



EG ELECTRONICS

Corporate Sustainability Report

2024



Corporate Sustainability Report

WHY A SUSTAINABLE REPORT?

We want to communicate and be transparent with our environmental, social, and governance (ESG) practices and performance to our stakeholders. Our sustainability report serve as a transparent way to show our commitment to sustainability, accountability, and positive impact.

By sharing information about our sustainability initiatives, achievements, challenges, and future goals, we aim to engage investors, customers, employees, and suppliers.

The sustainability report also help us to comply with regulations, manage risks, attract stakeholders, enhance competitiveness, and contribute to a more sustainable and fair future. We consider our sustainability report as a strategic resource and a development factor, which adds value to our business.

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President's Message

As the CEO of EG Electronics, I am proud of the steps we have taken in our sustainability journey. Our commitment to sustainability isn't just a checkbox on our corporate agenda; it's a fundamental philosophy.

We understand the profound impact our choices today can have on the future. As the CEO of EG Electronics, I am proud of the steps we have taken in our sustainability journey. Our commitment to sustainability isn't just a checkbox on our corporate agenda; it's a fundamental philosophy.

We understand that the choices we make today will echo into the future, impacting not only our business but also the planet and communities we serve. That is why we have chosen a complete way of looking at sustainability that includes taking care of the environment, being responsible to society, and following good ethical practices.

From the products we offer to the way we distribute them; sustainability considerations guide our decisions. As a trading company, we actively choose to represent suppliers with the highest sustainability standards to minimize risks and by partnering with such suppliers we together aim for a more sustainable future. We are aware of our role in minimizing our environmental footprint. Our commitment to reducing waste, optimizing energy consumption, and sourcing responsibly reflects our dedication to being a responsible corporate citizen.

Equally important is our commitment to social sustainability. We recognize that our employees are at the heart of our success, and their well-being is most important. We strive to provide a safe, inclusive, and empowering work environment that fosters personal growth and professional development for all employees.

Moreover, our engagement with local communities underscores our belief in giving back. Through initiatives that support education, health, and social welfare, we aim to make a positive impact beyond our business operations.

Transparency and ethical governance are the cornerstones of our sustainability efforts. We believe in accountability and open communication with all stakeholders, from our valued customers and suppliers to our dedicated employees and shareholders.

Our sustainability work is not just a reflection of our values; it's a testament to our dedication to leaving a positive legacy. I thank every member of the EG Electronics family for their unwavering dedication and contribution to making our sustainability vision a reality.

Anders Jacobsson
CEO, EG Electronics

Part 1:

ABOUT US

100 Years of Experience

EG Electronics is a company group consisting of EG Electronics AB and EG Electronics International AB, with a strong international focus, born and headquartered in Sweden with operating locations in Europe and Asia.

We offer unique and cost-effective customized solutions based on electronic and electromechanical components and systems, as well as standard products from selected manufacturers.

We have 100 years of experience, deep engagement and technical knowledge together with trustworthy and effective logistics worldwide.

KEY FIGURES

- 64 employees in 7 countries
- Revenue 135MEUR

CERTIFICATIONS

- SS-EN ISO 9001:2015
- SS-EN ISO 14001:2015



We are part of the Electronics business area in KAMIC Group, a privately held corporate group based in Sweden, with a common aim to be a leading supplier of technical products and services.

DISPLAY & SYSTEM

Whether you are working with digital signage or industrial applications – we can provide you with embedded solutions that match your demands,

- Embedded Computing
- Displays & Monitors
- Memory & Storage
- Networking & IIoT

ELECTROMECHANICS

We create value added customized electromechanical solutions for industrial OEM customers.

- [Power Management](#)
- [Power Distribution](#)
- [Thermal management](#)
- [EMC and Shielding](#)

MEMORY

A reliable supplier for demanding customers and provider of high quality memory and storage products from Samsung.

- SSD
- DRAM

RF & WIRELESS

A whole business package with unique control from start-to-end-of-life of all products and within telecom and wireless communication

- RF & Microwave
- Semiconductors

Global Presence

We are born and headquartered in Sweden with operating locations in Europe and Asia.

Sales

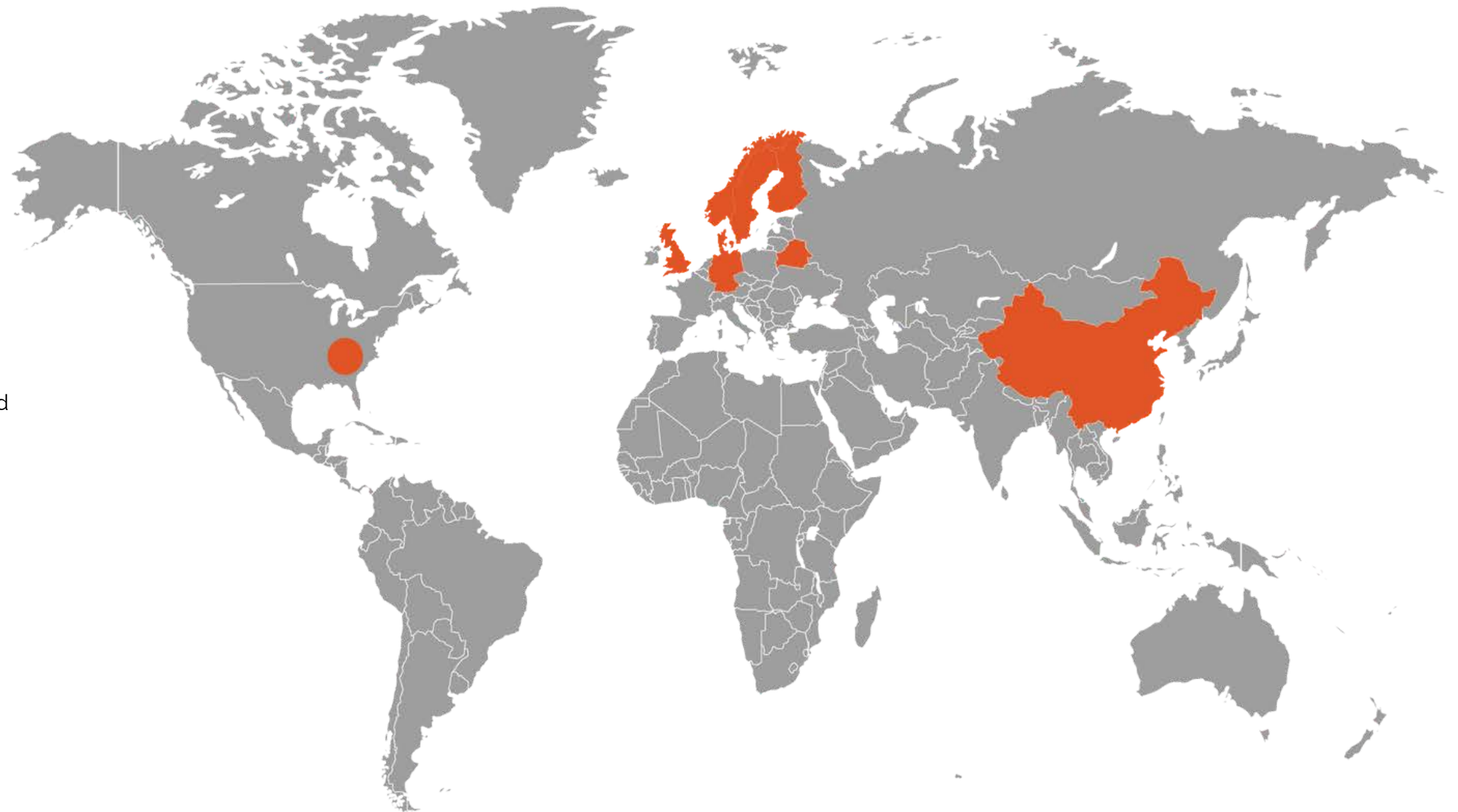
Sweden (Stockholm, Gothenburg), Norway (Oslo), Finland (Helsinki), Denmark (Copenhagen), U.K (Brighton), Germany (Frankfurt), Poland (Warsaw), China (Shanghai)

Manufacturing

Sweden (Torsby)

Logistics Hubs

Sweden (Stockholm), China (Shanghai), Hong Kong, USA (Charlotte NC)



Management Team

Our management team work closely with the corporate board to align direction with their overall vision. Together, they make key choices, and drive growth while maintaining a hands-on approach in operations.

