3stepIT
Annual & ESG Report
2023

3stepIT

A snapshot of our business

€800.2m

net turnover

over 3m

devices under management[1]

700,000+

devices made available for reuse

457

employees on average in 2023

Our solutions

We empower businesses to manage technology more efficiently, securely, and sustainably throughout its entire lifecycle.

Circular Technology Lifecycle Management (TLM)

Circular TLM is an end-to-end circular technology solution that supports organisations in acquiring the digital technology their users need to reach their full potential while maximising operational, financial, and environmental advantages. Used devices are refurbished and sold to new users, who purchase these affordable assets instead of carbon-intensive new ones. By enabling corporate tech to be reused, we maximise each device's full value, extend its functional lifecycle, and minimise waste.

Circular IT Asset Disposition (ITAD)

Many businesses hold huge portfolios of legacy or decommissioned tech that can remain stored and unmonitored or end up being 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.

Sale & TLM-back

Organisations can also future proof their existing digital tech stack by onboarding owned assets to our Circular TLM platform, releasing equity from existing technology and transitioning to a more responsible and efficient model for managing devices.

3stepIT

Trends driving our growth

Accelerating digitalisation

Digitalisation is accelerating as technology continues to advance business competitiveness, innovation, and productivity.

Rapid progress in Artificial Intelligence (AI) and the decommissioning of MS Windows 10 are expected to spark the biggest refresh of corporate technology in a generation and over 240 million PCS are at risk of becoming e-waste as a result.[2]

ESG regulations

ESG regulations are intensifying rapidly, with nearly 900 global ESG policies now in place, up 96% since 2000.[3]

New EU directives have increased public reporting requirements and made resource use and circular economy performance mandatory topics for disclosure.

Sustainable transformation

There is a growing awareness of the social and environmental impact of technology – its carbon and material intensity, the dwindling supply of precious metals and minerals, and the millions of tonnes (Mt) of e-waste produced each year.[4]

Companies that have set net zero and zero-waste to landfill targets are now urgently seeking a more efficient and sustainable approach to managing technology.

Data security

Data security is a top governance concern. Over a quarter of EU CEOs believe their company will be highly or extremely exposed to cyber risks in the next five years.[5]

Companies are exposed to data and privacy risks across every part of the supply chain, including during and after disposal. GDPR compliance requires data to be properly wiped from used devices, with GDPR breaches attracting penalties of up to 4% of global revenue.[6]

Circular economy

Circularity is recognised as a strategic and competitive necessity for organisations to deliver strong financial performance by decoupling growth from consumption, optimising resource use and minimising waste.

Every year, billions are lost in value and resources that would otherwise be retained in a circular economy for technology.[7] This is fuelling growth in the refurbished device market, with predictions it will double from $USD12bn in 2023 to $USD24.4bn in 2030.[8]

[1] Total number of devices under management for 3stepIT and BNP Paribas 3 Step IT customers
[2] Canalys, https://www.canalys.com/insights/end-of-windows-10-support-could-turn-240-million-pcs-into-e-waste (2023)
[3] UNPRI, Regulation Database, https://www.unpri.org/policy/regulation-database (2022)
[4] ITU/UNITAR, UN Global E-waste Monitor 2024, https://ewastemonitor.info/the-global-e-waste-monitor-2024/(April 2024)
[5] PWC, EU CEO Survey 2023, https://www.pwc.com/gx/en/about/global-regulatory-affairs/pwc-in-the-eu/ceo-survey/pdf/pwc-eu-ceo-survey-2023.pdf (2023)
[6] GDPR.eu, https://gdpr.eu/fines/ (2024)
[7] ITU/UNITAR, UN Global E-waste Monitor 2024, https://ewastemonitor.info/the-global-e-waste-monitor-2024/(April 2024)
[8] Persistence Market Research, https://www.persistencemarketresearch.com/market-research/refurbished-laptops-computers-market.asp

A message from our CEO

In conversations with our customers, it's clear that every organisation today is striving to balance technology investment with efficiency, manage risk while seizing opportunities, and achieve profitability alongside sustainability.

These converging priorities come at a time of significant global change, including unprecedented technological advancements, stricter laws and regulations, and an unstable economy. Moreover, the changing climate increasingly impacts our environment and society, compelling businesses to mitigate the effects on their own operations and supply chains.

In this context, the rapid progress in Artificial Intelligence (AI) and the decommissioning of MS Windows 10 are expected to trigger the most significant refresh of corporate technology in decades.[9] While this marks important progress, it also has consequences.

Over 240 million PCs are at risk of becoming e-waste due to the Windows upgrade[10], adding to the more than 62 million tonnes (Mt) of e-waste produced annually[11] — equivalent to over 750 Öresund Bridges or 730 Helsinki Cathedrals each year. Beyond the environmental impact, upgrading to AI-capable devices and replacing Windows 10 systems will entail a significant cost premium, meaning businesses must carefully manage this transition to ensure their procurement models are truly fit for purpose.

For 26 years, we have believed, as we do now, that adopting circular economy principles can transform businesses, making them more efficient, profitable, and resilient in a changing world. However, in 2023, we recognise that the new reality demands going further. We need to implement a new approach, not just in what we offer our customers but also in how we structure our company and design and deliver world-class circular services to the market.

That's why, to enhance our business resilience and ensure we continue delivering the products, solutions, and quality of service our customers expect, we have initiated a new strategic direction. This strategic evolution will align of our team, capabilities and service delivery with changing customer needs and emerging market demands, while ensuring a sharp focus on what we do best: offering technology users efficient circular technology services.

While this work is ongoing, we have concentrated on ensuring the excellence of our current operations and services, as well as supporting the growth and development of our people.

In 2023, we continued to invest in creating the world's most sustainable, state-of-the-art refurbishing centres. We introduced brand-new, market-leading technology to improve the accuracy of device grading using artificial intelligence (AI) and revolutionised laptop storage in our facilities, so we can do so much more with less. We've also enhanced our industry-leading asset management platform, with new features to support our customers to increase the utilisation, sustainable management, and end-of-life tracking of their devices.

Finally, I believe that as our business grows, our positive impact should too. Last year, the revenue generated by our refurbishing team increased by 20,3% compared to 2022, with more than 700,000 made available for reuse. These affordable, used devices went back into the market to be purchased instead of new ones. Of course, this has an important environmental impact, but it also fulfils one of our key social obligations: to improve digital access by enabling second-hand devices to be available on the market.

Looking ahead, we look forward to deepening our collaboration with our customers, partners, suppliers, and people. We'll be sharing the ways in which we are future proofing our offerings and evolving our products and services to support our goal of providing businesses with the confidence to adopt a circular approach to managing their technology and ensure sustainability, efficiency, and resilience in their operations.

Change is inevitable; it's only what we do with it that matters.

Jakob Lagander
CEO, 3stepIT

9 https://www.canalys.com/insights/end-of-windows-10-support-could-turn-240-million-pcs-into-e-waste
10 Canalys, https://www.canalys.com/insights/end-of-windows-10-support-could-turn-240-million-pcs-into-e-waste (2023)
11 ITU/UNITAR, UN Global E-waste Monitor 2024, https://ewastemonitor.info/the-global-e-waste-monitor-2024/ (April 2024)

A message from our Chairman

For over a quarter of a century, we have dedicated ourselves to creating a commercially viable circular economy for technology. Today, we continue to lead the industry, pushing the boundaries of what is possible as we adapt to a new business reality – one where sustainability and profitability must go hand in hand.

Our mission is simple - we empower businesses to manage technology more efficiently, securely, and sustainably.

We are committed to driving the circular transition for our business, our customers, and our industry. This means offering an alternative way to consume tech, optimising the value of our customers' digital assets through refurbishing and reuse, and contributing towards greater digital inclusion in our society.

Our mission today is also to educate the market, ensuring our customers can turn some of the latest regulatory, operational, and financial challenges that are linked to the use and disposal of technology into opportunities that will improve their resilience, profitability, and efficiency.

A world-class team and our strong focus on collaboration drive our impact. 3steppers try new things, fail fast when they have to, and continuously learn. The Finnish spirit of Sisu is woven throughout our company, instilling the characteristics of transparency and resilience that are such an important part of our culture.

As our company grows, changes, and evolves, we must always remember that true sustainability rests on a foundation of empowered, committed, and passionate individuals. This philosophy extends not only to our dedicated employees, who are the engine of our success, but also to the customers we serve and the partners that work with us.

One of the founding principles we set when we started this company 26 years ago, is that what we can achieve alone is nothing compared to what we can accomplish by working together. This is when the real magic happens.

The global challenges we face today can feel immense, but I witness positive change happening every day as organisations drive unprecedented progress and innovation while exceeding all expectations in fulfilling their social and environmental responsibilities. The circular economy is right at the centre of this movement towards a fairer and sustainable future, and at 3stepIT, we look forward to continuing this important, transformative work with our valued customers and partners.

Jarkko Veijalainen
Founder and Chairman
of the Board
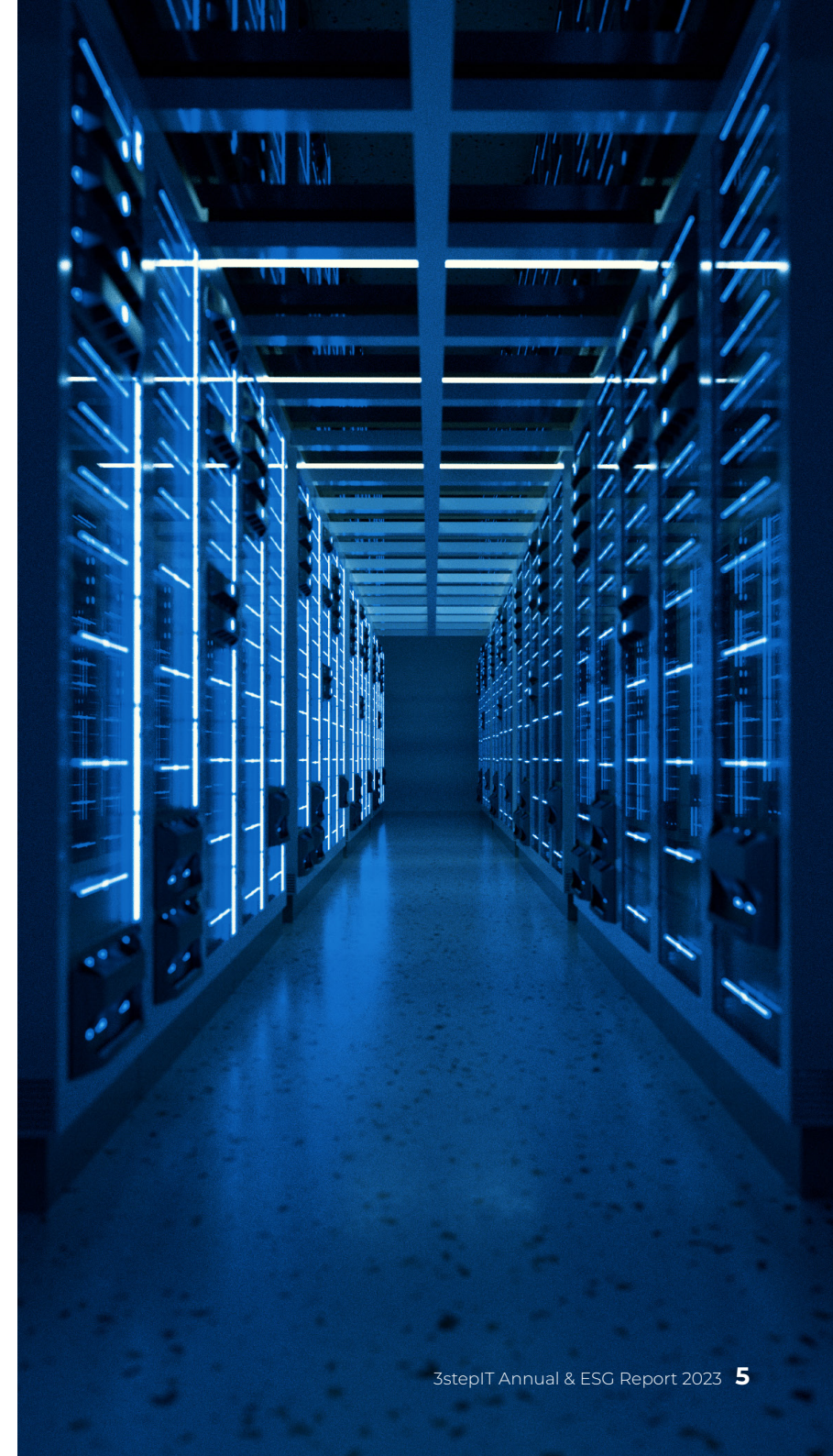
A fantastic five years: over 3 million devices given a second life since 2018

Like our customers, we're focused on sustainable growth. Since 2018, we've securely sanitized and sustainably processed more 3 million used devices that have gone back on to the market to begin a second lifecycle with a new user. **Last year, over 700,000 devices left our refurbishing centres – a 70% increase against 2018 volumes**. This is important because as our business grows, so should our positive impact.

