

Sustainability Report 2023



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Sustainable highlights from 2023

Innovation for Energy Saving Solutions

With funding and support from DOGA (Design and Architecture Norway), we have accelerated our innovation in smart energy-saving solutions. This not only contributes to a greener future but also positions us as leaders in sustainable solutions. Read more on page 24.

Reduced Packaging, Plastics and Waste

We have taken significant strides in reducing the use of plastics and paper in our packaging. This effort not only minimizes our environmental footprint but also sets a new standard in sustainable packaging solutions. Read more on page 36

Testing and Development of More Circular Products

Our R&D team has been at the forefront of designing and developing products that embody the principles of circularity, reducing waste, and promoting reuse and recycling. This work will continue over the coming years.

Growth in Sales of Smart Energy Solutions

Reflective of the growing consumer demand for sustainable options, we have seen a remarkable increase in the sales of solar panels and energy-saving products.



Visit to Suppliers in China

Elektroimportøren has a global value chain and our commitment to sustainability extends beyond our borders. In 2023, a delegation from our company visited several of the factories we source products from in China, to ensure that our supply chain practices meet the highest standards of environmental stewardship and ethical conduct. The standard is over all high, but the visit also resulted in one factory disqualified for further deliveries. Read more on page 49

First Sustainability Strategy

During 2023 we developed and presented our first-ever sustainability strategy to our management team and board, marking a significant milestone in our commitment to integrating sustainability into the heart of our strategic decision-making process. We acknowledge the need for more specific targets and metrics, this is a top priority for 2024.

Double Materiality and ESRS Start-up

We have embraced the concept of double materiality, ensuring that our sustainability reporting captures both our impact on the environment and the impact of environmental changes on our operations. The initiation of ESRS reporting underscores our alignment with the latest in sustainability standards.

Energy Efficient Stores

Smart energy solutions are in the heart of our business. In 2023, we piloted a new solution for energy efficiency in three of our stores, resulting in a 15 percent energy saving in total. During 2024 and 2025, we will roll out this solution to all suitable stores.



About this report

This Sustainability Report provides an overview of how Elektroimportøren impacts the environment and social matters, and what the company does to govern and manage impact, risks and opportunities related to these matters across its value chain.

The report mainly covers activities in Elektroimportørens own operations. This includes all subsidiaries, such as Namron and SpotOn. To some extent, upstream and downstream activities are covered, such as a disclosure on due diligence assessments of human rights and decent working conditions in the supply chain. The company acknowledges the need for a more comprehensive disclosure of value chain activities in the future and will work towards that in the coming years.

Elektroimportøren has started the adaption of European Sustainability Reporting Standards (ESRS) to comply with the EUs Corporate Sustainability Reporting Directive (CSRD) in the reporting year 2025. The report is prepared on the basis of a double materiality assessment and provides details on the ESRS Topic Standards that has been identified as material in 2023. For more information on how the double materiality assessment was conducted, please refer to page 12.

As this is the first year Elektroimportøren is disclosing our work with sustainability, the report is limited in terms of data provided. This also includes measures and targets as the company is in the process of developing its sustainability strategy. The company aims to be fully compliant with ESRS in the reporting year 2025 and will work to strengthen its strategy and governance work during 2024.

The report provides information about greenhouse gas emissions to some extent. This is however not in any way complete and does not involve the total of emissions sources in either Scope 1, 2 or 3. The numbers are disclosed on the basis of an annually reporting to Miljøfyrtårn (The Eco-Lighthouse Foundation) and is not prepared in line with the Greenhouse Gas Protocol (GHG Protocol). To get a full overview of all emissions and to prepare climate accounts in line with the GHG Protocol is a top priority for Elektroimportøren in 2024.

To comply with disclosure requirements set out in the Norwegian law, the company disclose its work with equality as well as due diligence on human rights and decent working conditions. These statements are prepared in accordance with the requirements of the Norwegian Equality and Anti-Discrimination Act and the Norwegian Transparency Act. The Equality Statement is to be found in the annual report and the Transparency Act Statement will be published on the company website by 30 June 2024.

The Sustainability Report covers the fiscal year from 1 January 2023 to 31 December 2023. It is published at the same time as the Annual Report of 2023. As this is the first year Elektroimportøren provides a Sustainability Report, no restatements from previous reporting have been made. The report has not been assured by an external body.

CEO comments

Dear stakeholders,

It is with pride and a sense of responsibility that I introduce Elektroimportøren's very first Sustainability Report. As a leading Norwegian wholesaler and retailer of electrical materials and services, we have always believed in the importance of innovation and commitment to foster a sustainable future. Guided by the new framework from the EU, including the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), this report affirms our commitment to sustainability and responsible business practices.

The journey towards sustainability is a collective effort and will over the coming years be rooted in our whole team. This past year, our employees have embarked on several projects, that have enhanced our sustainability deliveries. Among the highlights, we have tested more circular products and product designs, we have reduced our packaging and use of plastics substantially and after Covid, we finally got to visit our main suppliers in China again. The initiative on double materiality and the launch of the ESRS have been pivotal in aligning our business strategies with sustainability goals, ensuring that our operations reflect our commitment to both environmental and social responsibility.

Elektroimportøren has a great business opportunity connected to the "green energy transition" and in 2023 we also run a big innovation project with the goal to increase our understanding of what consumers need to embrace smart energy solutions, and to develop a pilot solution for testing on real consumers. Thank you for the funding and support of this project, DOGA (Design and Architecture Norway). This project will not only contribute to less energy usage, but also to position Elektroimportøren as a leader within sustainable energy solutions for private homes and buildings.

When it comes to adapting to the CSRD directive, we have taken huge steps on insight in our sustainable impact, risks and opportunities. The work done in 2023 is however only the starting point and we do recognize the need for deeper insights into both our

impact, risks, and opportunities. We have committed ourselves to enhance our understanding and action in these areas over the coming two years.

We also acknowledge the importance of measurable outcomes. We have focused on developing effective metrics, targets, and actions to guide our sustainability journey, but we have a way to go. This will be one of our main priorities during 2024.

The roadmap to a more sustainable business and future is hardly linear and needs to be explored. So dear stakeholders, we hope for and look forward to your support, collaboration, and feedback as we continue to strive for excellence in sustainability.

Sincerely,



Andreas Niss, CEO



1 General Disclosures

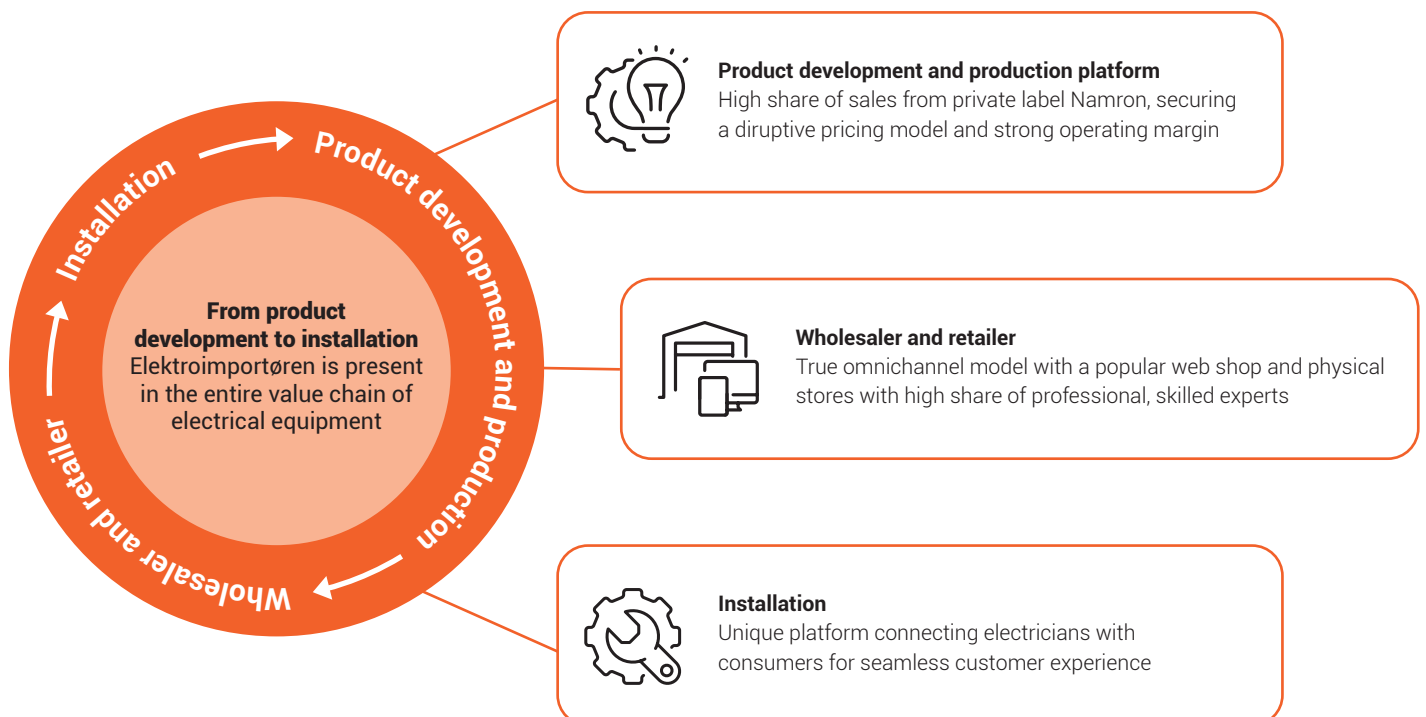
1.1 About Elektroimportøren

Elektroimportøren AS is a full range provider of electrical equipment. The company operates a web shop and stores in Norway under the brand Elektroimportøren in Norway and Elbutik in Sweden. The company is present in the entire value chain of electrical equipment, from product development and manufacturing with its private label Namron, to connecting electric installers and consumers for a seamless customer experience with the service platform SpotOn.

Elektroimportøren targets both B2B and B2C customers and more than one third of total sales are generated from the private label Namron, securing a disruptive pricing model and sustainable operating margin. The company has a true omnichannel model, which includes a popular web shop and physical stores with a high share of professional, skilled expert workers.



Elektroimportøren is a full-range provider of electrical equipment with a unique and disruptive business model





Namron

Namron was established in 2007 and is a wholesaler fully owned by Elektroimportøren. Namron is also the name of our biggest private label brand. Namron is a leading supplier that offers a wide range of products in lighting, electrical equipment, cables, heating and smart homes. The company has its head office in Oslo, a central warehouse in Vestby, and are sourcing own products through factories in Europe, Sweden and China. Through continuous product-development, efficient production and creative innovation, Namron aims to create products that provide great value for money and makes customer’s product selection easy.

SpotOn

SpotOn is a fully digital service platform developed by Elektroimportøren, to connect consumers and electricians in a seamless customer journey. The platform was launched in 2019 and Elektroimportøren owns 92 percent of the shares.

Key milestones

Elektroimportøren was established in Oslo, Norway in 1994 with one store. In 1996 we introduced ecommerce to the Norwegian market by establishing the webshop “elektroimportoren.no”. From 2014 the company has expanded its presence by rolling out several new physical stores every year.

- 2023 First physical store in Sweden
- 2022 Nordic expansion through acquisition of Elbutik in Sweden
- 2020 Listed on Euronext Growth Oslo
- 2019 Launch of service platform SpotOn
- 2014 Majority ownership acquired by Hercules; new management, new strategy and nationwide store roll-out and growth
- 2007 White label Namron established
- 1996 Webshop launched
- 1994 Founded with one store in Oslo, Norway

1.2 Sustainability governance structure

The Board of Directors bears the ultimate responsibility for sustainability in Elektroimportøren and its subsidiaries. This includes the overall responsibility of impacts caused by the company, as well as risk management related to sustainability matters. In 2023, the Board of Directors has been informed about the process and result of the double materiality assessment as well as the sustainability strategy.

The CEO has the operational responsibility for the implementation of the strategic processes, including sustainability in the parent company and its subsidiaries. This includes compliance with obligations and demands as well as overseeing the management of impacts caused by the company's activities and risks and opportunities related to sustainability matters. Further, the CEO is the ultimate responsible for the sustainability strategy and related measures, targets and action plans. This includes the responsibility for implementing necessary measures to mitigate actual and potential negative impacts caused by the companies through its value chain activities. In cases of critical concerns applicable for the company's sustainability, the CEO will inform the Board of Directors if necessary.

In 2023, there were no cases of critical concerns that the company has been made aware of.

