ESG & Circularity Report

2022

3stepIT

25 years of circularity

A note from our Chairman, Jarkko Veijalainen

On 6 December 2022, we celebrated 3stepIT's 25th anniversary - 25 years of maximising our customers' returns on their technology investments by harnessing the circular potential of their IT assets and reducing waste.

We are pioneers of the circular economy.

25 years ago, when the dot-com boom was first fuelling the fast-paced tech production and consumption that still prevails today, we introduced the concept of refurbishing and reusing devices, championing the idea that technology still holds enormous value after its first life. We argued then – and still do now – that optimising tech assets through circular lifecycle management can deliver important financial, operational, and environmental benefits for businesses and society, far beyond traditional ownership and single-use consumption.

The world has changed dramatically since then, and today, it is widely accepted that the circular economy will soon be the only economy[1] and the solution that will make the low-carbon energy transition a reality. As a result, upcoming environmental, social and governance (ESG) regulations are intensifying rapidly and exponentially. Today, there are nearly 900 global ESG policies in place, 96% of which have been developed since 2000.[2]

In Europe, new regulations are transforming the way organisations think about their ESG impact, significantly increasing public reporting requirements and making resource use and circular economy performance important mandatory topics for companies to disclose on.

In this context, the circular economy offers a tremendous opportunity for businesses to meet ESG expectations and demonstrate the direct role of their organisation in delivering change without compromising on efficiency and growth.

Today, more than ever before, we are incredibly proud to be able to help our customers access, apply, and benefit from a circular approach to technology management.

2022 was an important year of progress for us too: we received a Gold Rating from EcoVadis for our sustainability performance, positioning us in the top 5% of global companies assessed. We also moved to using renewable electricity for all of our refurbishment centres and enhanced our social engagement programmes to better support digital inclusion in our markets.

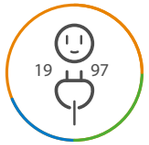
We are proud to have processed over 700,000 of our customers' devices and given a second life to 9 out of 10 of them in 2022.[3] This means that these devices were made available for reuse, where someone could purchase them instead of new, carbon and material-intensive devices. In doing so, we diverted over 1,600 tonnes of potential e-waste towards reuse and helped to avoid over 131,000 tonnes of CO_2e emissions (tCO_2e) through our refurbishing services.

Creating value where there might otherwise be waste is a core principle of the circular economy. It is also a principle that has powerfully motivated our organisation for the last 25 years. And it will continue to define our success long into the future as we play our part in building a more sustainable and resilient tomorrow by making circular technology management the new normal for all businesses.

Jarkko Veijalainen
Chairman of the Board

[1] Gartner, https://www.gartner.com/en/newsroom/press-releases/2019-09-26-gartner-predicts-circular-economies-will-replace-line (2019)
[2] UNPRI, Regulation Database, https://www.unpri.org/policy/regulation-database (2022)
[3] Tablets, monitors, smartphones and PCs

Our commitment to ESG



25 years
of making the circular economy a reality

9/10
end of contract devices[5] are refurbished and given a second life

Over 3M
devices under management[4]

Gold EcoVadis
rating awarded in 2022[6]

Certified
in international ISO 9001, 14001 & 27001 standards, by an independent certification body

100%
renewable electricity powering all our refurbishment centres and our HQ

>700 000
devices processed by our refurbishment centres annually

[4] Total number of devices under management for 3stepIT and BNP Paribas 3 Step IT customers
[5] Laptops, smartphones, monitors, tablets, desktops
[6] Rating received in February 2023 based on submission completed using 2022 data.

Our business model

We provide circular technology management services tailored to our customers' needs, helping organisations maximise operational and cost efficiencies while ensuring responsible, secure, and sustainable handling of their digital devices.

Circular technology lifecycle management supports organisations to optimise the value of their technology – when they are using it and beyond. However, despite the clear operational, financial, and environmental advantages offered by solutions like ours, the global economy is still only 7% circular[7], with many companies still considering how to make the circular economy part of their business model.

Recognising this, we actively work to promote circular behaviours no matter what stage an organisation is in the execution of its technology and ESG roadmaps. And for those companies yet to make the full transition to circularity, we're here to help them take the first step towards this future-fit solution.

Our solutions

Circular Technology Lifecycle Management (TLM)

Our circular TLM service supports companies to acquire the latest digital technology and optimise these assets for maximum operational, financial, and environmental performance throughout procurement, in-life management, and renewal.

However, TLM is not just for new tech. Organisations can also future-proof their existing digital tech stack by onboarding already owned assets to our circular TLM platform, releasing equity from existing in-use technology and transitioning to a more responsible and efficient model for managing devices, without any disruption to their customers and employees.

Circular IT Asset Disposal (ITAD)

Many businesses hold huge portfolios of legacy or decommissioned tech that typically remains stored and unmonitored or simply recycled for lower-grade parts. Our circular ITAD service ensures that as many decommissioned devices as possible are processed for a second life. Circular ITAD customers can also access our value-added services, such as secure transport and data sanitization, while recovering value from and minimising the environmental impact of their decommissioned digital tech.

[7] Circularity Gap Report, https://www.circularity-gap.world/2023 (2023)

How we help our customers manage their technology with circularity in mind

1 Circular procurement

We help customers to:

- Access the latest tech from their preferred supplier while ensuring that circularity is factored in from the moment of procurement.
- Execute their technology roadmap whilst not compromising on their sustainability commitments.

2 Efficient asset management

We help customers to:

- Efficiently track devices from the procurement stage to the end of their first life/refurbishment with our asset management platform.
- Track and handle end-of-life processes for all devices, ensuring that data is securely erased, and devices are securely processed by our centres.