The manufacture of new technology is carbon and resource-intensive, and the extraction of raw materials has a social[12] and environmental cost. Global e-waste is also on the rise, causing its own ESG challenges and the loss of billions of dollars of resources each year.[13]
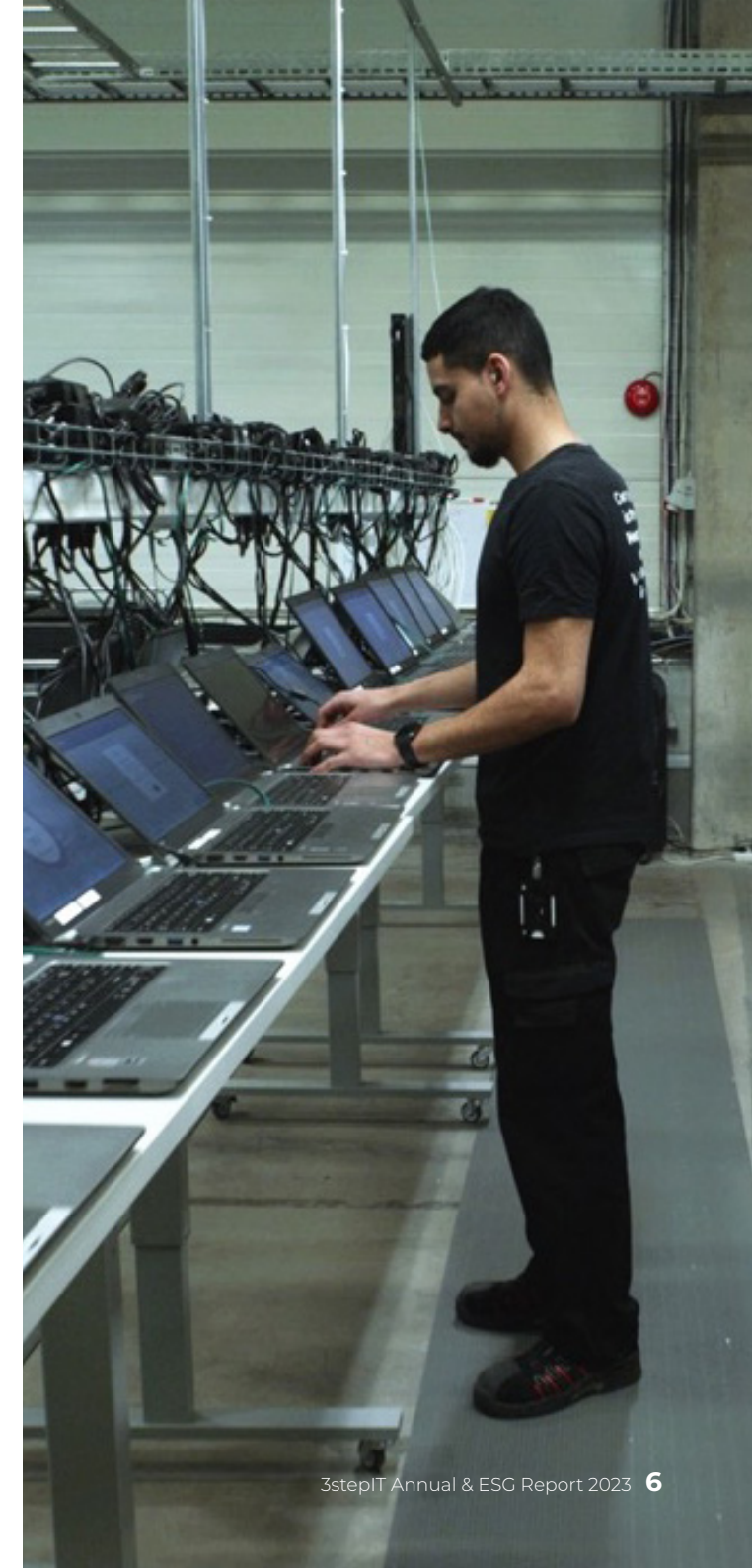
As the world's raw material supply dwindles and the precious metals needed to create new technology are increasingly in short supply, many manufacturers are moving towards the use of recycled materials in their products to combat these challenges and meet ESG commitments.

It's clear we need an alternative way to access and consume digital technology and we believe the answer lies in the circular economy, a model which uses refurbishing and repair to keep resources in circulation longer and encourages material reuse to extract greater value from our tech products.

When devices are refurbished after their first lifecycle, they can be made available to be purchased by a new user, who will be able to access an affordable used device instead of buying a carbon and resource-intensive new one. By enabling corporate tech to be reused, we maximise each device's full value, extend its functional lifecycle, and minimise waste.

Devices and components that can't be reused are recycled through professional, onshore recycling partners. This increases the availability of recycled material needed to meet the demand for recycled components in remanufactured devices and as a proportion of newly manufactured devices. Last year, nearly 140,000 devices were delivered to our local waste management partners to be responsibly recycled with the aim of maximising the material reutilisation rate.

It's a powerful model for change and excellent motivation for our work. We'll never get tired of seeing our customers drive important financial, operational, and environmental value through the circular management of their technology.

[12] https://www.who.int/news/item/15-06-2021-soaring-e-waste-affects-the-health-of-millions-of-children-whowarns#:~:text=Children%20 exposed%20to%20e%2Dwaste,toxic%20substances%20from%20their%20bodies
[13] ITU/UNITAR, UN Global E-waste Monitor 2024, https://ewastemonitor.info/the-global-e-waste-monitor-2024/ (April 2024)

Creating the world's most sustainable refurbishing centres

Our three refurbishing centres in Europe are the beating heart of our business, where our teams give used devices a second life and prepare them for resale. These state-of-the art facilities showcase our company's innovation and operate with razor sharp efficiency. Last year, more than 700,000 devices left our centres to be sold to a secondary user, who will ultimately be able to acquire a refurbished device instead of a resource and carbon-intensive new one.

Improving the efficiency of our buildings is a crucial part of our emissions reduction plan and also a focus area for the EU, which has put in place the Energy Performance of Buildings Directive[14] as part of its ambition to be the first climate-neutral continent by 2050.

Each of our three sites has been designed to maximise efficiency and minimise waste. So, while our refurbishing volumes continue to increase, our footprint doesn't have to. All our refurbishing centres are designed to increase our refurbishing capacity in the most sustainable way possible and are **powered by 100% renewable electricity**. All sites are ISO 14001 certified, using an internationally recognised environmental management system.

As we continue to grow our European coverage and refurbishing volumes, we intend to use these sustainable buildings as a blueprint for future designs and a key part of our ongoing commitment to reducing our emissions and overall impact.

[14] https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

Revolutionising used device evaluation with an industry-first AI tool

In an industry-first, last year we launched a new, ground-breaking device evaluation tool, designed to streamline, automate, and optimise the assessment and grading of used IT devices.

The tool, developed in partnership with Aixia, uses artificial intelligence to analyse pictures of used devices before they are refurbished to identify specific damage, quantify the level of wear and tear, and give each device a quality score that is used to determine its market value.

The tool was trained on more than 35,000 devices to ensure it delivers high-value results across a wide range of laptop models. Device grading was previously conducted manually using the human eye.

Our new AI process offers unrivalled levels of accuracy by generating standardised quality scores based on data, rather than human interpretation. Customers can now see clear photographic evidence of device grading decisions and are guaranteed consistent and unbiased evaluations of device quality.

This is a major step forward for our business, our customers, and our industry. Unbiased evaluation of device quality after the first lifecycle is essential to giving more businesses the confidence to transition to a circular approach for their technology.

Encouraging sustainable user behaviour is a cornerstone of the ESG impact we can achieve through our circular tech management services. Transparent, consistent, and accurate device grading helps organisations to understand and address behaviours that impact the overall lifespan of devices, increasing the chances of a device being returned to us in good health and being able to have a second life, in line with circular economy principles.

Financial & operational summary

Financial summary

The pivotal impact of technology continues to set the strategic direction for our customers, who recognise it as an integral tool for navigating today's challenging operating environment.

High inflation, volatile energy prices, supply-chain constraints, labour market uncertainty, geopolitical tensions, and climate change have impacted all businesses and made agility, resilience, and innovation top strategic priorities. These factors also impacted the ICT market,[15] however, 2024 promises a more positive outlook, with analysts predicting IT spending in Europe will surpass USD $1.1 trillion, increasing 9.3%.[16]

Software and IT services will be the biggest areas of spending for enterprises, with organisations prioritising investment that improves efficiency, automation, and optimisation. The rise of circular economy models, such as product-as-a-service, also continues, along with growing awareness of the value of access to technology and the risks inherent in traditional ownership.

Demand for refurbished devices continues to grow, with the global market forecast to expand at a CAGR of 10.7%.[17] This is driven by both the short-term constrained economic environment and longer-term climate change mitigation strategies.

Permanent changes to procurement requirements indicate the refurbished market will continue to strengthen, with second-life devices becoming a mandatory proportion of both public and private bids.

Organisations must also contend with the rapidly evolving regulatory landscape, which will see two new EU Directives – the Corporate Sustainability Reporting Directive[18] and the Corporate Sustainability Due Diligence Directive[19] – coming into force between 2024 and 2025 mandating strict reporting requirements relating to the environmental impact of resources, the management of e-waste, and the implementation of circular practices.

Compliance aside, this regulatory environment represents an opportunity for organisations to shape a sustainable digitalisation agenda while improving efficiency and return on investment.

In this context, implementing the principles of the circular economy is now a strategic imperative for organisations hoping to lead and grow through these challenging times. Circularity supports the optimisation of resources and the minimisation of waste – both key components of profitability.

[15] IDC, https://www.idc.com/getdoc.jsp?containerId=prUS51604623 (2023)

[16] Gartner, https://www.gartner.com/en/newsroom/press-releases/2023-11-09-gartner-forecasts-it-spending-in-europe-to-record-9-percent-growth-in-2024 (2023)

[17] Persistence Market Research, https://www.persistencemarketresearch.com/market-research/refurbished-laptops-computersmarket.asp (2023)

[18] https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/companyreporting/corporate-sustainability-reporting_en

[19] https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en

Financial summary

Group financial overview

Against this complex backdrop, we continued to grow our core IT-related portfolio, onboarding nearly 500 new customers in 2023, with 3 million business-critical devices now under management. Group revenue increased by 1.5% to 800.2 million euros, reflecting our continued focus on our people, customers, and performance.

Our business model demonstrated continued resilience despite global uncertainty, which was mitigated by our close working relationships with our customers and rigorous cost control. Our Nordic refurbishing centres delivered a 24% increase in the number of processed devices from the previous year, following strategic investments to expand production capacity and the introduction of automated warehouse solutions across our markets. R&D investment also continued with a focus on the ongoing development of our asset management tool. We plan to continue implementing our product development roadmap to support the changing needs of our customers.

Outlook

Widespread digital transformation provides strong momentum for our business. Today, the demand for technology coexists with the strategic ambition of organisations to make a positive environmental impact, contribute to a growing circular economy, and mitigate against the risks of climate change.

In the years ahead, large and listed companies with an EU presence will have to meet a demanding new set of reporting requirements and provide a transparent account of their social and environmental impact across their entire value chain, including their technology assets. We view this as an opportunity for our customers to improve the efficiency and sustainability of their technology assets.

Cybersecurity resilience remains inextricably linked to competitiveness, customer retention, and growth. Organisations are increasingly abandoning a fragmented approach to security that relies on too many systems or providers, particularly as it pertains to IT asset disposal. Instead, customers are turning to circular solutions that encompass the entire lifecycle and bring together efficiency, security, and sustainability in a single, unified tech solution.

We believe circular technology management services should now be seen as a reputational, compliance, and operational necessity for every business. We continue to focus on the growth of our core business and tailoring our expertise, capabilities, and services to our customers' needs. Our ongoing success is thanks to the dedication of our world-class team, the resilience and relevance of our circular business model, and the strong, trusting relationships we have with our customers and strategic partners.
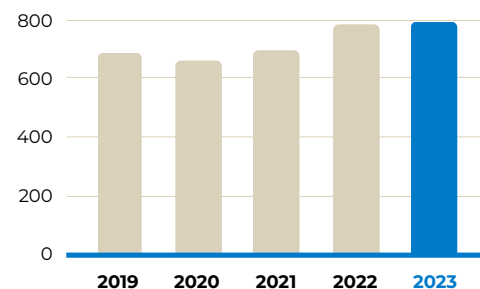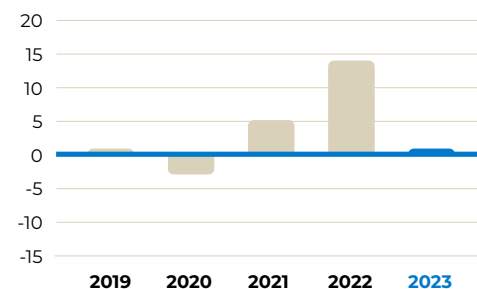
Jari Lemmila
Chief Financial Officer

![3stepIT]

Financial data

NET TURNOVER
MEUR
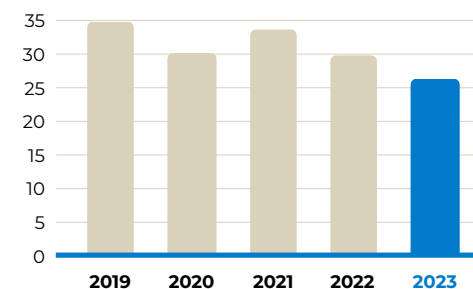
| 2019 | 2020 | 2021 | 2022 | 2023 |

TURNOVER GROWTH
%

| 2019 | 2020 | 2021 | 2022 | 2023 |

EBITDA
MEUR

| 2019 | 2020 | 2021 | 2022 | 2023 |

RETURN ON EQUITY (ROE)
%

| 2019 | 2020 | 2021 | 2022 | 2023 |

EQUITY RATIO
%

| 2019 | 2020 | 2021 | 2022 | 2023 |

AVERAGE NUMBER OF EMPLOYEES

| 2019 | 2020 | 2021 | 2022 | 2023 |

ASSETS MANAGED

| 2019 | 2020 | 2021 | 2022 | 2023 |
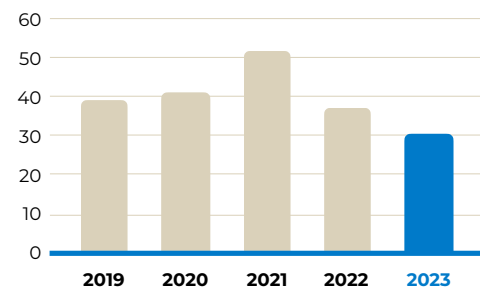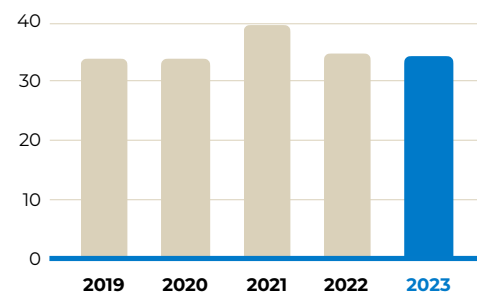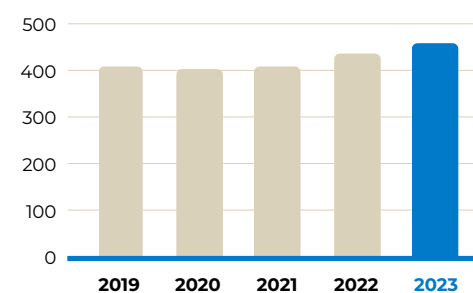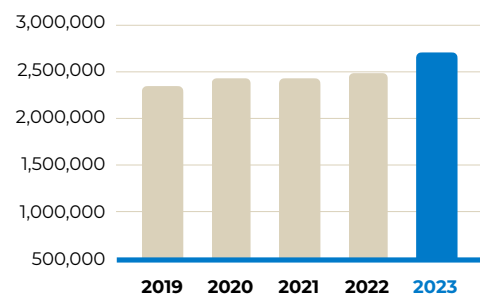
OWNERSHIP
%

Main shareholders 58.5%
(4Lighthouse Oy, Halcon Ab)

Institutional investors 31.8%
(Elo Mutual Pension Insurance Company, Finnish Industry Investment Ltd, Ilmarinen Mutual Pension Insurance Company)

Employee shareholders 9.7%

3stepIT assets under management, excludes BNP Paribas 3 Step IT assets.

