



ESG Report

2023



ESG report 2023

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The Board of Directors and the Executive Board have discussed and approved the ESG report of EET A/S for the financial year 1 January - 31 December 2023.

This report constitutes the EET A/S statutory reporting cf. § 99a according to the Danish Financial Statements Act Statutory Report in accordance Danish Financial Statements Act sections 99(a). The following report forms part of EET A/S and EET Group Holdings ApS management review.

01 Introduction

We are EET

The role of IT in society is both dynamic and increasingly crucial. It underpins the networks, security, and business operations we all depend on. As an IT distributor, we ensure solutions and components' availability and timely delivery, enabling suppliers and customers to pursue growth. Through unparalleled local service, a robust supply chain, deep industry knowledge, and innovative digital tools, we empower the convergence of parts, projects, and people.

We span over several business lines, from Server, Computer & Printer parts, ProAV Solutions, Surveillance & Security, Network, POS & Auto-ID to Consumer Electronics.

We were founded in 1986, and much has happened since we were just a Nordic company. Now we are present with 27 offices in Europe.

We are more than 750 employees in Europe and headquarters in Birkerød, Denmark.

Our Values are at the heart of our business and define how we work. The values are characterised by clear trademarks and the behaviours we are all measured by.

Our values

How we work

One company

Values

We act as one team to make each other great.

Trademarks

Our team is our greatest asset, and we are all committed to creating an inclusive and pleasant work environment. We invest time and resources in fostering a culture of collaboration and teamwork. Based on a sincere interest in our colleagues and their work, we collaboratively pursue common goals.

Behaviours

- Open and timely communication
- Cross-functional support
- Curiosity

Customer-centricity

Values

We put people first to create engaging partnerships.

Trademarks

Our customers and suppliers are at the heart of everything we do. Our extensive offering of services, product, and solutions provides unmatched convenience and through expertise, reliability, and engaging partnerships we create lasting value for our customers and suppliers.

Behaviours

- Engagement
- Integrity
- Expertise and guidance

Challenge & deliver

Values

We challenge status quo to deliver exceptional results.

Trademarks

Based on solid industry knowledge and data we take decisive action and continuously predict and adapt to evolving demands. We reach exceptional results by constantly optimizing processes, driving efficiency, and offering state-of-the-art services, products, and solutions.

Behaviours

- Continuous learning
- Data driven
- Results orientation

24 markets

Local sales offices across Europe
with shipments to 70+ countries
worldwide

+750 employees



incl. 450+ sales and product
specialists

624 M€

Annual revenue in 2023

+1100 brands

Local sales offices across
Europe with shipments to
70+ countries worldwide

30.000+

Buying B2B customers.
No direct end-user sale

1,1 M

deliveries every year with 99,5%
picking accuracy

27

Local sales
offices across
Europe with
shipments to
70+ countries
worldwide



70%

Electronic order ratio
through web & EDI

1,2 M

Products & parts across 1.100 ac-
tive brands

1986

Founded in the Nordic
countries

CEO Statement

2023 was a year where the market was impacted by a slowdown in demands for IT hardware, but despite the decline in demands, EET continued to grow with 3 acquisitions, and we successfully established sales entities in Belgium and Portugal within the Surveillance and Security area.

In 2023 we saw higher interest rates, continued geopolitical instability and major changes in market demands, however EET successfully navigated through the turmoil, and we remained focused on streamlining and optimising our business and managed to continue growing our engagement and partnerships with our customers and vendors. Adapting to change has always been the strength of EET and the years under Covid proved our agility which has served us well in recent years of high volatility.

As we look ahead, there are several trends and factors playing to EETs advantage. The ongoing Digital Transformation, where companies across industries continue to invest in digital transformation initiatives will drive demands for IT products and services. Remote work infrastructure continues to be a trend and in the coming years we will see an uplift in the hardware sales. Cybersecurity is a key area where all companies are looking to invest alongside general security and surveillance. With these trends in the market EET will continue to keep momentum and further scale the business.

We stay committed to further develop our sustainability efforts in our Private Label segment, including eco-friendly packaging, sustainable IT disposal and recycling services to meet the growing demand for environmental solutions. In addition, we believe that a diverse and inclusive workplace brings out the best solutions via creativity and diversified thinking, which is why we stay dedicated to our DEI efforts and strategy, thereby remaining relevant for a more sustainable world.

Søren Drewsen

CEO



02 Executive summary

Key focus areas 2023

ESG is increasingly becoming an integrated part of our strategy, our business and our business model and we continuously strive to be climate responsible and positively contrib-

ute to the society and our surrounding. In a market under constant change, we focus on areas where we can make a difference by taking targeted steps towards a better future.

In 2023 we have focused on the following areas

Environment

- Ensuring data quality of carbon emissions, thereby establishing a good baseline for future targets
- Reducing waste in our supply chain
- Planting trees – we reached 1 million planted trees in 2023

Social

- Decreasing our voluntary employee turnover
- Focusing on Gender Balance – monitoring potential gender bias in our compensation models
- Ensuring healthy employees by measuring and monitoring working environment through annual survey
- Implementing initiatives in our recruitment process to ensure diversity in the candidate pool

Governance

- Improving our ESG effort by adding additional resources
- Increased focus on compliance training
- Ensuring our suppliers provide the correct data upon onboarding (SAQ)
- Maintaining a robust and ethical data setup






Key figures for 2023

| | 2023 | 2022 | 2021 |
|---|-----------|------------|------------|
| Environmental (Tonne CO2-eqv.) | | | |
| Scope 1 emissions total | 163,7 | *106,3 | *93,4 |
| Scope 2 emissions total | 232,7 | *N/A | *158,8 |
| Scope 3 emissions total | 169.352,2 | *226.935,8 | *233.975,6 |
| Social | | | |
| Number of employees (end year) | 747 | 727 | 693 |
| Gender distribution female / male % | 28/72 | 30 / 70 | 28 / 72 |
| Gender distribution (managers) female/ male % | 21/79 | 20 / 80 | 17 / 83 |
| Group Management female / male % | 12,5/87,5 | 29 / 71 | 25 / 75 |
| Employee turnover (voluntary) | 9,4% | 12,8% | 5,9% |
| Average seniority (years) | 9,0 | 8,5 | 8,1 |
| eNPS (employee net promoter score) | 45 | 39 | 40 |
| Governance | | | |
| Board of Directors female / male % | 20/80 | 20/80 | 20/80 |

*Group emissions in the period from 2021-2022 are considered to be incomplete, and therefore we consider 2023 to be the baseline year when it comes to our actual Scope 1-3 emission values on Group level.

