knowit

TCFD Scenario Analysis

Approved by
Marie Björklund

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Knowit AB
P.O. Box 3383
SE10368 Stockholm, Sweden
knowit.eu

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Author: Elisa Gaudermann
and Kunal Chakraborty
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1 Background – climate-related risks and opportunities

Climate change has profound effects on both individuals and communities, and is an increasingly important factor for companies, in all its work processes, products and operations. As climate change becomes inevitable, adaptation is essential for maintaining competitiveness and ensuring operations that are fit for, and contribute to, a sustainable future. Environment and climate are key strategic focus areas within Knowit's broader strategy and articulated in the Group's Sustainability Policy and Code of Conduct. Knowit aims to integrate sustainability matters, risks, opportunities and concerns in its strategy and in relevant business processes. As such, the Group actively manages its significant climate-related risks and opportunities within its current processes.

As a fundament to further its understanding of long-term climate related risks and opportunities within the context of a changing climate, Knowit is reporting in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework. This means disclosing its climate-related risks and opportunities, following the guidelines set by the TCFD. The analysis has been structured around TCFD's four pillars, and according to the guidelines stated in the European Sustainability Reporting Standard, to meet the requirements of the Corporate Sustainability Reporting Directive.

2 Context, governance and strategy

2.1 Governance & strategy

Knowit's Board of Directors oversees the strategy for the entire Group, including its subsidiaries. They receive regular updates about the business areas, including on sustainability, through continuous reports on Knowit's sustainability initiatives and progress towards emission reduction targets and strategic targets as well as risks and opportunities.
The CEO of Knowit holds the overall responsibility for the Group's climate-related issues with the support of the Head of Sustainability. The Group CFO and the Audit committee of the Board owns all risks, including climate related such. The Head of Sustainability and the Group Management team reviews the outcomes from the evaluations of climate-related risks and opportunities as part of its annual strategic process.

Knowit regards sustainability in general, and climate in particular, as a core part of its strategy, vision and mission. To enable and integrate sustainability in all operations, Knowit uses climate scenario analysis to further our understanding on how to best incorporate climate-related considerations into processes, ensure purchases and development of eco-friendly products and solutions, reducing carbon emissions, and enhancing resilience.

2.2 Risk management

Knowit has evaluated the likelihood and impact of a wide range of climate-related issues, encompassing various types of risks (such as Regulation, Technologies, Laws, Market, and Physical) and opportunities. From this deeper analysis, Knowit is incorporating its assessment of climate-related risks and opportunities into the Group's risk management process for broader strategic risks. This includes an integrated method across all business areas, to capture entity specific risks and opportunities and to continuously monitor developments.

The TCFD analysis is from 2024 integrated in Knowit's overarching risk management structure and due diligence processes. These are key parts in informing Knowit's annual process for assessing materiality from a double materiality process. The TCFD analysis is reviewed annually as part of the process for assessing material matters, by a dedicated team of environment and climate experts, led by the Head of Sustainability.

2.3 Metrics and targets

Knowit's carbon assessment is carried out is accordance with the Greenhouse Gas Protocol under the operational control approach.
In 2020, Knowit set an emission reduction target aligned and validated by the Science Based Targets initiative. The target covers companywide scope 1, 2 and 98 % of scope 3 emissions. It is set as an absolute reduction target in line with the 1,5-degree reduction trajectory. This means that total emissions shall be reduced by at least 50 % by 2030 compared with base year emissions. For the reporting year 2024, Knowit has achieved 35 % absolute reduction compared with base year (2019) emissions.

Knowit continuously assesses its metrics and targets, ensuring they are effectively monitoring and enabling the management of Kowit's most significant climate-related risks and opportunities.

2.4 Actions and policies

Knowit's overarching approach to sustainability and climate mitigation and adaptation is governed by the Group's Code of Conduct and Sustainability Policy. Further, the Group and its subsidiaries annually decides on actions to meet its commitment to its Science Based Target to 2030, and its pending Net-Zero Target, based on the annual Carbon assessment. This is part of the Group's Carbon Action Plan, which forms its transition plan.

3 Results and analysis

3.1 Scenarios

As part of the climate-related risk assessment conducted by Knowit, climate-related risks and opportunities were analysed under two scenarios: SSP1-1.9 for transition risks and opportunities, which meets the Paris Agreement's 1,5°C target. For assessing physical risk, SSP5-8.5 was utilized, which anticipates a 4.4°C or higher increase in average global temperature by 2100. The scenario source used was UN Intergovernmental Panel on Climate Change 2021.
Additionally, the following time horizons were followed when analysing the climate-related risks and opportunities.