3stepIT Annual & ESG Report 2023 **12**

Market updates

Our presence in the Nordics is well-established and provides a solid base for our expansion. Alongside our 3stepIT markets, our joint venture with BNP Paribas is fuelling our growth. Together, we are accelerating our ability to offer our circular Technology Lifecycle Management services to more organisations in Europe and the rest of the world.

Denmark

Despite a challenging market, Denmark achieved an all-time high result in 2023, with strong new customer acquisition and growth in busin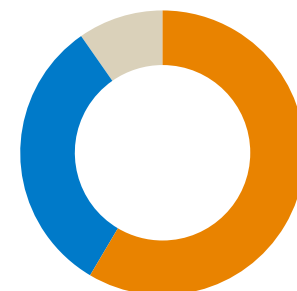ess with our existing customer base, that continues to invest in future proofing its technology operations. Denmark's Circular ITAD business also performed well, with high resale numbers for used devices, as well as strong turnover and profits.

A major Danish newspaper has named a collaboration between 3stepIT, the Technical University of Denmark (DTU) and NetSolutions as one of its 50 most sustainable initiatives. Børsen, Denmark's leading financial news outlet, publishes an annual list featuring Danish companies that are making a tangible contribution to the green transition. In 2023, 3stepIT's work collecting DTU's used tech devices and ensuring they are sustainably and securely refurbished for resale was commended by the publication.

Finland

Throughout 2023, we focused on the continued growth of our Finnish business, with the team attracting important new customers from a range of sectors. More than 200 new customers began working with us this year, either implementing our circular ITAD services or taking advantage of our end-to-end circular technology management services. Organisations across Finland are increasingly shifting to a more sustainable and efficient model of managing their tech assets, and these new customers have been pivotal to our growth and strong market position.

In 2023, we also appointed Harri Malinen as our new Country Manager in Finland, following the retirement of Mika Enberg. Previously Finland's Sales Director, Harri brings invaluable expertise and leadership to our team as we continue to grow our business and our impact.

Market updates

Sweden

The Swedish team continued its focus on innovation in 2023, introducing new solutions across the business, with particular attention paid to creating efficiency and improving accuracy in its refurbishing operations. Sweden developed and piloted 3stepIT's new device evaluation tool, which uses Artificial Intelligence to streamline, automate, and optimise the assessment and grading of used IT devices, and it is now being rolled out across other markets.

The team is continually improving its operations to meet growing customer demand for circular tech services and access to used devices. The number of devices processed by our refurbishing centre in Växjö, Sweden, increased by 29% on 2022 volumes.

Sweden has also continued to achieve strong growth in the market, supporting both public and private sector organisations in finding more sustainable ways to manage their technology assets and exploring circular management practices for new and emerging asset classes, like data centres.

Norway

In 2023, Norway delivered an impressive year of growth, onboarding new customers across both the public and private sectors.

In Q1, we signed the largest-ever contract of Core 1 devices in Norway in collaboration with our partner, Dustin. As part of this landmark deal, we will provide circular tech services to a prominent public sector agency, onboarding smartphones and PCs for its 22,000 employees.

We also signed a strategic pan-Nordic deal with Norwegian tele-communications company, Telenor, covering Norway, Sweden, Denmark and Finland (DNA). Telenor will initially take advantage of our lease finance and asset management services for CPE equipment, such as network routers and TV box sets.

Market updates

Our Joint Venture with BNP Paribas: Scaling circular technology management across Europe

Circular technology management is revolutionising the way organisations purchase, manage, and dispose of technology and addresses many of the environmental and social impacts of digitalisation.

We've made it our mission to drive the transition to the circular economy by educating and supporting businesses to adopt circularity across their tech operations.

Our success, evidenced through year-on-year growth in revenue, demonstrates the momentum behind the shift to circularity. However, we know the scale of the climate change challenge can only be matched through partnerships and collaboration across industries and supply chains.

Our presence in the Nordics is well established, and circular technology management is a commonly adopted approach in these markets, which are known for being world leaders in sustainability. We're proud of our Nordic heritage, and we want to share our ethos with the world, grow the impact of circular technology, and make our solutions accessible to a broader audience. That's how our partnership with BNP Paribas was born.

Our joint venture, BNP Paribas 3 Step IT, has been key to accelerating the adoption of circular tech management practices in Europe and clearly demonstrates the important role of sustainable finance in delivering a circular economy. In 2023, BNP Paribas 3 Step IT's UK refurbishing centres processed record volumes of devices, in its largest year of production as part of the Joint venture.

Within the Joint Venture, we work with BNP Paribas as both a partner and a customer, utilising the bank's extensive customer network, channels, and strategic partnerships to grow the reach of circular technology solutions. BNP Paribas 3 Step IT now operates in France, Germany, Italy, the UK, Belgium, The Netherlands, and Spain.

Furthering the spirit of collaboration, BNP Paribas 3 Step IT has also partnered with Spain's largest bank, CaixaBank, offering the bank's corporate clients the ability to acquire and manage technology more efficiently and responsibly by implementing circularity into their IT operations.

These partnerships are built on a shared commitment to advancing the circular economy and provide a blueprint for how cross-industry alliances can deliver sustainable solutions at scale to large enterprise audiences.

As our reach grows, so too does the number of businesses getting the most out of their tech, ensuring the responsible, secure, and sustainable handling of their digital devices throughout their lifecycle, and working together towards a circular future.

Excellence in service delivery

Our circular technology solutions help organisations solve today's top business challenge – how to digitally transform an organisation and prepare it for the future while maximising financial and operational efficiencies and meeting growing ESG requirements. In this complex and rapidly evolving operating environment, it's crucial we remain a reliable, agile, responsive, and innovative partner for our customers. We are also transforming our business and remain committed to delivering continuous improvements to our service.

The power of procurement: 3 million assets under management*

We work with thousands of organisations globally and today we have **3 million business-critical assets under management**. We take this duty of care very seriously.

Our circular TLM customers have made an important choice, recognising the value of accessing technology and mitigating the risks of traditional ownership. By choosing to procure devices using a circular tech management approach, these forward-thinking organisations have the flexibility to freely choose the make and model of their devices, tailoring their tech stack to the needs of their organisation and ensuring their employees have the digital tools they need to reach their potential.

They also kick-start an asset management process that encourages sustainable user behaviour and embeds refurbishment and reuse into their tech management strategy from the outset, reducing the reliance on the raw material used to manufacture technology and ultimately ensuring that affordable used devices make it back into the market to be purchased in place of carbon-intensive new ones.

Our customers are sophisticated and need confidence that the tools and services they are using to manage their technology assets are secure and reliable. Our Quality, Environmental and Information Security management systems, which are based on implementation of ISO 9001, ISO 14001, and ISO 27001 standards, were re-certified during 2023. These certifications are based on internationally recognised standards and are externally audited every year to ensure ongoing progress.

Industry-leading asset management platform

Our advanced asset management platform is included as part of our end-to-end Circular Technology Lifecycle Management solution and underpins every stage of the device lifecycle, from simplified delivery acceptance to in-life management and renewal.

Once customers' devices are onboarded to the platform, either from their existing tech stack or as new devices acquired as part of the Circular TLM process, they are able to simplify upkeep, budgeting, renewal, and compliance processes. A powerful reporting engine provides detailed technical and financial capabilities, with information organised by cost centre, product group, project, or location.

Managing tech assets in this way, with increased visibility and control, is key to increasing product utilisation and encouraging sustainable user behaviour, which in turn extends the productive life of a device.

We are continually evolving this technology to support the changing needs of our customers. During 2023, we launched three commercial product releases, which offered customers new and enhanced features, including features that improve financial and operational reporting.

* Total number of devices under management for 3stepIT and BNP Paribas 3 Step IT customers.

Excellence in service delivery

Modern, innovative refurbishing services

We operate refurbishing facilities across the Nordics, which we have developed as centres of innovation and excellence. These centres receive our customers' decommissioned tech when it reaches the end of its first useful life and is ready to be refurbished and made available for reuse by a second user. Last year we refurbished more than 700,000 devices, which were made available for reuse to be purchased instead of a new, carbon and material intensive devices.

Data security is our top priority. We offer a single, secure chain of custody from device collection, through to processing and resale. We use best in class data sanitization software for secure device overwriting (NIST 800-88 standard). If a manual shredding process is required, we adhere to the DIN66399 standard.

All our refurbishment sites are ISO 14001 certified, using an internationally recognised environmental management system and powered by 100% renewable electricity. Some of our country highlights include:

Jonas Rosqvist
Strategic Production
Development Director

Norway

A large solar farm contributes to powering our operations, providing a reliable source of clean and affordable energy for our production, and offering customers who buy our second-life equipment access to tech assets that have been refurbished using green energy.

Sweden

Our state-of-the-art facility is a hotbed for innovation in sustainability and the site of many new pilots for projects that help us deliver on our ESG goals, including an industry-first AI tool to create unrivalled transparency and consistency in used device grading.

Finland

We've undergone a major transformation to improve the energy efficiency of our production, successfully transitioning from traditional fluorescent lighting to GreenLED fixtures. Over 350 fixtures were changed last year, achieving a reduction of 17,092 tons of CO_2 emissions and 130 474 kWh annually, as well as saving thousands of euros each year.

Our refurbishing process

Corporate devices reach the end of their first useful life and are ready to be decommissioned

Devices are packed and securely delivered to our refurbishment centres by our logistics partners

Devices are securely sanitized using best in class data erasure techniques to NIST 800-88 standard

A quality check is conducted. Devices are accurately graded based on their condition using our Artificial Intelligence device evaluation tool

Devices that need repair are diverted to have non-functional components replaced with functional ones, before being graded again

Devices are cleaned and refurbished by our expert team

Refurbished devices are sold to trusted trading partners, who make these devices available for purchase by new users

Devices and components that can't be reused are recycled through professional, onshore recycling partners

We support our customers in giving their corporate devices a second life and introducing the principles of the circular economy into their tech operations. We have four refurbishment centres across Europe where used devices are securely sanitized and refurbished by our expert teams. These devices are then sold to our trading partners and on to new users, who can purchase an affordable, second-life device instead of a carbon-intensive new one. By enabling corporate tech to be reused, we maximise each device's full value, extend its functional lifecycle, and minimise waste.

Excellence in service delivery

Circular ITAD: Trusted partners in asset disposal

Our Circular IT Asset Disposition (ITAD) service offers a simpler, more secure and sustainable way for organisations to dispose of technology assets they no longer need. **In 2023, over 550,000 devices were processed for our Circular ITAD customers** as businesses increasingly seek a more sustainable and secure approach to managing legacy technology out of operation.

We buy used devices at market value, use best-in-class data sanitization methods to securely erase data, and then refurbish as many as possible for reuse. The minority of devices and components that can't be reused are recycled through professional, onshore recycling partners, who aim to maximise the value of all recycled material and can provide detailed data on the processes and end-of-life treatment methods they are using. This increases the availability of recycled material to meet the demand for recycled components in remanufactured devices and as a proportion of newly manufactured devices, and also gives visibility to our ITAD customers on how their devices have been handled at the end-of-life phase.

Our REstepIT portal is a digital platform that allows customers to track orders online and access audit trails, transport information, detailed financial and inventory data, erasure logs, and environmental reports.

Size matters

Growth drives innovation, not consumption. That's the message from our refurbishing team, who have recently introduced a new, high-tech solution to increase storage capacity and efficiency. With huge customer demand for refurbished devices, space is at premium at 3stepIT's refurbishing facilities. Our teams needed a solution that would use less space to store laptops before and after the repair process, freeing up capacity to focus on production.