SDG UN Targets alignment

We have aligned and clarified our SDG targets and defined mission and actions

| | | | | |
|---|---|---|--|--|
| <p>5 GENDER EQUALITY</p>  | <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  | <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  | <p>13 CLIMATE ACTION</p>  | <p>15 LIFE ON LAND</p>  |
| <p>Mission</p> <p>We believe in providing equal opportunities to our current employees as well as potential employees, and strive to reach a good balance between genders across our organization</p> <p>Actions</p> <p>We actively promote anti-discrimination, diversity, inclusion and fair treatment</p> <p>We strive for a gender balanced workforce and management team</p> | <p>Mission</p> <p>EET wishes to promote inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>Actions</p> <p>We measure employee engagement through annual engagement surveys and take actions based on results</p> <p>We focus on Health and Safety and ensure to have a good working environment</p> <p>We measure customer satisfaction and implement actions to improve score where possible</p> | <p>Mission</p> <p>We continuously work to ensure our supply chain is ethical and responsible and we work with our vendors to ensure this, as well as in our own operations.</p> <p>Actions</p> <p>We screen our supply chain, to make sure our vendors, OEM's and trade partners live up to global Human Rights Standards and avoid any use of conflict minerals</p> <p>We conduct background checks and supplier screenings to make sure our vendors and trade partners are reliant, sanction free and trusted business partners</p> | <p>Mission</p> <p>EET is dedicated to taking the necessary steps to mitigate any impact our business may have on the planet. Furthermore, we focus on recyclable packaging and the materials used in our products.</p> <p>Actions</p> <p>We measure and actively work to reduce energy, consumption and waste</p> <p>We engage in specific recycling initiatives and implement an environmental strategy on all Private Label brands</p> | <p>Mission</p> <p>EET believes in restoring and promoting sustainably managed forests through key partnerships and programs</p> <p>Actions</p> <p>We plant trees to reverse our CO2 footprint related to downstream transportation, by planting 1 tree for every 5 shipments</p> |

We follow the UN Sustainable Development Goals, and align our business goals and actions with the 5 chosen Development Goals, in order to impact our operations in a sustainable direction.

Key ESG risks

EET Group is a European business with sourcing in Asia and procurement globally, and the company can be exposed to different risks from business and sustainability perspectives. We aim to increase our resilience by constantly assessing those risks, register the risks and initiate actions and plans to mitigate the risks.

Sustainability risks are managed by the ESG team and risks, and risk mitigation are discussed with relevant stakeholders, including the Board of Directors, and action plans are put

into place accordingly. This process enables us to focus our efforts on the areas where we can have the greatest impact.

EET Group recognises that sustainability risks are of strategic importance for our company, and we aim to reduce any negative impact we might have on the environment. The world is ever-changing and so are the risks, so we acknowledge that our effort to create a sustainable business is a continuous process and each year brings new risks but also new solutions.



Our risk management approach is a constant effort which involves key stakeholders across the organisation as well as external parties, and we remain vigilant in our effort to mitigate any risks.



03 Focus area

EET Private Label business

Responsible Supply Chain Management Practice

Our responsibilities through the value chain

A substantial part of EET's business comes from our Private Label products, where we source from a range of suppliers particularly in Far East. We need to be particularly aware of the conditions under which the products we distribute are produced, and of potential impacts on end-user safety. Human Rights risks, working conditions and health and safety requirements must be managed under clear supplier requirements and processes for workforce management in our supply chain.

Material risk

There is a risk of supply chain disruption and increased costs due to the volatility in the availability and prices of raw materials caused by climate-related events, such as extreme weather conditions or natural disasters.

Toolbox

Our Supply Code of Conduct, Self-Assessment Questionnaire, material sourcing policy, and EET Private Label Supplier Onboarding Policy are the tools we use to effectively manage our supply chain. Furthermore, we use accredited auditors and platforms to screen our vendors for human and environmental risks.

Initiating EET Supplier Onboarding Policy

For our private label business, we have initiated a fixed onboarding process for all our suppliers to go through when doing business with EET Group. This way we ensure that all our suppliers have gone through the same onboarding process leading to less risk from a compliance and social aspect.

- ✓ **USB-C to USB-C cable**
Made from 100% recycled GRS certified TPE*
- ✓ **Charger shells**
Made from 100% post-consumer recycled GRS certified polycarbonate*
- ✓ **Screen protectors**
Made with 50% recycled glass*

* Covers eSTUFF GRS certified products

Incorporating Circularity in Private Label product lines

Expanding GRS - Global Recycled Standard across PL brands

Since the middle of August 2023, the EET product development team has been running a project together with Intertek, one of the largest audit and certification agencies globally, to prepare EET Group to be certified according to Global Recycling Standard. This is a key point in the new eSTUFF Infinite line of products based on recycled materials.

As part of this, all steps in the production chain must be certified and all transactions accompanied by a transaction certificate to ensure full traceability.

Since we have obtained the GRS4.0 Certificate in December 2023, EET has been preparing the updated eSTUFF Infinite packaging for approval and production in accordance to the GRS4.0 standard.

We have paved the circular way forward with our eSTUFF brand and INFINITE product line

In our INFINITE Product line, our efforts have resulted in a 98% reduction in plastic use in our packaging, **with a goal of 100% plastic-free packaging by end of 2024.**

We aim to minimize the use of virgin plastic in our products as the production of new virgin plastic has an enormous impact on the environment.

Our products are designed to be sustainable and eco-friendly, while still providing the same high quality and performance our customers expect from us.

The name INFINITE refers to recycling and reusing and along with our new infinity symbol, they are contemplating our green mindset and will always be visible on all INFINITE products to make it easier to identify our environmentally friendly products in the eSTUFF assortment.



Efforts and performance 2023

Private Label vendors

Our internal vendor evaluation system is fully implemented, covering all current Private Label vendors. In the evaluation scheme several aspects of our supplier onboarding are taken into consideration, including: Self-Assessment Questionnaire (SAQ), Audits, Legal background checks, documented compliance, product risk evaluation and product quality.

During 2023 we received 41 signed SAQ's from 41 Private Label vendors. Private Label Vendors accounting for 90% of cost of goods purchased in 2023 have signed the EET SAQ in 2022 or 2023. None of the SAQ replies in 2023 caused reconsideration for our cooperation with the vendors.

Legal background checks on Chinese, Taiwan and Hong Kong based manufacturers now accumulate to 65 vendors, and covering more than 85% of cost of goods purchased in China, Taiwan and Hong Kong in 2023 within our Private Label team. There were no critical findings for existing vendors in these checks. Several prospective vendors were checked with only one disqualifying due to critical findings.

Mission

We continuously work to ensure our supply chain is ethical and responsible and we work with our vendors to ensure this, as well as in our own operations.