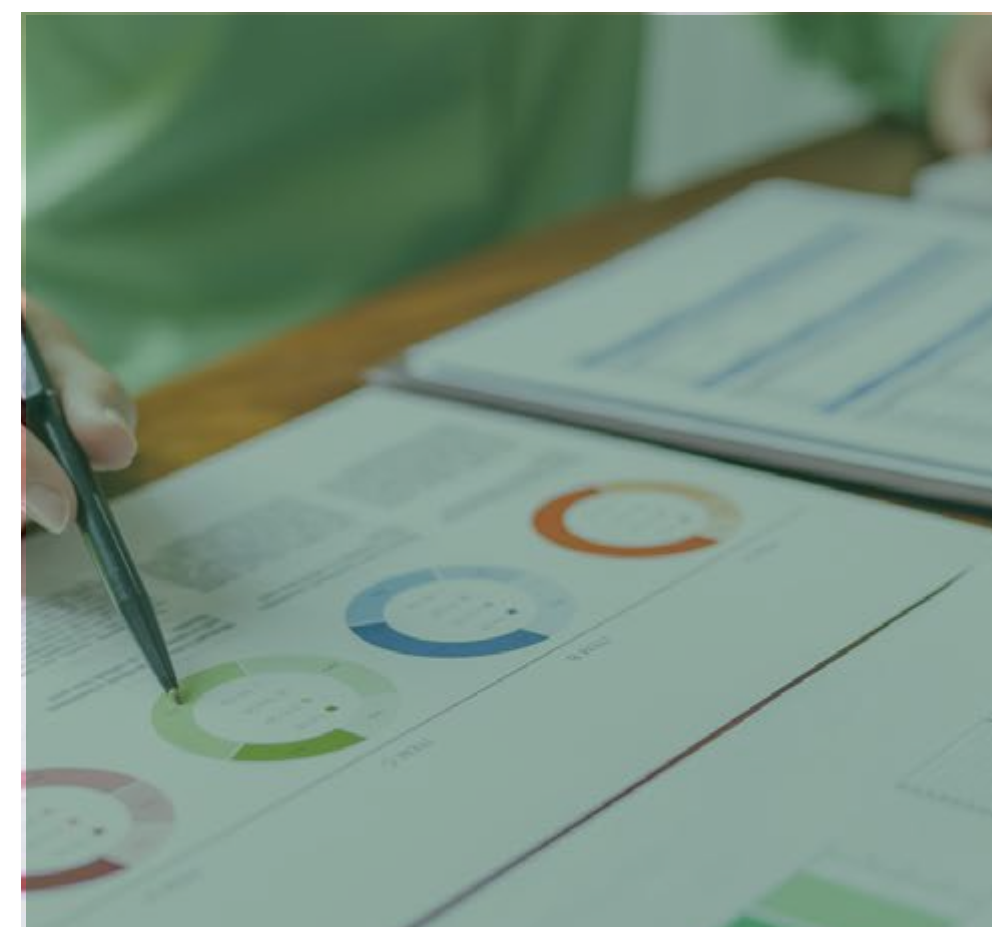
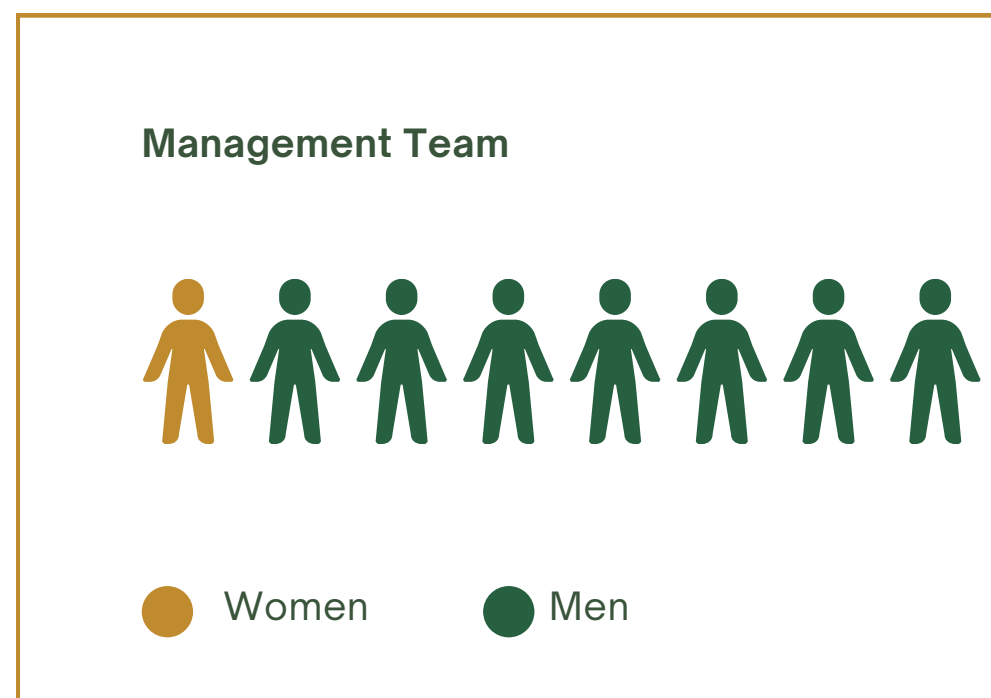
We work together to solve problems, seize opportunities, and steer EG Electronics towards growth and success.

Our management team is directly involved in day-to-day operations, and we are closely connected with our employees. The management groups collective expertise and decisions shape our direction and contribute to our performance.

Strategy

We use a portfolio strategy where our focus is to allocate resources (human and financial) to areas where returns are highest, and at the same time prioritize the existing businesses.

We work in close cooperation with carefully selected suppliers and customers in key markets, we strengthen their competitiveness by adding value through the provision of tailored solutions, based on electronic components and systems with additional services.