Following a pilot in Sweden, we've started to roll out the TORNADO Automated Vertical Storage Machine across all of our centres. The ultra-fast, computer-controlled storage and transfer lift system is designed to maximise storage on the smallest possible footprint. Effectively a "laptop library", the technology has the capacity to store 22,000 laptops at a time, can boost handling efficiency by up to 65% and increase floor space capacity by up to 70%. The TORNADO also boasts up to 99.9% stock-picking accuracy, meaning reduced waiting and search times and less errors, making it a highly efficient, energy-saving solution.
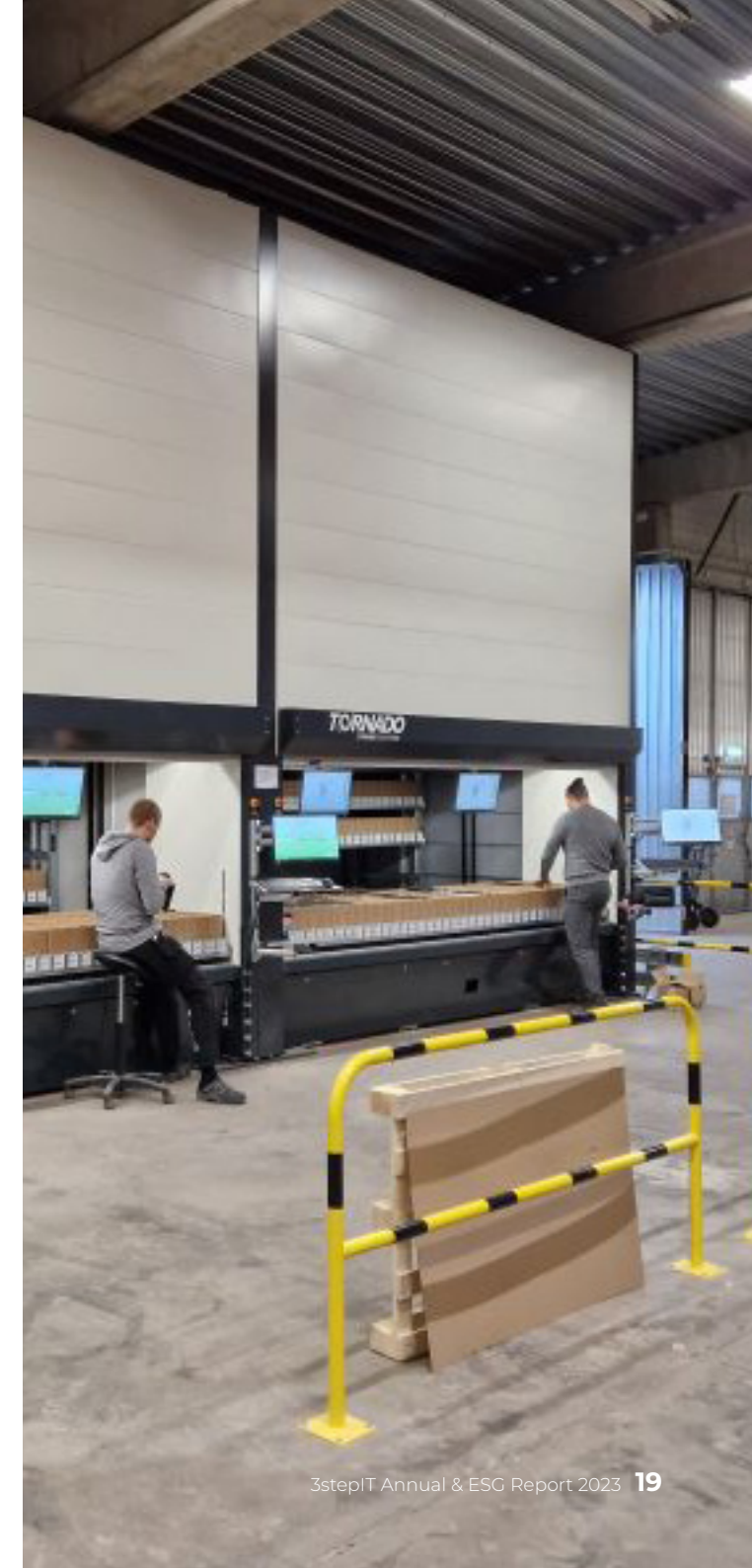
Our people

The success of our strategic vision relies on a strong company culture, which fosters a work environment where positive attitudes like collaboration, innovation, and accountability can thrive. In 2023, we have been focused on building an organisation with the experience and capabilities to meet the demands of the future, refine and grow our service delivery, and ensure excellent outcomes for our customers.

Engaged and motivated people

We regularly seek our people's views on what they believe are our opportunities, risks, strengths, and weaknesses.

In 2022, we launched a new employee engagement platform with our partner, Culture Amp. This platform collects insights across our organisation more frequently, supports analysis, and identifies areas of focus that increase engagement. Now in its second year, we continue to see an impressive response rate, **with 92% of staff contributing to our annual Employee Survey this year**.

We recorded **a strong employee engagement score of 74%**, up from 67% last year. Engagement measures the emotional connection of our people to our goals and objectives, and we believe this is crucial to performance, innovation, and retention.

We use the information we gather to build our strategic plan for the year ahead. The results are analysed by our leadership group and workshopped by all teams so that every 3stepper plays a part in our company's future.

Continuous learning and development

We are focused on growing the expertise, capabilities, and confidence of our people. We support the growth of our team as individuals and professionals through both online and in-person training opportunities, including two company training days in Tallinn and Helsinki, introduction days for new employees, and a leadership gathering in Porvoo.

As part of our 2023 training and development plan, we continued to support our leaders to guide their teams through the next stage in the company's growth and ensure our people are aligned and able to deliver on our strategic plan.

Through our company-wide online training platform, we also delivered a mandatory curriculum, with courses including Security Policy and GDPR, Culture and Code of Conduct, and Competition Law. With a **98% completion rate**, the mandatory trainings ensure we comply with regulations and foster a healthy company culture in line with our code of conduct.

Our commitment to diversity, equity, and inclusion

In 2022, we expanded our work on diversity, led by a cross-organisational team of 3steppers who are passionate about inclusion. We now have a strategic commitment, embedded throughout our entire business, to creating a diverse workplace, fair opportunities, and an inclusive culture underpinned by training for all our people and clear, regular measurement of our progress. In 2023, our talent acquisition strategy focused on gender-balanced recruitment and diversity tracking, leading to key hires in various strategic positions. Looking ahead to 2024, we have diversity, equity and inclusion training planned to further enhance knowledge and skills across the company.

Eveliina Kauppila
HR director

Our people

Building a team for the future

Over the last year, significant leadership changes have been implemented to align our team and its capabilities with our customers' needs and new market demands. As we build an organisation fit for the future, these changes have seen some important internal promotions and new appointments that strengthen our market position and ability to grow.

Former 3stepIT CEO, Carmen Ene, was asked by the Board of the BNP Paribas 3 Step IT Joint Venture to dedicate 100% of her time to her Chief Executive role of that business, focusing on the development of the company's pan-European growth strategy.

Jakob Lagander was appointed as CEO of 3stepIT in July and tasked with leading the business through its strategic transformation, with a focus on creating a unified, scalable organisation with a market-leading position in circular technology. Jakob first joined 3stepIT in 2021 as Sweden's Country Manager, growing business in Sweden by 40% and helping establish 3stepIT as a key player in the tech sector in the country.

Further changes to the leadership team include the promotion of Robert Åholm to County Manager in Sweden and Harri Malinen's appointment as Country Manager in Finland, following the retirement of Finnish Country Manager, Mika Enberg. Both new Country Managers formerly led the sales operations in their respective markets, highlighting our strong focus on commercial excellence and growth.

Other notable appointments included Mika Karjalainen's promotion to Chief Commercial Officer and Staffan Wahlström's promotion from Chief HR Officer to Chief Transformation Officer, where he will lead our business's new strategic direction. Eveliina Kauppila is our new HR Director.

We also welcomed Simon Smale as Chief Circularity Officer and Rasmus Laine, who has joined the company as Strategic Development Director. Both roles highlight our strategic response to the European operating environment and our continued focus on delivering excellence across our circular technology offering.

ESG performance

A circular economy for technology

Digitalisation continues its rapid acceleration as organisations invest in the latest tech tools to ensure their teams can perform at their best and their operations remain agile, competitive, and resilient. In line with this trend, **Gartner predicts global IT spending will reach USD$5 trillion in 2024.**[20]

This growth in tech investment is occurring in parallel with the necessity for organisations to align their activity with ESG principles, as there is now widespread recognition that manufacturing tech is both a carbon and material-intensive process that contributes to the dwindling supply of natural resources and precious metals and minerals.

The production of a single new smartphone is estimated to emit more than 80kg of carbon dioxide (kgeqCO$_2$) and require 89,000 litres of water, totalling more than 260kg of raw material extraction.[21]

Despite this huge input, manufactured tech products don't last forever, and in a linear economy, these resources are often wasted. **In 2022, USD$62 billion worth of recoverable natural resources were unaccounted for,**[22] much of which could have been retained through circular economy practices.

At the same time, **a record 62 million tonnes (Mt) of e-waste were produced in 2022, up 82% from 2010. These levels are on track to rise another 32% by 2030**.[23]

To address technology's environmental and social impact and capitalise on the immense opportunity created by circularity, organisations must consider the entire technology value chain. This includes not just the use phase but also upstream in production and downstream when devices are no longer in use.

Adopting a circular tech strategy allows organisations to accelerate digitalisation more sustainably, securely, and efficiently by building sustainable management practices and end-of-life e-waste strategies from the point of procurement. In doing so, organisations kick-start a circular tech management approach that not only maximises operational and financial advantages but also optimises the value and utilisation of technology by extending its lifecycle.

As businesses scale up their ESG efforts and turn net zero and zero-waste to landfill commitments into action, the circular economy is becoming not just a nice-to-have but an essential model for sustainable operations and long-term profitability.

However, despite the benefits offered by circular solutions, the global economy is still only 7% circular.[24] While the volume of discussions about circularity has almost tripled over the past five years,[25] there's still a gap in action, with many companies still considering how to incorporate the circular economy into their business models.

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-ready solution.

[20] Gartner, https://www.gartner.com/en/newsroom/press-releases/01-17-2024-gartner-forecasts-worldwide-it-spending-to-grow-sixpoint-eight-percent-in-2024 (Jan, 2024)
[21] ADEME, Assessment of the environmental impact of a set of refurbished products, https://librairie.ademe.fr/ged/7385/ademe_impact_environnemental_reconditionnement_rapport_en.pdf
[22] ITU/UNITAR, UN Global E-waste Monitor 2024, https://ewastemonitor.info/the-global-e-waste-monitor-2024/ (April 2024)
[23] ITU/UNITAR, UN Global E-waste Monitor 2024, https://ewastemonitor.info/the-global-e-waste-monitor-2024/ (April 2024)
[24] CGRi, https://www.circularity-gap.world/2024 (2024)
[25] CGRi, https://www.circularity-gap.world/2024 (2024)

The customer journey to circularity
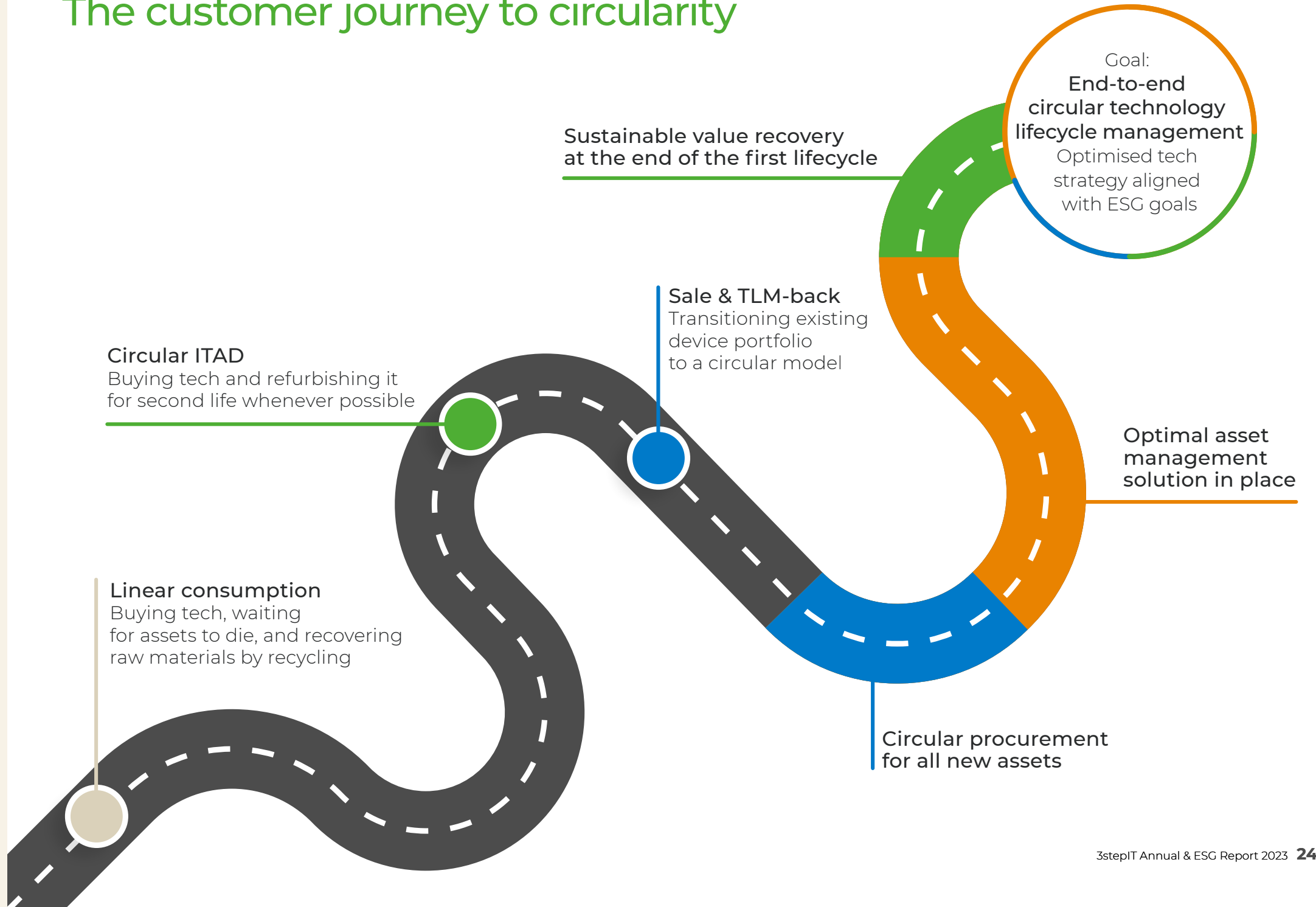
**Sustainable value recovery
at the end of the first lifecycle**

Goal:
**End-to-end
circular technology
lifecycle management**
Optimised tech
strategy aligned
with ESG goals

Sale & TLM-back
Transitioning existing
device portfolio
to a circular model

Circular ITAD
Buying tech and refurbishing it
for second life whenever possible

**Optimal asset
management
solution in place**

Linear consumption
Buying tech, waiting
for assets to die, and recovering
raw materials by recycling

**Circular procurement
for all new assets**

Our approach to ESG

Our focus areas	Environmentally sustainable		Socially conscious		Responsible governance	
	Mitigating environmental impact	Maximising benefits of circularity	Responsible employer	Positive social action	Ensuring compliance	Sustainable value chain
Our actions	Climate change mitigation Minimising waste to disposal Minimising energy use	Enabling material reuse Supporting customers with circularity & climate impact	Taking care of our employees Diverse, equitable, and inclusive workplace Building organisational knowledge	Enabling second-hand devices to the market Work with vulnerable social groups	Fulfilling regulatory and compliance obligations Ensuring data security across operations	Implementing ESG standards across the supply chain Ensuring responsible reuse of devices

Our ESG impact

Over 3M
devices under management[26]

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

700,000+
devices made available for reuse
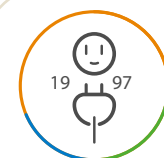
26 years
of making the circular economy a reality

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

Committed
to the UN Global Compact and the Science Based Targets initiative (SBTi)

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

Material ESG topics

In preparation for meeting the requirements of the EU's Corporate Sustainability Report Directive (CSRD), we have completed a double materiality assessment, which identifies the core ESG impacts, risks, and opportunities (IROs) for our business.