Time Horizons	Start Year	End Year	Rationale
Short-term	2025	2026	Strategic reporting year
Medium-term	2025	2030	In line with Knowit's 5-year strategic plans
Long-term	2025	2050	Net-Zero target

3.2 Climate related risks and opportunities

The table below outlines the climate-related risks and opportunities that Knowit has identified as most critical to its operations, in short, medium and long term based on the two scenarios. These are managed by the respective business units and overseen by the Group Management Team and respective risk owner.

As part of the 2025 update to Knowit's TCFD risk analysis, the transition risks and physical risks have been reviewed and updated to reflect current regulatory and market conditions. The first transition risk, concerning increased stakeholder demands for ESG data and the associated compliance burden, has been re-rated to reflect the regulatory adjustments introduced by the EU Omnibus Directive. These changes have introduced greater flexibility and a phased implementation for CSRD requirements, thereby moderately reducing the near-term compliance pressure on Knowit. As a result, the magnitude of this risk has been adjusted downward, while the likelihood remains elevated due to continued scrutiny from investors and clients. The second transition risk—failing to meet stakeholder expectations on sustainability—remains unchanged in both likelihood and magnitude, as reputation, client retention, and employer attractiveness continue to be strongly influenced by climate-related performance. The physical risk, related to the increasing frequency of storms, floods, and disruptions to critical infrastructure, remains highly relevant. Although Knowit's own operations are not directly asset-intensive, indirect risks tied to non-functioning digital infrastructure, transportation, or public services pose a material threat to business continuity. These updates ensure that the risk register accurately reflects current climate-related exposure while aligning with ongoing regulatory shifts and operational dependencies.

Risk type/ opportunity	Risk/ opportunity	Description	Primary potential economic impact	Geography (Geospatial coordinates)	Affected assets/business activities	Risk mitigation
Transition Risks	Potential negative impact of climate change on Knowit due to the transition to a low-carbon economy.	Increased stakeholder demands for high quality ESG data could impose additional compliance costs	Higher direct costs, reduced revenue	All operations	Group-wide effects	• Preparation for reporting according to CSRD • Continuous work to improve collection, efficiency and automation of sustainability data
		Failing to meet stakeholder expectations on sustainability could harm brand reputation and client retention, as well as attracting and/or retaining talents and competence.	Reduced revenue	All operations	Group-wide effects	• Commitment to SBTi with carbon reduction targets in scope 1+2 and scope 3 • Carbon action plan with concrete actions to reduce emissions in line with commitments

Risk type/ opportunity	Risk/ opportunity	Description	Primary potential economic impact	Geography (Geospatial coordinates)	Affected assets/ business activities	Risk mitigation / realisation of opportunities
Physical Risks	Potential negative impact of climate change on Knowit due to physical effects of climate change.	Increased frequency and severity of storms and floods could damage physical infrastructure, such as offices and data centres, leading to operational disruptions. Damage to transportation and other critical infrastructure like internet access.	Higher indirect costs	Nordics	Group-wide effects	• Monitoring of developments in the few years and development of mitigation strategy if more pertinent
Opportunities	Potential positive impact on an organization related to climate change.	Increased demand for sustainable digitalization services to facilitate the transition and increase resilience for our clients.	Increased revenue	All operations	Group-wide effects	• Target that 80 percent of Knowit's net sales shall contribute to at least one of the UN sustainable development goals • EU taxonomy • Quantification of avoided emissions