Circular IT Asset Disposal (REstepIT)

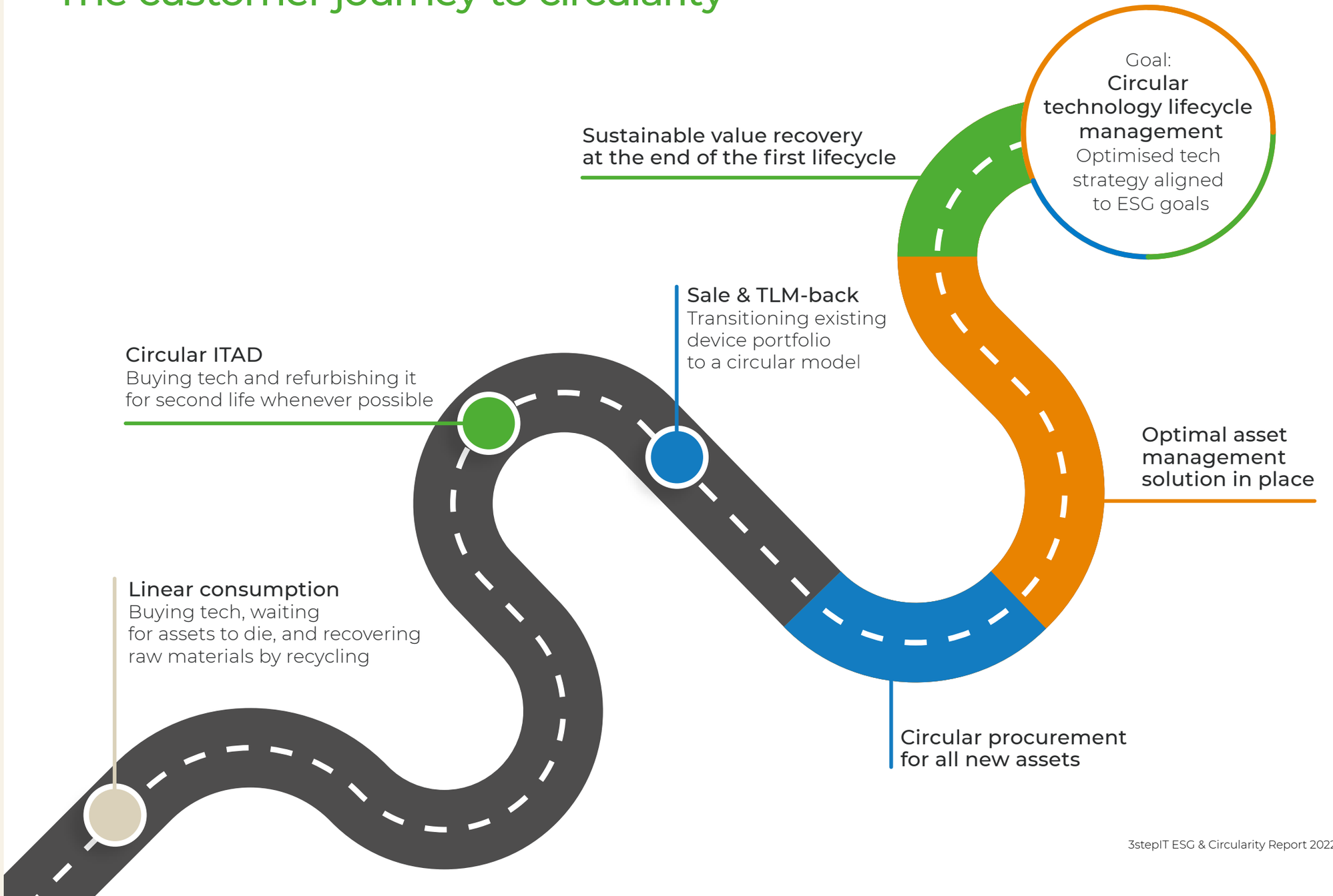
- We buy your old tech, helping you reduce your security and environmental risks.
- Have confidence our experts will refurbish as many devices as possible, and where that's not possible, only our most trusted, onshore recycling partners will be used to recycle end-of-life devices.
- Receive data sanitization and sustainability reports outlining the impact of the refurbishing process.

3 Refurbishment and data erasure

We help customers to:

- Give a second life to their corporate devices whilst not compromising on data security through our certified refurbishment processes.
- Consistent grading and device repair processes, plus full device audit trail.
- Responsibly and securely trace the recycling process for devices that can't be refurbished or repaired.
- Align their technology strategy with their sustainability commitments through the adoption of circular economy processes.
- Comply with existing and upcoming national and EU regulations on ESG, circularity and resource management.

The customer journey to circularity



Why a circular economy for technology?

Manufacturing tech is both carbon and material-intensive. According to the French Environmental agency (ADEME)[8], the production of a new smartphone is estimated to emit more than 80 kilogrammes of carbon dioxide (kgeqCO_2), require over 89,000 litres of water and be responsible for a total of more than 260 kilogrammes of raw material extraction.

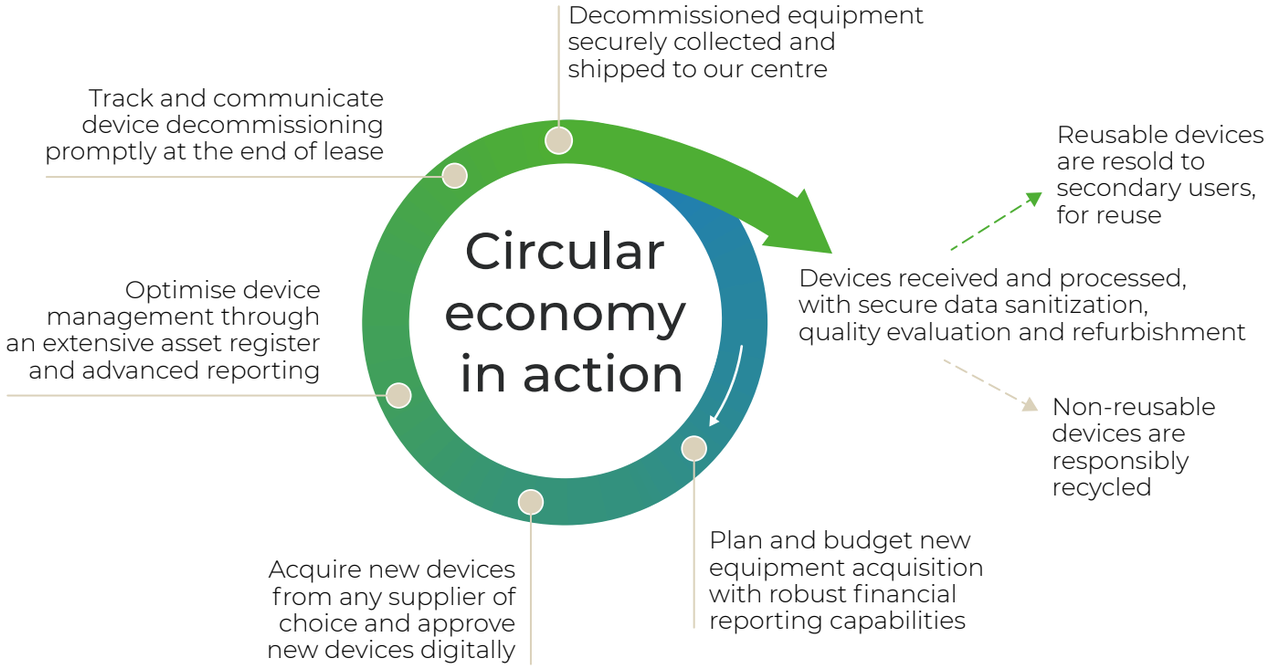
It's also important to consider that manufactured products don't last forever. Therefore, in order to understand their true environmental impact, it is crucial to look right across the value chain – upstream – at production – and downstream – at what happens to them when they are no longer in use (end-of-life).