During this process we scored all IROs based on the impact we create through our business operations and activities, as well as the financial impact of the IRO on our business, to determine which were material topics and which were non-material.

All IROs have been assessed as original impacts, risks and opportunities for 3stepIT before any mitigation of risks or exploiting of opportunities has been done. This way, the graphic illustrates which IROs are the most material to our operations, instead of how much risk or opportunity we have left in each area after conducting actions.

We have identified 16 risks and 9 opportunities (25 IROs in total), 15 of which we have found to be material (due to an impact or financial score above 2). These are connected to 12 different sub-topics, 8 of which have been found to be material.

These material topics will form the basis or our ESG strategy and action plan going forward, as well as all ESG reporting in line with GRI Standards.

Materiality chart
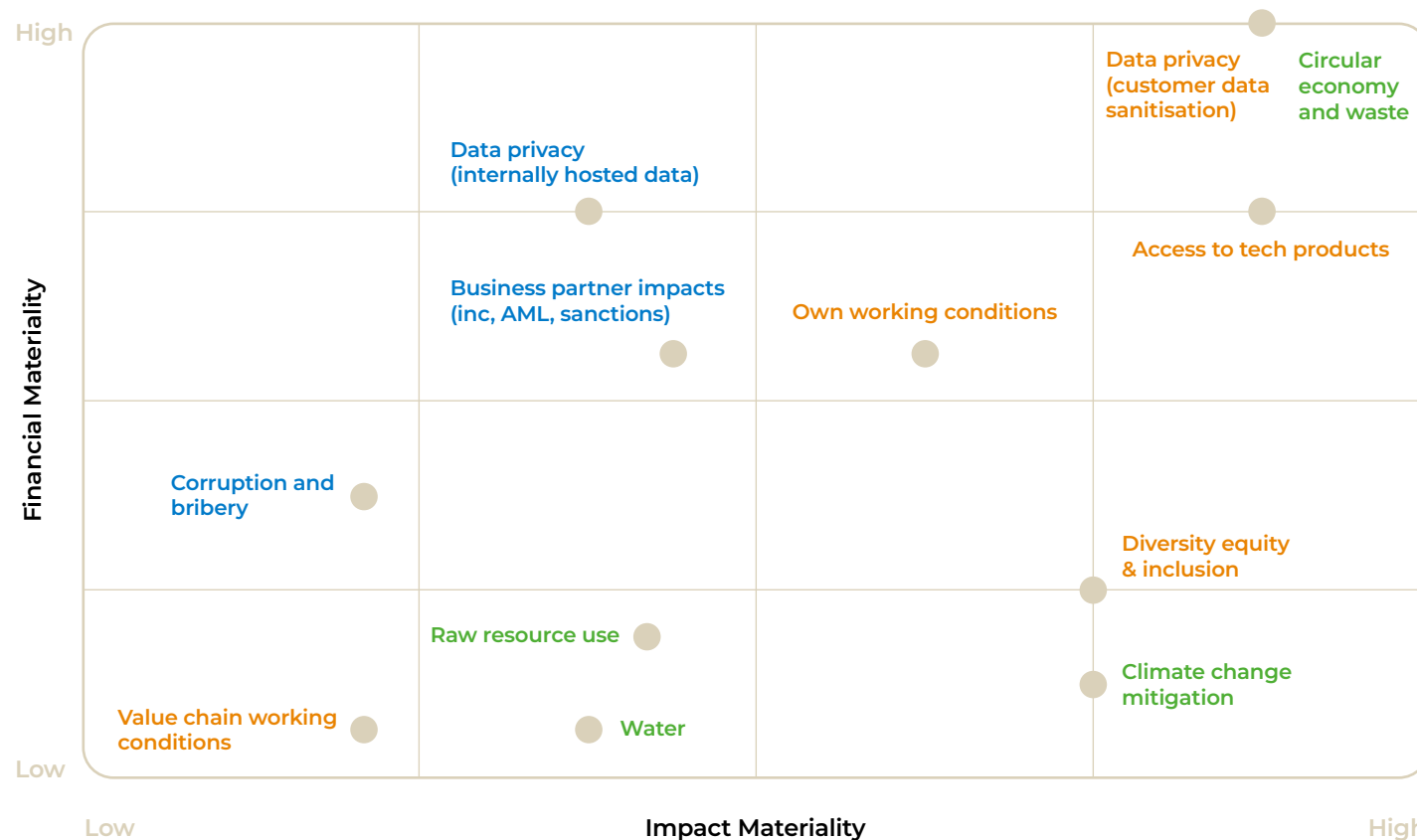
Materiality across our value chain

The table below shows where these material IROs are relevant to our value chain, including our operations and upstream and downstream value chain.

	Upstream			Operations	Downstream		
	Device acquisition	Leasing period	Upstream logistics	Refurbishment and supporting operations	Downstream logistics	Trading and reuse	End-of-life
Climate change and energy			Climate change mitigation				
				Energy use			
Resource use and circular economy				Circular economy		Circular economy	Waste
Own workforce				Working conditions in own workforce			
				Diversity, equity, and inclusion		Diversity, equity, and inclusion	
Consumers and end-users		Customer data protection		Customer data sanitization			
						Access and affordability of technology	
Corporate governance	Supply chain management		Supply chain management		Supply chain management		
	Anti-money laundering and sanction control				Anti-money laundering and sanction control		
		Data privacy		Data privacy			

Our stakeholders

Engaging regularly and transparently with our stakeholders is fundamental to the way we operate and core to any sustainable business model. Our stakeholders are both impacted by our business and can also impact our ability to operate. Many of these stakeholder groups were interviewed as part of our double materiality assessment and have formed part of our approach to ESG across our company.

	How we engage with them	What they expect
Our people	• Meetings with managers. • Annual employee survey and mid-year pulse survey. • Company updates, meetings, and training days. • Internal learning & development platform. • Regular digital internal communications. • Speak up line.	• Strong company culture. • Safe, fair, and equitable workplace. • Competitive remuneration and sustainable financial performance. • Opportunities for learning, development, and progression. • Clear communication and reporting lines.
Our customers	• Regular customer meetings and account management. • Customer satisfaction survey (NPS). • Annual & ESG Reports. • External communication updates.	• Circular tech services that deliver operational, financial, and environmental advantages. • Processes and expertise that maximise the tech lifecycle. • Secure management of data. • Support with ESG reporting requirements and data insights. • Procurement and asset management advice. • Innovation and service excellence. • Regulatory and legal compliance.
Our suppliers and partners	• Surveys, audits, and assessments. • Account management. • External communication updates.	• Fair, supportive, and transparent business practices. • Advice about circular tech services, trends, and requirements. • Clear communication and payment terms. • Regulatory and legal compliance. • Anti-corruption and integrity measures.
Governments and regulators	• Compliance with reporting standards and obligations. • Implementation of local laws and regulations.	• Regulatory and legal compliance and reporting. • Anti-corruption and integrity measures.
Industry	• Membership in relevant organisations. • Events.	• Knowledge sharing and collaboration. • Research and insights.
Local communities	• Employment opportunities. • Charitable support and donations. • Renewable energy production.	• Employment opportunities and meaningful work. • Compliance with local laws and regulations. • Environmentally and socially responsible practices.

Our targets and progress - Environmental

	Goal	Status	Link to ESG approach	Update in 2023	Data
E	Increase renewable energy rate across all operations and reduce Scope 1 & 2 GHG emissions.	Continuous	Mitigating environmental impact: Minimising energy use.	• Increased sites with renewable electricity certificates to six. • The CO2e factor of district heating decreased across our operations.	Renewability rate increased to 99 % in electricity (98 % in 2022) and 72 % in heating (44 % in 2022).
	Increase coverage of Scope 3 GHG emission reporting to all applicable categories by 2025.	Ongoing	Mitigating environmental impact: Climate change mitigation.	• Data acquired for purchases and waste management. • Ongoing work to address categories where data is unavailable.	Scope 3 GHG emission data now available from five categories.
	Minimise waste in refurbishing operations through growth in Repair Programme.	Continuous	Mitigating environmental impact: Minimising waste to disposal.	• New resources for repair introduced. • Volume increased in all three remarketing centres.	36,000 devices repaired in 2023, reusing 26,000 spare parts.
	Improve material recycling rate of recycled devices, and the level of detail of recycling data.	Continuous	Mitigating environmental impact: Minimising waste to disposal.	• Continuous cooperation with waste management partners to improve material recycling rate and increase data acquisition capabilities.	91 % of all devices sent to waste partners recycled as material.
	Supporting our customers to give a second life to 9/10 end-of-lease devices[27].	Continuous	Maximising benefits of circularity: Supporting customers with circularity and climate impact.	• Reuse rate for EOL Core 1 devices improved from 2022, despite increased overall production volume.	96 % of the Core 1 devices returning from leasing resold for reuse.
	Increase refurbishing capacity across Europe.	Ongoing	Maximising benefits of circularity: Enabling material reuse.	• Circular ITAD sales and devices returned at EOL increased. • Processed device volumes increased.	Refurbished device volume up 24 % in 2023.

[27] This refers to Core 1 devices - laptops, smartphones, monitors, tablets, desktops.

Our targets and progress - Social

	Goal	Status	Link to ESG approach	Update in 2023	Data
S	Maintain response rate and engagement in Annual Employee Survey.	Continuous	Responsible employer: Taking care of our employees.	• Mid-year pulse survey introduced in addition to Annual Employee Survey.	Response rate of 92%. Employee engagement score 74%.
	Maintain mandatory training completion rate for all employees.	Continuous	Responsible employer: Build organisational knowledge.	• Includes: Security Policy and GDPR, Culture and Code of Conduct, Quality and Environmental Management System, and Competition Law.	98% completion rate in 2023.
	Implement DEI training in 2024.	In progress	Responsible employer: Diverse, equitable, and inclusive workplace.	• Company-wide training planned to increase organisational knowledge and awareness.	Ongoing.
	Cooperation with social organisations, supporting foundations and non-profit organisations to provide working or learning opportunities in our communities.	Ongoing	Positive social action: Work with vulnerable social groups.	• Partnerships with social enterprise organisations extended from Sweden and now also in place in Norway and Finland.	Ongoing.
	Increase volume of devices available for reuse.	Ongoing	Positive social action: Enabling second-hand devices to the market.	• Number of devices available for reuse increased.	Resold device volume up 23%.

Our targets and progress - Governance

	Goal	Status	Link to ESG approach	Update in 2023	Data
G	Recertification of our Quality, Environmental & Information Security Management Systems in accordance with ISO standards.	**Done**	Ensuring Compliance: Fulfilling regulatory and compliance obligations. Ensuring compliance: Ensuring data security across operations.	• All three management systems were recertified in 2023 without non-conformities.	Certificates for ISO 9001, 14001, 27001.
	Fulfil EU´s and national ESG reporting requirements.	**Ongoing**	Ensuring Compliance: Fulfilling regulatory and compliance obligations.	• Double Materiality assessment completed. • Gaps between requirements and capabilities analysed. • Preparation for mandatory CSRD reporting by 2026 underway.	
	Implement 3stepIT´s sustainability values across the value chain.	**Ongoing**	Sustainable Value Chain: Implementing ESG standards across the supply chain.	• Supplier / partner groups being aligned with Code of Conduct. • Ongoing implementation of partners/supplier ESG requirements. • Actively undertaking supplier and partner audits.	KPI: proportion of audited suppliers/partners annually.
	Sale of used device to markets with regulatory frameworks in place.	**Continuous**	Sustainable Value Chain: Ensuring responsible reuse of devices.	• An ESG assessment survey has been sent to all trading customers to assess their ESG values and performance. • First ESG compliance audits performed for trading customers to validate the responses of the survey.	96% of devices are sold to European destinations.

Supporting the UN Sustainable Development Goals

As part of the United Nations 2030 Agenda, the Sustainable Development Goals (SDGs) set a global action plan for change on issues such as climate change and inequality. Like all responsible businesses, we are committed to contributing to these goals and working towards a more fair, just, and sustainable world. We are signatories to the UN Global Compact (UNGC). We have analysed our business processes and services and have identified nine goals, where we can align our own operation with the UN agenda, or where our circular services support our customers to do the same.

17 PARTNERSHIPS FOR THE GOALS
- Uniting manufacturers, financing and channel partners, and customers together in an ecosystem that is working to achieve a more sustainable, circular future.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- Strong and transparent supply chain practices.
- Anticorruption mechanisms in place.
- Regulatory compliance across all relevant jurisdictions.

4 QUALITY EDUCATION
- Training and development opportunities for our team, including digital upskilling and exploring new sustainability innovations.

13 CLIMATE ACTION
- Reducing our own environmental impact.
- Supporting organisations in aligning their tech procurement with emissions reduction targets.

7 AFFORDABLE AND CLEAN ENERGY
- Creation and purchase of renewable energy to power our sites and return to the grid in the communities in which we operate.
- Striving for energy efficiency across our operations.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- Decoupling growth from consumption and embedding the principles of the circular economy in our business and across our supply chain.
- Addressing the issue of e-waste.

Our contributions to the UN Sustainable Development Goals

10 REDUCED INEQUALITIES
- Improving digital access through an affordable and thriving second hand market.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- Raising industry standards on sustainable refurbishing facilities.
- Introducing innovation into our sector.

8 DECENT WORK AND ECONOMIC GROWTH
- Supporting training, upskilling, and long-term job opportunities in the tech sector for EU workers.
- Offering quality jobs in the circular economy section within local communities.
- Providing a safe and secure working environment for our employees.
- Guaranteeing a living wage and offering competitive remuneration for our employees.

Delivering industry-leading excellence

We strive to maintain excellence across our operations in line with our ESG commitments. But it's not our opinion that matters most. We've had our business audited and assessed by the leading global environmental and management agencies to ensure we're operating at a gold standard.