Circular Economy

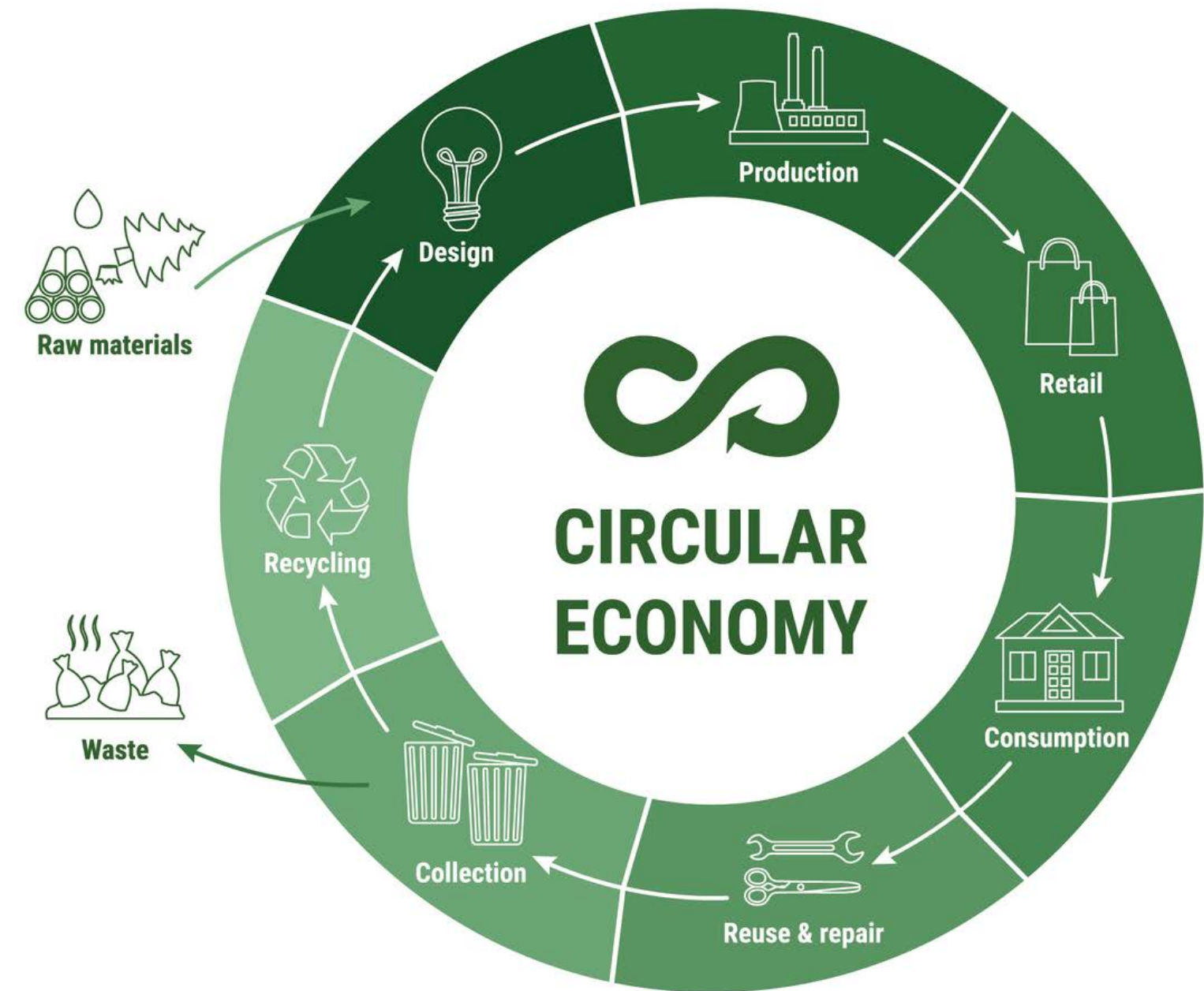
Transitioning towards a circular economy model, where products and materials are reused, refurbished, or recycled, can minimize waste and promote responsible consumption and production.

For instance, when we purchased new desks, we bought reused materials instead of buying new ones and when we need to scrap items, we donate them to technical schools for testing and teaching material.

We aim to guarantee financial stability for all stakeholders, enabling necessary investments for ongoing development within sustainable practices for our customers. Simultaneously, we strive to provide a sustainable return to stakeholders and maintain a positive workplace for our employees. Our commitment to transparency and accountability in financial reporting and business practices builds trust with customers and stakeholders alike.

By integrating these practices into our distribution operations, we contribute significantly to the circular economy while also benefiting from increased customer loyalty, improved brand reputation, and long-term cost savings.

Sustainability is nothing that will pass us by in a couple of years, it is here to stay.



Profit Before Growth

Prioritizing profit before growth involve careful cost management, optimizing existing operations, and maximizing revenue from current business activities without necessarily investing heavily in new ventures or markets. The idea is to build a strong financial base that can support sustainable and controlled growth in the future.

The overall aim with our strategy is to increase the profitability in each business area. Acquisitions are a key component in our ambition to grow and develop our businesses.

Return on Working Capital (RoWC)

Measures the efficiency of our company in generating profits from our operational capital.

Earnings Before Interest, Taxes & Amortization (EBITA)

Measures our operating performance by excluding interest, taxes, and amortization expenses from its earnings.

	2022/2023	2023/2024
Annual EBITA growth	24,7 %	20 %
RoWC	81 %	>45 %

Part 2:

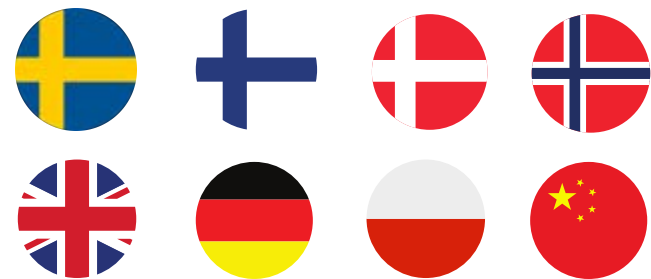
STAFF

Sustainable Employees

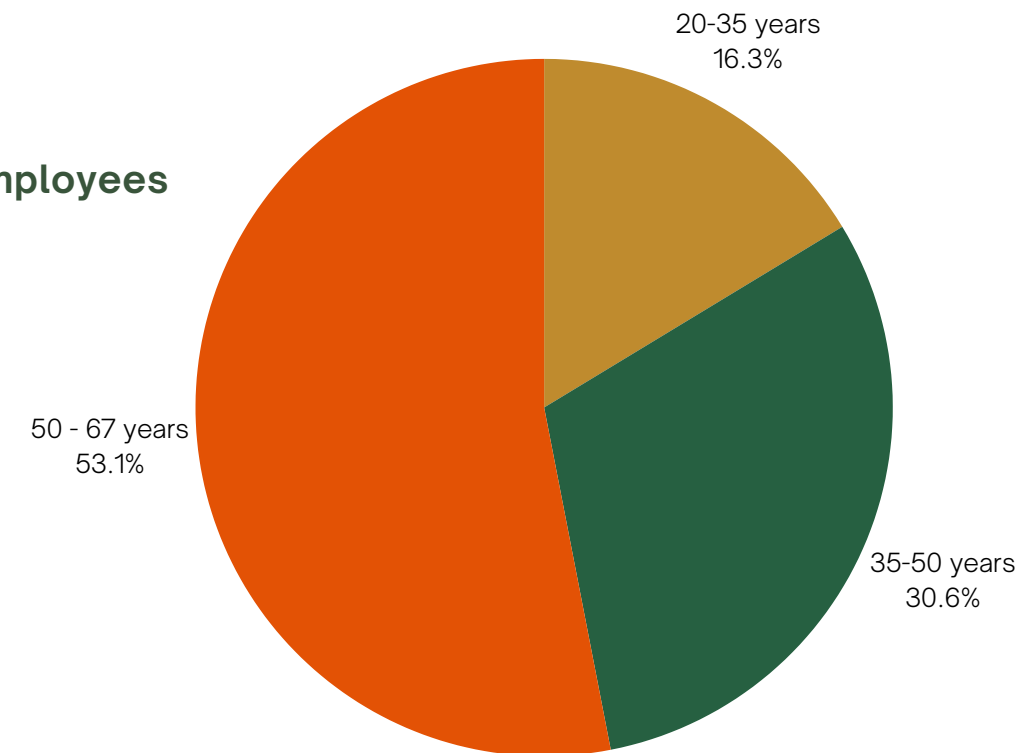
Number of Employees

67

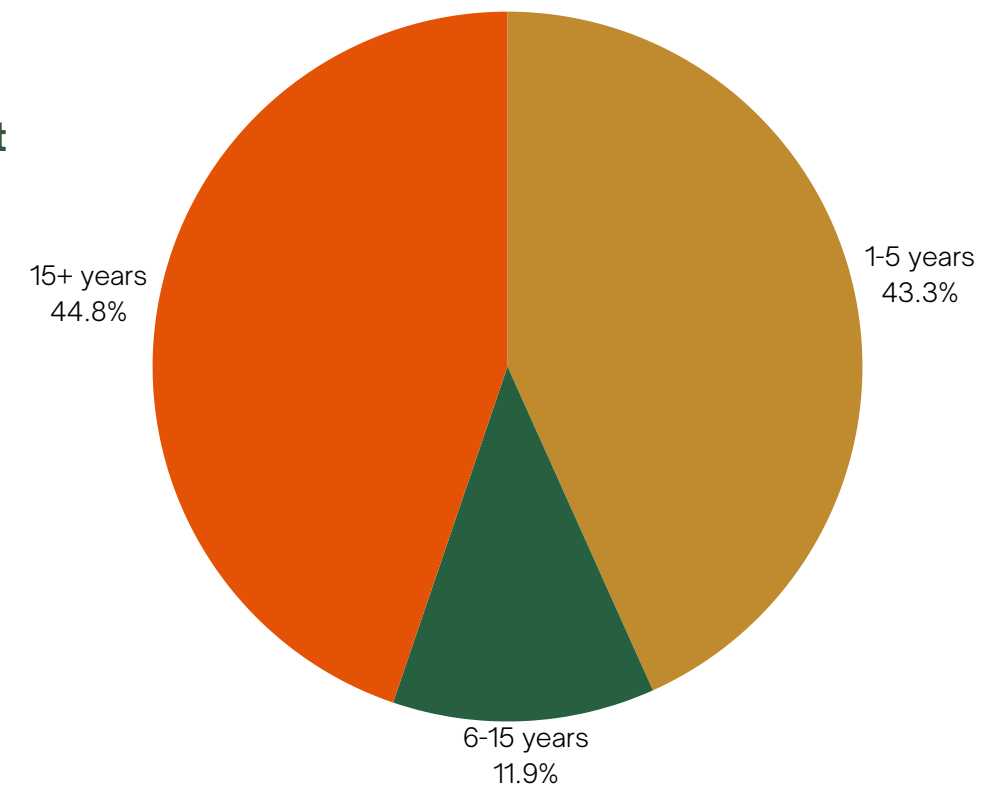
Countries our employees are represented



Age category of employees



Years of Employment



Sustainable Employees | HiPO

We use the HiPO (High Performance Organizations) model when conducting employee surveys every 18 months. It focuses on four areas that are important for creating and maintaining a high performing organisation.

The areas are:

- Engagement
- Organizational capabilities
- Goals and strategy
- Leadership

The survey is anonymous, and our latest overall score was 77/100. **Our goal is to increase the results to over 82% by 2026.**

According to the HiPO model it is important to strive to have engaged employees, excellent leadership, a well-functioning organization and clear communicated goals and strategies.

We believe that dedicated employees are an essential asset to our organization. Their commitment, productivity, and positive impact on workplace culture is leading to improved performance, customer satisfaction, and long-term success. We encourage openness and outspokenness among all employees and to feel free to speak up without any chance of retaliation in accordance with our whistle-blowing policy.

We have both team and individual goal setting since it is important not only to create strong teams but strong competent individuals. In the latest employee survey, we reached results way over the external benchmark on **engagement** and **cooperation**, and this is something we are very proud over.

HiPO Index Year	Our Results	External Benchmark
2023	77 %	73 %
2021	76 %	68 %
2019	74 %	69 %

Sustainable Employees | HiPO

How we do it

We commit to social sustainability through various initiatives and practices. We prioritize the well-being of people, communities and society at large in accordance with our Code of Conduct in the following ways:

Ethical Business Practices

- We ensure that our operations adhere to ethical standards, including fair treatment of employees and partners, and respect for human rights.
- We provide safe and inclusive working conditions for all employees.
- We conduct annual trainings in ethics, inclusion and diversity.

Diversity and Inclusion

- We foster diversity and inclusion within the workforce, promoting an environment where individuals of different backgrounds, genders, and abilities are welcomed and valued.

Employee Well-being

- We prioritize the well being of our employees by offering opportunities for professional development, work-life balance, and mental health support.
- We recently transitioned one of our trainees into a full-time Inside Sales team member. This shows that we are serious about helping our employees grow. Several individuals who initially joined as warehouse employees have since progressed to become (and still are) Warehouse Manager and Business Unit Managers, proving our commitment to employee growth and development.
- We conduct annual safety inspections to secure safe working space for all.
- We offer all employees health examinations and annual health care allowance.
- We offer job-specific training to develop deeper knowledges within roles.
- We offer all staff subsidized lunches

Sustainable Employees

Percentage of health presence

We measure sick leave absence as a KPI, but we shifted focus to measuring health attendance instead. We have an annual target of achieving a 97% attendance rate, while ensuring that work-related stress remains below 1%.

0-14 days in 2023

98%

15-999 days in 2023

95%

Work-related
sick leave such as stress

0%



Wellness hour

The purpose of wellness hour during a work week is to create conditions for a sustainable working life where active recovery and physical activity are natural parts of a balanced work week and lifestyle.

All employees are yearly offered a wellness allowance as we believe there are benefits both for the company but also for the well-being of the employee. It is proven that it releases stress, improves mental health, decreases sick leaves, etc.

When employees know that their company cares about their health and well-being, they tend to feel more valued and appreciated. Which leads to higher job satisfaction and a more positive workplace culture.

Sustainable Leaders

Leadership Program

Our parent company KAMIC Group offers a Leadership program for leaders/managers within the Sphere, which everyone can apply for.

The purpose of the program is to give managers/leaders a chance to develop their leadership and to provide with tools, competences, and skills needed to develop your capacities to lead the employees and others in accordance with the company's strategy.

The program is also designed to increase their self-awareness and to help them to better understand and develop their unique leadership style.

We believe that with smart goal setting, challenging the employee to be the best version of themselves, clear communication and high ethical skills is the key to create successful teams.

In our employee survey, we measure the leadership aspect, and the results consistently exceed the benchmark, with our target set at 85% for the upcoming three years

HiPO Leadership Index / Year	Our results	External Benchmark
2027	+ 3 (85%)	
2025	+ 3 (82%)	
2023	79	71
2021	76	65

Part 3:

Company Culture



EG ELECTRONICS

Company Culture

In the dynamic landscape of modern business, our core values serve as guiding principles that shape our culture, operations, and overall success.

Two fundamental core values that stand out are **passion** and **competence**. Passion drives enthusiasm and dedication, while competence ensures the delivery of high-quality results. Both these values are intricately linked to the contributions of employees, who play a pivotal role in upholding and embodying these values within our organization.

Passion and competence are not only buzzwords; for us they are the foundation upon which successful companies are built. Employees who act on these core values contribute immensely to their company's success by performing their work with dedication, innovation, expertise, and a commitment to excellence.



Passion Fostering Dedication and Enthusiasm

Passion is the fire that ignites motivation and inspires employees to go above and beyond their daily tasks. It is the driving force that fuels innovation, creativity, and a genuine desire to improve.

Employees who are passionate about their work are more likely to persevere through challenges, seek continuous improvement, and act as ambassadors for our mission.

Commitment to Excellence

Passionate employees are committed to delivering exceptional results. They invest time and effort into their tasks, striving to exceed expectations and create a positive impact.

Innovative Thinking

Passion cultivates a mindset of constant improvement and innovation. Employees with a passion for their roles are more likely to explore new ideas and propose innovative solutions to existing problems.

Inspiring Others

Passion is contagious. When employees are genuinely enthusiastic about their work, they inspire their colleagues, creating a positive and motivated work environment that encourages everyone to put their best foot forward.



Competence Upholding Quality and Expertise

While passion provides the driving force, competence ensures that the work is executed with precision and mastery.

Competence is built upon knowledge, skills, and experience, allowing employees to consistently deliver high-quality outcomes and maintain the company's reputation for excellence.

Skill Development

Competence requires continuous skill development. Employees actively seek opportunities to refine their abilities, which in turn enhances their ability to contribute meaningfully to the company's goals.

Reliability

Competent employees can be relied upon to complete tasks accurately and on time. Their expertise minimizes errors and setbacks, contributing to streamlined operations.

Adaptability

Adaptability in a rapidly changing business landscape, competent employees are adaptable. They can quickly earn new technologies, processes, and strategies, ensuring that the company remains competitive.



VISION

To be the leading global trading partner, connecting businesses and markets with integrity, innovation, and excellence in our niche.

We aim to create sustainable value for our stakeholders, while consistently exceeding expectations and fostering economic growth worldwide.



MISSION

Through strong collaboration with chosen suppliers and customers in key markets, we strengthen their competitiveness by delivering customized solutions, based on electronic components and systems with additional services.

Continuous Improvements

Since obtaining ISO 9001 and ISO 14001 certification in 2002, the integration of continuous improvement is an important part in our strategic approach and daily work. We are continuously assessing the effectiveness of our quality management system and making necessary improvements.

We are very proud to state that our latest recertification was approved with zero deviations.