Elektroimportørens management team is responsible for implementing the sustainability strategy in the company's and subsidiaries operations. Further, the responsibility for management of measures across the company is managed by the company's operational department, in collaboration with the management team. The operational coordinator

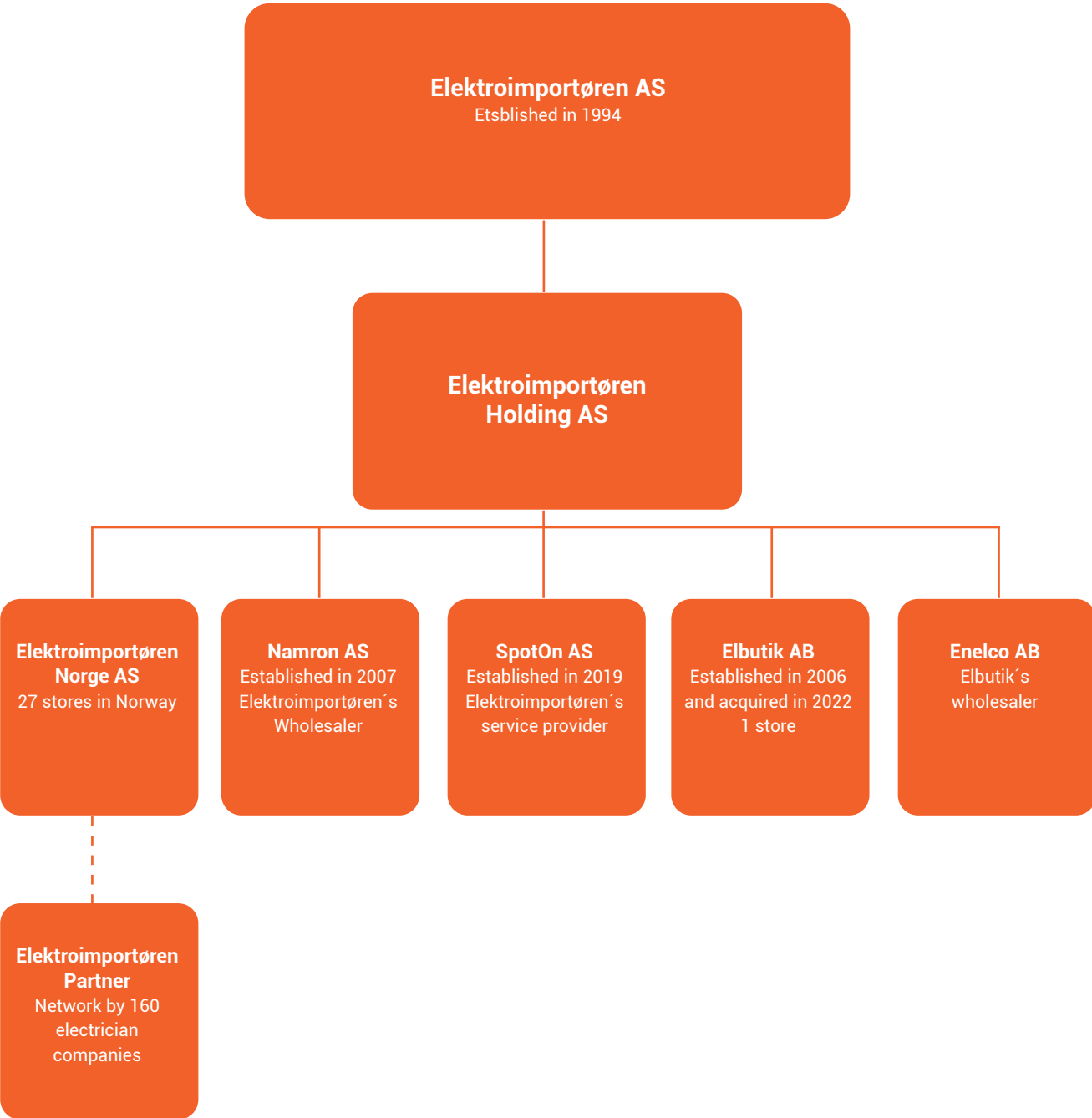
is also responsible for preparing the information disclosed in the Sustainability Report. The CEO and the Board of Directors are responsible for reviewing and approving the reported information.

The subsidiary Namron AS is responsible for procuring all products sold by Elektroimportøren. This includes private labels and products from branded suppliers. This includes conducting due diligence assessments as part of the procurement process, to identify, assess and manage actual and potential impacts on people and the environment, caused by activities in the value- and supply chains. The CEO of Elektroimportøren holds the ultimate responsibility of these processes.

Governing policies

Elektroimportørens expectations for own operations, suppliers, and business partners are outlined in the company's ethical guidelines (Code of Conduct). These guidelines are based on the OECD Guidelines for Multinational Enterprises and recognized UN and ILO conventions, covering issues such as child labour, forced labour, freedom of association, discrimination and harassment, working hours and wages, and corruption. Further, we have established guidelines for due diligence assessments in line with the OECD-guidelines.

Elektroimportøren conducts due diligence assessments on human rights and decent working conditions regularly. Further, the company is in the process of including environmental assessments as part of the due diligence. For further information about due diligence for human rights, please refer to page 46.



1.3 Strategy and business models

Elektroimportøren's business model is built on access for all, transparency and inclusion. Since we started expanding in 2014, our mission has been to open up a formerly closed market for electrical material - so that everyone can access the products and knowledge needed to make conscious choices. Our purpose is to provide customers with access to products, transparent prices, great services and high expertise advice, and our ambition is to empower people to make smart and sustainable choices.

For Elektroimportøren, a sustainable transition is primarily a significant business opportunity. We see our core business as well positioned for an increased focus on environmental and social matters, especially within the area of climate change and energy efficiency. There is strong potential for growth related to these areas and our ambition is to handle sustainability as an opportunity that strengthens our market position further, both in the B2C and B2B segment.

Elektroimportøren will contribute to the UN Sustainable Development Goals (SDGs) as well as the climate goals in the Paris agreement. We will take good care of people in our value chain and use our strong expertise to help individuals and companies make more sustainable decisions.

Our Sustainability Goals

Elektroimportøren's double materiality assessment, risk assessments and mapping of the value chain, forms the basis for our goals and priorities for sustainability. Of the UN sustainability goals¹, we have identified goal number 7, 8, 12, and 13 as particularly relevant for our business.



¹ UN sustainability goals. <https://sdgs.un.org/goals>

In 2023, we developed our first high level sustainability strategy. It is based on our business strategy and on our double materiality assessment covering impacts and financial effects. There is more work to do in detailing actions, metrics and targets, but we have now outlined three strategic areas for a sustainable development, and see this as a good start to set direction and focus:

More transparency

A sustainable development demands transparency and equality. Since 2014, we have disrupted a market that was previously inaccessible and reserved for the few. We have made electrical material available for everyone and given people the possibility to make informed choices.

Our prices are transparent, 8 out of 10 employees in the stores are trained electricians, and our advice is free and available to everyone. Our employees play a vital role in this work as they are our most valuable resource and competitive advantage. With the ambition to be the leading advisor in the industry, we will continue to increase transparency and guide people to informed and sustainable choices.

Ambition:

No. 1 advisory position in the industry

Social Metrics:

Employee Well-being and Diversity, Supply Chain responsibility and Community Engagement

More power for less

A Sustainable development and mitigation of climate change demands a massive energy transformation. We need more energy over the coming years to cover our needs, and fossil free energy to reduce greenhouse gases in line with the Paris agreement. To limit the risk of energy deficit in the future, this transition implies that society must both generate more renewable energy and use and conserve it in a more efficient way.

Elektroimportøren's business model fundamentally revolves around energy and power. We have both the products, prices, solutions, and expertise to provide people and companies with more power for less. There is also a social factor in this as energy prices have had a strong increase in Europe in recent years. Our goal is to help both people and climate by being the lead provider of energy-smart solutions in the industry.

Ambition:

No. 1 in energy-smart solutions in all our markets

Social Metrics:

Employee Well-being and Diversity, Supply Chain responsibility and Community Engagement

More efficient value chain

To succeed with a sustainable development, efficient resource utilization is crucial. Our business model is built on cost-effectiveness.

For us, a sustainable value chain is both cost efficient and limits its impact on our planet. Elektroimportøren has a global and complex value chain. Our operations require considerable use of resources and generates emissions.

At the same time, our business model is built on efficiency and low waste.

To reduce our impact on the environment further, we will enable an even smarter resources usage. This includes exploring new solutions, products, and business models. We will continue to challenge the current status quo and collaborate with our suppliers to provide our customers with more sustainable products and services.

Important measures include continuing to cut unnecessary emissions, resource use, and costs throughout the value chain.

Ambition:

To be the industry leader in climate and cost-efficient value chains.

Environmental Metrics:

Carbon Footprint, Waste Management

1.4 Impact, risks and opportunity management

Materiality assessment process

A materiality assessment is conducted to determine the sustainability topics material for a company to manage and disclose on. When conducting a double materiality assessment, the company gains insight into how the company's activities across the value chain impact people and the environment and how sustainability matters impact the company's financial situation.

A double materiality assessment is the basis of the new European Sustainability Reporting Standard (ESRS) affecting the first companies from the reporting year 2024. Elektroimportøren is to be compliant with the standard in the reporting year 2025 but has started the adaptation through conducting a double materiality assessment in the reporting year. The assessment includes the parent company and the subsidiaries and assessed our impact on the environment, people, and society throughout the value chain. Further, we assessed risks and opportunities related to sustainability matters and how they might affect the company's financial situation going forward.

The assessment was done according to the guidelines developed by the European Financial Reporting Advisory Group (EFRAG) and was conducted using a four-step model. All topic standards in ESRS were assessed in the process, including sub-level and sub-sub level topics.

Context

The first step was to understand the context in which we as a company operate. In line with the ESRS and guidelines from EFRAG the materiality assessment included activities in our whole value chain - including

upstream and downstream activities. Due to limited insight into the supply chains as well as use of products sold, we acknowledge the need to assess upstream- and downstream activities more comprehensively in the coming years to cover actual and potential impacts and financial effects in more detail.

The new reporting standard highlights the importance of stakeholder dialog and the interest of stakeholders being considered when conducting the materiality assessment. As part of the assessment, we mapped the interests of our most important stakeholders reading the different topic standards in ESRS. The mapping was mainly a desk-top activity and going forward we aim to address sustainability topics to a greater extent.

Identification

The second step in the process was to identify impacts, risks, and opportunities across value chain activities. All topic standards in ESRS were assessed in the process, including sub-level and sub-sub level topics.

We started the process by gaining insights about relevant megatrends, science and research. The latter included the Planetary Boundaries¹, the Sixth Assessment Report from the IPCC², The Energy Transition Outlook 2023 by DNV³ and WWFs Living Planet Report 2022⁴. Further we looked at industry trends, our competitors, and the interest of stakeholders. We identify factors that might expose us to risks and opportunities regarding sustainability matters. Information from other assessments such as due diligence on human rights and decent working conditions and health and safety was also included to gather insights on social matters.

¹ Earth beyond six of nine planetary boundaries (2023). Stockholm Resilience Center: <https://www.science.org/doi/10.1126/sciadv.adh2458>

² The Sixth Assessment Report (2021-2023). Intergovernmental Panel on Climate Change (IPCC): <https://www.ipcc.ch/assessment-report/ar6/>

³ The Energy Transition Outlook 2023. DNV: <https://www.dnv.com/energy-transition-outlook/download.html>

⁴ Living Planet Report 2022. World Wide Fund (WWF): <https://www.worldwildlife.org/pages/living-planet-report-2022>



Further we conducted a climate risk assessment in line with the recommendations set out by Task Force on Climate-related financial disclosures (TCFD) and included the results of this in the assessment of climate change and other environmental topics.

After gathering the insight, we conducted workshops to validate the results, as well as identify other positive and negative impacts, risks and opportunities not covered in the preparatory work. Due to a need for more information about impacts in upstream and downstream activities, we did not distinguish between actual and potential impacts in the assessment conducted in 2023.

Assessing

After having identified impacts, risks and opportunities throughout the value chain, we assessed the significance of each topic. In this work we used factors recommended in the guideline by EFRAG and scored them on three

levels: low, medium, and high. All ESRS Topic Standards were accessed based on information conducted in the second step of the process.