Today, we generate 53.6 million metric tonnes (Mt) of electronic waste globally each year, a figure set to increase by more than 30% by 2030. Only 17.4% of this is known to be collected and properly recycled.[9]

It's therefore clear that, with technology essential for businesses to forge competitive advantage, minimising the overall ESG impact of digital assets is crucial for all purpose-driven and environmentally conscious organisations.

Adopting a circular tech strategy allows organisations to accelerate digitalisation more sustainably, by making e-waste management, refurbishment and reuse an integral part of regular IT management.

By applying the principles of the circular economy to the entire tech lifecycle – from the selection of IT devices to financing, to decommissioning – organisations can optimise the value of tech investments, minimise waste, de-risk digitalisation, improve user experience, and lessen their impact on the environment.



[8] ADEME, Assessment of the environmental impact of a set of refurbished products, https://librairie.ademe.fr/cadic/7385/ademe_impact_environnemental_reconditionnement_rapport_en.pdf
[9] ITU, Global E-waste Monitor, https://www.itu.int/en/ITU-D/Environment/Pages/Spotlight/Global-Ewaste-Monitor-2020.aspx (2020)

Exponential growth in global ESG regulations

As part of the European Commission's EU Green Deal, Europe is powering ahead with its ambition to fully transition to a circular economy and create net zero emissions by 2050. National and regional governments are following suit, with regulators tightening and expanding ESG requirements in all European jurisdictions.

The upcoming EU Corporate Sustainability Reporting Directive (CSRD) – which entered into force in January 2023 – is transforming the way organisations think about their ESG impact, significantly increasing public reporting requirements and making resource use and circular economy performance mandatory topics for companies to disclose on.

In parallel, the EU's Corporate Sustainability Due Diligence Directive (CSDDD) – which is expected to be transposed into EU Member State law in 2025/2026 – will require companies to take action to mitigate potential and actual environmental and human rights harm anywhere in their value chain – upstream and downstream – where they have an established business relationship with a third party. This will include, for instance, waste management and recycling partners – making it even more important for businesses to work with providers who offer traceability of IT hardware both during and after use.

Organisations need to urgently align their tech strategy with bold and future-fit ESG commitments. And yet, Accenture reports that while 100% of executives agree that tech is critical to sustainability, only 7% have included it in their ESG strategies.[10]

[10] Accenture, https://newsroom.accenture.com/news/sustainable-technology-strategy-critical-for-achieving-business-growth-and-esg-performance-according-to-new-accenture-report.htm (2022)

Sustainability as a cornerstone of brand value and reputation

Making ESG considerations a reality has become a vital component of strong brand value, with shareholders and consumers applying pressure on organisations to move beyond single-use, unsustainable products and practices.

In an era where consumers, investors and employees are more aware and discerning, a circular tech strategy can demonstrate a company's commitment to environmental sustainability, social responsibility, and transparent governance – influencing its brand perception and trust.

A circular approach can also have a powerful impact on user experience, delivering better processes for teams involved in IT management (user experience - UX), allowing employees to achieve their full potential (employee experience - EX) and improving customer outcomes (customer experience - CX) by ensuring that the right technology is available at the right time for employees to perform critical tasks.

57%

of consumers say their perception of a brand is influenced by its sustainability practices

30%

are compelled to take action, such as switching brand, as a result[11]

Better employee and customer experience

Create a positive environment where employees feel supported, productive, and valued whilst playing an active part in supporting your company's adoption of circular economy principles.

Employees	Customers
Empowering sustainable change: by taking care of their technology and ensuring devices are regularly refreshed, companies and employees directly contribute to making the circular economy a reality for their company.	Sustainable supply chain and enhanced data security
Increasing productivity: by regularly refreshing tech to avoid system failures and downtime, productivity is increased and customer experience improved.	Reliable support and efficient issue resolution
Enabling innovation: by giving employees the opportunity to access cutting-edge technology companies can create a dynamic and forward-thinking work environment.	Innovations that drive their future success

[11] BCG, https://www.bcg.com/publications/2022/uk-consumer-interest-in-sustainability (2022)

ESG as a value driver for the c-suite

Corporate executives are also facing the challenge of delivering on ESG expectations without compromising on profitability. However, as climate change continues to impact an organisation's ability to operate, affecting supply chain security and increasing the risk profile of a business, the long-term value of investment in ESG is becoming clear.

Leaders are now actively seeking solutions that deliver profitability and sustainability, realising that creating a value chain of likeminded partners can drive value and scale, way beyond what could be achieved in-house.

The circular economy has an important role to play in driving ESG and brand value, as it allows organisations to decouple growth from consumption by optimising resource use and reducing or eradicating waste across the value chain – key components of profitability.

Data security as a governance challenge

Governance considerations, like the protection of company and customer data, also top corporate agendas. When it comes to digital assets, data security demands vigilance across every part of the supply chain, and it must be strategically built in from the point of procurement, just like sustainability.

In 2019, a survey conducted by Blancco, a leading provider of data erasure services and mobile device diagnostics, showed that 42% of refurbished devices bought on eBay for the purpose of their research still contained data, 15% of which was personally identifiable information (PII) or corporate data[12]. And in 2021, the US Cybersecurity and Infrastructure Security Agency (CISA) included – for the first time – ITAD in the list of threat vectors to consider when building a strategy against software supply chain attacks[13].

It's clear that today, businesses must ensure that data is protected during the device lifecycle and, crucially, after the device is no longer in use in the business.

[12] Blancco, https://www.blancco.com/blancco-reveals-42-of-used-drives-sold-on-ebay-are-holding-sensitive-data/ (2019)
[13] CISA, https://www.cisa.gov/resources-tools/resources/defending-against-software-supply-chain-attacks-0 (2021)

Why circular technology management?