Here are some examples of how we use the standards to foster continuous improvements:

- Established Quality Objectives such as enhancing customer satisfaction, improving processes, and reducing defects.
- Documenting all key processes
- Regularly monitor and measuring KPI's related to quality and analysing the data such as, delivery precision, customer claims etc.
- Correcting and preventing potential issues before they escalate into problems by using an internal tool for continuous improvements.
- Dedicated and committed management team who quarterly reviews the effectiveness of the Quality Management System (QMS) and implements any required enhancements.
- Consistently identifying our environmental aspects and evaluating their impacts.
- Legal and Regulatory Compliance



We participate in educations within sustainability and have attended several webinars and recently our quality manager participated in a training where focus was to identify the most common obstacles small-medium enterprises face, elimination of unnecessary waste, what steps to start with in the sustainability journey, and networking with other SME's. We are in continuous contact with the organizer of the training to share and gain information from others in same situations as us.

Ultimately, the key to achieving continuous improvement with ISO standards is to foster a culture of quality and environmental responsibility within the organization, involving employees at all levels, and regularly reviewing and revising processes to achieve better outcomes in both quality and environmental performance



Part 4:

SUSTAINABILITY COMMITMENT

Paris Agreement 2050



The Paris Agreement is a global climate agreement that entered into force in 2016. The Paris Agreement's primary goal is to limit global warming to well below 2 degrees Celsius above pre-industrial levels, with an aspiration to limit it to 1.5 degrees Celsius.

The treaty involves commitments by countries to reduce greenhouse gas emissions, enhance climate resilience, and support efforts to reach these temperature goals. It serves as a framework for global cooperation to combat climate change and sets targets for emissions reductions and climate-related actions.

The year 2050 often serves as a reference point for achieving significant emissions reductions and transitioning to a more sustainable, low-carbon global economy.

Our Contribution to Agenda 2030

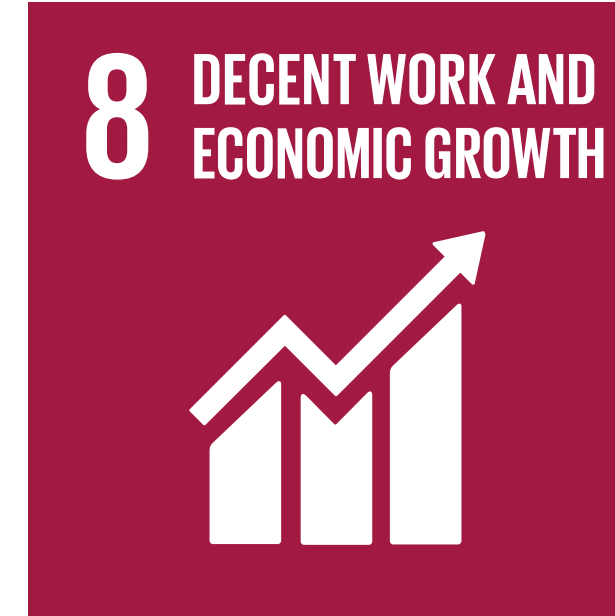
Global warming is a fact!

Agenda 2030 is a plan by many countries to make the world a better place by 2030. It is a global initiative that was adopted by all United Nations Member States in 2015.

The agenda outlines 17 Sustainable Development Goals (SDGs) with 169 targets aimed at addressing a wide range of social, economic, and environmental challenges facing the world. These goals cover areas such as poverty, hunger, health, education, gender equality, clean water, sanitation, renewable energy, economic growth, and more.

The Earth is getting hotter because of pollution from cars and factories. This is harming the planet by causing extreme weather, melting ice, and rising sea levels.

We aim to make our contribution to stop global warming and to protect the Earth for future generations.



Gender Equality

We believe and intend that men and women should have equal opportunities for employment, education and development. Any decisions on recruitment, selection, education, promotion and career development are based on objective and professional criteria related to the proven performance, for the role in question.

We aim for an equal distribution with regards to gender in the workplace when recruiting, and we are actively facilitating for men and women to combine parenting with work.

We have zero tolerance for discrimination in accordance with our Code of Conduct.

Our goal is to achieve a gender split of 50/50 by the year 2030.

Because we believe that businesses thrive, and performance enhances when we have a gender-neutral take on leadership and employment roles within companies.

Did you know!

- On average across countries, long-run GDP per capita would be almost 20 per cent higher if gender employment gaps were closed.
- When boardrooms are gender balanced, enterprises are two per cent more likely to have improved business outcomes.

Source: *Gender Equality | Forward Faster (unglobalcompact.org)*

Staff



Number of women: 21
Number of men: 46

Leadership Positions



Number of women: 3
Number of men: 8

5

GENDER
EQUALITY

Decent Work & Economic Growth

We can proudly state that all employees have fair and inclusive employments and equal pay for equal work, and we promote inclusion and diversity by annual mandatory trainings with the entire workforce to demonstrate, respect and promote the human rights.

As of today, we have eliminated all potential human rights risks by raising awareness about the importance of decent work and economic growth within our influence and among our stakeholders, encouraging others to follow.

We invest in training and development programs for employees to contribute to personal growth and to enhance the overall quality of the workforce.

This could also reduce staff turnover and absenteeism, increase motivation, productivity, and attract new talent.

By contributing to this goal, we build a more just and sustainable global economy as demonstrated in the details below:

- We encourage innovation and the use of advanced technologies which can enhance productivity and contribute to economic growth.
- We have thorough annual safety inspection reviews.
- We continuously seek new projects and collaborate with carefully selected suppliers who prioritize sustainability.
- We follow and refer to our Code of Conduct for information regarding our labour standards and we have no form of child labour in any part of our supply chain.

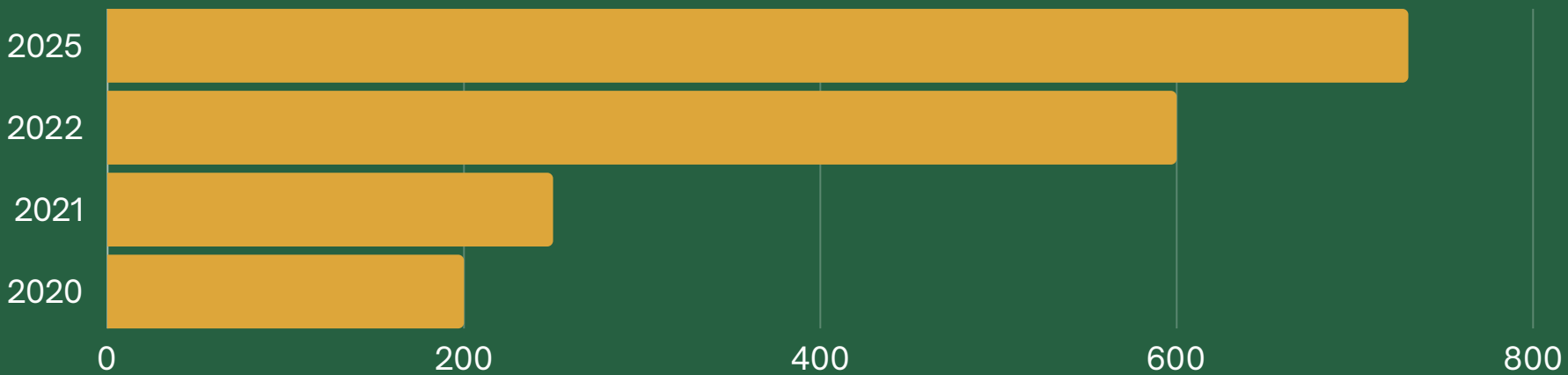
8 DECENT WORK AND ECONOMIC GROWTH



Decent Work & Economic Growth

We engage with local communities by supporting social initiatives and charitable activities. We are proud to have a project with one of the communities by giving people with disabilities work opportunities. During 2022 we created around 600 hours of meaningful work.

Hours of labour for job training program



Since 2020, we have been collaborating with the Swedish employment agency "Arbetsförmedlingen" to provide job training and support to individuals, facilitating their integration into work life and offering new opportunities for personal growth.

8 DECENT WORK AND
ECONOMIC GROWTH



Sustainable Industrialization

Implementing sustainable industrialization in the electronics sector requires a holistic approach that considers environmental, social, and economic factors. It often involves collaboration with suppliers and customer/industry partners to create a more sustainable and responsible electronics manufacturing ecosystem.