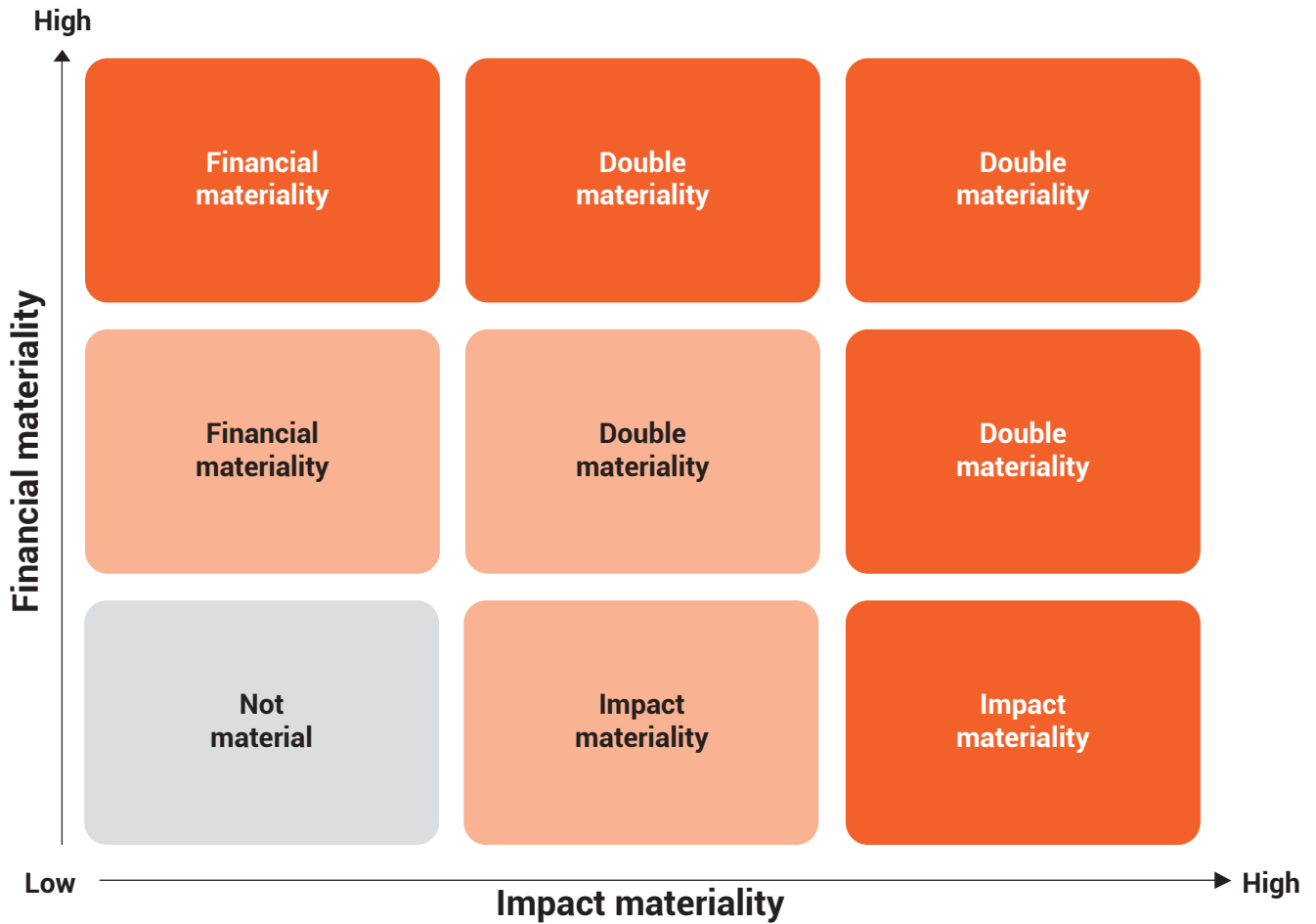
Impact

- Negative impact: scale, scope, irremediability
- Positive impacts: scale, scope

Risks and opportunities: probability, scope, time horizon

Determine

In line with ESRS all sustainable matters where the company has significant impact and/or topics that have a financial effect of significance on the company shall be considered material. To determine on which topic that would be material we operated with the following thresholds:



The working group presented insights gathered in the process and the result of the assessment to the leadership team. The leadership team approved the assessment, and the CEO presented the result to the Board of Directors. No changes were made during this process.

The following topics were defined as material for Elektroimportøren in 2023:

Environmental

- Climate change
- Pollution
- Biodiversity and ecosystems
- Resource use and circular economy

Social

- Own workforce
- Workers in the value chain
- Consumers and end-user

Governance

- Business conduct

Two ESRS Topic Standards was not defined as material in 2023: water and marine resources and affected communities.

These topics were not determined as material mainly due to lack of insight into how and to what extend Elektroimportøren might actually or potentially have impact on these matters throughout the value chain.

Further, there is also lack of insight into how the topics might affect the company financially. However, the Company sees a need to proceed more thoroughly in the assessment of these topics going forward.

The way forward

The double materiality assessment of 2023 was the first of its kind for Elektroimportøren. We acknowledge that the assessment shall be seen as the first step and that there is a need to assessing impacts, risks and opportunities further in the coming years. This especially relates to upstream- and downstream activities where the company has a lack of insight. The result of the assessment conducted in 2023 will be the basis for further development.

1.5 Metrics and targets

The Sustainably Report of 2023 is the first year Elektroimportøren discloses information regarding sustainability matters to a greater extend. The double materiality assessment has revealed lack of insight into how we actually impact by our activities across the value chain, as well as an understanding of lack in metrics and targets on several of the material topics. This especially relate to activities across upstream- and downstream operations.

On some of the topics, we need more insight and data to be able to define metrics and targets. Some topics has defined targets, due to data and insight. However, as we further develop our material assessment and work on the material topics, these might be subject for adjustment as we gain more insight. This also relates to the Sustainability Strategy disclosed on page 10, where there is a need for more detailed targets and metrics going forward.



2 Environmental



2 Environmental

The planet is under tremendous pressure due to an extensive use of resources which clearly surpasses what can be regenerated in a sustainable way. According to the scientists behind “The Planetary Boundaries” six of the nine processes that regulate the stability and resilience of the Earth system, has now surpassed its safe space (2023)⁵. These include climate change, biosphere integrity (biodiversity), land-system change – all impacted by extended resource use, among other things due to the extensive production of goods and services across the globe.

Elektroimportøren acknowledges that the retail sector in general and the company specifically impacts these and other environmental topics, negatively across value chain activities. For the Company, indirect impact in the supply chain is potentially great and there is a need to gain more insight into the actual and potential positive and negative impacts going forward. This also relates to greenhouse gas emissions (Scope 1, 2 and 3) as well as pollution, resource use and impact on biodiversity.

Elektroimportørens work for the environment is based on the following material topics: climate change, pollution, biodiversity and ecosystems and resource use and circular economy. The following chapters disclose on the Company's work on these matters.

2.1 Climate Change

According to the world's leading scientist climate change is the greatest challenge of our time. In the IPC Sixth Assessment Report¹, the United Nations Intergovernmental Panel on Climate Change (IPCC) presents research that shows that climate change is accelerating and leading to consequences that are becoming increasingly intense.

There is an urgent need for decisive action to mitigate the impacts of climate change. To succeed in limiting global warming to 1.5 degrees, companies must adapt and contribute to the transition to a low-carbon economy, transition to a sustainable economy, and

with the limiting of global warming to 1.5 °C in line with the Paris Agreement and with the objective of achieving climate neutrality by 2050.

According to the IPCC, the energy sector contributes to 34 percent of the emissions globally (2019). The emission gets higher every year and a transition of how we produce and use energy is crucial to tackle climate change. If we are to reach the 1.5 target, the energy sector must cut around 40 percent of its emissions by 2030 and around 90 percent by 2050. For this to happen, we have to completely overhaul the energy systems by make a transition to renewable energy and use energy in more efficient ways.



¹ Earth beyond six of nine planetary boundaries (2023). Stockholm Resilient Center: <https://www.science.org/doi/10.1126/sciadv.adh2458>

Governance

Integration of sustainability-related performance in incentive schemes Climate-related considerations and GHG emission reduction targets are not factored into the remuneration of members of the administrative, management and supervisory bodies in the company as of 2023.

Strategy

Transition plan for climate change mitigation

The company has not yet developed a transition plan for limiting global warming to 1.5 °C in line with the Paris Agreement and with the objective of achieving climate neutrality by 2050. This work will be integrated in the further development of the sustainability strategy in 2024.

In the double materiality assessment, the following impacts, risks and opportunities was identified across the value chain (upstream activities, own operations and downstream activities):

Material impact

Elektroimportøren has identified climate change as one of the material topics where the company has the greatest impact. There are considerable emissions of green-house gases throughout the value chain and the sector energy use is also substantial especially in upstream and downstream activities.

Activities where the company's direct and indirect impact is considered to be high includes extraction of raw materials used in electrical devices and equipment, production sites, transportation throughout the value chain, shops and warehouses as well as packaging and emissions from waste



handling. This also extends to consumers and end-users as e-waste contributes to considerable amounts of emissions when being handled. Further, most of the products the company sells require energy when used by the consumer.

Material risk

The company has identified both climate-related physical risk and climate-related transition risk in the materiality assessment:

Climate-related physical risk of concern is related to consequences of climate change. These can be acute such as extreme weather (increased rainfall, flooding etc.) that might affect the supply chains and the company's own operations. Further, chronic physical risk leading to resource scarcity might also be a considerable risk for the company in the medium and long term. Financial effects of risk of concern are delays and interactions in the supply chain (including

transportation), increased price level of goods and services the company are dependent on and the need to adjust operations for shorter periods of time due to extreme weather. The financial impact of risk is assessed at medium level.

Climate-related transition risk of significance includes increased level of regulatory requirements such as carbon taxes. Further, the EU taxonomy might affect access to capital. The regulations and legislation might also affect Elektroimportørens customers, especially related to business in the building and construction sector. Further, as society, industries and companies make the transition to fossil-free energy and full electrification, energy supplies might be affected causing financial consequences such as energy deficit and price increases.

Material opportunities

Climate-related opportunities of significance are related to the implications of the transition to fossil-free energy. Energy deficit and price increases, as well as new requirements and regulations for energy efficiency can open new markets for products and services within energy efficiency. Elektroimportøren is well suited for this market and the company sees considerable business opportunities in the energy transition. This includes products that facilitate resource efficiency as well as circular products with an increased lifespan. Further, the demand for solutions for self-production of renewable energy might increase. All areas where the company has been making progress. Financial impacts due to the opportunities in the transition to a low-carbon economy might be increased sales and market share.



In the process of identifying risks and opportunities the framework developed by Task Force on Climate-related Financial Disclosures (TCFD) has been used, including addressing different categories of climate-related physical risk and climate-related transition risk as well as opportunities related to the transition to a low-carbon society. The company has however not included scenario analysis in this year's assessment and has therefore not fully adopted the framework. This will be addressed going forward.

Process to identify impact, risks and opportunities Elektroimportøren has identified material climate-related impacts, risks and opportunities through a double materiality assessment. This was conducted in the fall of 2023 and guidelines from EFRAG were used as basis for the assessment. For more on the method of the assessment.

Elektroimportøren is in the process of mapping all green-house gas emissions across Scope 1, 2 and 3. The full climate accounts were not used as basis

of the assessment in 2023. We have some overviews of Scope 1-emissions and energy-use and these are included in the assessment of impacts in own operations. Elektroimportøren will revise the material impacts when the climate accounts are finalized.

In 2023, the assessment was done with a qualitative approach, addressing the most known challenges and impacts across upstream activities, own operations and downstream activities. As scientific evidence on climate change is highly developed the company included the most relevant in the assessment, including the Sixth Assessment Report from the IPCC, The Energy Transition Outlook 2023 by DNV and the Norwegian NOU 2023: 3 by the Energy Commission.

Resilience of strategy and business model in relation to climate change

Elektroimportøren is well suited for the transition to fossil-free energy sources and energy efficiency. Our business model revolves around energy, and we have both the products, prices, solutions, and expertise to provide people and companies with smarter energy solutions.

We are however exposed to climate-related risk such as extreme weather affecting our supply chain and own operations, as well as risk related to regulation and legislation. To adapt to these risks and changes, Elektroimportøren acknowledges a need to assess climate-related risk further, in line with TCFD and ESRS. This work also includes setting measures to mitigate risk exposure.

Policies related to climate change mitigation and adaptation

As of 2023, Elektroimportøren has adopted no policies related to climate change mitigation or adaptation. This work will be integrated in the further development of the Company's work with material topics and adaptations of ESRS.

Actions and resources

Elektroimportørens will contribute to the transition to a low-carbon economy, and to reduce greenhouse gas emissions in accordance with the goals in the Paris agreement. The company's sustainability strategy outlines three prioritized areas as direction for the Company's work, where "More power for less" is the area of highest relevance to climate change mitigation and mitigation of climate-related risk and enhancing opportunities related to a transition to a low-carbon economy.

In the following, measures related to this area of the sustainability strategy is addressed:

Our contribution to make "More Power for less"

A low-carbon economy demands a massive energy transition where the world is powered on renewable energy and energy is used in a sustainable way. The Nordic countries and Norway in particular runs on high shares of renewable energy.

However, the demand for energy is expected to greatly increase over the coming years, leading to a need for more production and less spending of energy. It is crucial that the development needed in the energy market supports a transition to a low-carbon economy.

For Elektroimportøren, the implementation of measure to be more energy efficient in own operations is of high importance. Not only does this contribute to lowered emissions and enhance resource efficiency, but also a lower cost and reduced risk connected to energy access and volatile energy prices.

During 2023, we piloted a new solution for energy efficiency in three of our stores, resulting in a 15 percent saving in total. Our goal is to roll out this solution to all suitable stores during 2024 and 2025. Our warehouse in Vestby runs on solar energy, producing 561 505 kwh per year. Vestby produces more power than the warehouse uses during April-August. In total the solar production saves Vestby 267 362 kwh in power usage. In 2023, the total energy use across the company was 5 457 474 kWh. This translates to 135 kWh per square meters. The greatest sources of energy use are heating and ventilation. In total during 2023, 15-20 percent of our energy consumption came from renewable sources*.