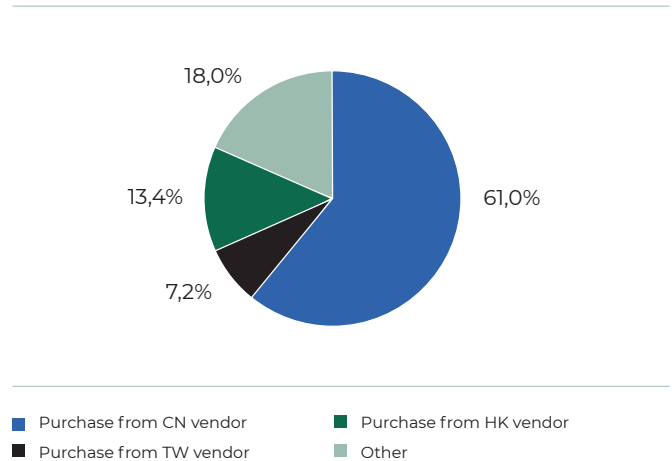
Actions

We screened our supply chain in 2023, to make sure they live up to global Human Rights Standards and avoid any use of conflict minerals. We conduct background checks and supplier screenings to make sure our vendors and trade partners are reliant, sanction free and trusted business partners.

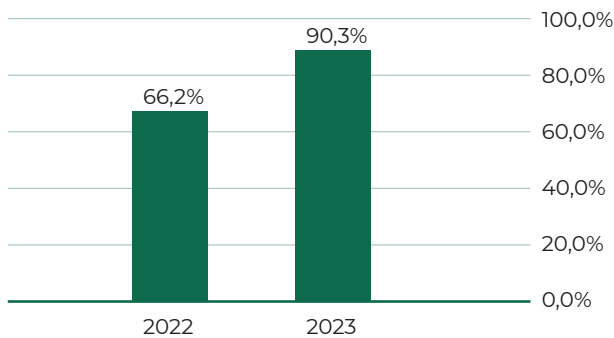
Private label KPI's

| | 2023 |
|--|-------|
| Share of total vendor base covered by EET agreement or SAQ | 90,3% |
| Private Label SAQs* # received | 41 |
| Private Label: Legal background checks # | 65 |
| Private Label: Legal background checks % | 84,6% |
| Disqualification based on legal background check | 1 |
| Major deviations addressed in SAQs | 0 |
| Minor deviations addressed in SAQs | 0 |
| Purchase from Far East Vendors % | 81,5% |
| Purchase from CN vendor | 61,0% |
| Purchase from TW vendor | 7,2% |
| Purchase from HK vendor | 13,4% |
| Other | 18% |

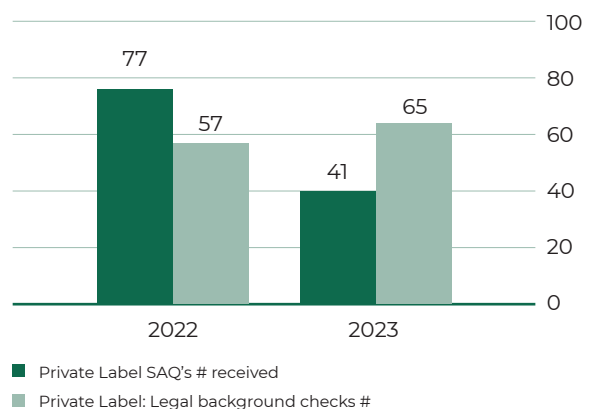
Private Label Purchase from Far East Vendors%



Share of total vendor base covered by EET agreement or SAQ



Private Label SAQ's received and Legal Background checks




Ambitions 2024

The vendor evaluation system will continue to be developed and updated. In order to make the system more valid, up-to-date and ensuring higher quality, EET will use a 3rd party ESG platform called *Responsibly*.

The current parameters of the system will continue, but will be migrated to the Responsibly platform, making it easier and smarter for both Private Label vendors as well as EET, to live up to our ESG ambitions. Vendors with BSCI/SEDEX standardized social audit reports will continue to be prioritized. EET will work with all vendors to encourage them to get the international recognized amfori BSCI social audit. In the absence of BSCI from key suppliers, EET will arrange an audit to make sure the supplier has the necessary social standards in place on site.

Private Label Management Team will for each of our Brands make a specific ambition and plan for use of recycled materials. Both with regards to production materials but also for packaging materials. This will become part of the brand strategy going forward. The level of ambition varies from brand to brand, but from an overall Private Label perspective the use of sustainable materials is considered very important and will be prioritized.

Our ambition in Private Label is to incorporate Circularity in all our PL product lines

| Incorporation across all Private Label brands | | | |
|--|--|---|---|
|  <p>EET Group became GRS 4.0 fully certified according to Global Recycling Standard, to support the new eSTUFF Infinite line of products based on recycled materials.</p> | <p>All Private Label Brands to include an environmental section in Brand Strategy.</p> <p>Product areas being worked on:</p> <p>Vivolink Plastic reduction in packaging. Only recycled plastic in packaging.</p> <p>MicroConnect Paper only packaging. Cable series in recycled plastic.</p> <p>eSTUFF Expansion of Infinite series.</p> <p>Capture FSC certified products.</p> | <p>Reduce virgin plastic in packaging by 50% across Private Label.</p> <p>Introduce 3 product lines with an environmental profile in Private Label.</p> | <p>No virgin plastic in packaging.</p> <p>Environmental product line in all Private Label brands.</p> |
| | <p>2023</p> | <p>2024</p> | <p>2025</p> |



04 Environmental performance











Scope 1-3 categories material to EET

| | | |
|--|--|---|
| <p>Scope 1</p> <p>Direct emissions from activities EET controls, ex. emissions from company vehicles.</p> | <p>Scope 2</p> <p>Indirect emissions from collective energy - production of electricity and district heating.</p> | <p>Scope 3</p> <p>Indirect emissions such as the purchase of raw materials, products and services derive from the activities at other companies and vendors.</p> |
|--|--|---|

EET's Scope 1-3 footprint

In EET Group we calculate our CO2 emissions in accordance with the GHG protocol.



| Scope 1 | Scope 2 | Scope 3 | Scope 3 |
|---|---|---|--|
| Direct emissions | Indirect emissions (Own operations) | Indirect emissions (Upstream) | Indirect emissions (Downstream) |
|  Company cars – Diesel and Petrol CO2 emissions |  Electricity and heat in our offices and warehouses |  Inbound transport and distribution of products |  Outbound transport and distribution of products |
| | |  Business travels |  Waste handling |
| | |  Purchased products |  End-of-life treatment of sold products |
| | |  Employee commuting |  Use of sold products |

For further clarification see section 09 Accounting practices - Environmental.

Carbon footprint and emissions for 2023

Due to the nature of our business as an IT distributor, where upstream and downstream transportation and logistics make up a major part of our business, the majority of our emissions relates to our supply chain Scope 3 emissions.

In EET we work on identifying and understanding risks and opportunities associated with our value chain emissions, as well as identifying GHG reduction opportunities. 2024 will be a transition year, in terms of setting short and long-term reduction targets and track performance on these targets, as we have invested in improving our data level for GHG emissions, together with our local European country management and logistics team.

This effort has given us a solid data level across Scope 1-3 reporting categories in the GHG protocol. It enables us to use 2024 as a baseline year for setting reduction targets.