Today, technology is the beating heart of every business, inextricably linked to productivity, competitiveness, risk management, product development, employee and customer engagement, and more. The other non-negotiable for all businesses is acting on climate change by reducing the overall climate and environmental impact of corporate operations.

These two certainties make circular technology management an ideal solution for organisations who want to execute a digital roadmap and access new tech assets as a value driver for their business in the most sustainable way possible – or simply transition existing tech onto a more responsible, circular model.

Thousands of businesses are making the change. In 2022, we processed over 700,000 devices through our refurbishment centres and made them available for resale and reuse, displacing the purchase of new carbon-and-material-intensive devices. In doing so, we diverted over 1600 tonnes of potential e-waste towards reuse and helped to avoid over 131,000 tonnes of CO_2e emissions (tCO_2e) which may have otherwise been created through the manufacture of new devices.

Every organisation will start its journey to circularity in a different place, with some more advanced than others in transitioning their operations to this efficient, sustainable, and future-fit model. All our customers tell us that they want to make a positive impact by changing the way their business tech is purchased, managed, and disposed of. That is why we have designed a range of services to promote circular behaviours at every level, and help companies take their next steps forward.

Helping organisations to address regulatory ESG requirements

With regulatory margins narrowing and reporting requirements becoming more stringent, our circular technology management services support businesses to trace tech assets across the full first lifecycle – as technology comes into a business, is used by its people, and then leaves the organisation for a second life. It also helps mitigate upstream and downstream data security, human rights, and environmental issues that may be linked with an organisation's tech assets.

Our circular TLM solution lessens the environmental liabilities associated with using technology by reducing the climate impact of devices across the device lifecycle, supporting efficient data governance at the end of life and minimising e-waste – all key components of ESG, which can be leveraged to drive tech innovation and demonstrate commitment to sustainable and responsible practices.

Our circular IT Asset Disposal (ITAD) service also helps companies prepare for the requirements of upcoming regulation, including the EU Corporate Sustainability Due Diligence Directive (CSDDD), which will require companies to trace the upstream and downstream environmental and social/human rights impact of their business activities, including the impact of their IT tech.

All of our circular solutions allow customers to ensure that legacy tech is responsibly sanitized of data and then reused or recycled, thus helping them to avoid potential downstream breaches of CSDDD requirements.

A trusted partner to optimise value

We have over 25 years of experience in circular tech management, making us experts in optimising the potential environmental and economic value of tech assets and in minimising waste.

Over the years, we have made it our mission to deliver sustainable outcomes for our customers, while never asking them to compromise on operational and financial efficiency, nor on profitability.

As ESG performance increasingly becomes a driver of brand value, we know the importance of having trusted partners across the value chain that can help to scale ESG ambitions.

In 2022, we were awarded a Gold Rating from EcoVadis for our sustainability performance, positioning us in the top 5% of global companies assessed. Our circular technology management solutions and refurbishing sites are certified to international ISO 9001, 14001 & 27001 standards, by an independent certification body, giving our customers the confidence to adopt circularity into their technology management approach – no matter where they're starting from.

Addressing data security challenges

As the number of devices grows and companies become more connected, GDPR (General Data Protection Regulation) requirements and reputational risks increase dramatically. Breaches are becoming more likely and threats more aggressive, so the regulatory environment is also heating up, and there is zero tolerance from the public for mistakes regarding the integrity of their data.

Our circular Technology Lifecycle Management combines security and sustainability into a single solution, offering a rigorous approach to data security over the full lifecycle, which provides the confidence needed for organisations to commit to the refurbishment and reuse of their IT assets - crucial components of the transition to circular economy practices.

TLM offers in-life asset and data management, as well as automated end-of-life processes, such as secure transport, data erasure and the redeployment of devices to new users.

Many of these tools are also available to our circular ITAD customers.

Our tech management solutions ensure a sustainable and ethical supply chain, maintain operational integrity, minimise the risk of data breaches at the end of the first life of the device.

Delivering ESG priorities with our circular Technology Lifecycle Management services

Environmental
Your impact

Optimise the use of your tech assets, in line with circular economy principles.

Lower your exposure to regulatory and supply chain risks by embedding responsible resource management in your technology strategy.

Align your tech strategy with upcoming ESG regulatory requirements.

Social
Improve UX, EX, CX

Improve internal processes, operational efficiency and collaboration between departments.

Access the latest tech to drive employee satisfaction.

Drive better customer experience through innovation.

Help bridge the digital divide by making high-quality, lower-cost second-hand tech available on the market.

Governance
De-risk digitalisation

Ensure end-to-end traceability of your tech devices across the first lifecycle, including at end-of-life to guarantee reuse or responsible recycling.

Support responsible handling of your customer and business data, with data erasure reports.

Improve financial stability by lowering the Total Cost of Ownership associated with your technology and embedding cost predictability in your IT renewal cycles.

Brand value
Protect and enhance credibility and reputation

Supporting the UN's 2030 agenda and Sustainable Development Goals

We are committed to playing our part in delivering on the UN's Sustainable Development Goals (SDGs) by 2030. We are signatories to the UN Global Compact (UNGC) and are directly engaging with the UNGC on several initiatives aimed at promoting opportunities for businesses to align with the SDGs by implementing circular practices.

Our circular services also help our customers to align with the SDGs. Together, we can grow our impact by optimising the use of technology, in line with the principles of the circular economy.

Our circular approach to technology management:

- Supports training, upskilling, and long-term job opportunities in the tech sector for EU workers.
- Offers quality jobs in the circular sector within local EU communities.

- Reduces the strain on natural resources.
- Tackles the issue of e-waste.

- Reduces the impact of producing new tech on life below water and life on land (biodiversity).
- Helps companies align their tech procurement with their net-zero ambitions.

- Unites customers, manufacturers, financing, and channel partners in working together for a more sustainable world.

Taking care of end-of-life technology

Navigating the ESG era is complex, and choosing the most sustainable solution for your tech can be challenging. When it comes to taking care of technology after its first useful life – should you recycle, remanufacture, or refurbish?

So, which is the best R?

The manufacture, shipping and first-year use of technology contribute to more than 80% of its environmental footprint[14] over its lifecycle, so solutions that prioritise reuse have the lowest impact and highest potential ESG value. But not all solutions are created equal.

Recycling should always be a last resort, as it only produces components of lower or diminishing value, with little opportunity for reuse. It can often be a costly exercise for organisations who pay IT asset disposal companies for the removal of decommissioned devices from their business.