Our strategic goal to make “more power for less”, stretches well beyond own operations as potential positive impact is expected to be greater in downstream activities. Elektroimportørens core business is particularly well suited to contribute to a sustainable energy transition, as we have both the products, services and expertise needed to help private consumers and business partners increase their energy efficiency and production of renewable energy.

Norwegians have historically had unlimited access to cheap and clean energy. Our experience with smart energy solutions is limited. This might rise as a challenge in the transition to a low-carbon economy where a change in consumers energy behaviour is important. To gain more insight in what it takes to make Norwegians change their electricity use, Elektroimportøren in 2023 applied DOGA (Design and Architecture Norway) for funding to run an insight and innovation project on this matter. We were awarded the funding and have since worked on insight and to develop solutions simplifying and helping private consumers to be more efficient with both energy use and their money.

The first phase of the project was finalized in March 2024. A pilot solution was developed and tested on several consumers with very good results. During 2024, Elektroimportøren will decide on the next steps for further roll out and growth in this area.



* In April 2023 we opened one store in Sweden. These numbers are excluded our Swedish operation.

Contribution to a climate and cost-efficient value chain

Elektroimportøren is certified by Miljøfyrtårn (The Eco-lighthouse Foundation) which serves as an effective tool to help companies make smart and profitable environmental measures in their operations. Through the certification process and the annual reporting to the foundation, Elektroimportøren gains valuable insight to greenhouse gas emissions (Scope 1 and 2) and sources of waste throughout the business. As a result, a number of improvements to limit greenhouse gas emissions and waste in own operations has been made. Among other things, we have made a transition to EV-cars in all leasing agreements, invested in solar panels on the main warehouse in Vestby and changed suppliers for cleaning and waste handling.

In 2023, scope 1 emissions in Elektroimportøren were 8,23 tons CO₂. This includes fuel consumption for all cars owned or leased by the company which was a total of 30 494 litres*.

In 2023, scope 2 emissions were related to energy use across own operations, generating a total of 272 tons of CO₂e. During 2023 we established several routines for energy savings and also established three pilot stores, where we tested new solutions for automatic energy surveillance with the goal to save more energy. The pilot stores saved in average 15-30 percent energy. This project will continue*.

In 2023, scope 3 emissions accounted for is business travels and to some degree waste. Elektroimportøren had 354 travels in 2023. We lack data on Co₂ emissions from travels and also complete date for emissions from waste. This is a 2024 priority.



Even though a full climate accounts of scope 3 emissions is not yet in place, we are aware that our main indirect greenhouse gas emissions is related to the purchased goods and services as well as the upstream distribution of products to warehouses and stores (Scope 3 Category 1 and 4 in the Greenhouse Gas Protocol). Another source of Scope 3 emissions that might be material is use of sold products (Category 11) as the company mainly sells products where energy is needed for use. End-of-life treatment of sold products and waste generated in operations (Category 5 and 12) is also expected to be of significance. During 2024 Elektroimportøren will start the mapping of greenhouse gas emissions in the entire value chain, and material emission sources will be prioritized areas for mitigation in the coming years.

*The CO₂ emissions from Scope 1 and 2 is based on Miljøfyrtårn calculations.

The mapping of emission is part of a project started in 2023 which seek to get a better understanding of both environmental and social impacts across the value chain. This includes upstream- and downstream activities like extraction of raw materials to end of life-use. This work will continue in the coming year and will contribute to better insight about Scope 3 emission – as well as other sources of impact.

Metrics and targets

As Elektroimportøren does not have a full overview of Scope 1, 2 and 3 emissions, targets and metrics related to climate change have not been set as of 2023. Getting a complete overview of all greenhouse gas emissions is a top priority for 2024.

When the climate accounts are complete, Elektroimportøren will set metrics and targets supporting the Paris agreement both for its own operations (Scope 1 and 2) as well as indirect emissions from upstream and downstream activities (Scope 3). Further, the company will develop a transition plan as well as policies addressing climate change and climate change mitigation – in line with the ESRS. Based on current knowledge, data and insight we have defined the metrics and targets for our Environmental related work in chapter 3.5.



How to help Norwegians save energy and money

Our relationship with electricity and energy will change in the coming years. From being a country with an abundance of cheap electricity, Norway must become more energy efficient and at the same time produce more “green” energy to meet future needs.

Norwegians have already experienced skyrocketing energy prices. More people have become concerned with saving electricity, but the motivation is primarily financial, and not so much linked to a desire to make more sustainable choices.

To become more energy efficient, we must also learn more about smart energy solutions. At the same time, most people think electricity is complicated and many feel they lack both the knowledge and the interest to get to grips with it.

The markets for smart energy saving solutions are growing and Elektroimportøren is well positioned to deliver the products and services needed by both consumers and professional players.

The big question is what it takes, to make it easy for consumers to understand and invest in these new solutions. Which concepts have strong enough attraction and credibility for people to understand the possibilities and value? As of today, this knowledge is largely reserved for the few, knowledgeable and financially strong people. Elektroimportørens ambition is to remove these barriers and make smart energy solutions available for everybody.



In collaboration with the strategy agency Willder, Elektroimportøren has received DIP-funding from Design and Architecture Norway (DOGA), which is part of the government's policy apparatus for innovation. DIP (Design-driven innovation programme) is about using design methodology to find new and innovative solutions. Design-driven innovation lets the users' opinions, wishes and needs guide the idea phase of innovation projects, and challenges habitual thinking by interdisciplinary teams connecting technology and business understanding with the designer's toolbox.

Through the use of design sprint methodology, Elektroimportøren and Willder have carried out a successful process which has resulted in a pilot solution. The test on consumers showed and attraction. Still, Norwegians lack experience with energy solutions and this market is expected to mature over the coming few years.



2.2 Pollution

Pollution to air, water and soil poses a threat to biodiversity and encompasses everything from microplastics and chemicals to fertilizers from agriculture. Pollution burdens ecosystems and can lead to the reduction or extinction of sensitive species. According to Sabima¹, pollution is the second largest reason why species are endangered in Norwegian nature.



Material impacts, risks and opportunities and their interaction with strategy and business model

In the double materiality assessment conducted in 2023, the following impacts, risks and opportunities was identified across the value chain (upstream activities, own operations and downstream activities):

Material impacts

Elektroimportøren has insufficient insight and data on our actual and potential impact on pollution throughout the value chain. The assessment is therefore primarily based on a qualitative approach with the following assumptions:

It is possible that Elektroimportørens value chain activities cause pollution to air, water and soil among other things from factories engaged in producing various products on behalf of Elektroimportøren, as well as from the distribution side of the business through sea and land based transportation. We lack insight supporting these assumptions, but there is a possibility that our business activities cause an actual negative impact on nature through pollution stemming from the extraction and production of raw materials for our production. The extent of this potential negative impact requires deeper insight going forward.

Throughout the value chain, handling of hazardous waste can be a potential source of pollution, especially if procedures for safe handling are not followed (waste astray). There is uncertainty about actual and potential negative impact when substances go astray, and LCAs (Life Cycle Analysis) must be carried out in order to get better overview of actual and potential impact. There may be a negative impact as a result of handling of electrical waste, meaning waste that is not recycled correctly in the company's own business as well as by the consumer/end user.

Elektroimportøren may also have a potential negative impact on pollution in the case of microplastics from waste through the value chain (upstream, own operations and downstream). A potential negative impact due to pollution can also occur for living organisms, species and food resources, probably mainly connected to extraction of raw materials and shipping on sea. Per 2023 Elektroimportøren lack insight to determine the character and extent of this potential impact.

¹ Sabima: <https://www.sabima.no/hva-truer-naturen/forensning/>

Material risks

Based on our knowledge from the materiality assessment conducted in 2023, our risks connected to the area of pollution are in general limited but existing. The main risks identified are connected to potential higher taxes and fees linked to pollution, fines as a means of punishment implemented by government agencies, implementation of stricter legal requirements and regulations (e.g. RoHs and Reach), and potential compensation claims related to negative impact caused by pollution. The financial impact of risk is assessed at a low level as per now.

Material opportunities

Elektroimportørens opportunities connected to pollution is in general limited but existing. Increased focus on and attention to the various forms of pollution can help expand the market for energy-saving products, solar panels and air quality meters, as well as opening up the markets for new or better circular products and services.

The implementation of water purification in factories, and to prepare procedures for safe waste management, as well as more efficient collection of electrical waste, are also opportunities that may be relevant.

Main opportunities are believed to be the development of new or better circular products and services, increased/more efficient collection of electrical waste, and to prepare to comply with stricter legal requirements.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Elektroimportøren has identified material pollution-related impacts, risks and opportunities through a double materiality assessment. This was conducted in the fall of 2023 and guidelines from EFRAG were used as basis for the assessment.



In 2023, the assessment of the area of pollution was done with a qualitative approach, addressing the most known challenges and impacts across upstream activities, own operations and downstream activities. Elektroimportøren is in the process of mapping their impact on pollution and will revise the material impacts when this mapping is finalized.

Resilience of strategy and business model in relation to pollution

To adapt to these risks and changes identified in the double materiality assessment, Elektroimportøren acknowledges a need to assess the area of pollution to a greater extent, among other things through a nature-risk assessment (TNFD). This work also includes setting measure to mitigate risk exposure.



Policies related to pollution

In Norway, the Pollution Control Act¹ is intended to protect the environment and nature from pollution. Its purpose is to safeguard the external environment against pollution, reduce existing pollution, reduce the amount of waste, and promote better waste treatment.

The preamble of the Act states that it aims to ensure proper environmental quality so that pollution and waste do not cause health damage, diminish well-being, or harm the environment's ability to produce and renew itself. The Act is to be used to achieve environmental quality that is satisfactory based on an overall assessment of health, welfare, the natural environment, the costs associated with the measures, and economic conditions.

Elektroimportøren follows Norwegian laws, which are strict on this area. In addition, Elektroimportøren has its own policy regarding micro plastics, aiming to limit this material in our products. During 2024 the company will assess the need for policies on all material topics, in line with ESRS.

Actions and resources

This is Elektroimportøren's first sustainability report. The double materiality assessment has revealed that insight and data for the area of pollution is insufficient for setting metrics, targets and actions as of now. Going forward, we will work to get a better understanding of actual and potential impacts, so we can put in place effective and targeted actions and measures. As of 2023, actions and resources related to pollution is therefore not specific addressed in our sustainability strategy or reporting.

To increase our insight on impacts as well as setting metrics, targets and measures will be a number one priority for Elektroimportøren in 2024 and 2025. This relates to pollution and other environmental topics. Our goal is to increase both insight, amount and quality of data regarding our impact caused by pollution throughout the value chain. If the data shows material impact, risks and opportunities, we will define relevant actions to reduce our impacts and risks.

¹ The Pollution Control Act. Forurensningsloven (1981). <https://lovdata.no/dokument/NL/lov/1981-03-13-6?q=forurensningsloven>

In 2023 we started mapping our value chain on a detailed product and raw material level. The purpose is to gain insight in production processes, resource use, suppliers governance, human rights etc. This mapping will continue during 2024 and 2025 and add valuable insight to both our impact on pollution and other material topics identified in the double materiality assessment.

Metrics and Targets

The double materiality assessment has revealed that we lack solid insight and data on some material topics, especially on those who are environmental related. Available data for pollution across the value chain was per 2023 insufficient, and accurate metrics and targets for this area is therefore not defined. Our goal is to increase insight and data and establish metrics and targets by 2025.



2.3 Biodiversity and ecosystems

Economic growth and population increase have exerted significant pressure on nature. According to the UN Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)¹ biological diversity and ecosystems are being destroyed at a rapid pace. Nature destruction is exacerbated by the climate crisis, and vice versa, leading to resource scarcity in critical input factors the world depends on. Regulatory requirements will increase going forward through initiatives such as The Global Biodiversity Framework², EU Taxonomy³ and Task Force on Nature-related Financial Disclosure (TNFD)³. This means that businesses must strategically address their own impact and dependency on nature going forward.

Material impacts, risks and opportunities

In the double materiality assessment conducted in 2023, the following impacts, risks and opportunities was identified across the value chain (upstream activities, own operations and downstream activities):



Material impacts

Elektroimportøren has insufficient insight and data on our actual and potential impact on biodiversity and ecosystems as per now. The assessment is therefore primarily based on a qualitative approach with the following assumptions:

Elektroimportøren might have an actual and potential negative impact on biological diversity and the ecosystem through greenhouse gas emissions, pollution and the extraction and production of resources across the value chain. Regarding GHG emissions this includes among other things, the following activities:

- Raw material extraction/resource use
- Transport (upstream, own and downstream)
- Emissions from services
- Factory emissions
- Emissions from own buildings (scope 2)
- Packaging materials (plastic)
- End of life

Further, Elektroimportøren may have a potential negative impact on biodiversity and ecosystem in connection with the extraction of raw materials used in the production of new products. Increased demand for Elektroimportøren's products (solar panels etc.) may also lead to greater use of natural resources than as of today. Potential negative impact on the ecosystem may also arise from the distribution part of the value chain (land/sea) The potential impact in areas such as species population size is uncertain and requires deeper insight.