This will give us the opportunity to dive into reduction opportunities in our upstream and downstream operations, and achieve long-term reduction results for EET Group based on this effort.

Data submission from EET entities and Group Governance

From 2024 and going forward we have introduced country ownership for CO2 emissions.

Together with Cemasy, our sustainability reporting partner and software platform for carbon emissions, we have introduced "Wizard links" to Country Managers, and key data responsible in each country, as a tool for country responsible to submit CO2 emissions in an efficient way, and only for the country they are responsible for.

The benefits for EET Group is the overview it gives for CO2 emissions on a country level, and accumulated emissions on group level.

Therefore, CO2 emissions for 2023 lays the foundation for our new set up, where each country owns their own submissions for carbon emissions. Group ESG is responsible for guidance and assistance for the total CO2 accounting and submission for EET Group.

Annual GHG emission per scope

| | Unit | 2023 |
|--|--------------|------------------|
| Scope 1 | | |
| Transportation | tCO2e | 163,7 |
| Scope 1 Total | tCO2e | 163,7 |
| Scope 2 | | |
| Electricity location-based | tCO2e | 125,8 |
| District heating location | tCO2e | 33,8 |
| District heating general | tCO2e | 73,1 |
| Scope 2 Total | tCO2e | 232,7 |
| Scope 3 | | |
| Purchased goods and services | tCO2e | 83.156,9 |
| Upstream transportation and distribution | tCO2e | 20.162,7 |
| Waste | tCO2e | 96,1 |
| Business travel | tCO2e | 202,6 |
| Employee commuting | tCO2e | 943,6 |
| Downstream transportation and distribution | tCO2e | 2.187,6 |
| Use of sold products | tCO2e | 62.506,3 |
| End-of-life treatment of sold products | tCO2e | 96,4 |
| Scope 3 Total | tCO2e | 169.352,2 |
| Sum | tCO2e | 169.748,6 |

Waste fractions report 2023 Q1 - 2023 Q4

| Field name | Unit | Total | Incin./ energy rec. | Landfill | Material recycling | Composting |
|---------------------------------------|-------------|-----------------|------------------------|---------------|-----------------------|-------------|
| Cardboard waste, incinerated | Tons | 19,52 | 19,52 | - | - | - |
| Cardboard waste, recycled | Tons | 341,66 | - | - | 341,66 | - |
| EE waste, landfill | Tons | 626,99 | - | 626,994 | - | - |
| EE waste, recycled | Tons | 1986,60 | - | - | 1986,60 | - |
| Glass waste, recycled | Tons | 0,75 | - | - | 0,75 | - |
| Hazardous waste, incinerated (Europe) | Tons | 0,83 | 0,83 | - | - | - |
| Hazardous waste, landfill | Tons | 0,01 | 0,01 | - | - | - |
| Metal waste, recycled | Tons | 284,51 | - | - | 284,51 | - |
| Organic waste, composting | Tons | 5,82 | - | - | - | 5,82 |
| Organic waste, recycled | Tons | 15,98 | - | - | 15,98 | - |
| Paper waste, recycled | Tons | 30,75 | - | - | 30,75 | - |
| Plastic packaging waste, recycled | Tons | 0,20 | - | - | 0,20 | - |
| Plastic waste, incinerated | Tons | 0,68 | 0,68 | - | - | - |
| Plastic waste, recycled | Tons | 52,91 | - | - | 52,91 | - |
| Residual waste, incinerated | Tons | 92,81 | 92,81 | - | - | - |
| Textile waste, incinerated | Tons | 59,53 | 59,53 | - | - | - |
| Wood waste, incinerated | Tons | 0,34 | 0,34 | - | - | - |
| Wood waste, recycled | Tons | 204,04 | - | - | 204,04 | - |
| Total sum | Tons | 3.723,94 | 173,72 | 626,99 | 2917,40 | 5,82 |
| Sum of non-hazardous waste | Tons | 3.723,10 | 172,88 | 626,99 | 775,16 | 5,82 |
| Sum of hazardous waste | Tons | 0,84 | 0,84 | | | |
| Percentage distribution | % | 100,00 | 4,70 | 16,80 | 78,30 | 0,20 |
| Sorted waste share | % | 97,50 | | | | |
| Percentage non-hazardous waste | % | 99,90 | | | | |
| Percentage hazardous waste | % | 0,10 | | | | |

Logistics performance in 2023

For our DK warehouse in Ballerup which has been our key Danish based warehouse and distribution facility in 2023, we have taken several initiatives to push our packaging and AutoStore set-up in a sustainable and circular way. In spring 2024 our new primary distribution center in Greve, Denmark, will be up and running to full speed. Meanwhile we will shut down our Ballerup warehouse and move all Denmark based logistics functions and operations to Greve.

Packaging and warehouse achievements 2023

Recycled fibers in cardboard boxes

Our cardboard boxes now consist of 100% recycled fibers in our small boxes, and 95% of recycled fibers in our large boxes.

The lid of the box is now made with a strip on it, so the box can be reused for the customer once emptied.



Paper based tape

We have changed all PVC plastic tape we use for box strapping to paper based tape in 2023, making our boxes fully recyclable without the need for disassembling first.

Recycled fill paper

We have changed our FillPak paper which we used for fill in our boxes to recycled paper now.

Our need for fill paper in general will decline with an estimated 40% once the new packaging machine and AutoStore in Greve is up and running, as the packaging machine will reduce our need for fill in packages remarkable.

Cardboard and box space savings

Our new packaging machine in Greve will be able to monitor and report how much cardboard and empty space we have saved per outbound shipment. Once we have data on cardboard savings and space saved available, we will communicate our achievements internally in EET Group, as well as towards our customers.

Certified pallets in our warehouse

All pallets produced for EET Group are produced from FSC certified wood. Furthermore, our pallets are heat treated and ISPM approved to prevent spread of wooden diseases and insects in the wooden core.

Freight achievements 2023

Freight partners

We require our transportation carriers to report emissions from up and downstream shipments to us. Currently, we receive emissions shipment data from approximately 90% of our transportation carriers. Our target is 100% of our carriers reporting CO2 emissions data by 2025.

Emissions data partnerships

We are currently investigating key partnerships to receive more accurate emissions data per shipment we make. This initiative will make it possible for us to communicate the CO2 impact per shipment towards customers. The project is still ongoing, and we are dependent on the key stakeholders involved in the project, however we expect progression in the project during 2024.

Logistics actions and ambitions for 2024

In April 2024, the Distribution Center will be ready to serve our company's valued customers. The new location represents a significant upgrade and underlines EET Group's dedication to delivering world-class customer service and optimal working conditions for employees. The new facility is located in Greve, Denmark and triples EET Group's logistics capacity with a warehouse size of 176,000 m³. It will house an expanded AutoStore and automated packaging machines, which ensure fast order processing, accurate inventory management. This will contribute to our sustainability efforts through an optimized packaging and shipment set-up. In addition, our new distribution center incorporates environmentally friendly methods such as energy efficient LED-lighting and other heat and electricity related reduction initiatives during 2024.