						• Development of new services based on customer demands

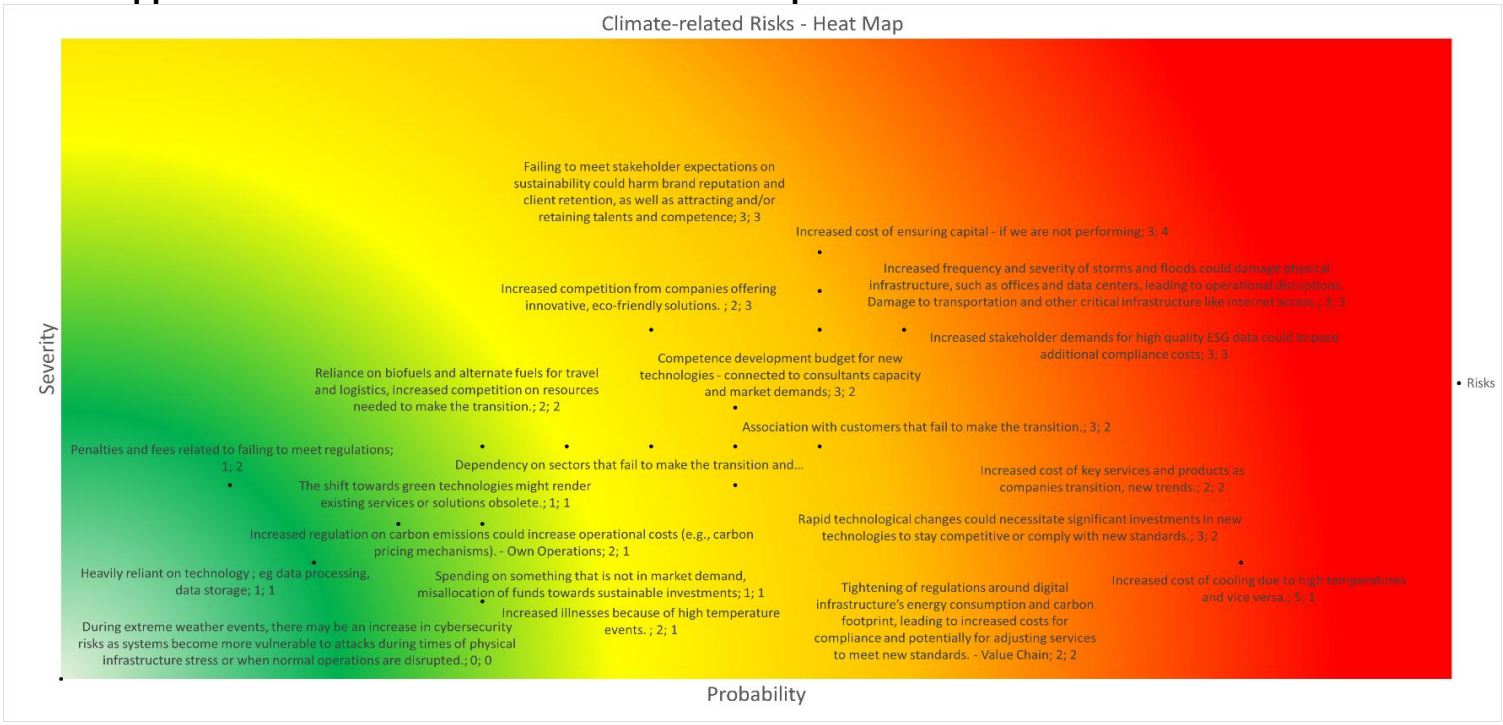
3.3 Summary of results

Our assessment identifies material climate-related transition risks and opportunities, while physical climate risks remain limited given the nature of Knowit’s operations. Key risks include rising compliance demands driven by stakeholder expectations for high-quality ESG data, reputational risks related to unmet sustainability expectations, and indirect operational vulnerabilities linked to more frequent storms and flood-related disruptions to public infrastructure. On the opportunity side, there is strong potential to grow and diversify Knowit's service portfolio in sustainable digitalization—positioning the company to benefit from increasing client demand for climate-aligned digital solutions.

These findings will be integrated into Knowit’s annual risk management process and reviewed regularly. The identified risks and opportunities will be actively managed as part of our broader commitment to ensuring that our operations are sustainable, responsible, and aligned with our long-term ambition to support clients in mitigating climate change and advancing progress toward the goals of the Paris Agreement.

4 Appendices

4.1 Appendix A - Climate-related risks – Heat map



4.2 Appendix B - Classification of Climate-related Hazards

	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	Changing temperature (air, freshwater, marine water) (INCLUDED)	Changing wind patterns (NOT RELEVANT)	Changing precipitation patterns and types (rain, hail, snow/ice) (INCLUDED)	Coastal erosion (NOT RELEVANT)
	Heat stress (NOT RELEVANT)		Precipitation or hydrological variability (NOT RELEVANT)	Soil degradation (NOT RELEVANT)
	Temperature variability (INCLUDED)		Ocean acidification (NOT RELEVANT)	Soil erosion (NOT RELEVANT)
	Permafrost thawing (NOT RELEVANT)		Saline intrusion (NOT RELEVANT)	Solifluction (NOT RELEVANT)
			Sea level rise (INCLUDED)	
			Water stress (NOT RELEVANT)	
Acute	Heat wave (INCLUDED)	Cyclones, hurricanes, typhoons (INCLUDED)	Drought (NOT RELEVANT)	Avalanche (NOT RELEVANT)
	Cold wave/frost (INCLUDED)	Storms (including blizzards, dust, and sandstorms) (NOT RELEVANT)	Heavy precipitation (rain, hail, snow/ice) (NOT RELEVANT)	Landslide (NOT RELEVANT)
	Wildfire (NOT RELEVANT)	Tornado (NOT RELEVANT)	Flood (coastal, fluvial, pluvial, ground water) (INCLUDED)	Subsidence (NOT RELEVANT)
			Glacial lake outburst (NOT RELEVANT)	

Note: NOT RELEVANT in the table above means that the hazard is not relevant to include due to geographical location of assets.