¹ UN Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). <https://www.ipbes.net>

² UN Environmental programme. The Global Biodiversity Framework.

<https://www.unepfi.org/themes/ecosystems/the-global-biodiversity-framework-whats-next-for-financial-policy-and-regulation/>

³ Task Force on Nature-related Financial Disclosure (TNFD) <https://tnfd.global>

Material risks

Based on our knowledge from the materiality assessment conducted in 2023, the risks connected to biodiversity and ecosystems are in general limited, but existing. The main risks identified are connected to higher taxes and fees, increased regulatory requirements and potential compensation claims related to negative impact on biological diversity and ecosystems.

Elektroimportøren's dependency on raw materials and certain metals, for instant copper, may also pose a physical risk, as higher demand can cause future scarcity of such materials.

Material opportunities

New product designs which consume less raw materials and metals, and better and more efficient recycling of metals such as copper may alleviate pressure caused by a future potential scarcity.

Resilience of strategy and business model in relation to biodiversity

To adapt to the risks and changes, Elektroimportøren acknowledges a need to assess nature-related risk further, in line with the framework developed by TNFD and guidelines in ESRS. This work also includes setting effective measures to mitigate negative impacts and risk exposure.

Actions and resources

This is Elektroimportøren's first sustainability report. The double materiality assessment has revealed that insight and data for the area of biodiversity and ecosystems is insufficient for setting metrics, targets and actions as of now. Going forward, we will work to



get a better understanding of actual and potential impacts, so we can put in place effective and targeted actions and measures. As of 2023, actions and resources related to pollution is therefore not specifically addressed in our sustainability strategy or reporting.

To increase our insight on impacts as well as setting metrics, targets and measures will be a number one priority for Elektroimportøren in 2024 and 2025. This relates to biodiversity and ecosystems and other environmental topics. Our goal is to increase both insight, amount and quality of data regarding our impact throughout the value chain. If the data shows material impact, risks and opportunities, we will define relevant actions to reduce our impacts and risks.

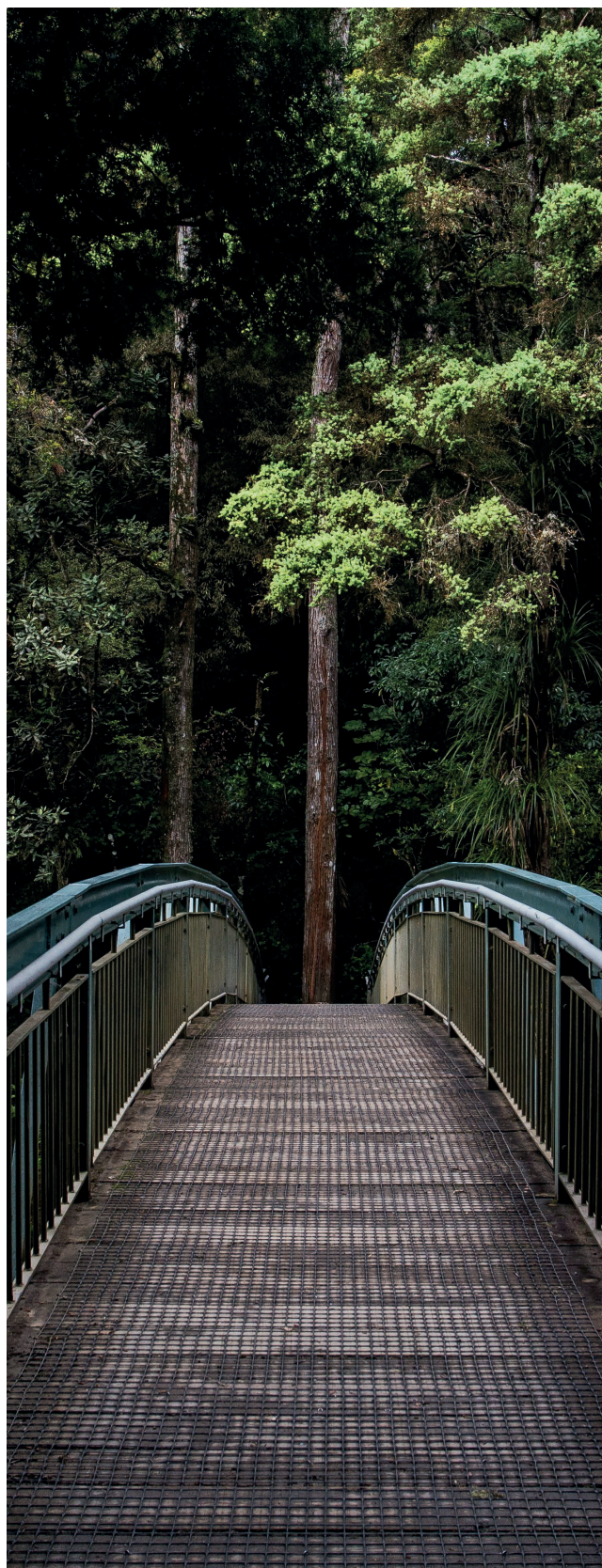
In 2023 we started mapping our value chain on a product and raw material level. The purpose is to gain insight in production processes, resource use, suppliers governance and work on human rights etc. This mapping will continue during 2024 and 2025 and add valuable insight to both our impact on biodiversity and ecosystems and other material topics identified in the double materiality assessment.

Metrics and Targets

This report is Elektroimportøren's first sustainability report. The double materiality process assessment has revealed that we lack solid insight and data on some material topics, especially those who are environmental related. Available data for impact in biodiversity and ecosystems across the value chain was per 2023 insufficient, and accurate metrics and targets for this area is therefore not defined. Our goal is to increase insight and data and establish metrics and targets by 2025.

Policies

Elektroimportøren has per 2023 no policies related to biodiversity and ecosystems. During 2024 the company will assess the need for policies on all material topics – in line with ESRS.



2.4 Resource use and circular economy

The forecasts for the global economy indicate that it will double by 2037 and almost triple by 2050¹. Findings and measurements from the Global Footprint Network² show that we in 2023 used resources equivalent to 1.75 planets. According to researchers, the trend is heading in the wrong direction. As a result of massive resource consumption, we are living beyond our means and depriving future generations of their life support systems.

The prognosis with a continued like-for-like development is that our growth and prosperity will require resource extraction equivalent to two planets by 2030³. In Norway, we utilize a total of 234 million tons of resources to meet societal needs. This equates to 44.3 tons per person, placing us among the top resource consumers in the world⁴.

Only 2.4 percent of resources are part of a circular loop in Norway⁴. Globally, the extraction of resources exceeds the planet's capacity for reproduction by 60 percent. To meet future needs without compromising the stake of the climate and nature, the economy must transition from being linear to circular. The EU has embarked on aggressive action plans and regulations to kickstart this transition with "The Green Deal"⁵. This will highly influence how products shall be designed and how services that prolong lifespan need to be facilitated.

Strategy

Elektroimportøren has not yet developed a complete action plan to limit resource usage and increase circularity to the full potential. Our overall target is



to contribute to limit global warming to 1.5 °C in line with the Paris Agreement and with the objective of achieving climate neutrality by 2050. This work and metrics and targets related to resource use and circularity will be integrated in the further development of the sustainability strategy during 2024.

Material impacts, risks and opportunities and their interaction with strategy and business model

In the double materiality assessment, the following impacts, risks and opportunities was identified across the value chain (upstream activities, own operations and downstream activities):

¹ Price Waterhouse Cooper, The World in 2050. <https://www.pwc.com/gx/en/issues/the-economy/assets/world-in-2050-february-2015.pdf>

² Global Footprint Network. <https://www.footprintnetwork.org>

³ WWF

⁴ The Circular Gap report 2023. <https://www.circularity-gap.world/norway>

⁵ EU Green Deal. https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

Material impacts

Elektroimportøren uses large quantities of raw materials and resources producing its private labels as well as products purchased from brand suppliers. The highest volume of resources used comes from plastic, aluminium and copper. The biggest source of impact on resource use and circular economy is with high likelihood the usage of raw materials, packaging and waste/lack of recycling throughout the value chain – including end-of-life treatment of products related to both consumers, electricians, and construction sites.

Material risk

Elektroimportøren has identified both physical risk and transition risk related to resource use and circular economy in the double materiality assessment:

Physical risk of concern is mainly related to resource scarcity, which might be a considerable risk in the medium and longer term. Scarcity of especially copper is identified as risk of significance, but also access to other important raw materials such as plastic and aluminium. Financial effects of risks are lack of resources leading to higher prices and scarcity of components/products. The financial impact of these risks is assessed at high level on longer term basis.

Transition risk of significance includes increased level of regulatory requirements such as new demands impacting the use of virgin materials, product design, production requirements and waste management, but also increased taxes and prices on raw materials. The regulations and legislation might also affect Elektroimportørens customers, especially related to businesses in the building and construction sector.

Material opportunities

The transition to a sustainable and low-emission society can create new opportunities for businesses such as Elektroimportøren. New circular business models and value chains may be developing, for example increasing the return of raw materials, surplus or residual materials and used or damaged goods. More efficient sorting of materials such as plastic, cardboard and hazardous waste can also contribute to lower costs for waste management and/or taxes.

Through product development, it may be possible to increase both the lifetime and reparability of the products and increase the circularity of the materials used. It may also be possible to establish new business models and areas, such as rental services for relevant products.

Policies

In 2023, Elektroimportøren has started to develop policies ensuring a sustainable and efficient use of resources and materials in own operations. This area is heavily regulated by Norwegian laws, and Elektroimportøren has a number of policies and routines on this area. During 2024 we will assess the need for more policies on all material topics identified in the double materiality assessment.

Actions and resources

Elektroimportøren aims to contribute to the transition to a circular economy with the lowest resource usage possible. Our sustainability strategy outlines three prioritized areas as direction for our work. A "Climate and cost-efficient value chain" is the strategic focus area most directly connected to limit resource use and contribute to a circular economy.

Contribution to a climate and cost-efficient value chain

Elektroimportørens business model is based on a low-cost model, which also include a need to be resource efficient. It is in the core of the company values to reduce cost and limit any unnecessary resource and to handle waste in an effective manner. Elektroimportøren is certified by Miljøfyrtårn (The Eco-lighthouse Foundation) which serves as an effective tool to help companies make smart and profitable environmental measures in their operations. Through the certification process and the annual reporting to the foundation, Elektroimportøren gains valuable insight to emissions and sources of waste throughout the business. As a

result, a number of improvements to limit waste in our own operations has been made, such as new suppliers for cleaning of all stores and waste handling.

This is Elektroimportøren’s first sustainability report. The double materiality assessment has revealed that even though we have some insight and data on resource use and circular economy, it is insufficient to define effective actions to reduce impact in the value chain. We will work to get better insight on actual and potential impacts, going forward. However, based on today’s insight, we have defined several actions to limit negative impact and risks:

More insight

Elektroimportøren has identified collection of insight and data as a number one priority going forward. By 2024, our goal is to increase insight on our use of resources and the potential for circularity. By 2025, our goal is to set effective actions to reduce negative impacts and risks where it is most significant.

Collection of copper

In 2020 Elektroimportøren started collecting copper as a pilot in 1 of our 23 stores. As of 2023 50 percent of our stores are part of this test and in 2023, they collected a total of 6700 kilos copper. The test will continue during 2024 to see if this amount can be increased further. We see this as an important measure to explore, as copper is a material with challenges regarding scarcity.

Mapping of our value chain

In 2023, Elektroimportøren started mapping our value chain on a product and raw material level. The purpose is to gain more insight on resource use, GHG emissions, supplier governance, work on human rights etc. in all parts of the value chain. This mapping will continue during 2024 and 2025 and add valuable insight to this and other material topics identified in the double materiality assessment.

Circular products

More than 80 percent of product’s circularity is defined in the design phase. During 2023, we have run a pilot on product development, with the goal to increase circularity on two of our biggest product lines (in case of volume). The project gave valuable insight, and we will continue to explore similar possibilities together with our suppliers during 2024 and 2025.

Waste

Elektroimportøren cooperate with Ragnsells and Norsirk on waste. In 2023, Elektroimportøren collected 321 tons of waste, of which 65 percent was recycled. In addition, we collected 73 tons of EE-waste.

We have good control on waste collected by the stores and systems for recycling. We believe that the potential to collect and secure proper recycling of electrical materials is greater than what we see today. In 2024, better data on waste is of high priority.

Less and better packaging

In 2022, Elektroimportøren started a project to reduce resource use and negative impact from packaging, especially for our private label products. The project has shown very good results.