Furthermore, we are starting to minimize our warehouse footprint in Europe to a few key locations in 2024. The aim is to serve our customers to fewer, but more efficient distribution centers and reduced miles per truck drive, impacting our CO2 footprint in a positive way.

"As a distributor, EET warehouses are the heart of our business and an integral part of the way we operate. We have put a lot of effort into finding the perfect place for us to realize our ambitions. The Greve Distribution Center will be carefully designed to blend spaciousness with productivity, resulting in higher efficiency and enabling us to provide tailored storage and distribution solutions that meet the diverse needs of our valued customers and suppliers."

Bjarke Roost
Group Chief Logistics Officer, EET Group

Partnership ambitions for 2024

Our main approach to sustainability is through engagement of our suppliers and other value chain partners in GHG management and sustainability, as we believe partnerships are key to achieving the effectful outcome. Furthermore we have the ambition to engage our stakeholders through open and honest information regarding our efforts and performance on sustainability.

One of our biggest customers in the Nordics has launched an initiative called “The 100 Club”, which we have joined in March 2024. The idea with the initiative is to empower recycling and circularity in the IT sector through collection and reuse of IT products and components in the value chain. In EET Group, we acknowledge that we have a responsibility as an IT distributor to take part in the circular initiatives for the IT sector, as well as introduce more recycling opportunities for IT products on stock, which can serve another purpose instead of being stock kept or become waste. Our goal is to have no functional products to end up as waste.

On the partnership front, EET Group has joined Atea's 100% Club

Initiatives to mitigate environmental impact – EET and Ecologi partnership

We initiated our tree planting initiative in 2020 as we wanted a way to compensate for our outbound shipments, being a large portion of our carbon footprint. Furthermore, we wanted to contribute to concrete climate initiatives and programs where we could see our efforts grow.

Tree planting based on shipment data

Shipment data from our transportation carriers has been the key to calculate the average CO2 footprint per package shipped out to our customers. In 2023 we ended up shipping almost 1.3 million shipments outbound (1.269.741).

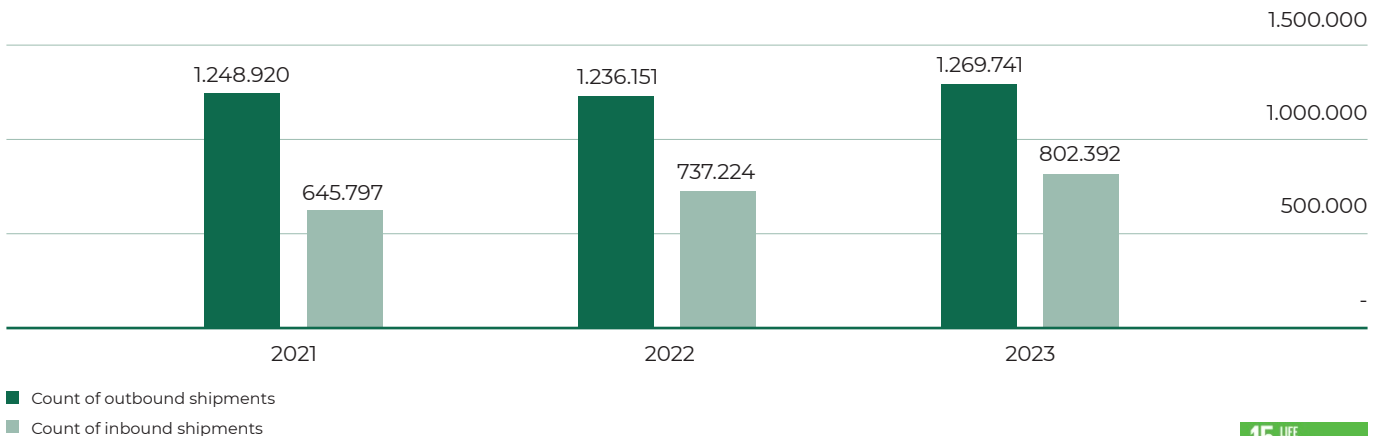
Error margin to make sure we plant enough trees

We have decided to add an error margin of +50% to our tree planting contribution to ensure we plant enough trees based on our shipments.

Focused on tree planning going forward

From the period 2020 – 2023, we have contributed to both tree planting projects, and carbon compensation projects in solar, wind and alternative energy power plants, on a global scale. From 2024 and going forward we will focus our initiative on tree planting, with a goal of minimum 2 million trees planted by 2026. We do this to align our efforts where we have the most CO2 impact on a single CO2 compensation area.

In and outbound shipments



“EET’s ‘Green Friday’ has thrived for two years running, thanks to the invaluable contributions of our dedicated suppliers. Once again, we stand together for this environmentally conscious initiative and gratefully welcome the contributions that give us the opportunity to grow the EET forest together and make a climate effort with a lasting impact.”

Søren Drewsen, EET Group CEO



05 Social performance

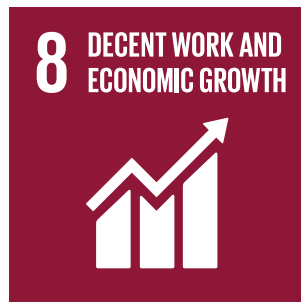
Human Rights

EET Group is committed to respect and support internationally proclaimed human rights including the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

At EET Group we are dedicated to respect labour and human rights, and we strive to prevent any kind of modern slavery related to our business and our supply chain, and we respect all internationally recognized human rights in our dealings with employees, workers in our supply chain, and anyone else connected to our business. Failure to comply with these rights and principles constitutes a risk to the company. Our "Code of Conduct" sets out our actions to identify and understand all potential modern slavery risks related to our business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in our own business and in our relations with external partners. Our employees are expected to consider how their decisions may negatively impact human and labour rights, and to report any breaches of our standards to management or through our whistleblower system. In 2023, we have not reported any violations of human rights. Our 'Code of Conduct' are part of the contract signed by new employees, and our 'Supply Chain Code of Conduct' is now also part of all supplier contracts entered. Moving forward, our goal is to ensure that all new employees undergo comprehensive training in human rights upon joining the company.



We believe in providing equal opportunities to our current employees as well as potential employees, and strive to reach a good balance between genders across our organization



EET wishes to promote inclusive and sustainable economic growth, full and productive employment and decent work for all

Labour Rights

EET Group respects our employees right to associate freely and engage in collective bargaining, if they choose to do so.

We extend ethical requirements to our suppliers in our "Supply Chain Code of Conduct" and enforce a binding framework to guide and support external parties to act in accordance with our values.

EET is committed to contributing to SDG 8 regarding decent work and economic growth, and we condemn any kind of forced labour, slavery and trafficking.