Remanufacturing is a major intervention. It is a high-intensity and high-cost solution, with used devices completely rebuilt to create a near-new, second-hand device, with a high price point on the resale market. While this reduces primary extraction and processing, it increases the use of raw materials, energy, and emissions related to the processing of the device for a second life.

Circular refurbishing, on the other hand, is part of a holistic strategy that optimises the value and efficiency of tech assets and minimises waste. With circular technology management, customers plan for secure and sustainable refurbishing from the point of procurement. Used devices are thoroughly and securely checked using ISO-certified processes, and faults may be repaired where required (using spare parts from other used devices, whenever possible), before being sold on the second-hand market. Drawing on the principles of the circular economy, this reduces primary raw material and energy consumption. It also represents the least intervention and minimises the raw material consumption and waste related to second-life processes.

Circular refurbishing:

- Reduces raw material consumption and energy intensity by prioritising direct reuse (and in certain cases, repair) over replacement.
- Minimises the use of hazardous materials, as little to no hardware intervention is required.
- Minimises or eliminates waste.[15]
- Optimises the tech lifecycle, keeping materials in use for longer, with high-quality second life products available on the market.
- Creates an affordable, accessible second-hand market.
- Improves digital equality through access to affordable, high-quality devices on the second-hand market.
- Uses ISO 14001 certified recycling partners as a last resort only.

[14] Deloitte, https://www2.deloitte.com/xe/en/insights/industry/technology/technology-media-and-telecom-predictions/2022/environmental-impact-smartphones.html (2022)
[15] Zero waste to landfill.

Recycling vs remanufacturing vs refurbishing[16]

	Circularity / financial				Environmental / material			
	Processing costs	Value	Life extension	Circular outcome[17]	Raw material use	Direct CO2e emissions	Energy intensity	Waste
Buying tech and recovering raw materials by recycling	Moderate	Low (produces raw materials of same or lower value)	Low (diminishing reuse opportunity of components)	Low (minimal recovery of raw materials)	Low	Low to moderate	Moderate	High
Remanufacturing used devices with new components	High	Moderate to high	High	Low to moderate (new spare parts needed, and old parts sent to recycling)	Moderate to high	Moderate	High	Moderate to high
Circular IT Asset Disposal (ITAD)	Moderate	Moderate	Moderate to high	Moderate to high (devices only recycled when absolutely necessary)	Low	Low	Low	Moderate to low
Circular device management (refurbishing)	Low to moderate (included at no extra cost)	High (optimised tech lifecycle)	High	Best chance of a second life with low-impact intervention. Spare parts only purchased if needed, in order to guarantee life extension, recycling only used as a last resort.	Low	Low	Low	Low (reduces waste and eliminates waste to landfill)

[16-17] Based on 3stepIT analysis and interpretation of research: Gharfalkar, Ali, Hillier et al, "Clarifying the disagreements on various reuse options: Repair, recondition, refurbish and remanufacture" (2016), https://core.ac.uk/download/pdf/322328606.pdf

Our ESG progress

Goal	Status	Update	Data
Renewable electricity in all ISO-certified sites.	Done	New refurbishment centre in Ski, Norway: 700 m² solar farm, with the potential to produce up to 125,000 kWh per year.	100% of ISO-certified sites using renewable electricity as of 2022, including all refurbishment centres, our Finnish HQ (Helsinki), and our Tampere regional office in Finland.
Recertification of our business according to international ISO standards.	Done	Recertified in 2023. External, third-party audit successfully passed in 2022.	ISO 9001 ISO 14001 ISO 27001
Expand Repair Programme from Sweden pilot to new markets.	Done	Operational in all 3stepIT markets as of 2021.	34,000 devices repaired in 2022, reusing 21,149 spare parts.
Maintain mandatory training completion rate for all employees.	Done	Includes: Security Policy and GDPR, Culture and Code of Conduct, Quality and Environmental Management System, and Competition Law.	98% mandatory training completion rate in 2022.
Increase refurbishing capacity across Europe.	Ongoing	Sustainable IT report now available in all markets. Further Asset IQ releases in our product roadmap.	Refurbished device volumes up 29.5% to 728,000 in 2022.
Introduce new services that maximise ESG value for customers.	Ongoing	Sustainable IT report now available in all markets. Further Asset IQ releases on our product roadmap.	3,000 customers onboarded to Asset IQ, our next generation asset management platform.
Ensure sustainability of supply chain.	Ongoing	Aligning suppliers and partners with Supplier Code of Conduct. Actively undertaking supplier and partner audits.	98% of refurbished devices sold go to European trading customers.
Continue to improve our ESG data capture and ESG reporting, in preparation for new ESG reporting requirements.	Ongoing	We are considering CSRD reporting requirements (including double materiality) in our future ESG work, and are preparing for mandatory CSRD reporting by 2026 (based on FY 2025 data).	

Scaling circular technology management through partnership – the story of BNP Paribas 3 Step IT

We believe that circular technology management has the powerful potential to change the way that we consume, manage, and dispose of technology. And that circular technology management can significantly reduce the environmental and social impact of technology on a global scale.

We've made it our mission to educate and support businesses to adopt circularity across their tech operations, no matter how early or developed they are in their plans to make the transition.

The scale of the climate change challenge, however, can only be addressed through the power of partnership. While our presence in the Nordics is well established and circular technology management is a widely adopted approach in these markets, we wanted to grow its impact by making the solution accessible to a much broader audience.

Our partnership with BNP Paribas has been a key driver of our strategy to accelerate the circular transition and clearly demonstrates the important role of sustainable finance in delivering a circular economy. Together, we have grown our reach and ability to offer circular services to more organisations across Europe and the rest of the world.

We continue to strengthen our cooperation with BNP Paribas as both a partner and a customer, utilising the bank's extensive customer network, channels, and strategic partnerships to expand the presence and reach of the joint venture.

During 2022, BNP Paribas 3 Step IT has continued to grow, increasing the number of businesses that we work with and expanding to new markets, which now include France, Germany, Italy, the UK, Belgium, the Netherlands and, most recently, Spain.

In 2022, we signed a new partnership with Spain's largest bank, CaixaBank, to better support the ESG goals of its corporate customers by ensuring that their technology assets are acquired and managed more efficiently and responsibly. This landmark deal will see Caixabank offer its customers BNP Paribas 3 Step IT's circular technology management services and will accelerate our growth in Spain by drawing on CaixaBank's network and its strong position in the Spanish market.

While the BNP Paribas 3 Step IT business is still in the early stages of its development compared to the maturity of 3stepIT, our partnership with BNP Paribas, and our shared commitment to advancing the circular economy for technology, is clearly a powerful model for growth and for scaling efficient, secure, and sustainable solutions to a large enterprise audience.