We collaborate with universities (KTH), and other businesses to foster innovation and knowledge sharing to create more prosperous cooperation with our partners. We hope that these types of partnerships can lead to development of cutting-edge technologies and solutions.

We promote and support our suppliers with their supply chain, helping them access resources, and markets, which aligns with the goal of promoting inclusive and sustainable industrialization. We are their extra arms and legs in the countries we operate, and we provide customized logistic solutions to our customers.

We embrace digital tools that can help us improve our data and improve the overall efficiency of our supply chain management. We have initiated a project aimed at simplifying data visualization from our ERP system using PowerBI, enhancing our ability to monitor inventory levels and ensure accurate stock management.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Sustainable Industrialization

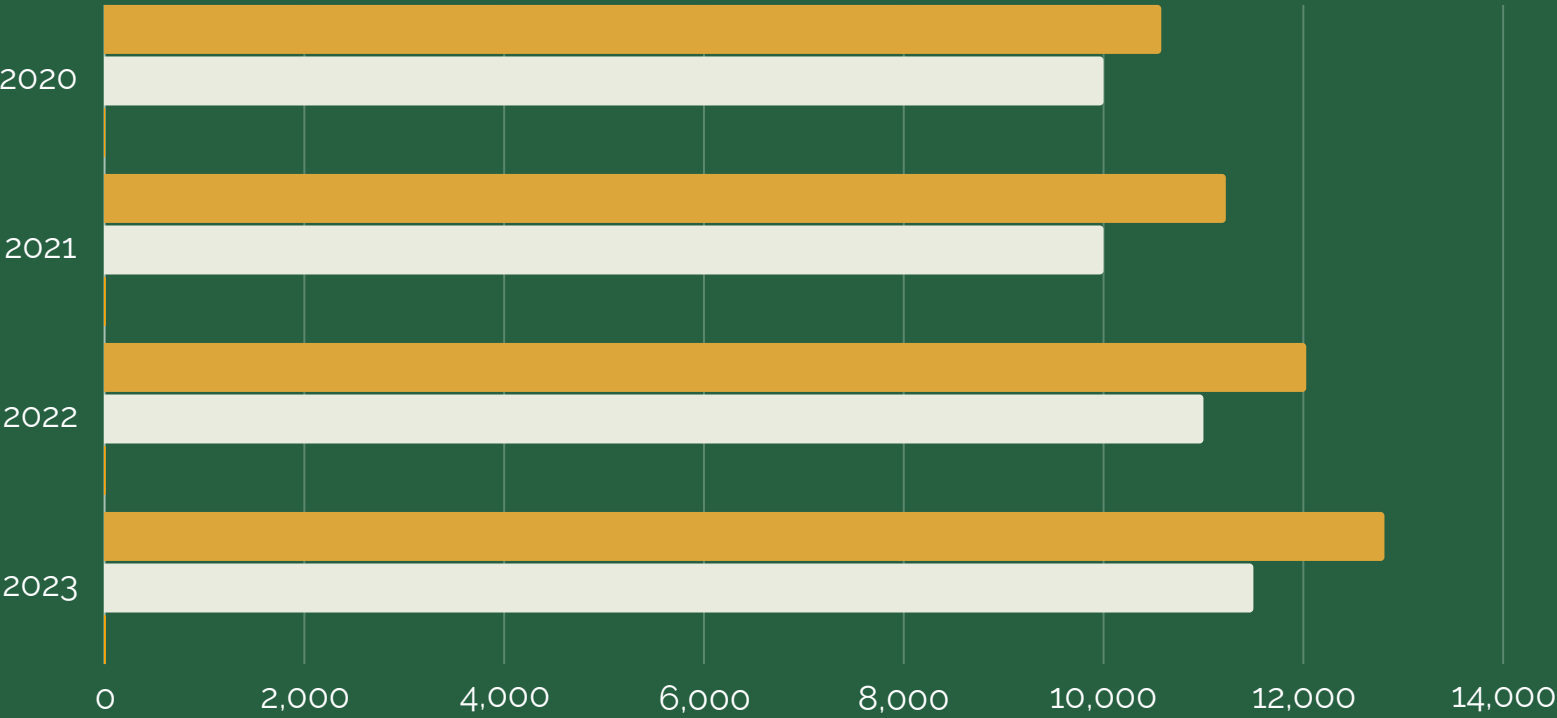
Battery Reconditioner

One of our goals is to be working towards sustainable industrialization. We do this by providing and selling products and solutions that contribute to reduced carbon emissions such as the Battery Desulfator solution. With a new 12-volt battery containing 11kg of lead on average, The environmental advantages of doubling the lifespan of an individual battery through the application of a battery desulfator are noteworthy.

9

INDUSTRY, INNOVATION
AND INFRASTRUCTURE





12 812 kg

Saved Emissions in 2023

Sustainable Industrialization

Development of Smart City

We are currently involved in customer cases where we provided safety monitoring systems for individuals, city control solutions, and AI-powered train applications, all contributing to energy savings for cities and communities.

There is no doubt that cities have a key role in the transformation to a sustainable future, economically and environmentally. To develop what we call the smart city, governmental organizations and community service providers need to optimize energy efficiency and minimize the use of common resources. The technological advancements within digitalization and connectivity are important to enable smart city development.

Supplying the technology for a smart future

The welfare in our society faces urgent challenges such as increasing costs and demands to reduce climate impact. Digital transformation is a vital part of solving this equation, by integrating data collection, ICT and IOT connectivity with various devices and infrastructure to optimise and streamline community operations and services.

Smart city applications optimize energy, transportation, water supply, waste collection, and information systems with real-time responses, predictive maintenance, and AI calculations.

Besides the reduction in costs, resource consumption and environmental impact, smart city solutions also have the power to increase the quality, performance, and interactivity of urban services, and enhance the contact between citizens and the government.

Benefits of Smart City solutions

Data-driven decision making, based on reality

Predictive maintenance and improved infrastructure with less costs

More money to the heart of the welfare

Safer and more sustainable cities

Reduced carbon footprint

Improved transportation services and traffic flow

Increased citizen engagement and digital equity

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Increased Sustainability Awareness

We believe that sustainability should be at the forefront of our goals, and it is essential that all our employees are fully aware of our sustainability efforts.

To ensure that our employees understand our sustainability goals, we conduct annual trainings.

Our goal is not just to educate our employees but to encourage them to make sustainable choices and encourage them to participate actively in the development of our sustainability work. By involving them in the process, we can ensure that everyone is on the same page when it comes to sustainability and that we are working together towards a more sustainable future.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Did you know, by taking action in this area, you can increase performance and unlock new possibilities:

- Attract investors and open up new avenues for capital investment.
- Protect long-term financial performance and avoid potential legal and reputational issues.
- Identify and mitigate risks associated with environmental, social, and governance factors.
- Attract top talent who prioritize purpose-driven work and seek employers committed to sustainability.
- Expand into new markets and attract environmentally and socially conscious customers.

Source: *Finance Investment* |.