EET is committed to;

- Ensuring the right to freely associate and collective bargaining
- Eliminating any form of discrimination, this includes reducing potential bias in the recruitment processes
- Fair, respectful and dignified treatment of all employees

Employee Turnover

EET actively measures voluntary and involuntary turnover rate in order to track the stability of our workforce. A high voluntary turnover might be an indication of underlying problems in markets or departments, and hence we measure this on all levels of the organisation. In addition, we ask voluntary leavers to provide feedback upon exit. This is done via an exit survey, which Group HR only has access to.

In 2023, we had an average voluntary turnover of 9,4% against 12,8% in 2022. In the past couple of years, we have seen high churn numbers due to a heated job market where salary is the main driver for changing job. In order to mitigate this, EET is monitoring market data on salary levels and offering more flexible working conditions.

In 2024 we will continue to monitor and measure employee engagement and will increase the survey rate from annually to twice a year.

For further clarification see section 09 Accounting practices - Social.



Employee Health and Safety

The Health and Safety of our employees is a key area for EET Group, and we consider it a fundamental human right to be safe at work and remain healthy throughout the employment. Accidents, incidents, injuries, and work-related illnesses are, for the most part, preventable and therefore it is important that employee health and safety is managed in a systematic way, and that we apply a proactive approach. Employee health and safety risks and impacts are managed through our Human Resources department and its related policies. The annual Employee Engagement Survey includes questions related to the working environment, and the physical and mental health, thereby providing some valuable input on the working conditions across our markets.

We have Health and Safety committees in place where this is a legal requirement, and the local health and safety representative is involved in safety briefings and safety training. We conduct daily safety briefings in our warehouses and register accidents as well as near-misses and analyse these to understand how we can improve the safety for our employees. In 2023 we had zero LTI (Lost Time Injury).

We actively monitor absence related to sickness across all markets and in 2023 we had an absence of 2,4% against 3,6% in 2022.

Material risk

Failure to maintain adequate health and safety standards poses a risk of accidents, injuries, or occupational hazards. This could result in legal liabilities, fines, increased insurance premiums, and damage to our reputation.

Employee Diversity and Inclusion

We operate in an industry dominated by men, and this is also reflecting in our gender diversity across markets where we have 28% females and 72% males. For 2024 we have set an ambitious target of reaching 35% females, which we will accomplish by redesigned recruitment processes, including rewording job adds to be more attractive to female candidates as well as work with partners in the industry to highlight the many career options the industry is offering.

We acknowledge that diversity is not just a matter of gender, but about respecting and embracing differences regardless of for instance ages, genders, nationalities, religions, cultures, ethnicity, political views, physical abilities and sexual preferences.

Our age diversity is characterized by a high seniority in the company, which is a strength for the company but also results in an average age of 45 years. We actively work with trainee programs to attract younger talent to the organisation.

06 Governance

EET Groups has a two-tier management structure, which consists of the Board of Directors and the Group Executive Management Team. Jointly the two teams are responsible for and committed to exercising good corporate governance at all times.

EET's Business Partners and whistleblower system

EET is an international business and there is an inherent risk that business partners or customers do not have the same level of ethical standards in relation to bribery, corruption, data ethics or discrimination.

To mitigate this risk, EET has put a whistleblower system in place, which can be used by employees, business partners or others to report on potential identified non-compliance matters.

In order to extend our corporate social responsibility expectations towards our suppliers and business partners, we have published a supplier code of conduct which sets out requirements that we expect our suppliers to follow in order for them to conduct business with EET Group.

We acknowledge that our business partners are at different levels in terms of ESG maturity, but we actively work with our suppliers and expect continuous improvements from our business partners.

Code of Conduct Training

Moreover, we are actively training our employees in our Code of Conduct thereby ensuring they are made aware of policies relevant for the business. In 2023 we had a completion rate of 85% in Compliance training with a target of 99% for 2024. This will be done via online training as well as a re-design of the onboarding process where employees will receive more training material on the elements of the Code of Conduct.

Data Ethics

As a B2B company with an online webshop, we are working with cyber risks on a daily basis and continuously putting measures into place to safeguard and protect our customers data.

In accordance with our Data Ethics Policy, we assess these risks and protect data in accordance with the risks related to the data subjects.

Our Head of IT security is together with the Group Executive Management responsible for developing and maintaining procedures and training programs to ensure that our employees comply with the data ethics principles set out in the Data Ethics Policy.

For further clarification see section 09 Accounting practices - Governance.



07 Legislation and EU Directives

New incoming product related legislation material to EET

Batteries Regulation (EU) 2023/1542

The Batteries Regulation applies from February 2024, but most new obligations will come later as the Commission has to adopt new delegated or implementing acts. Besides new requirements for batteries such as CE-marking, it introduces a comprehensive set of obligations for the economic operators in the union, such as third-party verified battery due diligence policies and procedures including risk management in the supply chain. This will affect EET in our upstream supply chain.

Product Safety Regulation (EU) 2023/988

The Product Safety Regulation applies from December 2024. It concerns the safety of almost all non-food products and lays down general safety requirements for products and obligations for the economic operators in the union. In EET Group, our products safety is a vital part of our quality inspection, and the products we place on the market.

New legislation proposals

Ecodesign for Sustainable Products Regulation aims at making sustainable products the norm in the union. Another legislation is the Green Claims Directive, which states that claims about products sustainability and environmental benefits must be concrete and documented. Furthermore this legislation bans unofficial environmental labels, which do not meet official standards. In EET we welcome these regulatory initiatives, as it will give us better guidance in which environmental areas our products can be improved and which labels are the norm to follow in the European Union.

EU Directives material to EET Group

Due to our growing business, and the nature of developing directives in EU, we are looking at two major EU directives to comply and report on in the following years to come. The preparation for both has already begun internally in EET Group, to comply with the legislation once it is relevant for EET.