We lack total data for savings of plastics and reduction in volume but has estimated the savings on three example products: Extension cables, cables, light sources and LED strip sets. On these four products, we reduced use of plastics with 1167 kilos in 2023.

Sustainable Packaging

Elektroimportøren is well underway in removing all plastic and coloured ink from the packaging of Namron products, which is the company's own brand.

The work to remove as much plastic as possible from the packaging started in full in 2022. At that time, the suppliers who produce Namron products for Elektroimportøren were also keen to make changes in the way they package the products.

- Many of our suppliers are also suppliers to other large international players such as Ikea, Clas Ohlson, Carrefour, who like us, are concerned with removing plastic and reducing packaging use as much as possible. Therefore, we have had very good support from our suppliers in our own work to make the packaging of our products more environmentally and climate-friendly, says Senior Representative in Namron, Fangxiao Mei.

The work to remove plastic from the packaging took around a year. All new Namron products launched in 2023 are completely plastic-free in their packaging. In addition, plastic was removed from the packaging of 300-500 of a total of 1,200 existing products. For many of the products, the size of the packaging has also been reduced, so that there is now room for more goods per container.

The removal of plastic packaging quickly produces results. On one drum with LED strips, plastic packaging of 370 grams has been removed. The plastic savings on just three products (drum with extension cord, LED strip and light source) amounts to over one tonne a year. With responsibility for around 1,200 products, Mei sees opportunities to make significant cuts in plastic consumption.



There are a number of considerations that must be taken into account when the packaging is to be changed and plastic is to be replaced by paper and cardboard. Together with our own packaging engineers, new product packaging is developed which should be more climate and environmentally friendly without compromising the quality of the products, does not create new problems for either the supplier or Elektroimportøren, nor does it increase the costs for either of them. For some products, the costs are actually lower, partly because less of the relatively expensive blister packaging (bubble wrap) is used.

One of the biggest challenges with replacing packaging is that there is no set of regulations, or any standards, that set clear requirements for the use of packaging.

- There are no EU standards that regulate this for our industry. There is currently no requirement for packaging to be plastic-free. Therefore, we have to create our own standards, so to speak, says Mei.

In parallel with the removal of plastic packaging, Elektroimportøren has also worked to remove or reduce the use of coloured ink on packaging, which is used, for example, to print photos of the products on the product packaging. This should help to remove a number of unwanted chemical substances. In 2023, the focus was on removing coloured ink from the packaging of smart products, this year a new big category is under way, namely downlights. Later, the packaging for products such as panel ovens will also be changed, these are large products where large images requiring colour ink are often printed on the packaging

Mei says that at the beginning they were a little worried about how customers would react to products packed in brown cardboard without product images, with only black illustrations printed on the packaging.

- It is important that packaging is environmentally friendly, but at the same time also preserves the joy of shopping. Feedback we have received from the stores indicates that customers are comfortable with brown packaging. We also know that most people have become used to such packaging through other large chains such as Ikea and Clas Ohlson, says Mei.



Metrics and targets

The 2023 report is Elektroimportøren’s first sustainability report and the double materiality assessment and preparation of reporting has revealed that existing data on resource usage and circular economy is insufficient to define accurate metrics and targets for the material topic. Based on current knowledge, data and insight we have defined the metrics and targets for our Environmental related work in chapter 3.5.

2.5 Environmental: Goals and actions 2023-2026

Our ESG Ambition

- 1) Number one in energy-smart solutions in all our markets
- 2) Industry leader in climate and cost-efficient value chains
- 3) Number one advisor position in the industry

	SHORT TERM GOALS*	KPIs (2023)	MOST IMPORTANT ACTIONS 2023	MOST IMPORTANT ACTIONS 2024
Climate Change	<ol style="list-style-type: none"> 1. Reduce Scope 1 and 2 emission in line with the Paris Agreement 2. Increase revenue with less increase in emissions 3. Reduce energy usage from own operations with 10-15% 	<ol style="list-style-type: none"> 1. Co2 emissions Scope 1 og 2 (280,83 tons) 2. Carbon intensity (emissions/sales) 3. Energy usage own operation (KwH) 	<ul style="list-style-type: none"> • Certified by Miljøfyrtårn • Reduced volume and plastics in Packaging • Replaced fossile fuel cars and pallet trucks • Reduced energy usage in own stores • Launched sales and installation of solar panels • Innovation program for customerfriendly solutions for smart energy installations. • Invested in smart energy solutions in stores 	<ul style="list-style-type: none"> • Establish GHG accounting • Build knowledge about smart energy solutions in our customer base • Continue roll out of smart energy solutions to suitable stores • Pilote new services on energy solutions
Resource use and circular economy	<ol style="list-style-type: none"> 1. Reduce tons of packaging 2. Increase amount of waste collected 3. Increase degree of recycling to 75% 4. Share of waste in value chain < 1% 	<ol style="list-style-type: none"> 1. Tons of packaging 2. Tons of plastics in packaging (44 tons) 3. Tons of waste (195 tons) 4. Percentage recycled (63,3%) 5. Waste in value chain (1%) 	<ul style="list-style-type: none"> • Launched program to decrease packaging on all private labels • Improve solutions and knowledge of waste collection in own operation • Established partners for recycling for stores and warehouse. • Launched pilot on collecting copper in stores 	<ul style="list-style-type: none"> • Continue optimalization of packaging. • Optimize waste handling in own operation • Continued focus on high quality in all parts of our operation to keep waste at lowest level possible.

3 Social



3 Social

The growth in the global economy has contributed to making several countries wealthier, but also increased inequalities. Inequality is the most central aspect of social sustainability. The UN Sustainable Development Goals aim to reduce inequality and eradicate poverty. Unfortunately, there is still a long way to go. While the Norwegian labour market is characterized by tidiness and good working conditions, 736 million people in other countries live below the extreme poverty line and more than 3 billion people live and work under conditions that does not secure their financial and social welfare¹.

3.1 Own workforce

The Norwegian labour market is characterized by tidiness and good working conditions highly regulated by law, and the vast majority work under good and safe conditions. Trends in the Norwegian labour market generally indicate a positive development, but there are still significant differences in working environment conditions among various occupational and industrial groups, where parts of the workforce may experience issues such as social dumping and labour market crime.

Elektroimportøren has outlined the importance of own employees and our high expertise both in our business and sustainability strategy. Elektroimportørens sustainability strategy outlines three prioritized areas as direction for our sustainability work, where “More transparency” is the area most directly relevant for the material topic of own workforce.

In our stores, 3 out of 4 in sales are skilled electricians, helping our customers choose the best and most sustainable solutions. Our skilled employees are of great importance for us, our business, market position and competitive advantage. Our ambition is therefore to be the number one advisor and go to place in the market we operate.

Material impacts, risks and opportunities

Elektroimportøren has identified material workforce-related impacts, risks and opportunities through a double materiality assessment. This was conducted during fall 2023 and guidelines from EFRAG were used as basis for the assessment. For more on the method of the assessment, please refer to page 12. The following impacts, risks and opportunities was identified for Elektroimportøren’s own workforce.

Material impacts

Working conditions is a highly regulated field in Norway. Elektroimportøren follows Norwegian laws and regulations and has a strong focus on being an attractive and solid employer. Elektroimportøren has in general identified neutral impact, low risk and low opportunities regarding the material topic of Own Workforce.

Elektroimportøren has approx. 500 employees and our employees are crucial for the success of our business model. It is of great importance for us that our employees are satisfied and happy. We measure satisfaction on a weekly basis through the system “WinningTemp”. Work life balance is also a part of this measurement, and the results are per 2023 better than benchmark for our industry.

¹ United nations. <https://www.un.org/en/global-issues/ending-poverty>

Health and Safety is subject for strict regulations in Norway and our employee's safety is of very high importance to us. We have safety representatives in all stores, conduct risk assessments on regular basis and have management systems to follow this closely and systematically. Historically, Elektroimportøren has very few work related injuries.

Electric material and installation are male-dominated industries. We encourage women to apply when we recruit new employees but still have a low share of females employed. 15 percent of employees in stores are female, while back office has a 30 percent share. A large proportion of employees in Elektroimportøren are electricians with expertise.

Material Risk

Our assessment is that Elektroimportøren has a low risk connected to own workforce. However, some potential risks has been identified. Significant jumps in salary levels following collective agreements, can pose a challenge and risk for loss of talents and negative effect on reputation, and we supervise this development. The low share of female employees can also be a risk for negative attention but applies unfortunately for the industry in general. Employee privacy is not defined as a risk but can be if procedures to comply with GDPR are not followed.

Material Opportunities

Elektroimportøren's market position is based on skilled employees offering solid advice to customers and partners. We therefore invest substantially in own employees' competence and expertise. In addition





to physical training, a sophisticated web-based training system is available for all employees. Talent development is conducted on a yearly basis, as it is important for us to offer internal career opportunities. Elektroimportøren is further in a position to provide opportunities for electricians with physical limitations. To enhance diversity and inclusion we cooperate with NAV on opportunities for more people to enter the workforce.

Policies

Elektroimportøren has a number of policies for own workforce, especially related to HR, health and safety, ethical behaviour, sales and customer treatment, training and recruitment. We will revise all policies for own workforce during 2024 and 2025, according to the ESRS.

Engagement with employees

Elektroimportøren has a health and safety executive committee. The committee has four annual meetings and the agenda is topics considering the working environment at a higher level, and assess reports

and actions regarding accidents, sickness absence, enjoyment, etc. The committee is represented by two members from management and two employees. The members are CEO and operations coordinator from management, and two safety representatives.

Elektroimportøren has established an internal whistle blowing channel and procedures that enables employees to report any misconduct they may experience. These procedures are communicated to all employees. In 2023, Elektroimportøren also established a formal external whistle blowing channel and implemented the digital solution Winningtemp, that both measures employee's satisfaction and allows for internal reporting. Both solutions allow for anonymous reporting. The subsidiaries Namron AS and Elektroimportøren Norge AS are covered by the existing reporting procedures.

Characteristics of the company's employees and non-employee workers

The number of employees in Elektroimportøren at the end of 2023 were 561, of which 84 women. Temporarily

employed (including temps from agencies) was 145, of which 22 percent women. Part-time employees constitute 85, of which 12 percent are women.

The different roles and positions in physical stores, in the warehouse and at headquarters is defined according to the concrete needs in the different parts of the Group's operation. All stores have the same setup. The Group prioritises to have fixed full-time employees, but some part-time employees is needed due to long opening hours in stores and holidays and seasonal variance.

Health and safety

No serious work-related incidents resulting in significant material damage or personal injury have occurred or been reported during 2023. The working environment is considered to be good, and efforts for improvements are made on an ongoing basis. More stable management in stores and at the main office is in place to secure continuity in improvement initiatives over time. Our employee's satisfaction score in 2023 was 7,8 - a score slightly better than benchmark.

Equality

Traditionally, Elektroimportøren has been dominated by men in relation to industry and history but has nevertheless a fair share of women. Working time arrangements are set by the various positions and are independent of gender. In recruiting, we emphasis balance of gender. During 2023 the number of women in leading positions is the same as for 2022. In total four store managers are women, also on 2022 level. The group will carry out regular employee surveys to ensure that we continue to have a workplace characterised by a lack of harassment, conflicts, and inequality.

Work-life balance

Elektroimportøren follows Norwegian law and all employees (including temporarily) are object for parental leave. In 2023, the average number of weeks of parental leave for women was 38 weeks and 17 weeks for men.



Compensation, including pay gap and total compensation

The group have defined certain roles within the organization, and because of the nature of our business most of the employees are within these categories:

- Warehouse operation: 5 women and 24 men. No variance between salaries based on gender.
- Sales force in stores (skilled electricians): 15 women and 256 men, where women earn 1 percent less than men. This variance is based on difference in working experience and not the gender.
- Store managers: 4 women and 23 men, where men earn 12 percent more than the women in average. Some of the store managers have significant longer experience, and this is reflected in the yearly salaries for these managers. If we keep them out of the calculation, there are no significant variance between the genders on yearly salaries.

Actions and resources

Elektroimportøren's sustainability strategy outlines three prioritized areas as direction for our work on sustainability, where "More transparency" is the area directly relevant for the material topic of "Own workforce". In our stores, 3 out of 4 sales personnel are skilled electricians, helping our customers choose the best and most sustainable solutions. Our high competence is of great importance for our market position, competitive advantage and our ambition is to be the number one advisor in our business. Our goal is that 80 % of our sales personnel are skilled electricians.

Metrics and targets

Elektroimportøren's goal is to be the most attractive employer in our industry and the number one advisor for customers in our markets. We strive to offer an attractive working environment being number one



regarding satisfaction at work, working conditions, training and development, and career possibilities. We invest substantially in training and development and our goal is to create internal attractive career possibilities for our colleagues.