Increased Sustainability Awareness

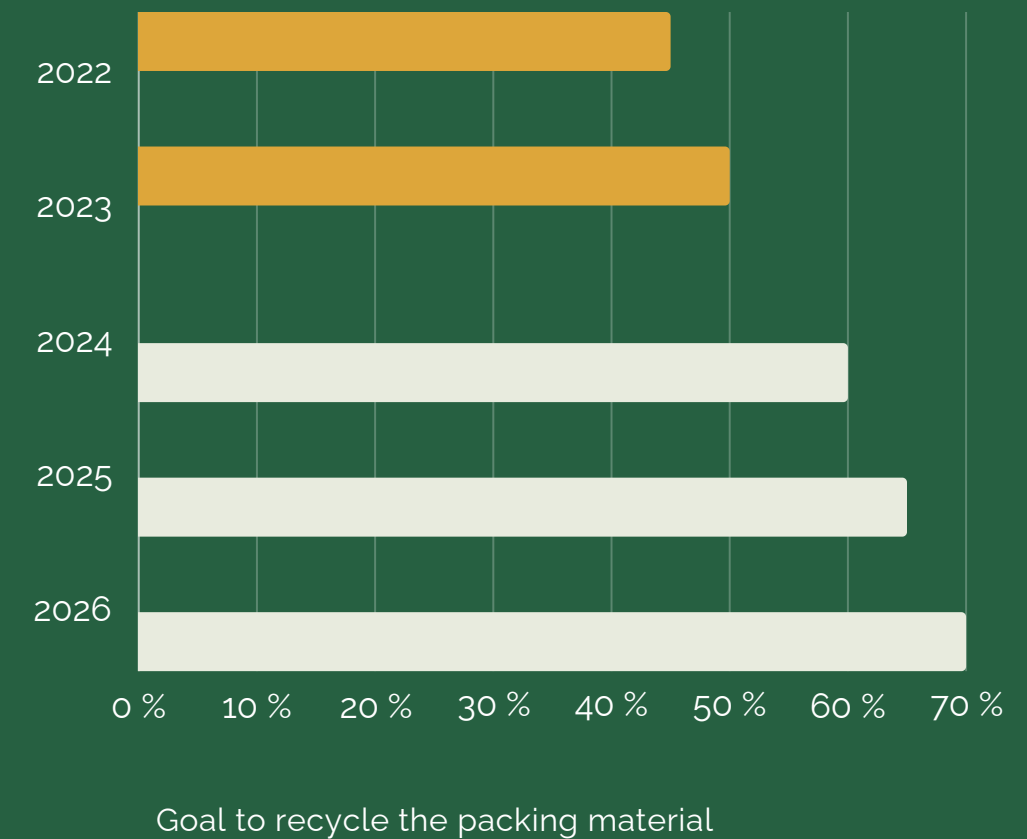
Reduce waste from packaging material

Our warehouses have implemented waste reduction strategies, and we recycle 50% of all packaging material. We aim to recycle 70% of all packaging material during the upcoming three years.

Numerous customers provide us with their unique recycled packaging, such as plastic boxes in different sizes which are used over and over again.

All scrapping of old or defect products, computers, cellphones etc. are carefully recycled via our cooperation with waste companies such as Ragnsells, SRV etc.

Each of our facilities has a waste management plan that provides clear instructions for proper material waste sorting procedures.



**12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION**



Science Based Targets

We recently signed up for SBTi to set science-based targets for reducing our greenhouse gas emissions in alignment with the goals of the Paris Agreement.

Why we signed up is because they help us align our sustainability efforts with scientific evidence and it is another step for us toward taking responsible action to face the climate changes. We want to show our stakeholders that we take this seriously and expect others to follow and be inspired.

The list of companies that also have chosen this method can be made long, including well-known names like Apple, Google, Microsoft, General Motors, and many more.

It started with a group of following important sustainable organizations who came together and founded SBTi to help companies set and achieve science-based greenhouse gas emission reduction targets:

- UNGC (United Nations Global Compact)
- WRI (World Resources Institute)
- WWF (World Wide Fund for Nature)
- CDP (Carbon Disclosure Project)

Source: [About Us - Science Based Targets](#)

13 CLIMATE ACTION



Reduce CO2 Emissions

We aim to reduce our CO2 emissions by promoting a good environment to conserve natural resources in all business activities and minimizing the use of non-renewable materials and fuels.

We want to improve energy efficiency in our facilities by monitoring our energy consumption. We recognize that shipping has a significant impact on the environment and by implementing smarter and more sustainable transport solutions such as weekly shipments to customers, that will lead to consolidated and fewer shipments.

By doing this, we not only reduce our carbon footprint but also save costs associated with shipping.

At the end of each year, we measure the CO2 emissions caused by us in scope 1 and 2 and some parts of scope 3. This helps us to identify areas where we can improve and reduce our impact even further.

13 CLIMATE
ACTION



B



Reduce CO2 Emissions

33

Renewable energy

Our ambition is to continuously reduce the negative environmental impact of business trips such as when choosing a new company car, consideration must be given to the environmental impact (environmental class), carbon dioxide (Co2), fuel type, consumption as well as its safety.

Our ambition is to lower the standard value for carbon dioxide emissions, and we only offers cars with a maximum Co2 of 60 grams according to WLTP, so-called climate bonus cars.

We use renewable energy in all our facilities, and we encourage our forwarders to update their vehicles to electric models or renewable fuel.

It is necessary to switch to more environmentally friendly modes of transport. We can influence this by improving our means of business travel and always choosing the most environmentally friendly option to reduce air pollution in cities and greenhouse gas emissions.

Air quality

Good air quality contributes to the health of the world's population and the natural world. We work actively with our energy providers to secure that our facilities has proper ventilation.

We try to stay one step ahead of policy changes and climate regulations by attending to webinars, networks, and monitoring news and industry publications. We keep our eyes open on international agreements and initiatives like the Paris Agreement, as they can influence national and regional policies.

Our goal is to achieve carbon neutrality in alignment with the Paris Agreement by 2050.



13 CLIMATE ACTION



GHG Emissions Scope 1

We aim to reduce our CO2 emissions by promoting a good environment to conserve natural resources in all business activities and minimizing the use of non-renewable materials and fuels.

We have no fuel combustion in our operations, but we have company cars that contributes to emission under Scope 1. We have during the last four years replaced 62% of our fleet of company cars to electric ones.

At the moment, 38% of our car fleet runs by fuel and together they generated 5,6 tons CO2 emissions during 2022.

We strive to transition our entire vehicle fleet to 100% electric by 2028.



2023: 62 % of our company cars are e-cars.

We want, to the greatest extent possible, to reduce greenhouse gas emissions in meetings and office workplaces by:

- Considering the most environmental friendly option.
- Minimize unnecessary business travel.
- Implementing energy-efficient office practices.
- Encourage telecommuting when feasible.



13 CLIMATE ACTION



GHG Emissions

Scope 2

Scope 2 are emissions that a company causes indirectly and come from where the energy it purchases and uses is produced.

The emissions caused when generating the electricity that we use in our buildings is falling into this category and is the only thing within scope 2 that we can affect.

We measure our emissions connected to our use of electric and heating of the facilities we operate in and during 2022 we produced 17 600 kg of CO₂ emission in our facilities.

Our annual energy consumption in 2022 is equivalent to the energy used by 44 Swedish households.

2020	18 440 kg CO ₂
2021	18 105 kg CO ₂
2022	17 600 kg CO ₂

Improvements

We are currently investigating the potential to install solar panels on our facilities, which would enhance the sustainability of our energy supply. One more improvement that we are exploring is to install sensor lightning in all common spaces.

We rent all our offices and warehouses, but we are actively scanning the market for new facilities with more sustainable solutions than the facilities we operate in now.

Good communication with suppliers of electricity and heating is valuable, this will keep us updated on the latest news in this subject and we can be proactive in our agreements so our energy use can be fossil free before 2028.



GHG Emissions

Scope 3

Scope 3 includes emissions that originate outside the company and are not generated by its own operations or assets under its control. Instead, these emissions are linked to entities indirectly responsible across the entire value chain.

An example of this is when we buy, use and dispose of products from our suppliers.

Scope 3 is by far the most challenging scope to measure and our part in scope 3 is not an exception. We profile our self as a distributor and most of the products that we sell are produced outside our facilities, this means that we need to collect data from all our suppliers and customers to fully understand our impact. This task is very challenging and not completed, and we believe that this task will require a lot of focus and hard work the coming years.

But there are other areas in scope 3 that we can measure and work with during present time. One of the biggest impact we have are the freights connected to our operations. Our customers and suppliers are spread all over the world and this means that we have orders which are shipped with road-, sea, train and air service.

Our freights generated 601 tones CO2 emissions and the majority was caused by air freights. 407 tones was connected to air. These figures only reflect transports where we are the paying party. Our freight policy is to always chose the most eco-friendly shipment when we have the possibility, and we always look for efficient ways to reduce our environment impact. Such as consolidated and weekly shipments to customers and from suppliers.

Business travels are also one area where we investigate how much impact we have. During 2022 our business flights contributed with 8,1 tones CO2 emissions.