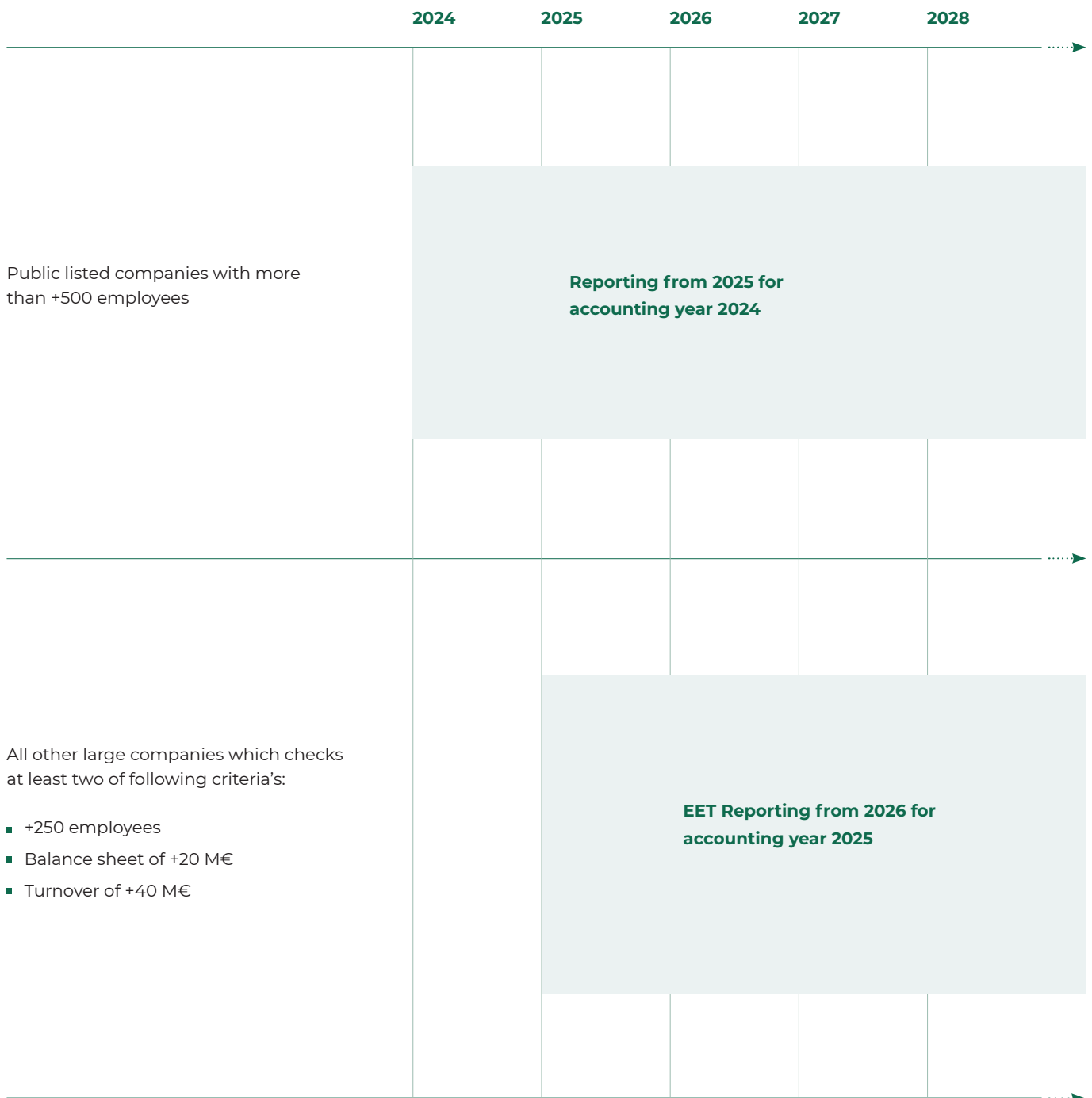
EU directives

| Legislation | CSRD (Corporate Sustainability Reporting Directive) | CSDDD (Corporate Sustainability Due Diligence Directive) |
|-------------|--|--|
| Status | First companies reporting on 2024 data in 2025. EET Group to report on 2025 data in 2026. | Agreement reached in December 2023. Still to be formally adopted in EU parliament during 2024 and applicable in 2026. |
| Scope | All large and listed companies operating in EU. (First in scope is public listed companies) | Large EU companies (including EET Group): +500 employees +150 M€ turnover |
| Goal | Transparency – Requires reporting and transparency on material sustainability topics, according to the European Sustainability Reporting Standards (ESRS). | Due Diligence – Requires companies to identify, prevent, mitigate and account for their potential and actual negative ESG impacts. |

EET's CSRD implementation timeline

CSRD Reporting will be mandatory for a large group of EU based enterprises – including EET Group from 2026 – based on our 2025 accounting year.

In EET Group we follow and prepare for the EU directive CSRD, as it is currently developed in the European Union. We are expecting to report under the ESRS reporting requirements in the directive in 2026, based on accounting year 2025.



08 Looking ahead

In 2024 we are looking forward to starting the project implementation work for GRS (Global Recycling Standard) which particularly will involve our Private Label and Logistics department and contain a re-certification in the end of 2024. We will continuously work to expand the project, involving more brands and products as we move beyond 2024.

Further, we are also starting up our FSC certification in EET Group, beginning with the Capture brand and products in our POS business in Europe.

Circularity is a vital part of our sustainability strategy, which is also why we are in dialogue with Atea regarding a partnership to be started during 2024. The partnership will focus on a structured way of collecting, sorting, recycling, or reselling our used or scrapped components and products through Atea's network of suppliers and customers.

In EET Group we have implemented a more structured way of Scope 1-3 reporting, when it comes to ownership and scope of the elements we are reporting on. This should bring us in a position where we can set short- and long-term emission goals based on more reliable data input from all departments and markets we serve.

We will continue with our tree planting efforts and partnership with Ecologi and look forward to planting many more trees around the world in the coming years – we are confident that we will hit the 2 million tree mark by 2026 at the latest.

EET is not just a distributor, we unite people. Our ambition for our Social performance is very much centered around increasing diversity across our business. The IT industry is male-dominated and hence we have a responsibility for promoting and presenting a more

diverse and inclusive picture of the industry, and particularly our business. We will also work actively with our recruitment to reduce the risk of any bias in the recruitment process.

Furthermore, we will continue to be vigilant when it comes to the working environment for our employees, including the mental and physical working conditions by monitoring absence and taking measures to prevent absence.

In conclusion, our ESG report highlights the vital role that Environmental, Social, and Governance factors play in driving sustainable growth and long-term value creation for EET. Through rigorous analysis and transparent reporting, we have demonstrated our commitment to responsible business practices and our dedication to mitigating environmental risks, fostering social inclusivity, and upholding high standards of governance. As we navigate an increasingly complex and interconnected world, we recognise that sustainable development is not just a choice, but a necessity for securing our business, and our future and that of generations to come. By integrating ESG considerations into our core business strategy, we are not only fulfilling our corporate responsibility but also seizing opportunities for gaining competitive advantages and building a more resilient business.

Moving forward, we remain steadfast in our commitment to continuous improvement, collaboration, and transparency as we strive to create a more sustainable impact through our business.

09 Accounting Practices

This ESG report covers the period 1 January – 31 December 2023, following the calendar year-end aligned with our financial reporting. The ESG figures are consumption by year-end on 31 December 2023.

The ESG indicators cover the issues identified as material to the EET Group, in terms of importance to our business. In addition, we report on our 'running indicators', which are important measures that we track continuously. For an overview of our ESG indicators and 2023 progress, please see the Key figures for 2023.

All figures in the ESG table have been examined by external auditors.

Organizational scope

Unless otherwise stated, indicators consist of data from all of EET Groups entities.

Environmental

Scope 1 GHG Emissions

Scope 1 GHG emissions are measured in tons of CO₂ equivalents (TCO₂e). These emissions stem from mobile combustion, including the consumption of diesel, petrol, or electricity by company vehicles and transportation under the control of EET group within our local entities. We report Scope 1 GHG emissions on a per-country basis where company cars are available for employees. Data on emissions is accessible through our local car lease agreements or local Country Management.