A snapshot of our ESG progress
Environmental

Revolutionising storage capacity with a reduced footprint

In response to huge demand for more secure and sustainable refurbished devices, we have recently introduced a new, high-tech solution to increase storage capacity and efficiency in our refurbishment centres.

With space at a premium, we needed a solution that used less space to store laptops before and after the repair process, to free up capacity in the facility and focus on production.

The TORNADO Automated Vertical Storage Machine is an ultra-fast, computer-controlled storage and transfer lift, designed to maximise storage with the smallest possible footprint.

Effectively a “laptop library”, it has the capacity to store 17,000 laptops at a time, it can boost handling efficiency by up to 65%, and increase floor space capacity by up to 70%.[18]

The TORNADO also has up to 99.9% stock-picking accuracy, which reduces waiting and search times, and gets more refurbished devices to our customers faster.

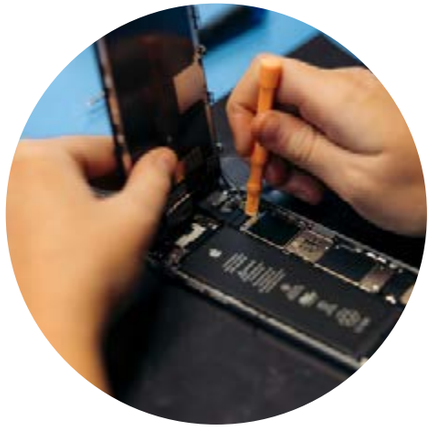
Repair and reuse – bringing the circular economy to life through our Repair Programme

Through our Repair Programme, we harvest parts from devices that cannot be repaired and use them to fix others.

This initiative began when one of our team members saw an opportunity to stop parts from irreparable devices from being unnecessarily discarded and was given support to launch a trial.

It quickly grew from a small pilot programme in Sweden to being rolled out across all our refurbishment centres.

In 2022, it has become an important part of our operational processes, with our product life extension experts repairing almost 35,000 devices and reusing more than 20,000 spare parts.



Powering the future at our refurbishment centre in Norway

In 2021, we moved to a new refurbishment centre in Ski, Norway, and installed a solar farm to power our operations.

More than 2.5 times the size of our previous site, the facility has been designed - in partnership with our landlord (Höegh Eiendom) - to support the growth of our refurbishing business in the most sustainable way possible.

More than 700 sq metres of solar panels line the roof and walls of the facility, with the potential to produce up to 125,000 kWh per year – enough to power more than 3,500 lightbulbs for a year.[19]

The solar farm provides a reliable source of clean and affordable energy for our production. Customers who buy second-life equipment also benefit from access to tech assets that have been refurbished using green energy.

We aim to make a positive impact in our community, selling about a third of the energy we produce into the electricity grid to boost the supply of clean energy available locally.

[18] Dexion, https://www.dexion.com/products/storage-machines/TORNADO-Machine/ (2023)
[19] Energy Guide, https://energyguide.org.uk/how-much-electricity-do-appliances-use/ (2023)

A snapshot of our ESG progress
Social

Helping to build a more inclusive society with social cooperation in Sweden

At 3stepIT, we believe in economic inclusion for people with disabilities as not just a moral imperative but a socio-economic necessity.

In June 2022, 3stepIT Sweden began working with Samhall, a government-owned social enterprise that creates enriching jobs for people with disabilities and helps to build a more sustainable and inclusive society.

Samhall trains its staff and matches them to the right tasks in areas such as cleaning, care, logistics and manufacturing. A number of their employees are now supporting our refurbishing work in Sweden.

The collaboration has provided fantastic support to our team, helping us to complete tasks that are essential to the refurbishing process, including sorting computer cables and polishing screens, while utilising the skills and abilities of Samhall's employees.

We think this partnership is a fantastic example of how economic inclusion can ensure that people with disabilities have financial means, can access essential services, and participate actively in their communities.

Working together to support the tech experts of the future

In 2022, 3stepIT continued the collaboration with Hello World, a not-for-profit organisation which offers children the opportunity to explore the world of web design, coding, and game development.

Expanding the partnership beyond holiday camps for the first time, the charity launched after-school clubs aimed at tackling digital inequality and the gender gap in tech.

The after-school programme was piloted during autumn 2022, with 500 computers provided by 3stepIT used to support essential digital education.

Refurbished laptops open a world of opportunity in Finland

Since 2015, we have been supporters of the Kaikille Kone (Computers for All) programme, which donates refurbished laptops to students who do not have access to a device for their studies.

Many partner organisations collaborate to make this happen, and our team plays an important role processing donated devices in our Finnish refurbishment centre, in order to ensure that they are securely and sustainably refurbished/repaired for their second use.

Over the years, the programme's focus has shifted to support different groups in need.

In 2020, refurbished devices were distributed to thousands of students who had been impacted by the COVID pandemic, when remote learning made it essential to have a computer at home.

Last year, together with our charity partner (Kotimaanapu), we provided refurbished devices to Ukrainian refugees who have been resettled in Finland. This helped re-establish connection with loved ones in Ukraine and helped students continue their education.

A snapshot of our ESG progress
Governance

Strong and secure systems

We are privileged to work with thousands of organisations globally, and with more than 3 million[20] business critical assets under management, we take our duty of care very seriously.

Our customers need confidence that the tools and services that they are using to manage their technology assets are secure and reliable. We're proud to maintain a clean record for security breaches, year on year.

In 2022, we updated our business continuity plans to include regular testing across all our refurbishment sites and regular disaster recovery checks for our IT systems.

We also enhanced our security monitoring and increased internal security awareness across the organisation.

Our management system is based on the implementation of ISO 9001, ISO 14001, and ISO 27001 standards, which are externally audited every year, to ensure continuous progress.

Artificial intelligence in action with Q-check

We have launched a pilot project in Sweden that is revolutionising the way used devices are checked for quality and grading when they arrive at our refurbishment centres.

The new Q-check station uses artificial intelligence to automate and standardise the grading process, providing customers with clear evidence about the grades of their end-of-life devices.

Multiple cameras undertake an exterior inspection of the devices, and the AI programme is learning to interpret the images and assign error codes to each device.

Ultimately, more consistent grading means better data about use in the first lifecycle, ensuring better circularity outcomes for our customers and their tech devices.

In 2023, we will extend the use of AI to more markets and aim to double the amount of data being handled, ahead of a full roll-out.

