment processes.

#### 6.2.2 Assessment and engagement supporting transition

Partners or subsidiaries which have a risk for potential material pollution impact should be further assessed as to any potential mitigating action. In this assessment internal or external models and data as well as any sector policy position should be included. A BICO engagement should over time result in commitments from Partners to achieve minimal pollution, based on a credible strategy with explicit short, medium and long-term targets.

Over time BICO will gradually find other solutions to Partners that contribute to significant negative pollution impact without a credible transition plan. Leaving a partner relationship in the value chain should only be considered after significant engagement and if the partner has not fulfilled/accepted a pre-agreed timeline to develop transition ambitions.

## **7. Water and Marine Resources**

Freshwater is a scarce commodity and essential for sustaining life. In a global perspective, billions of people live in regions vulnerable to freshwater stress and/or flooding. We appreciate that through our business decisions we have a minor impact in regions where our value chain Partners are active and where freshwater or clean water is a scarce commodity. In our own operations, we are not a material user of freshwater. However, it is important for BICO to contribute to the minimal impact of water stress and the use of marine resources in a sustainable way.

### **7.1. Position**

BICO has a minimal impact to water and marine resources in its own operations as well as in the value chain. To manage the low impact level BICO will take the following positions:

- BICO continuously assess the Partners in the value chain towards minimizing the risk for water stress and the use of marine resources in a sustainable way;
- BICO strives to base water and marine resources related business decisions on science-based data, models and scenarios;
- BICO integrates water stress and marine resources considerations in its M&A and investment processes;
- BICO's water and marine resources strategy is aligned according to business risk assessments;
- BICO shall be transparent on its water stress and usage of marine resources risks and opportunities.

### **7.2. Approach**

BICO has identified the following sectors with potential significant water or marine resources impact:

- Chemicals
- Fossil Fuel and Nuclear Power Generation
- Mining
- Pharmaceuticals

#### **7.2.2. Assessment and engagement supporting transition**

Partners or subsidiaries which have a risk for potential material water or marine resources impact should be further assessed as to any potential mitigating action. In this assessment internal or external models and data as well as any sector policy position should be included. A BICO engagement should over time result in commitments from Partners to achieve minimal impact, based on a credible strategy with explicit short, medium and long-term targets.

Over time BICO will gradually find other solutions to Partners that contribute to significant negative water or marine resources impact without a credible transition plan. Leaving a partner relationship in the value chain should only be considered after significant engagement and if the partner has not fulfilled/accepted a pre-agreed timeline to develop transition ambitions.

Therefore, BICO expects these value chain Partners to:

- Identify potential impact on water stressed areas and measure water intensity or impact on marine resources;

- Measure the amount of discharged wastewater and set targets for its reuse and recycling.

## **8. Biodiversity**

Biodiversity is essential for the processes that support all life on Earth, including humans. Without a wide range of animals, plants and microorganisms, we cannot have the healthy ecosystems that we rely on to provide us with the air we breathe and the food we eat. And people also value nature of itself. We lose species and habitats and the wealth and employment we derive from nature, endangering our own wellbeing. This makes biodiversity loss one of the most critical global environmental threats alongside climate change - and the two are linked. BICO has a minimal negative impact to Biodiversity and Ecosystems in its own operations as well as in the value chain, but a potential to positive impact with the products and services provided.

### **8.1. Position**

BICO expects its subsidiaries and value chain Partners to manage natural resources responsibly. The following principles guide BICO's approach to biodiversity:

- BICO continuously assess the Partners in the value chain towards minimizing the risk for biodiversity impact;
- BICO strives to base biodiversity related business decisions on science-based data, models and scenarios;
- BICO integrates biodiversity considerations in its M&A and investment processes;
- BICO's biodiversity strategy is aligned according to business risk assessments;
- BICO shall be transparent on its biodiversity risks and opportunities.
- Set relevant targets for the areas of biodiversity loss, deforestation and conversion of natural habitats in line with national and/or international standards and conventions.

### **8.2. Approach**

BICO has identified sectors with high impact, indirectly through supply chain impact on biodiversity. The selected industries are identified from an impact perspective, rather than a dependency perspective. The following sectors have significant potential biodiversity impact:

- Pulp and paper (indirect impact)
- Energy generation from wind and hydropower
- Mining

Depending on the kind of impact, BICO expects its subsidiaries and value chain Partners to take necessary steps to reduce negative impact on biodiversity loss, deforestation and/or conversion of natural habitats respectively.

#### **8.2.1. Assessment and engagement supporting transition**

Partners or subsidiaries which have a risk for potential biodiversity impact should be further assessed as to any potential mitigating action. In this assessment internal or external models and data as well as any sector policy position should be included. A BICO engagement should over time result in commitments from Partners to achieve minimal impact, based on a credible strategy with explicit short-, medium- and long-term targets.

Over time BICO will gradually find other solutions to Partners that contribute to significant negative biodiversity impact without a credible transition plan. Leaving a partner relationship in the value chain should only be considered after significant engagement and if the partner has not fulfilled/accepted a pre-agreed timeline to develop transition ambitions.