International ISO-certifications	Science Based Targets initiative (SBTi)	Silver EcoVadis Sustainability Rating	Ellen MacArthur's Circulytics™ Assessment - Grade A
Our management system is based on implementation of ISO 9001, ISO 14001, and ISO 27001 standards, which were re-certified during 2023. These certifications are externally audited every year to ensure ongoing progress. The standards are set by the International Organisation for Standardization, which brings global experts together to agree on the best approach to business practices, particularly in the areas of technology, manufacturing, and business management.[28]	We are committed to the Science Based Targets initiative (SBTi), which is dedicated to enabling corporate climate action. The initiative supports organisations like ours to play their part in combating the climate crisis by providing a clearly defined, science-based pathway to reduce emissions across their operations and supply chain. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to limit global warming to 1.5°C above pre-industrial levels.[29]	In 2023 we were awarded the EcoVadis silver rating for sustainability.[30] EcoVadis is the largest collaborative platform in the world for trading partners to share sustainability performance information across four sustainability themes: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. 3stepIT ranked amongst the top 6% of the companies assessed by EcoVadis on their sustainability performance in 2023.[31]	3stepIT has been awarded Grade A by the Ellen MacArthur Foundation's Circulytics™ assessment, scoring highly for its circular economy business model. The assessment rates the extent of a company's success in adopting circular economy business opportunities, provides a 'snapshot' of the circularity of their service models, and highlights development areas. This is the final year that the Foundation will offer its Circulytics Assessment. It now encourages organisations to meet the requirements of the EU's Corporate Sustainability Reporting Directive.[32]

[28] ISO, Environment Management Systems, https://www.iso.org/standard/60857.html
[29] Science Based Targets, https://sciencebasedtargets.org/how-it-works
[30] Rating received in April 2024 based on submission completed using 2023 data
[31] EcoVadis, https://ecovadis.com/solutions/ratings/
[32] Ellen MacArthur Foundation, https://www.ellenmacarthurfoundation.org/resources/circulytics/overview

Aligning our circular tech services with our customers' ESG priorities

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

Our ESG Performance in 2023

We pioneered the circular technology management model over 25 years ago. Today, our mission is to make it the "new normal" for business technology and to support the European Union's plan to achieve a circular economy by 2050. The circular economy is a powerful tool for businesses, with the potential to unlock USD$4.5 trillion in economic benefits by 2030[33] and the ability to significantly enhance an organisation's ESG impact. Our circular tech services are contributing to the transition to the circular economy for technology by:

- ## Offering an alternative way to procure and consume tech

  based on access to devices instead of traditional, single-use ownership.

- ## Promoting sustainable user behaviour

  through our asset management platform, which increases utilisation and improves oversight and control of devices, which can, in turn, extend the useful life of a device. Knowing that technology has resale value and must be returned also encourages responsible user behaviour.

- ## Optimising the value of technology

  by maximising operational efficiency, financial advantage, and environmental sustainability for our customers and their IT users, through an end-to-end approach to technology management.

- ## Creating greater digital inclusion

  by refurbishing devices and making them available for resale, where a second user can purchase an affordable used device instead of a new one.

We have developed our approach to ESG to enhance our ability to deliver impact in each of these areas, as well as operate as a responsible business and mitigate our own impact. This year, we committed to the Science Based Targets initiative, which ensures our ESG ambitions are in line with the latest evidence of what is necessary to limit global warming to 1.5°C. We're also working behind the scenes to ensure our sustainability reporting is compliant with the Corporate Sustainability Reporting Directive (CSRD) so we can maintain the highest standards of transparency and support our customers in understanding their own ESG impact.

[33] Accenture Strategy, 'Waste to Wealth', 2015, https://newsroom.accenture.com/news/the-circular-economy-could-unlock-4-5-trillion-of-economic-growth-finds-new-book-by-accenture.htm

🌱 Environmentally Sustainable

Mitigating our own environmental impact

We want to grow our business responsibly and sustainably and we really believe we can achieve more with less. This means reducing our energy consumption and carbon emissions across our operations and doing everything we can to minimise our footprint while growing our positive impact.

GHG Emissions Reduction

- We are committed to reducing our emissions in line with the Science Based Targets initiative.
- Our Scope 1 emissions are primarily derived from owned company car travel.
- Our Scope 2 emissions are attributed to emissions from electricity and heating and are reducing year-on-year as we implement more energy-efficient solutions across our sites and increase the portion of renewable energy when purchasing electricity and heat.
- A primary source of our Scope 3 emissions is our transport and logistics partners. We're actively working with these suppliers, and others across our value chain, to ensure they are implementing an emissions reduction plan and can report on their customer-specific GHG emissions. Many of our logistics partners have already made a transformation towards electric vehicles or fuels from renewable sources.
- We promote the use of public transport by our employees wherever possible, and we are implementing a greener carpool through our renewed car policy – in Sweden, 99.5% of our company cars electric or hybrid.

GHG emissions

Category name	GHG emissions (tCO2e) 2023	2022	2021
Direct Scope 1 GHG emissions - Owned vehicles	6	8	0
Energy indirect Scope 2 GHG emissions	84	101	132
Electricity (Location-based)	8	14	7
Electricity (Market-based)	6	0	0
Heating (Location-based)	70	88	125
Heating (Market-based)	0	0	0
Other indirect Scope 3 GHG emissions[34]	4548	651	355
Purchased goods and services	3404	N/A	N/A
Capital goods (acquired in 2023)	124	N/A	N/A
Transportation	377	355	114
, of which upstream	138	N/A	N/A
, of which downstream	239	N/A	N/A
Waste generation	124	N/A	N/A
Business travel	228		
, of which flights	114	111	23
, of which other	114	N/A	N/A
Upstream leased assets	291	185	218
, of which leased vehicles	140	185	218
, of which other assets	151	N/A	N/A

[34] Scope 3 GHG Emission calculation coverage in 2021 and 2022 is limited compared to 2023.

# 🌱 Environmentally Sustainable

Minimising energy use

- We are committed to reducing our energy consumption across our entire operations.
- Our rate of energy intensity per processed device is dropping year on year, as our refurbishing processes become more efficient.

- **100% of our refurbishing centres, as well as our HQ, are powered using renewable electricity.** In Norway, we have installed a total of 700m² of solar panels in our Ski refurbishing centre, which will produce up to 125,000 kW per year.

Energy consumption

Type of energy	Consumption (MWh)			Renewability rate (%)		
	2023	2022	2021	2023	2022	2021
Fuel, non-renewable	581	899	N/A	10 %	3 %	N/A
Fuel, renewable	66	31				
Electricity	1304	1191	1356	99 %	98 %	95 %
, of which self-generated	67	88	0	100 %	100 %	N/A
Heating	787	810	931	72 %	44 %	
Total energy consumption	2738	2931	2287	89 %	77 %	
Total electricity sold	49	42	0	100 %	100 %	

Energy intensity* per processed device	Intensity (kWh / device)		
*Energy consumption in refurbishment centers included.	2023	2022	2021
Electricity / device	1.13	1.25	N/A
Heating / device	0.51	0.60	
Total energy consumption / device	1.64	1.85	
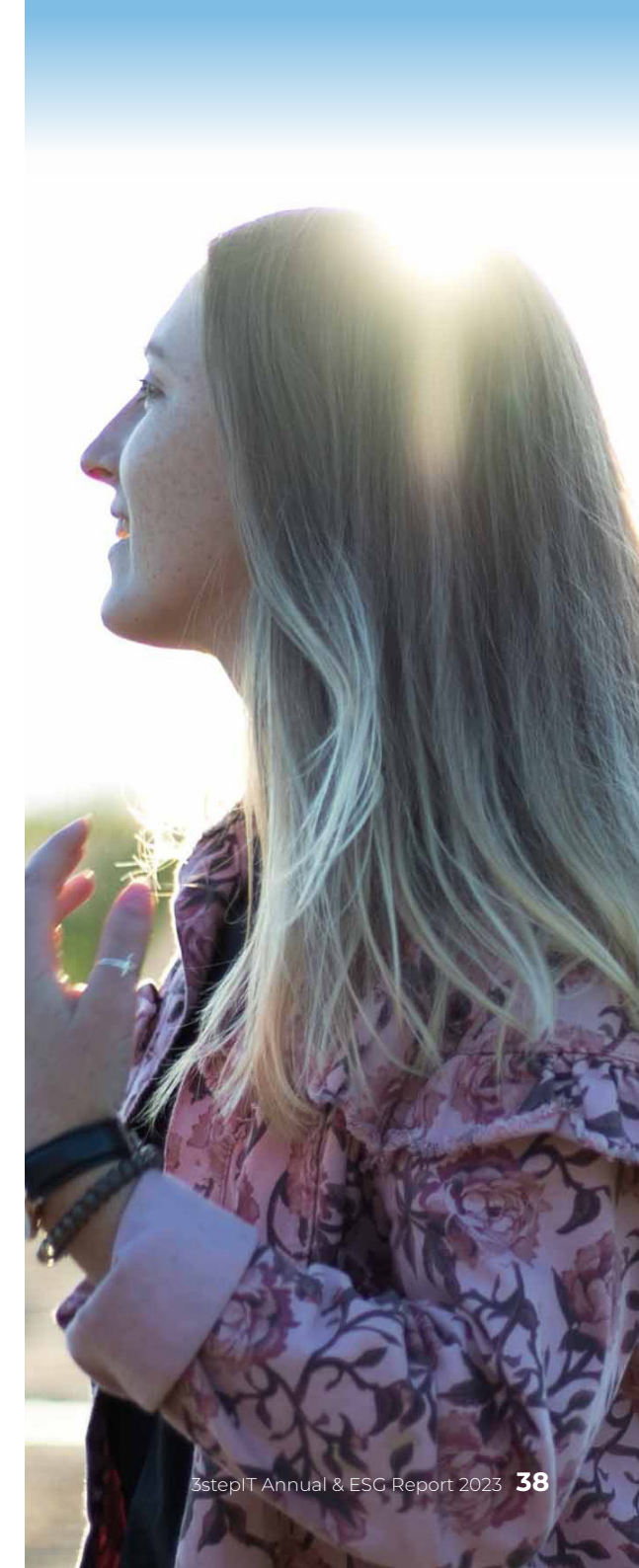
🌱 Environmentally Sustainable

Minimising waste to disposal

- We draw heavily on the principles of the circular economy to optimise our waste strategy.
- All our sites are ISO 14001 certified, using an internationally recognised environmental management system, which ensures that we systematically develop and implement our resource management methods.
- We only work with local recycling partners, which have the required environmental permits in place and are well-suited to handle the type of waste they receive. ll of our recycling partners aim to maximise the material reutilisation rate, with 87 % of all waste being recycled as material, 10 % incinerated with energy utilisation and just 3 % disposed of by other means, in accordance with EU-level waste legislation.
- To reduce waste, we reuse incoming plastic wrapping for the refurbished products leaving our centres.
- To improve shipping densities and save material, we have developed smart, secure packaging for IT equipment that maximises the use of space while protecting equipment during transportation.
- We educate our customers and logistics partners to work with these methods, supporting them to implement circularity as a part of their waste reduction plans.

Waste generation

Category	Weight (t)		
	2023	2022	2021
Total weight of waste generated	689	457	N/A
Electronic waste, non-hazardous	513	348	N/A
Electronic waste, hazardous	58	22	N/A
Non-electronic waste, non-hazardous	115	85	N/A
Non-electronic waste, hazardous	3	2	N/A

Waste diverted from disposal

Category	Weight (t)		
	2023	2022	2021
Recycling, non-hazardous	542	400	N/A
Recycling, hazardous	56	22	N/A
Recycling, total	598	422	N/A
Preparation for reuse, non-hazardous	2095	1658	1332
Preparation for reuse, hazardous	0	0	0
Preparation for reuse, total	2095	1658	1332

🌱 Environmentally Sustainable

Maximising the benefits of circularity

Our customers know that, to achieve sustainable growth, it's essential to maximise value and efficiency and while minimising waste – both are key components of circularity. Our circular tech management services support organisations in acquiring the latest digital technology and optimising these assets for maximum operational, financial, and environmental performance throughout procurement, in-life management, and renewal. We refurbish used corporate devices and make them available on the second-hand market to be purchased by a new user, who will be able to access an affordable used device instead of buying a carbon and resource intensive new one. By enabling corporate tech to be reused, we maximise each device's full value, extend its functional lifecycle, and minimise waste.

Enabling material reuse

- Our circular technology management services are designed to reduce the strain on natural resources caused by the manufacture of technology.
- Through refurbishing, repair and reuse, we ensure used corporate devices get a second life with a new user.
- **Last year, our centres refurbished more than 700,000 devices that went back into the market to be repurchased and reused, instead of new, carbon and material intensive devices.**
- **Of these, 96% were re-sold to trading partners based in Europe.**

Supporting our customers with circularity and climate impact

- Our circular technology management services help our customers implement circularity across their digital footprint and reduce their climate impact.
- With more than **25 years' proven experience in the circular economy**, we have unrivalled expertise, data and insights which can support organisations to optimise the value of their technology.

- We offer a more sustainable procurement model that prioritises access to tech over ownership and allows organisations to choose the make and model of device that supports their ESG goals.
- Included in our service includes access to a powerful asset management platform that helps organisations manage their technology more efficiently and encourages sustainable user behaviour.
- Our secure IT asset disposal service ensures all used corporate devices are securely wiped, using an internationally certified sanitization process.
- As we prepare to comply with the EU's Corporate Sustainability Directive, we are investing heavily in our data capture, analysis and reporting capabilities, which will in turn help our customers to better understand their own ESG risks and opportunities in relation to their technology investments.

Processed devices	2023	2022	2021
Total number of processed devices	904333	728854	562067
% of End of Lease Core 1 devices[35] returned for reuse*	96 %	95 %	98 %
Spare part reuse % in repairs**	88 %	71 %	N/A
% of devices sold to Europe***	96 %	98 %	100 %

[35] Laptops, smartphones, monitors, tablets, desktops.
* EOL Core 1 devices sold for trading customers to be reused, divided by all EOL Core devices exiting the refurbishment centers.
** Spare parts reused from other non-functional devices, divided by all used spare parts.
*** Devices resold to Europe for reuse, divided by all devices resold for reuse.