Our commitment to a sustainable supply chain

No business operates in isolation, and we are committed to ensuring that our supply chain meets international standards and applies industry best practice.

We have a Supplier Code of Conduct in place, built around the principles of the UN Global Compact and OECD guidelines. It sets out our expectations for suppliers and partners, alongside our detailed regulatory and ESG requirements for our logistics, waste management and trading partners.

We are committed to only reselling devices to trading customers with responsible sustainability practices and backgrounds that we have thoroughly checked. We conduct annual checks to ensure that they meet our standards on environmental and waste management, anti-money laundering, anti-corruption, bribery, and modern slavery.

We recycle devices that can no longer be reused through professional, onshore recycling partners. The e-waste recycling partners we use in Finland, Norway and Sweden are all ISO 14001 and ISO 9001 certified.

New digital portal for circular ITAD customers

REstepIT is our circular IT asset disposal service (ITAD).

We buy used devices at market value, use best-in-class data sanitization methods to securely erase data, and then refurbish devices for reuse. We aim to refurbish as many devices as we possibly can, and only recycle when absolutely necessary, using only the most trusted, onshore recycling partners.

After a successful pilot in 2021, our new REstepIT portal was rolled out in all markets in 2022. The digital platform allows customers to track orders online and access audit trails, transport information, detailed financial and inventory data, erasure logs, and environmental reports.

In 2022, almost 400,000 devices were processed for ITAD customers in this way, an increase of 30% on 2021.

[20] Total number of devices under management for 3stepIT and BNP Paribas 3 Step IT customersvv

Developments in ESG reporting

ESG regulations have increased exponentially since 2010, but the upcoming EU Corporate Sustainability Reporting Directive (CSRD) marks a significant turning point in ESG reporting requirements.

From 2025, the EU legislation will compel thousands of companies with operations and sales within the EU-27 market to provide detailed information, based on 2024 data, about how they address environmental, human rights, social and governance risks across their value chain. Other international jurisdictions – such as Norway or the UK – are expected to follow suit, with national ESG regulatory changes already underway across various major markets.

This is a recognition from lawmakers that high quality ESG data, rigorous ESG audit processes, and mandated ESG transparency will highlight the full impact of corporate activity on the climate and environment and drive action on ESG issues.

Consistent standards of reporting help organisations to track progress, make sustainable choices and inform purchase decisions, ultimately ensuring that growth and profitability are tied to positive climate and environmental action.

Recognising this, we are heavily investing in our ESG data capture and ESG reporting capabilities. Our aim is to gain a clearer, more consistent picture of our own total ESG impact and to support our customers with quality data insights for their reporting requirements (e.g. data on IT waste, data on scope 3 CO_2e emissions, etc).

As part of this development process, we have taken the decision to split and simplify our Annual Report and our ESG report for 2022, ahead of a more detailed Annual & ESG report for 2023.

We started the process of aligning our future ESG reporting with EU CSRD reporting requirements during the second half of 2023, and will continue with this process during 2024. As part of this process, we have started to conduct a double materiality assessment (DMA), as required by the CSRD. Our 2023 ESG report (to be published in 2024) will start to consider CSRD reporting requirements and will be structured with reference to the findings of our ongoing, CSRD-compliant double materiality assessment.

The data contained within the present report, as with previous ESG reports, is aligned to GRI standards, and has undergone an independent, external assurance process by PwC Finland.

Each year of ESG reporting challenges us to do more, teaches us new learnings, and pushes our ambition forward. We welcome the opportunity to share our ESG data and ESG knowledge and to leverage the emerging regulatory environment as a new opportunity to further collaborate with customers, partners, suppliers, and our people on ESG, in order to jointly make the greatest possible contribution to addressing and reversing climate change.

ESG data

Energy consumption

	Consumption (MWh)			Renewability rate		
Type of energy	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Fuel, non-renewable	899	N/A	N/A	N/A	N/A	N/A
Fuel, renewable	31	N/A	N/A	N/A	N/A	N/A
Electricity	1,191	1,356	N/A	98 %	95 %	N/A
of which self-generated	88	0	N/A	100%	N/A	N/A
Heating	810	931	N/A	44 %	N/A	N/A
Total energy consumption	2,931	2,287	N/A	77 %	N/A	N/A
Total electricity sold	42	0	N/A			
% of ISO certified sites using renewable electricity	100 %	100 %	100 %			

Energy intensity per processed device	Intensity (kWh / device)		
(energy consumption in refurbishment centers included)	**2022**	**2021**	**2020**
Electricity / device	1.25	N/A	N/A
Heating / device	0.60	N/A	N/A
Total energy consumption / device	1.85	N/A	N/A

GHG emissions

	GHG emissions (tCO2e)		
Scope / category	**2022**	**2021**	**2020**
Direct Scope 1 GHG emissions - Owned vehicles	8	0	N/A
Energy indirect Scope 2 GHG emissions	101	132	N/A
Electricity (Location-based)	14	7	N/A
Electricity (Market-based)	0	0	N/A
Heating (Location-based)	88	125	N/A
Heating (Market-based)	0	0	N/A
Other indirect Scope 3 GHG emissions	651	355	N/A
Scope 3 – Logistics	355	114	N/A
Scope 3 – Business travel - flights	111	23	N/A
Scope 3 – Upstream leased assets – leased cars	185	218	N/A
CO2 emissions avoided through our refurbishing services	131,612	91,465	N/A

Waste generation

	Weight (t)		
Category	**2022**	**2021**	**2020**
Total weight of waste generated	457	N/A	N/A
Electronic waste, non-hazardous	348	N/A	N/A
Electronic waste, hazardous	22	N/A	N/A
Non-electronic waste, non-hazardous	85	N/A	N/A
Non-electronic waste, hazardous	2	N/A	N/A

Waste diverted from disposal

	Weight (t)		
Category	**2022**	**2021**	**2020**
Recycling, non-hazardous	400	N/A	N/A
Recycling, hazardous	22	N/A	N/A
Recycling, total	422	N/A	N/A
Total weight of devices directed to reuse	1,658	1,332	N/A

Material circulation statistics

Indicator	**2022**	**2021**	**2020**
Total number of processed devices	728,854	562,067	530,000
% of EOL Core 1 devices[21] returned for reuse	95 %	98 %	98 %
Total volume of the repair programme	34,234	25,947	22,000
Spare part reuse % in repairs	71 %	N/A	N/A