Another aspect within Scope 3 relates to waste, and we adhere to guidance and local laws concerning waste management. We generated 5,2 tons of CO2 from waste incineration.



GHG Emissions Summary

Scope 1

Company Cars

5,6 tonnes of CO₂ Emissions

Scope 2

Facility Energy

17,6 tonnes of CO₂ Emissions

Scope 3

Shipping

601 tonnes of CO₂ Emissions (407 tonnes from air freight).

Scope 3

Business Trips

8,1 tonnes of CO₂ Emissions

Scope 3

Waste

5,2 tonnes of CO₂ Emissions

These emissions equals to a yearly consumption of 80 persons or energy consumption of 1450 medium Swedish households.

Encourage Effective Partnerships

We want to be part of making a positive impact on society and the environment. One way we ensure that our suppliers share this belief is by conducting yearly supplier assessments.

By conducting these assessments, we can ensure that our suppliers are aligned with our values and are working towards the same goals according standards and regulations such as our code of conduct, Agenda 2030, UN Human Rights.

We choose our suppliers based on business- and development opportunities that can benefit us and our customers. Our suppliers are carefully selected and should meet our highly set demands.

Following points are a requirement to list a new supplier:

- ISO Certified, ISO 9001 & ISO 14001
- Has and follows a Code of Conduct
- Stable turnover for the last 3 years
- Good communication skills
- Confidentiality

We conduct an assessment to identify any potential risks, whether they are geographical or political in nature, and if significant risks are identified, they will be promptly brought to the attention of management for a final decision on whether to proceed with the collaboration or not.

We actively follow up on humanitarian conditions at our suppliers by conducting regular visits. We demand and ensure that our suppliers' employees have fair and reasonable working conditions and working hours, that the workplace is safe and that they have the opportunity for union representation.

Our ambition is to proactively encourage community growth, sustainability reporting and practices, and development wherever we operate in the world.

We encourage our suppliers to start the transition to a more responsible consumption and disposal. And we want to collaborate with them to jointly develop and implement sustainability initiatives, such as waste reduction, energy efficiency, and sustainable sourcing.

We aim to look at business projects which are more focused on circularity at decision time to promote suppliers who has a circularity plan in the quotation.

Added value

We add value to our suppliers by taking over the administrative and logistical burden from them and we add value to our customers by established strong supply chain relationships, which helps us ensure a consistent and reliable source of components, reducing supply chain risks and work closely with them to understand their needs and challenges, fostering a long-term partnership.

17 PARTNERSHIPS FOR THE GOALS



Product Responsibility

As part of our supplier obligations, certain customers require us to formally attest our adherence to regulations, including REACH/RoHS and Conflict minerals, through a signed letter.

We collaborate with an external company to compile information on REACH, RoHS, and Conflict minerals as they are driven by their extensive knowledge and expertise in data collection.

- We ensure that the components and materials used in the products we distribute are sourced responsibly and ethically, considering factors like labor conditions.
- We act with reasonable care with the products we distribute and ensure our suppliers follows this policy.
- We have systems and processes in place to secure that we can identify, manage and report on risks in our supply chain.

REACH

REACH regulation contains, among other things, rules on registration of substances, bans or other restrictions on substances, requirements for permits for particularly dangerous substances and rules on informing customers.

All manufacturers that import or sell goods and chemical products in the EU/EEA need to follow the rules that applies to their business. The regulation also contains rules that you as a user of chemical products must adhere to.

RoHS

RoHS is a European Directive on Restriction of Hazardous Substances.

RoHS directive (2011/65/EU) aims to reduce risks to human health and the environment by replacing and limiting hazardous chemical substances in electrical and electronic equipment. The directive shall also improve the possibility of profitable and sustainable material recycling from waste from such equipment.

Conflict Minerals

- We inform direct suppliers about our Conflict Minerals Policy
- We work with direct suppliers and sub-suppliers to understand the chain of custody for conflict minerals at least to the smelter or refiner level.
- We take measures to source parts and components from direct suppliers and sub-suppliers that are DRC conflict-free. (These measures may include adopting, disseminating and incorporating this policy in related purchase orders, contracts and other appropriate agreements with suppliers.)
- We encourage direct suppliers to track and improve their performance in sourcing minerals from their suppliers and sub-suppliers that are validated as being DRC conflict-free in accordance with national or internationally recognized due diligence framework.

Warranty & After-Sales Support

We offer support services to address product issues and customer concerns after the sale.

Product responsibility is crucial for maintaining the trust of our customers, ensuring compliance with regulations, and contributing to sustainability and responsible business practices

Part 5:

FUTURE STEPS

Sustainable Investments

Investment 1

Invest in more energy efficient facilities and merge 3 company facilities to 1.

Investment 4

Collaborate with our suppliers and encourage them develop their sustainable footprint.

Investment 2

Sponsor educations for Sustainability purposes such as ISO 14001.

Investment 5

Maintain ongoing internal trainings for our staff to enhance our appeal as a competitive and desirable employer.

Investment 3

Become certified by Ecovadis before end of 2024

Risks within ESG

Environmental, Social, and Governance (ESG) considerations have become increasingly important for our business, as our stakeholders, including investors, customers, employees, and suppliers, pay more attention to sustainability and ethical practices.

While incorporating ESG principles it brings various benefits, but there are also risks that we need to be aware of and prepare for in a worst-case scenario. Some of the risks associated with ESG for businesses include:

Environmental

Climate Changes

We can be exposed to physical and transitional risks related to climate change. This includes the impact of extreme weather events, regulatory changes, and the need to transition to a low-carbon economy.

Supply Chain Risks

We have some complex global supply chain where we may face challenges in ensuring that suppliers adhere to ESG standards. Non-compliance by suppliers can reflect negatively on the primary business.

Leakage

In the event of an oil leak from any of our visiting trucks, we have a substance capable of rapidly absorbing all spilled oil from the ground.

Social

Operational Risks

Implementing ESG initiatives may require changes to existing business operations. Failure to adapt could lead to operational inefficiencies, increased costs, or disruptions in the supply chain.

Talent and Employee Relations Risks

Failure to address social and diversity issues within the company can lead to employee dissatisfaction, high turnover, and difficulty attracting top talent, which may impact long-term sustainability. If we struggle with sustainability, it will become challenging to attract future workers.

Failure to keep strong important relationships and ensure smooth information transfer when there are retirements or other job endings.

Governance

New business

Failure to keep pace with sustainability developments poses a risk of losing out on new business opportunities and, consequently, falling behind in competitiveness.

Cybersecurity and Data Privacy Risks

Governance risks related to the protection and management of sensitive information. In today's digital age, cybersecurity and data governance are critical aspects

As companies gather and disclose more data related to their ESG efforts, they may become targets for cyber-attacks. Data breaches can have serious consequences for both the company and its stakeholders.

Ethical Conduct

Risks associated with unethical business practices, fraud, or corruption can lead to legal repercussions and damage our reputation.

Acknowledgement and Resources

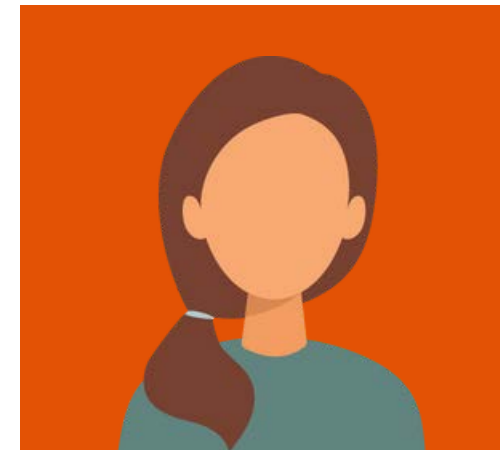
In conclusion, we remain committed to foster sustainable practices and environmental responsibility.

As we reflect on our achievements and set our sights on the future, we strive to continuously innovate and integrate sustainable initiatives across all facets of our companies and operations.

Our journey towards a greener and more responsible future is ongoing, and we appreciate the support of our stakeholders in driving positive change. Together, we can contribute to a more sustainable and resilient world.

Thank you!

Team



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