Restrictions on sensitive environmental areas BICO will avoid Partnership with value chain Partners active in or running projects with material negative impact, such as land conversion, on sensitive environmental areas such as:

- UNESCO World Heritage sites;
- Wetlands covered by the Ramsar Convention;
- Land-based Natura 2000 areas;
- National parks and nature reserves;
- High conservation value forests (HCVF);
- International Union for the Conservation of Nature Red List Species.

BICO will also not trade in, or contribute to trade in, endangered plant and animal species that are on the CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) unless it is authorized through CITES licensing system.

## 9. Resources use and Circular economy

There is only one planet Earth, yet by 2050, the world will be consuming as if there were three. Global consumption of materials such as biomass, fossil fuels, metals and minerals are expected to double in the next forty years, while annual waste generation is projected to increase by 70% by 2050. Circular economy is a new production and consumption model that ensures sustainable growth over time. With the circular economy, we can drive the optimization of resources, reduce the consumption of raw materials, and recover waste by recycling or giving it a second life as a new product. The circular economy moves away from the traditional “take-make-dispose” economic model to one that is regenerative by design. The goal is to retain as much value as possible from products, parts and resources to create a system that allows for long life, sharing, digitization and resource recovery.

By applying these principles, companies can design out waste, increase resource productivity and decouple growth from natural resource consumption.

### 9.1. Position

BICO expects its subsidiaries to implement circularity in their production processes. The value chain is within electronics and ICT and chemical processes, so the expectation is for the value chain Partners to manage the use of resources responsibly and adopt to a circular economy philosophy. The following principles guide BICO’s approach to the use of resources and circular economy:

- BICO continuously assess and work actively with the Partners in the value chain towards minimizing the use of resources;
- BICO strives to base circular economy business decisions on science-based data, models and scenarios;
- BICO integrates circular economy considerations in its M&A and investment processes;
- BICO’s subsidiaries include circular economy in their business models where possible;
- BICO shall be transparent on its use of resources and circular economy approach;
- Set relevant targets for the areas of resource utilization and circular economy.

### 9.2. Approach

BICO is active within the Electronics, ICT and Chemical value chains with both directly, within its operations, and indirectly, through its value chain Partners, and impacts the use of resources of raw materials and energy. Compliance with RoHS and REACH where applicable in the value chain is requested by BICO. The following areas can implement circular practices:

- **Design** according to the sustainability design guidelines;
- **Procure** by always evaluating recycled and reused materials moving away from virgin resources;
- **Manufacture** with continuous improvements to minimize waste;
- **Sell** refurbished instruments and provide leasing solutions to our customers;

- **Dispose** by recycling and participate in take-back programs;

Depending on the type of impact, BICO encourages its subsidiaries and value chain Partners to take necessary steps to reduce the use of resources and promotes the circular economy business model following the 3R model (Reuse, Reduce, Recycle).

1. **Reduce.** We strive to minimize waste and reduce our consumption of natural resources by implementing the following measures:
  - We will reduce our use of raw materials and energy by designing products that are more durable, energy-efficient, and recyclable.
  - We will promote the use of renewable energy sources and energy-efficient technologies to reduce our carbon footprint.
  - We will minimize the use of packaging and single-use products, and promote the use of reusable or recyclable alternatives.
  - We will work with our suppliers to reduce the environmental impact of our supply chain by encouraging sustainable sourcing practices and reducing transportation emissions.
2. **Reuse.** We believe in the importance of reusing products and materials to extend their lifespan and reduce waste. To achieve this, we will:
  - Design products and packaging that are modular, repairable, and upgradable to increase their lifespan and reduce the need for replacements.
  - Encourage our customers to repair, reuse, or recycle our products by providing information, guidance, and incentives.
  - Explore new business models such as rental, leasing, or take-back schemes to enable customers to use products without owning them and promote reuse.
3. **Recycle.** We will promote the circular use of materials by implementing the following measures:
  - We will prioritize the use of recycled materials in our products and packaging to reduce our demand for virgin resources.
  - We will design products that are easy to dismantle and recycle at the end of their life.
  - We will work with our suppliers to increase the availability and quality of recycled materials.
  - We will promote the development of circular infrastructure and markets by collaborating with stakeholders across the value chain.

#### 9.2.1. Assessment and engagement supporting transition

BICO expects its subsidiaries to follow the BICO sustainable design guidelines in their new product development, upgrade, and improvement processes. Waste management and energy recovery to be implemented in own operations as well as in the upstream value chain.

Partners or subsidiaries which do not actively work towards a minimum use of resources will be further assessed for any potential improvement opportunities. In this assessment internal or external models and data as well as any sector policy position should be included. A BICO engagement should over time result in commitments from Partners to achieve minimal impact of resources, based on a credible strategy with explicit short-, medium- and long-term targets.

## 10. Applicability

This policy is global in scope and applies to all BICO Group Partners and BICO Group Subsidiaries.



**11. Revision History**

This policy is connected to the BICO's Internal Code of Conduct and as such it's adopted by BICO's Board of Directors, thus it will be monitored by the Executive Management.

<b>Version</b>	<b>Effective</b>	<b>Approved by</b>	<b>Amendment</b>
<b>1.0</b>	9 May 2023	Board of Directors	Inaugural Policy