Our goal is to have full equality between women and men. There shall be no discrimination due to gender in areas like salaries, promotions and recruitment. By end of 2023 the share of women was 15 percent and our goal is to increase this share to 19 percent by 2026. We have low levels of injuries and our goal is to keep work related injuries at a zero level and also zero reports of misconduct. Our employees satisfaction score is over benchmark, and our goal is to make sure the development continues to be positive.

3.2 Workers in the value chain

As a result of globalization, industrialization, and increased economic growth, trade across borders is significant. In a world with large inequalities, there are significant differences in working conditions between the western part of the world and what we find in regions like Asia, Africa, and South America. Disparities in the labor market are substantial. A staggering 3 billion people work under conditions that do not ensure their economic and social welfare. Around 40 million people are victims of modern slavery, and more than 150 million children are engaged in child labor¹. The challenges are significant in global value chains, and it is difficult to gain insight about actual and potential negative impacts.

Material impacts, risks and opportunities

In the double materiality assessment conducted in the fall 2023, and the due diligence assessments on human rights and decent working conditions related to the Norwegian Transparency Act, the following impacts, risks and opportunities has been identified across the value chain related to the material topics of workers in the value chain:

Material Impact

Like many retail companies, Elektroimportøren has a global and complex value chain potentially impacting human rights. In 2023, we had approximately 200 active product suppliers. Around 20 percent of these accounted for approximately 80 percent of sales and are considered the most important suppliers to assess and follow up on a regular basis. 85 percent of our suppliers have European origins, of which 70 percent are Scandinavian. 15 percent of the largest suppliers originate from China.

However, the suppliers source materials from all over the world. A high proportion of first-tier suppliers within the company's own brands are located in China, including production units. The UN has defined China as a high-risk country for breach on human rights.

Elektroimportøren has very limited insight into the raw material part of the value chains (beyond first-tier supplier). Based on general knowledge of global supply chains we assume there is an actual or potential negative impact related to supply chain activities, which needs to be addressed to more extent in the coming years. The positive impacts related to the material topics are limited, but Elektroimportøren might have a possibility for positive impact in the value chain through making relevant demands to both suppliers and other partners in our value chain.

Material risk

15 percent of Elektroimportøren's largest suppliers for both private labels and other products, originate from China. China is in general defined as a country with high risk of violation on human rights. It is therefore particularly important for Elektroimportøren to set requirements and collaborate with suppliers in China to ensure responsible conditions in the supply chains.

Elektroimportøren has for now identified the raw material part of the value chain in China as a potential risk for violations on human rights, including child labor and forced labor. The general risk is per 2023 mainly based on assumptions as we have very limited insight in this part of the value chain.

¹ International Labour Organization. https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_574717/lang--en/index.htm

For the specific production of solar panels, the risk of forced labor in the raw material part of the value chain in Xinjiang is a known challenge, from reports such as “Over-Exposed”¹ and “In Broad Daylight”². Elektroimportøren has through 2023 had a special focus on risk assessment of this part of the value chain, investigated both 3rd party documentation and 3rd party inspections. By the end of 2023, our Supplier Trina Solar documented that they in December 2023 ended their relationship with suppliers from Xinjiang, a news influencing our risk assessment positively.

Material opportunities

In large, Elektroimportøren has a possibility for stimulating to positive impact in the value chain by following the OECD due diligence process and contribute with demands for documentation on ethical behavior in line with the OECD guidelines, where relevant. Safeguarding human rights in the value chain might also pose Elektroimportøren business opportunities connected to B2B sales.

Our production partners for our private label Namron in China, is modern, high-end factories, which reduces risks for violation of human rights and decent working conditions and also in longer terms might lead to businesses opportunities. Electrical materials are a category connected with very specific quality standards. Good control over the value chain offers an opportunity to strengthen trust even more for both B2B and B2C clients.

Description of the processes to identify and assess material impacts, risks and opportunities

Elektroimportøren has identified material related impacts, risks and opportunities for workers in the

supply chain through a double materiality assessment. This was conducted in the fall of 2023 and guidelines from EFRAG were used as basis for the assessment. Risks identified in due diligence on human rights and decent working conditions were included in the assessment. These are conducted regularly in line with duties in the Norwegian Transparency Act. For more on the method of the assessment, please refer to page 12.

Stakeholder engagement

Elektroimportøren has interviewed several of our stakeholders as part of the work with the double materiality assessment and made sure that the topics of high interest have been addressed on a general level.

In 2023, Elektroimportøren did an assessment of all suppliers, leading to the establishment of a formal external reporting channel for anyone wanting to report something to Elektroimportørens management. The channel allows for anonymous reporting.



¹Sheffield Hallam University. <https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/over-exposed>

²Sheffield Hallam University. <https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/in-broad-daylight>

It is further contractually stipulated that suppliers must notify Elektroimportøren, typically through the category director, of any deviations from contract terms or similar issues. The recipient of the report must log the incident and forward it for discussion in the management team on a monthly basis. Furthermore, the board is informed twice a year. In cases of severe misconduct, management and the board will be notified immediately.

Policies

Elektroimportøren's work on safeguarding human rights and decent working conditions, follows the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our approach also applies to subsidiaries Namron AS and Elektroimportøren Norge AS. Elektroimportøren's Code of Conduct applies to all suppliers and is published on elektroimportoren.no.



Processes to remediate negative impacts

Elektroimportøren and Namron AS have not identified cases of actual negative consequences on human and labour rights in 2023. However, we have defined high risk for forced labour in Xianjiang – where some of the the raw material producers for solar panels have their production. Through an overarching due diligence assessment in which key personnel responsible for procurement and own brands participated, potential risks for negative consequences on human rights and decent working conditions were identified. Furthermore, identified risks were assessed according to the degree of probability and consequence. The due diligence assessment was conducted in the first quarter of 2023 and followed up by actions and running assessments, the latest in March 2024.

Going forward, assessments at an overarching level will be conducted at least annually, normally during Q3. In addition, Namron AS will conduct due diligence assessments regularly as part of the procurement work and when concrete risks are defined.

Elektroimportøren imposes requirements outlined in our own Code of Conduct when evaluating and selecting new suppliers. Furthermore, regular surveys and due diligence assessments are conducted for all key suppliers, especially those operating in identified high-risk areas. Suppliers are also required to provide close monitoring if any deviations are identified. Policies and guidelines are published on elektroimportoren.no and applies for both Namron AS and Elektroimportøren Norge AS.

Actions and resources

This is Elektroimportøren's first sustainability report. The double materiality process has revealed that the company lacks sufficient insight and data in some parts of the value chain, and specifically related to the raw material part of the value chain. Elektroimportøren is therefore not in position to set accurate and complete actions, metrics and targets for the material topic as of 2023 but has still defined several goals and actions on a general level.

In 2023, Elektroimportøren did a solid risk assessment on all suppliers. A process for due diligences was defined and a digital system to follow up all suppliers on OECDs Guidelines was implemented.

Due to Covid-19, first hand inspection in China has not been possible in the period 2020 to 2022. In 2023, a delegation spent four weeks in China doing factory visits and inspections. All tier one suppliers for Namron were visited during the four week long stay in October 2023. The inspections were lead by Fangxiao Mei, who is employed in Elektroimportøren. Mei is originally from China and familiar with both the culture and language. The inspection showed very good conditions on most facilities. One supplier did not meet our expectations, and the relationship was ended.

In 2023, Elektroimportøren also did a first detailed mapping of the value chain on a product and raw material level. The goal was to gain more insight into supplier governance, resource use, work on human rights etc. in all parts of the value chain. This mapping will continue during 2024 and 2025 and add valuable insight to all material topics identified in the double materiality assessment.

Metrics and Targets

Elektroimportøren aims to operate in a solid and responsible manner, create secure workplaces, and to be a predictable partner for the colleagues in the company and the supply chain. We have an ambition to ensure sustainable and ethical procurement at all levels and through clear requirements and conscious choices, ensure that ethical activities promote positive effects for people and affected communities.

Human and labour rights throughout the value and supply chain are defined as significant topics and are also areas Elektroimportøren has defined as high risk and high impact in our materiality assessment. Our goal is to operate a responsible supply chain with suppliers operating in accordance with our ethical guidelines, applicable regulations and safeguarding human and labour rights in a good manner.



Visit to Tier One suppliers in China

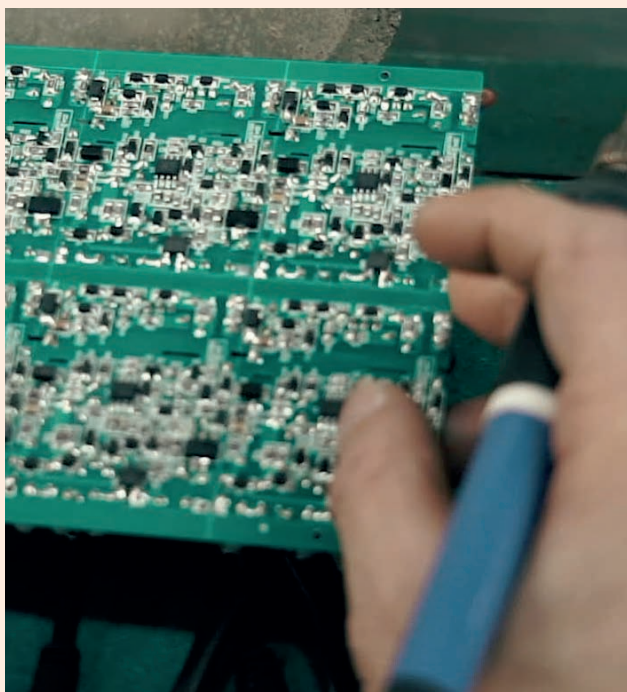
Factory visits in China are crucial for the quality of the sustainability work in Elektroimportøren. Chinese Fangxiao Mei points to an understanding of both Western and Chinese culture as absolutely central, when investigating conditions at Chinese factories.

A large part of the suppliers of Namron products, which is Elektroimportøren's own brand, are made in China. Last year, Mei was in China twice, the last time in October when she spent a month in the country to visit factories.

Mei visited ten factories, plus she had face-to-face meetings with around 15 representatives from other Namron suppliers. Elektroimportøren has a total of approximately 35 Namron suppliers in China.

Mei has lived in Norway since August 2022, and until March last year it was not possible to visit the country due to covid.

The purpose of physical visits is, among other things, to see the factories, how production takes place and to examine the working conditions for the employees.



- When I visited the factories in October, I was excited about the development of our key suppliers in China. They have done great work to go through the challenging period with covid pandemic. Most of them having stable development with good customers and good finances. That's good, stability is important, says Mei.

In general, she has noted that both the environment in the factories and the working conditions have improved, it is cleaner and better space for the workers, safety is at a good level and many of the factories have

established canteens with lunch for their employees. Regular breaks for the factory workers and available break rooms with various facilities and fruit and snacks have also become more common.



- The last time I visited the factories, several of them did not have canteens, and the workers either had to bring their own lunch or eat outside, says Mei.

Of the ten factories Mei visited, she is very satisfied with 7-8, which have shown steady improvement year on year. At the same time, she points to 2-3 who she believes need help in their efforts to improve. Small production premises in relation to the number of workers and high work pressure is a recurring problem. The suppliers vary from the really big ones who have international giants as customers and who maintain high standards, to small players with less than 100 employees. The challenges are greatest for the small ones, according to Mei, and Elektroimportøren will assess the relationship with these suppliers during 2024.

Many of the suppliers have made Namron products for Elektroimportøren since 2015.

- The good thing is that we still see many of the same people there, everything from product managers to workers, they have worked in the same companies for 10-15-20 years and seem to be enjoying themselves.