3stepIT

Environmentally Sustainable

Circular value recovery with our Repair Programme

The 3stepIT Repair Programme is a fantastic example of the circular economy in action. It sees our team 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. It quickly went from being a small local pilot to being rolled out across all our refurbishment centres. It has now become an important part of our operational processes. Resource optimisation like this is what our customers sign up for when they choose a circular TLM model and gives them confidence that we do everything in our power to extract the maximum value from their used devices and give them a second life. **In 2023, our product life extension experts repaired almost 36,000 devices and reused more than 26,000 spare parts.** Importantly, the proportion of spare parts being reused in repairs is growing year on year, as we continue to refine our processes and invest in the expertise of our team.

Circular value recovery

Circular value recovery	2023	2022	2021
Total volume of the repair programme	35927	34234	25947
Spare part reuse % in repairs*	88 %	71 %	N/A

* Spare parts reused from other non-functional devices, divided by all used spare parts.

👤 Socially Conscious

Responsible employer

Our people are our greatest asset. They underpin our performance and customer service excellence. We believe creating the right environment for our teams to reach their full potential is a strategic imperative and a critical part of fulfilling our social responsibilities.

Taking care of our employees

- We have a world class team. They are what makes our company great and set us apart from our competitors.
- We measure people engagement and satisfaction through a comprehensive annual survey, conducted and benchmarked by an external company, as well as a smaller, mid-year pulse survey. An impressive 92% of our team responded to the annual survey in 2023.

- **9/10 people said they are A) proud to work for 3stepIT and B) have good working relationships with others in their team.**
- The safety and wellbeing of our people is our top priority, and we are continually assessing our policies and procedures to ensure we are offering a safe and productive work environment.

Diverse, equitable, and inclusive workplace

- We are committed to diversity, equity, and inclusion throughout our entire business. This includes creating fair opportunities and an inclusive culture, supported by training for all our people and clear, regular measurement of our progress.
- We strive to create a workplace where every 3stepper is seen as a unique talent and encouraged to continuously develop and grow.
- We are committed to maintaining gender equality in our recruitment and talent acquisition processes, always striving for a gender-balanced talent pool for new positions and hires.
- We have published a diversity, equity, and inclusion statement internally, on our website and shared it with our external partners and stakeholders.

Employee engagement & turnover	2023	2022	2021
Employee engagement rate*	74 %	67 %	Not comparable
Employee turnover rate	12.4 %	15.2 %	10.4 %

* Employees giving a favourable engagement score, divided by all employees responding to the employee engagement survey.

3stepIT Annual & ESG Report 2023   **42**

Socially Conscious

Grow organisational knowledge

- In 2023, we continued to prepare our team and our business for the future through our learning and development plan.
- We maintained a focus on our leadership, building their skills and capabilities to support and guide their teams.
- We also invested in training for our sales team, who are at the forefront of our drive to spread circular technology management model throughout Europe.
- Through our company-wide online training platform, we delivered mandatory courses on business ethics and modules covering our code of conduct, antibribery, corruption, quality and environmental management, and data security, with a 98% completion rate.

Supporting employee wellbeing

We believe everyone should be able to bring their whole selves to work. A happy, supported team is more creative and productive, and will ultimately deliver better results for our customers. In 2023, we invested in a mental health and wellbeing service for our employees in Finland, where our business is headquartered. The team can access self-guided exercises and reading material, as well as one-to-one appointments with qualified mental wellbeing professionals.

Title Training completion	2023	2022	2021
Completion rate for mandatory training %*	98 %	98 %	99 %

* An average of employees completing annual mandatory trainings, divided by an average of people invited to complete annual mandatory trainings.

👤 Socially Conscious

Contributing to social development

For us, being a responsible business means caring for and investing in our communities. Our business model is designed to address a key social issue – closing the digital divide. More refurbished devices in the market means greater access to affordable technology for those who need it, which in turn enables better education, access to jobs and opportunities, and more. We drive this ambition through the strategic growth of our business, in the way we operate and through our community engagement initiatives, which focus on fostering digital access and inclusion.

Increasing access to second-hand devices in the market

- As technology becomes increasingly intertwined with every part of our daily lives, digital skills are an essential part of accessing information, work, and opportunities. Yet 4 in 10 adults in Europe still lack basic digital skills.[36]

- Access to affordable, high-quality technology is key to solving the issue.

- In a circular technology management model, used business tech is sent to be refurbished and given a second life with a new user, reducing its environmental impact, creating a thriving second-hand market, and providing access to affordable technology to those who need it most.

- Last year, our centres refurbished more than 700,000 devices that went back into the market to be repurchased and reused. The potential for growth in this area remains significant.

Working with vulnerable groups of people

- We believe that economic inclusion for all people and groups is not just a moral imperative, but also a socio-economic necessity.

- Across our markets we partner with social enterprises to offer people with disabilities meaningful, quality work in our refurbishing centres.

- We also partner with several charities across the Nordics to provide sustainable, secure devices to people in need.

- In particular, we have focused our community engagement work on building greater digital access and inclusion for young people.

Device resale	2023	2022	2021	2020	2019	2018
Devices resold for reuse	739767	590949	442660	474290	454675	429394

[36] European Commission, https://digital-strategy.ec.europa.eu/en/policies/digital-skills-and-jobs
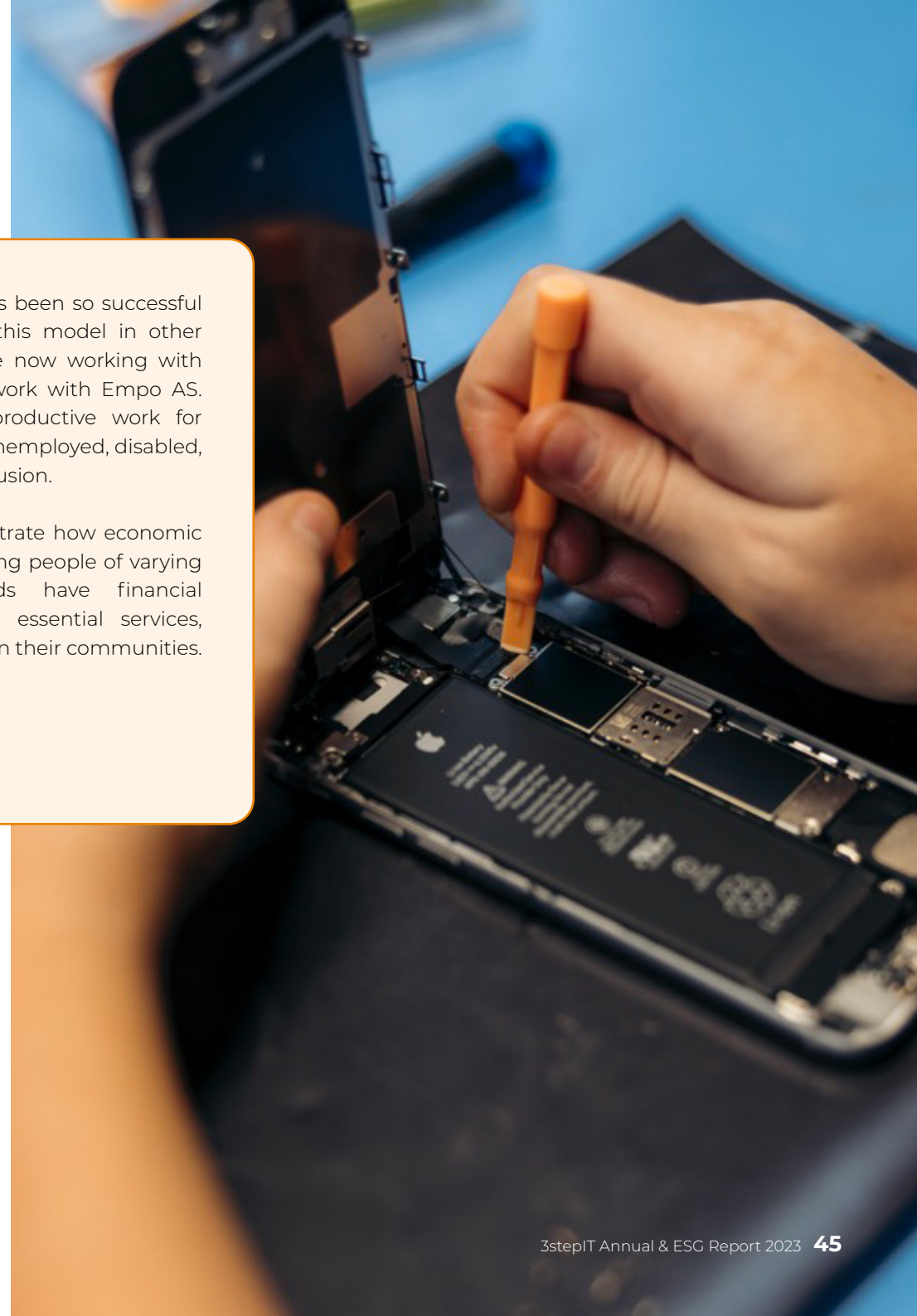
⚇ Socially Conscious

Building a more inclusive society through quality jobs in our refurbishing centres

In June 2022, 3stepIT Sweden began working with Samhall, a government-owned social enterprise that creates enriching jobs for people with disabilities.

Samhall trains its staff and matches them to the right roles in areas such as cleaning, care, logistics and manufacturing. A number of their employees now support our refurbishing work in Sweden, helping us to complete essential refurbishing tasks, including sorting computer cables and polishing screens.

The Samhall partnership has been so successful that in 2023 we adopted this model in other markets. In Finland, we are now working with Sotek, and in Norway we work with Empo AS. Both organisations offer productive work for people who are long term unemployed, disabled, or under threat of social exclusion.

These partnerships demonstrate how economic inclusion is crucial to ensuring people of varying abilities and backgrounds have financial independence, can access essential services, and can participate actively in their communities.

👤 Socially Conscious

Supporting digital access in Finland and Sweden

We support and invest in the communities in which we operate, with a strong focus on improving digital inclusion, using our refurbishing expertise to get sustainable technology to people in need.

For nearly a decade, 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 in securely processing donated devices in our Finnish refurbishment centre ready for their second use. Over the years, the programme's focus has shifted to support different groups from distributing devices to thousands of students who had been impacted by the COVID pandemic to providing refurbished devices to Ukrainian refugees who had been resettled in Finland. Last year, our team was proud to continue its support of this programme, donating nearly 200 devices to support Finnish students.

The Finland team also partnered with Fujitsu, donating devices and Fujitsu software to the Ronald McDonald Children's Home, where families of long-term sick children can live while their child is in hospital care.

In Sweden we partner with Hello World!, a non-profit organisation that uses digital tools to foster interest and knowledge about science, technology, innovation, and art. Hello World! offer free courses and activities in digital creativity for children and young people in order to improve digital access and inclusion for all. In 2023, Hello World! worked with 1,600 participants aged 8-16 years, delivering 24,000 hours of programmes and over 160 activities, including After School online courses, day camps, and a Kids Hack-day. 3stepIT provides devices for all the Hello World! courses, ensuring the students have access to secure and sustainable technology as they learn.
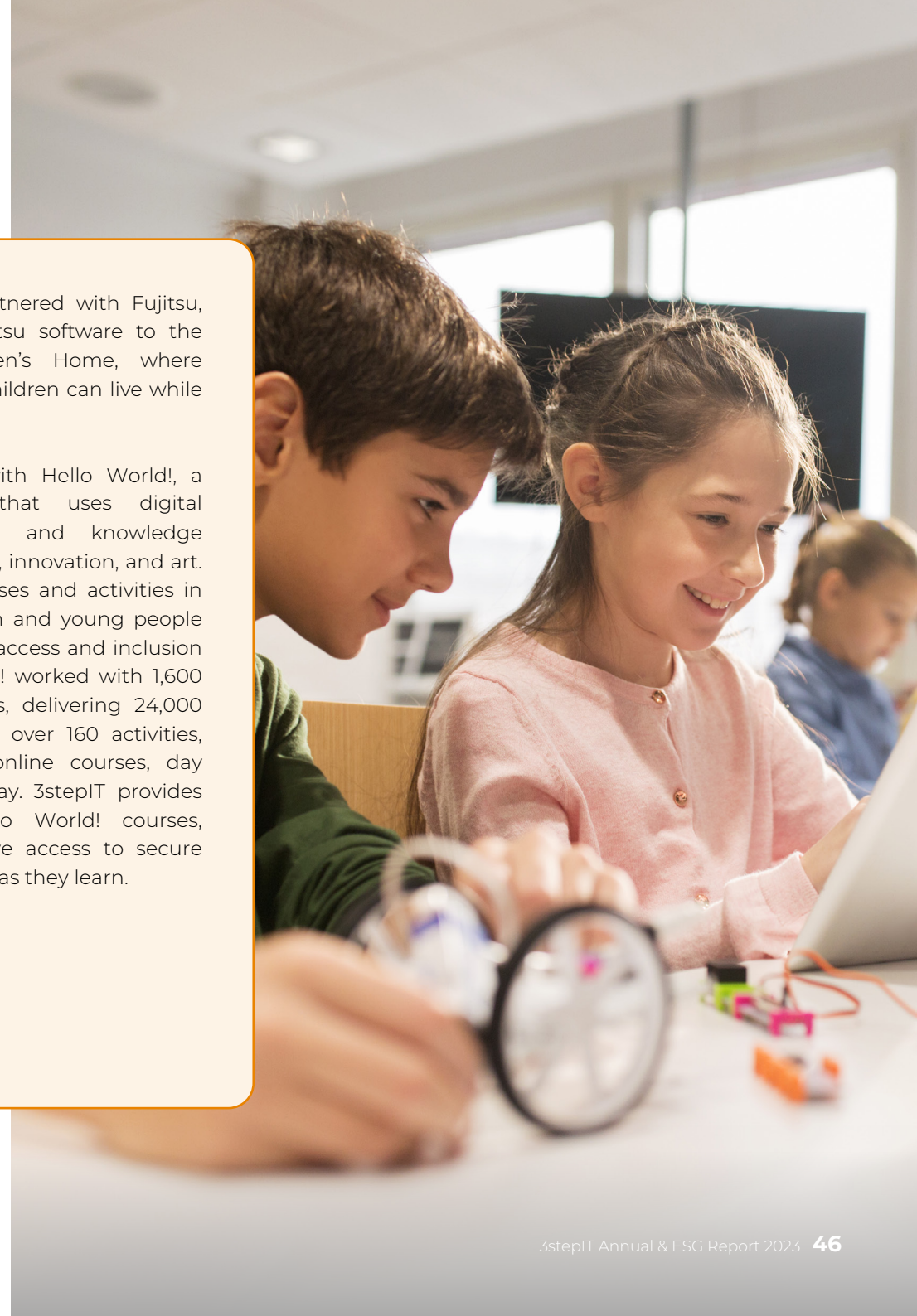
⬜ Responsible Governance

Ensuring compliance

We have a comprehensive governance structure in place to develop, maintain and regularly assess our ESG impact and performance. Our Board of Directors has ultimate oversight of our ESG strategy. They are responsible for monitoring our progress and signing off major developments to our plans. Our Leadership Team regularly reviews the plan and its execution, with oversight from our CEO. We have a company-wide framework and policies in place outlining our approach to ESG, through which we set targets, educate employees, measure our performance and impact, and communicate with our stakeholders. These policies are overseen by the Group Ethics & Compliance Officer and are available on our website. We report annually on our metrics as part of our ESG Report. This document is externally assured by an independent third-party, who assesses the validity of our data. We are reporting on our ESG performance with reference to Global Reporting Indicators– an internationally recognised approach to sustainability reporting. We have also reported on some of our own disclosures related to our ESG performance. All subsidiaries, sites and offices part of 3 Step IT Group Oy are included in the scope of the report.