[21] Laptops, smartphones, monitors, tablets, desktops

Social indicators

Employees per contract type, by gender						
	2022		2021		2020	
Employee category	Female	Male	Female	Male	Female	Male
Permanent	200 (47 %)	226 (53 %)	197 (47 %)	221 (53 %)	193 (48 %)	231 (52 %)
Temporary	8 (50 %)	8 (50 %)	4 (40 %)	6 (60 %)	10 (91 %)	1 (9 %)
Total	208 (47 %)	234 (53 %)	201 (47 %)	227 (53 %)	203 (49 %)	212 (51 %)

Employees per employee category, by gender						
	2022		2021		2020	
Employee category	Female	Male	Female	Male	Female	Male
Employee	178 (51 %)	172 (49 %)	169 (50 %)	168 (50 %)	176 (52 %)	164 (48 %)
Line Manager	27 (34 %)	52 (66 %)	31 (38 %)	50 (62 %)	25 (39 %)	39 (61 %)
Executive	3 (23 %)	10 (77 %)	1 (10 %)	9 (90 %)	2 (18 %)	9 (82 %)
Total	208 (47 %)	234 (53 %)	201 (47 %)	227 (53 %)	203 (49 %)	212 (51 %)

New employee hires by age						
	2022		2021		2020	
Age group	n	%	n	%	n	%
Under 30	43	43 %	17	29 %	23	45 %
30-39	34	34 %	19	32 %	12	24 %
40-49	19	19 %	14	24 %	13	25 %
50-59	5	5 %	9	15 %	3	6 %
Total	101		59		51	

Employees by country			
Country	2022	2021[22]	2020
Finland	214 (48 %)	219 (51 %)	N/A
Sweden	115 (26 %)	105 (25 %)	N/A
Norway	39 (9 %)	38 (9%)	N/A
Estonia	31 (7 %)	28 (7 %)	N/A
Denmark	28 (6 %)	23 (5 %)	N/A
Other	15 (3 %)	15 (4 %)	N/A
Total	442	428	N/A

Employee turnover			
	2022	2021	2020
Employee turnover rate	15.2 %	10.4 %	8.7 %

Work-related injuries						
	2022		2021		2020	
Country	Minor[23]	Major[24]	Minor	Major	Minor	Major
Finland	2	0	3	0	3	0
Sweden	2	0	3	0	1	0
Norway	2	0	3	0	3	0
Denmark	0	0	5	0	1	0
Estonia	0	0	0	0	0	0
Total	6	0	13	0	8	0

Governance indicators

Indicator	2022	2021	2020
% of devices sold to Europe	98 %	100 %	100 %
Employee engagement rate	67 %	Not comparable	
Completion rate for mandatory training %	98 %	99 %	99 %

[22] 2021 employee headcount has been updated from the 2021 Sustainability report
[23] Minor -any injury that does not pose a threat to life, mobility or long-term survival (i.e. shallow cuts or abrasions. sprains, bruises, minor burns).
[24] Major - any injury that could potentially lead to death, prolonged disability or permanently diminished quality of life.

GRI disclosure list

GRI	Standard	Disclosure	Page	Assurance
GRI 2	General Disclosures 2021	2-7 Employees	23, 24	x
GRI 302	Energy 2016	302-1 Energy consumption within the organisation	21	x
GRI 302	Energy 2016	302-3 Energy intensity	21	x
GRI 305	Emissions 2016	305-1 Direct (Scope 1) GHG emissions	21	x
GRI 305	Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	21	x
GRI 305	Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	21	x
GRI 306	Waste 2020	306-3 Waste generated	22	x
GRI 306	Waste 2020	306-4 Waste diverted from disposal	22	x
GRI 401	Employment 2016	401-1 New employee hires and employee turnover	23, 24	x
GRI 403	Occupational Health and Safety 2018	403-9 Work-related injuries	24	x
GRI 405	Diversity and Equal Opportunity 2016	405-1 Diversity and Equal Opportunities	23	x
3stepIT own		Total number of processed devices	2, 10, 15, 22	x
3stepIT own		% of EOL Core 1 devices returned for reuse	2, 22	x
3stepIT own		Total volume of the repair programme	15, 17, 22	x
3stepIT own		Spare part reuse % in repairs	15, 17, 22	x
3stepIT own		% of ISO certified sites using renewable electricity	2, 15, 21	x
3stepIT own		% of devices sold to Europe	15, 24	x
3stepIT own		Employee engagement rate	24	x
3stepIT own		Completion rate for mandatory training %	15, 24	x
3stepIT own		CO2 emissions avoided through our refurbishing services	10, 21	x
3stepIT own		Total weight of devices directed to reuse	10, 22	x

Independent practitioner's limited assurance report

To the Management of 3StepIT Group Oy

We have been engaged by the Management of 3StepIT Group (hereinafter also the "Company") to perform a limited assurance engagement on selected Sustainability information for the reporting period from 1 January 2022 to 31 December 2022, disclosed in ESG & Circularity report 2022 (hereinafter the Selected sustainability information).

Selected sustainability information

The selected sustainability information within the scope of limited assurance covers the GRI indicators and company´s own indicators listed in the GRI disclosure list, which is included in the company´s ESG & Circularity report.

Management's responsibility

The Management of 3StepIT Group Oy is responsible for preparing the Selected sustainability information in accordance with the Reporting criteria as set out in the GRI standards of the Global Reporting Initiative and 3StepIT Group internal reporting instructions. The Management of 3StepIT Group Oy is also responsible for such internal control as the management determines is necessary to enable the preparation of the Selected sustainability information that is free from material misstatement, whether due to fraud or error.

Practitioner's independence, other ethical requirements and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers Oy applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to express a limited assurance conclusion on the Selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other information in the Selected sustainability information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected sustainability information.

Our work consisted of, amongst others, the following procedures:

- Interviewing a representative of senior management of the Company.
- Visiting one site in Finland.
- Interviewing employees responsible for collecting and reporting the Selected information on sustainability indicators at the Group level.
- Assessing how Group employees apply the reporting instructions and procedures of the Company.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.
- Considering the disclosure and presentation of the Selected sustainability information.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that 3StepIT Group Oy's Selected sustainability information for the reporting period ended 31 December 2022 are not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our limited assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to 3StepIT Group Oy for our work, for this report, or for the conclusions that we have reached.

Helsinki, 3 October 2023
PricewaterhouseCoopers Oy

Tiina Puukkoniemi
Partner
Sustainability Assurance and Reporting Lead

Thanks for reading

To learn more,
please visit our website >>

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