Scope 2 GHG Emissions

Scope 2 GHG emissions are also measured in tons of CO₂ equivalents (TCO₂e). These emissions refer to indirect emissions such as heating and electricity, consumed in EET's owned or leased offices, buildings or warehouses.

This includes the consumption of local energy sources from district heating and grid electricity. Electricity is location-based, as is district heating. Data is collected for all our warehouse facilities and offices in Europe, with Country Management responsible for collecting and reporting country-based Scope 2 emissions for their respective entities. We utilize Navision ERP-accounting system to gather invoices containing local utilities spending and emissions consumption data.

Scope 3 GHG Emissions

Scope 3 GHG emissions, also measured in tons of CO₂ equivalents (TCO₂e) and contain all other indirect GHG emissions within EET's upstream and downstream value chain that are material to EET. Scope 3 is further categorized as follows:

1. Purchased Goods and Services: Data on purchased goods and services is collected for products used internally and products for sale across the business. These products are categorized based on EET's item groups and further split into 14 subcategories, measured either in kilograms or quantities, using our CO₂ emissions software solution, Cemasy. Data is sourced from our internal ERP product data system, TARGIT, which contains yearly purchase overviews. The Private Label and Products and Solutions Management team are responsible for providing yearly data through Cemasy.

2. Upstream Transportation and Distribution: This category includes emissions data from upstream transportation vendors, including air, truck, sea, and railway. The EET Group Logistics team collects data from all group transportation carriers, reporting emissions in tons of CO₂ per transportation carrier.

3. Downstream Transportation and Distribution: This category includes emissions data from downstream transportation vendors, primarily

through downstream truck vendors in distribution to end customers. The EET Group Logistics team is responsible for collecting data from all group transportation carriers, reporting emissions in tons of CO2 per transportation carrier.

4. Business Travel: Business travel within the EET Group primarily involves continental and intercontinental flights. Data is primarily collected via our travel agency, Egencia, at the group level or through local reporting at the country level. The ESG team is responsible for collecting travels booked through our agency via the HR team, while Country Managers report all travels booked in the accounting year. We utilize flight trip carbon calculator software to estimate travels between airports if specific flight trips are not registered in the Egencia travel agency.

5. Waste Generated in Operations: Waste data is extracted from our waste handlers and categorized accordingly. Country Management is responsible for collecting waste data from warehouses and offices through local country waste handling agreements. The EET Group Logistics team collects waste data from waste handlers at the group level. For offices and warehouses where data cannot be obtained from waste handlers, we use an Excel-based estimation tool based on the number of employees in each location. All data is converted to tons of waste.

6. Use of Sold Products: This category is calculated based on data from "Scope 3 - Purchased Goods and Services." Products sold through our website serve as a baseline for power calculation during their lifetime. Kilowatt-hour (kWh) results for each product type are calculated based on watt usage, daily average usage hours, and the average product lifetime.

7. End-of-Life Treatment of Sold Products: This category is split into different waste categories represented by purchased goods and services. This primarily includes e-waste, as most electronics equipment falls under this category, but also plastic, metal and textile waste are present in the category. Percentages of collected, recycled, and landfilled waste are based on waste sorting statistics from the latest report available from the Danish Environmental Protection Agency. The collected waste percentage is estimated to be 88%, recycled percentage estimated to 85%, and landfill the be total waste minus the recycled waste part, with guidance from the report.

8. Employee Commuting: Employee commuting is calculated with an estimation of 66.66% of employees commuting via car and 33.33% via public transport, with an average distance of 20 km between home and work and an average of 220 workdays per year. CO2 consumption for the 741 full-time equivalents (FTEs) registered in 2023 serves as the basis for this calculation at the group level. It is then further broken down by country based on the number of employees in each country.

Social

Number of employees (Headcount)

Number of employees is measured at year-end. Employees include: regular, temporary and seasonal employees, as well as trainees and student workers. Temporary and seasonal employees are employees who have a fixed-term contract. Employees excluded in the figures are contractors and those on Garden Leave.

Improve Gender Diversity

This indicator seeks to ensure diversity and equal opportunity at work at all levels in the organization. The indicator focuses on having increased representation of women across the whole organization including managerial positions.

All core employee master data are stored in our HR System. Data on gender are recorded in Bamboo HR System upon hiring and are voluntarily self-declared by employees. The reporting figures are at year-end.

Women in management

A manager is defined as a person who leads at least one person. In Bamboo HR System, all managers registered are included in this indicator.

Group Management is Level 1 – where all are reporting directly to the CEO.

Employee turnover

The term 'employee turnover rate' refers to the percentage share of employees who leave the organization voluntarily (including retirement) during the calendar year relative to the average headcount over the same 12 months. The turnover rate thereby excludes employees who involuntarily leave the organization. All data are stored in Bamboo HR System.

We are solely focused on monitoring Voluntary Turnover Ratio as it shows how successful the company is in retaining its employees. This ratio can be seen as a proxy for employee satisfaction measurements, which often are incomparable across companies.

Average seniority

The average seniority is calculated based on the HC numbers and the numbers of years the employees have worked for the company. A higher seniority can be seen as a proxy for employee satisfaction measurements.

eNPS (Employee net promoter score)

The eNPS is measured on an annual basis using Workday Peakon survey, which is an anonymous survey. Employee Net Promoter Score or eNPS, is a scoring system designed to help employers measure employee satisfaction and loyalty within their organization.

The eNPS system consists of a question asking employees to rate, on a scale from zero to ten, how likely they are to recommend the organization as a place to work.

The system generates a score, first by sorting ratings into three categories:

- Promoters
- Passives (also called "neutrals")
- Detractors

The ratings are tallied, and the percentage of detractors is subtracted from the percentage of promoters. The final number represents the organisation's Employer Net Promoter Score, or how employees feel about working for their company. eNPS scores can range from +100 (mostly promoters) to -100 (mostly detractors).

An effective eNPS survey takes steps to ensure employee anonymity so employees provide honest feedback.

Strive for zero accidents

This indicator tracks the accident frequency across EET Group sites for EET employees. Only accidents with absence are included. Accidents that result in a full workday of absence are tracked. A full workday depends on the country specific hours. A Lost Time Injuries (LTI) is defined as a work-related accident resulting in injury or illness, where the employee is required to take at least one full day of absence.

Work-related illnesses are currently excluded because privacy policies/internal data protection and national regulations make it difficult to collect data globally. However, we monitor and register all absences across EET Group.

Working hours are calculated as the sum of working hours for the total headcount of EET Group employees. This excludes overtime.

Accidents are recorded locally by all EET Group companies and reported monthly to management.

Governance

Gender diversity in board of directors

This indicator tracks the gender diversity in the board of directors. The indicator shows the share of female and male board members, respectively, at year-end. This indicator only includes the board of directors in EET Group.