Fulfilling regulatory and compliance obligations

- We have identified our key stakeholders and clearly identified how we engage with them and what they expect from us.
- We abide by all EU laws and regulations, as well as those set in the local jurisdictions where we operate.
- Our management system is based on implementation of ISO 9001, ISO 14001, and ISO 27001 standards, which are audited annually.
- We follow the anti-money laundering regulation know-your-customer process, which includes sanction controlling and continuous monitoring.
- Our people are guided by our Code of Conduct, which enshrines our company purpose and values and sets a standard for our behaviour, alongside company policies. All employees are encouraged to report possible misconduct and concerns to their line manager or via our Speak Up line, which offers anonymous reporting.

Ensuring information security in all operations

- From an information security perspective, we are continuously working on protecting the interests of our business, customers, and shareholders.
- We implement security measures aimed at balancing risk exposure, business value, vulnerabilities, and threats, and through the application of our ISO27001 certified information security management system.
- With more than 3 million business-critical assets under our management, we take our duty of care very seriously and have strict data security processes in place. Our data sanitization process is based on NIST 800-88 Rev.1 guidelines. We use best-in-class data sanitization software for secure media overwriting that conform to NIST 800 Purge and Clear levels. If a manual shredding process is required, we adhere to relevant DIN66399 shredding levels.
- We regularly update our business continuity plans to include regular testing across all our refurbishment sites and regular disaster recovery checks for our IT systems.
- In 2023, our major security improvements were the introduction of new internal and customer facing identity and access management systems, including better multi-factor authentication (MFA) and single-sign-on (SSO) capabilities.
- In 2024, we are preparing for the NIS2 information security directive entering into force in the Autumn, impacting both us and our customers. This will mean an enhanced focus on supply chain risk management.

📄 Responsible Governance

Sustainable value chain

No business operates in isolation, and we know our impact and influence extends beyond our direct operations. We are in regular contact with our suppliers and partners and we are committed to ensuring that our supply chain meets international standards and applies industry best practice.

Implementing own ESG standards to supply chain

- Our supplier code of conduct is 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, and trading partners.
- In 2023, we conducted ESG audits of a selection of our trading customers and reissued a sustainability questionnaire to all trading customers.
- We have also begun auditing our logistics partners, as part of a wider programme to implement a code of code across this part of our supply chain.

Ensuring responsible reuse of devices

- We only sell our refurbished devices to parties who know and that follow e-waste regulations.
- 96% of devices are sold to European destinations, reducing export-related CO_2 emissions.
- Devices and components that can no longer be reused are recycled 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.

Our sustainable supply chain commitment

We are committed to:

- Only reselling devices to trading customers with responsible sustainability practices and backgrounds we have thoroughly checked.
- Conducting regular checks to ensure trading customers meet our standards on environmental and waste management, anti-money laundering, sanction and embargo compliance, anti-corruption, bribery, and modern slavery.
- Conducting regular background checks for our suppliers and recycling partners.
- Actively following up if we think our suppliers need to improve their operations and standards.
- Recycling devices that can no longer be reused through professional partners.

Financial reporting

Profit and loss statement

1000 EUR	1.1.–31.12.2023	1.1.–31.12.2022
NET TURNOVER	**800,222**	**788,761**
Other operating income	**2,749**	**838**
Materials and services		
Materials and supplies		
Purchases during the financial period	-701,029	-692,641
Increase (+) or decrease (-) in inventories	-1,409	2,946
External services	-4,138	-3,919
Total materials and services	**-706,576**	**-693,614**
Personnel expenses	-42,347	-40,567
Depreciation and amortization	-4,441	-3,327
Other operating expenses	-27,708	-25,601
OPERATING PROFIT/LOSS	**21,899**	**26,491**
Financial income and expenses		
Share of profit of associated companies	1,999	2,854
Interest income	232	-23
Interest expenses	-1,213	-588
Other financial income and expenses	-132	175
Total financial income and expenses	**887**	**2,419**
PROFIT BEFORE TAXES	**22,787**	**28,910**
Income taxes	-4,978	-6,237
Change in deferred taxes	178	9
Minority interest	**-3,427**	**-3,783**
NET PROFIT FOR THE PERIOD	**14,559**	**18,899**

Balance sheet

1000 EUR	31/12/2023	31/12/2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	7,541	11,123
Tangible assets	762	774
Investments	16,486	18,966
Total non-current assets	**24,788**	**30,862**
CURRENT ASSETS		
Inventories	36,690	38,098
Receivables		
Long-term receivables	803	2,016
Short-term receivables	66,951	74,867
Cash and cash equivalents	39,407	28,983
Total current assets	**143,851**	**143,965**
TOTAL ASSETS	**168,639**	**174,827**

1000 EUR	31/12/2023	31/12/2022
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	2,283	2,283
Other equity	44,403	47,306
Total equity	**46,686**	**49,589**
MINORITY INTEREST	**11,219**	**11,494**
LIABILITIES		
Non-current		
Loans from credit institutions	1,000	2,000
Deferred tax liabilities	4	4
Total non-current liabilities	**1,004**	**2,004**
Current		
Loans from credit institutions	12,443	3,159
Trade and other payables	97,287	108,581
Total current liabilities	**109,730**	**111,740**
Total liabilities	**110,734**	**113,744**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**168,639**	**174,827**

Statement of cash flows

1000 EUR	2023	2022
Cash flow from operations		
Profit (loss) before appropriations and taxes	22,787	28,910
Adjustments	809	906
Change in net working capital		
Increase (-) / decrease (+) in current receivables	9,547	-23,625
Increase (-) / decrease (+) in inventories	1,368	-4,593
Increase (+) / decrease (-) in current liabilities	-10,340	23,903
Interest paid	-1,193	-584
Interest received	232	-23
Other financial items	-78	-94
Taxes paid	-5,845	-6,440
Net cash flow from operations	**17,287**	**18,360**
Cash flow from investments		
Purchase of tangible and intangible assets	-571	-705
Proceeds from sale of tangible and intangible assets	11	3
Acquisition of group companies	-365	-1,508
Proceeds from sale of investments	5,323	-
Dividends received	2,690	7,142
Net cash flow from investments	**7,088**	**4,932**
Cash flow from financing activities		
Proceeds from share issue	-	259
Acquisition of own shares	-	-16
Change in short-term loans	8,993	1,160
Proceeds from long-term loans	-	-
Repayment of long-term loans	-1,000	-1,000
Dividends paid	-21,858	-22,455
Net cash flow from financing activities	**-13,864**	**-22,052**
Increase (+) / decrease (-) in cash and cash equivalents	**10,510**	**1,240**
Foreign exchange effect on cash	-86	-255
Cash and cash equivalents 1.1.	28,983	27,998
Cash and cash equivalents 31.12.	**39,407**	**28,983**

Key ratios

KEY RATIOS

	2023	2022	2021	2020	2019
Net Turnover (MEUR)	800	789	694	663	685
Turnover growth, %	1	14	5	-3	1
EBITDA (MEUR)	26.3	29.8	33.7	30.1	34.7
EBITDA, %	3.3	3.8	4.9	4.5	5.1
Return on equity (ROE), %	30.2	37.1	51.1	41.3	39.0
Return on investment (ROI), %	34.9	44.4	52.7	38.3	37.6
Current ratio	1.3	1.3	1.3	1.2	1.1
Equity ratio, %	34.4	35.0	39.9	33.8	33.8
Gearing, %	-44.8	-39.0	-36.9	-37.7	-19.8
Average number of employees	457	437	406	401	409

CALCULATION OF KEY RATIOS

EBITDA (%)	100 x EBITDA / Turnover
Return on equity (%)	100 x (Net profit for the period + minority interest) / (Total equity annual average + minority interest annual average)
Return on investment (%)	100 x (Profit before taxes + financial expenses) / (Total equity annual average + minority share annual average + interest-bearing debt annual average)
Equity ratio (%)	100 x (Total equity + minority share) / (Total assets - received prepayments)
Gearing (%)	100 x (Interest-bearing liabilities - cash and cash equivalents) / (Total equity + minority interest)

GRI Content Index

GRI	Standard	Disclosure	Page	Assurance
GRI 2	General Disclosures 2021	2-7 Employees	59	x
GRI 302	Energy 2016	302-1 Energy consumption within the organisation	7, 27, 31, 39	x
GRI 302	Energy 2016	302-3 Energy intensity	39	x
GRI 305	Emissions 2016	305-1 Direct (Scope 1) GHG emissions	38	x
GRI 305	Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	38	x
GRI 305	Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	38	x
GRI 306	Waste 2020	306-3 Waste generated	40	x
GRI 306	Waste 2020	306-4 Waste diverted from disposal	31, 40	x
GRI 401	Employment 2016	401-1 New employee hires and employee turnover	43, 59	x
GRI 405	Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	60	x
3stepIT own		Total number of processed devices	11, 20, 31, 41	x
3stepIT own		% of EOL Core 1 devices returned for reuse	31, 41	x
3stepIT own		Total volume of the repair programme	31, 42	x
3stepIT own		Spare part reuse % in repairs	31, 41, 42	x
3stepIT own		% of devices sold to Europe	33, 41, 50	x
3stepIT own		Employee engagement rate	21, 32, 43	x
3stepIT own		Completion rate for mandatory training %	21, 32, 45	x

Independent practitioner's limited assurance report

To the Management of 3StepIT Group Oy

We have been engaged by the Management of 3StepIT Group Oy (hereinafter also the "Company") to perform a limited assurance engagement on selected Sustainability information for the reporting period from 1 January 2023 to 31 December 2023, disclosed in 3StepIT Annual Report 2023 (hereinafter the Selected sustainability information).

Selected sustainability information

The selected sustainability information within the scope of assurance covers the social and environmental GRI indicators and the company's own indicators as identified in the GRI content index included in the 3StepIT Group Oy's 3StepIT Annual & ESG Report 2023.

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 3StepIT Group Oy reporting instructions (described in Company's 3StepIT Annual & ESG Report 2023), and GRI Standards of the Global Reporting Initiative. 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 and quality management

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", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 "Assurance Engagements on Greenhouse Gas Statements". These standards require 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.

Independent practitioner's limited assurance report

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

- Interviewing senior management of the Company.
- Visiting one site in Vantaa, Finland.
- Interviewing employees responsible for collecting and reporting the Selected sustainability information at the Group level.
- Assessing how Group employees apply the reporting instructions and procedures of the Company.
- Testing the accuracy and completeness of the Selected sustainability information from original documents and systems on a sample basis.
- Testing the consolidation of the Selected sustainability 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 2023 is 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 the Selected 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 conclusion that we have reached.

Helsinki 20 June 2024

PricewaterhouseCoopers Oy

Tiina Puukkoniemi
Partner,
Sustainability Reporting & Assurance

Appendix

Additional social indicators

Employees by country

Country	2023	2022	2021
Finland	224 (47 %)	214 (48 %)	219 (51 %)
Sweden	123 (26 %)	115 (26 %)	105 (25 %)
Norway	46 (10 %)	39 (9%)	38 (9 %)
Estonia	38 (8 %)	31 (7 %)	28 (7 %)
Denmark	28 (6 %)	28 (6 %)	23 (5 %)
Other	16 (3 %)	15 (3 %)	15 (4 %)
Total	475	442	428

New employee hires by age

Age group	2023		2022		2021	
	n	%	n	%	n	%
Under 30	40	43 %	43	43 %	43	43 %
30-39	30	33 %	34	34 %	34	34 %
40-49	19	21 %	19	19 %	19	19 %
50-59	3	3 %	5	5 %	5	5 %
Total	92		101		101	

Appendix

Additional social indicators

Employees per contract type, by gender

Employee category	2023 Female	2023 Male	2022 Female	2022 Male	2021 Female	2021 Male
Permanent	211 (46 %)	247 (54 %)	200 (47 %)	226 (53 %)	197 (47 %)	221 (53 %)
Temporary	11 (65 %)	6 (35 %)	8 (50 %)	8 (50 %)	4 (40 %)	6 (60 %)
Total	222 (47 %)	253 (53 %)	208 (47 %)	234 (53 %)	201 (47 %)	227 (53 %)

Employees per employee category, by gender

Employee category	2023 Female	2023 Male	2022 Female	2022 Male	2021 Female	2021 Male
Employee	188 (49 %)	192 (51 %)	178 (51 %)	172 (49 %)	169 (50 %)	168 (50 %)
Line Manager	31 (39 %)	49 (61 %)	27 (34 %)	52 (66 %)	31 (38 %)	50 (62 %)
Executive	3 (20 %)	12 (80 %)	3 (23 %)	10 (77 %)	1 (10 %)	9 (90 %)
Total	222 (47 %)	253 (53 %)	208 (47 %)	234 (53 %)	201 (47 %)	227 (53 %)

Thanks for reading
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please visit our website >>**

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