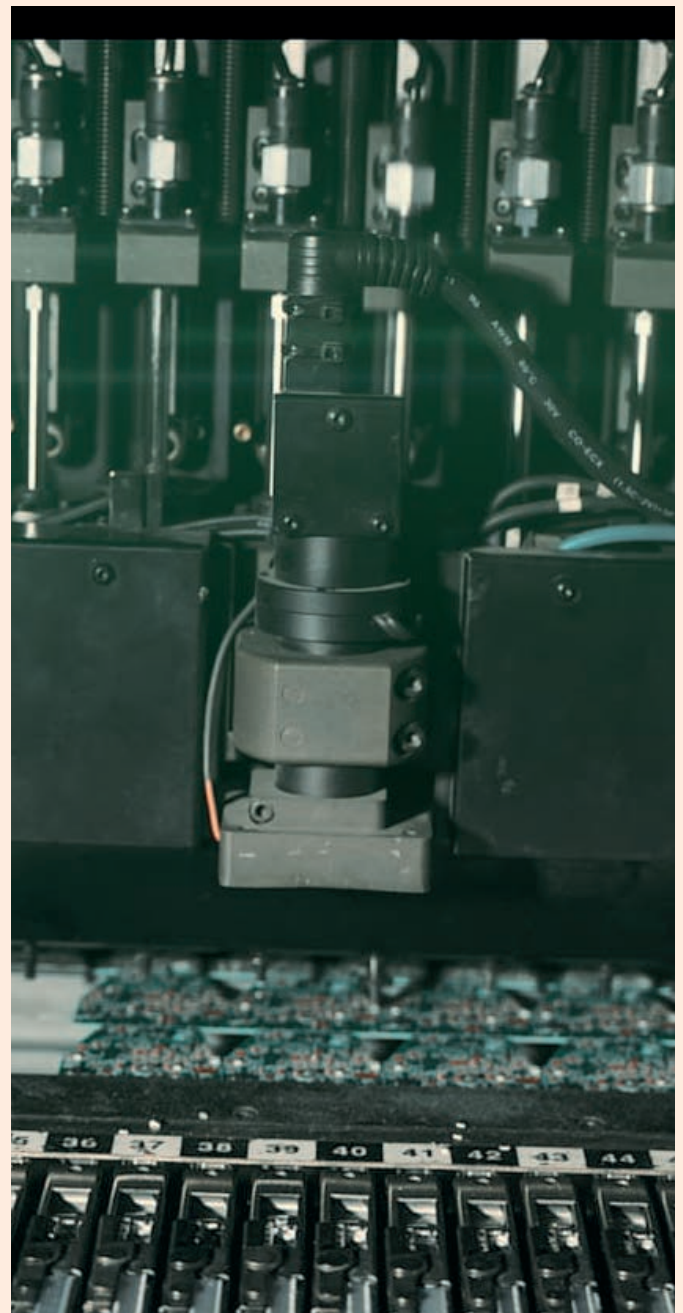
Mei also investigates conditions such as salary, holiday and insurance schemes for the employees at the suppliers. Several of the factories have BSCI certifications (<https://www.bsigroup.com/en-ID/Our-services/Certification/>), which makes them more transparent and provides greater security that the conditions for the employees will be good.

Mei has extensive experience from production in China and knows a lot about how to run a factory in China. She has gone through the ranks from sales manager at a factory, product manager for a French importer of electric bicycles, assistant to the general manager for the China office and was central to the construction of a new factory. Later, she became factory manager and head of the China operations with a turnover of 58 million dollars a year within lighting, heating, cooling, outdoor furniture and e-bikes.

- I understand both Western and Chinese culture and have a lot of experience in how to handle relationships between a manufacturer in China and a Western client. Among other things, it is about being able to explain to Chinese businesses why we need ESG in such a way that they accept it, not only because we are customers but also because they think it is good, says Mei.

- How are you received at the factories in China?

- In general, they are very well prepared, Namron is not the only one who requests this type of information, and we mainly get what we ask for. At the same time, ESG is extensive and a new area for most people, so that it is not always entirely clear what to do or not to do. Nobody knows everything about ESG, says Mei.



3.3 Local Communities

Local communities are in our double material assessment 2023 defined as not material for Elektroimportøren. This assessment is based on very low probability of material impact, risks and opportunities on all sub and sub-sub themes listed in the ESRS for the topic standard.

However, the assessment was conducted with a qualitative approach where assumptions has been made due to lack of insight. Elektroimportøren might therefore have actual and potential impact on this topic, specific in relation to the extraction of raw materials. To increase insight in the value chain in general, is a top priority for Elektroimportøren's sustainability work in the coming years.

3.4 Consumers and end-users

This material topic primarily relates to product safety, responsible marketing, and consumers' ability to provide feedback. Electrical materials are products strictly regulated by Norwegian laws. We do however see a rising concern among Norwegian consumers regarding electricity prices, which might lead to opportunities for Elektroimportøren.

Material impacts, risks and opportunities

In the double materiality assessment conducted in 2023, the following impacts, risks and opportunities were identified across the value chain:

Material Impact

The market for electrical material and installations is highly regulated due to the risk of especially fire connected with electricity and electrical material and installations.

The impact Elektroimportøren has on this area is on this basis somehow limited. Product information about products is to a high degree regulated, but we can have a positive impact through offering more advice in both stores and customer services as we have a very high degree of expertise among employees and is a trustworthy business in the industry.

Even though production and use of the products we sell are highly regulated, the consequences can however be dramatic and harmful for both customers and installers if something goes wrong.

Since 2014, Elektroimportøren has influenced the market positively through disrupting a market that was previously inaccessible and reserved for the few. We have made electrical material available for everyone and given people the possibility to make informed choices. Consumers can now buy electrical products and installation at fixed and transparent prices. As more consumers get concerned about rising electricity prices, Elektroimportøren's business model offers a great opportunity to take strong position in the market as total supplier on solutions to for energy efficiency.

Material Risks

By offering the possibility to buy electrical products, there is also a certain risk that end consumers without the proper skills and needed certifications will install the products themselves. Most products offered by Elektroimportøren demands installation from skilled electricians. This risk is however not limited to Elektroimportøren but applies for the industry in total. There are few known cases of harm related to this risk as of 2023.

Material Opportunities

Through high expertise offered all consumers in stores and also due to labeling of some products as more environmentally friendly and energy efficient there is business opportunities for Elektroimportøren going forward. By offering free advice to all consumers, we have an opportunity to strengthen our market position as a democratizing player, helping all consumers with access to products, advice and transparent pricing.

Policies

This area is under heavily regulations by Norwegian laws which is the basis of our work on this material topic. Elektroimportøren will during 2024 assess the need for policies on all material topics.

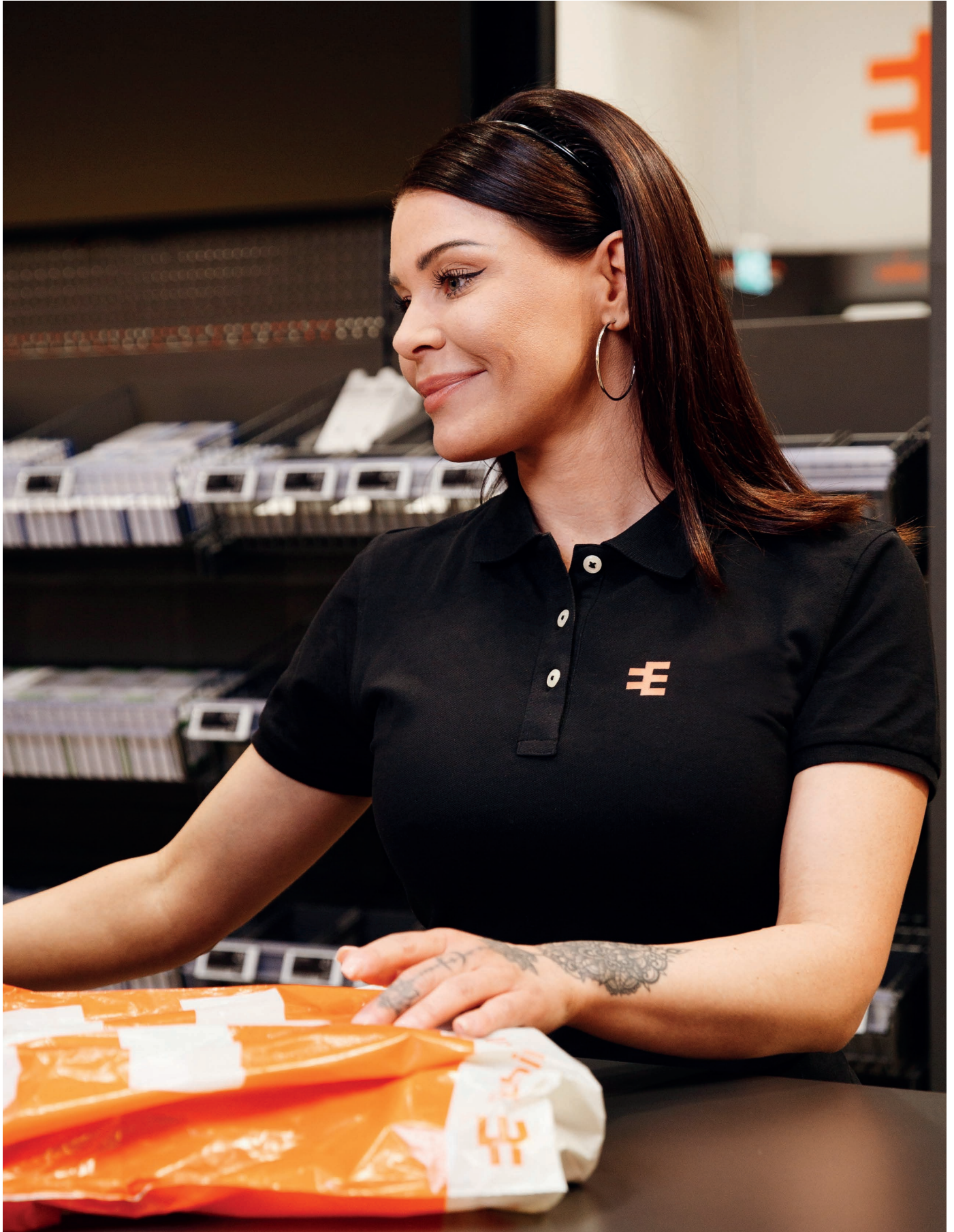
3.5 Social: Goals and actions 2023-2026

Our ESG Ambition

- 1) Number one in energy-smart solutions in all our markets
- 2) Industry leader in climate and cost-efficient value chains
- 3) Number one advisor position in the industry

	SHORT TERM GOALS*	KPIs (2023)	MOST IMPORTANT ACTIONS 2023	MOST IMPORTANT ACTIONS 2024
Own Workforce	<ol style="list-style-type: none"> 1. Perception in market of high competence 45% 2. Employees satisfaction > 7/10 3. Employees engagement > 8/10 4. Serious work-related injuries: 0 5. Share of women in total staff: 19% 6. Share of certified electricians in salesforce: (3/4) 	<ol style="list-style-type: none"> 1. Wavemaker tracker (34% 2023) 2. Winningtemp Employees job satisfaction (7,6) 3. Winningtemp Employees engagement (8,3) 4. Number of work-related injuries (0) 5. Share of women in Elektroimportøren (16,5%) 6. Share of certifes electricians in salesforce (3/4) 	<ul style="list-style-type: none"> • Investment in staff training • Focus on high customer service and guiding • New and imporoved services in Spoton • Strong focus on security and HMS at all times • Focus on recruiting women • Internal management program 	<ul style="list-style-type: none"> • Increase amount and quality of internal trainings • Continued high focus on quality and security in operations and products • Attract more woment to our industry • Continue to secure internal career possibilities
Workers in the supply chain	<ol style="list-style-type: none"> 1. Action plans for all potential identified risks 2. Yearly first hand inspections of all main suppliers of Namron 	<ol style="list-style-type: none"> 1. Position Green: Red flags/ Risk flagges 2. Number of first hand inspections for tier one suppliers 	<ol style="list-style-type: none"> 1. Close follow up and risk assessment of potential risks in value chain 2. First hand inspection to all tier one suppliers in China 	<ol style="list-style-type: none"> 1. Continued work on due dilligences for all suppliers 2. First hand inspection to all tier one suppliers in risk areas

4 Governance



4 Governance

Corruption is a global problem with significant societal repercussions. The World Bank, OECD, and World Economic Forum highlight that corruption is one of the major obstacles to sustainable economic, political, and social development. The latter has estimated that corruption accounts for 5 percent of the Gross Domestic Product (GDP) worldwide.

For businesses, corruption can entail distortion of competition and be a barrier to investments in regions where corruption is prevalent. Specifically, corruption may lead to contracts not being awarded to the most qualified suppliers, environmental concerns not being addressed, unqualified individuals being hired, and increased social and economic inequalities. Sustainable Development Goal 16.5 aims to “substantially reduce corruption and bribery in all their forms.”

4.1 Business conduct

Elektroimportørens expectations for our own operations, suppliers, and business partners are outlined in our ethical guidelines (Code of Conduct). These guidelines are signed, to the extent possible, by all suppliers and partners upon contract initiation and by existing suppliers during renegotiations. The ethical guidelines are based on the OECD Guidelines for Multinational Enterprises and recognized UN and ILO conventions, covering human right issues such as child labour, forced labour, freedom of association, discrimination and harassment, working hours and wages, as well as corruption.

Material impacts, risks and opportunities

Elektroimportøren is in a business of high risk products, if not handled the right way. We have therefore established a responsible business culture, occupied with safety and control. Our customers expect high expertise and solid advice and guiding, and we strive to deliver on this expectation.

We have a number of small suppliers, and it is important that we have solid systems securing that smaller suppliers do not experience discrimination. We also operate a global value chain, with risk for corruption.

We have a zero tolerance policy for corruption and have established routines and channels for whistleblowing, both internally and externally. It is important for us that people can reach us also anonymously if needed.

Responsible Business Conduct

Elektroimportøren is dedicated to advancing responsible business conduct across all aspects of our operations. Our approach is built on a foundation of ethical integrity, transparency, and a commitment to positive social and environmental impacts. This section outlines our key initiatives, policies, and practices that exemplify our commitment to responsible business conduct.

Sustainable Sourcing

In 2023, Elektroimportøren launched our Sustainable Sourcing Program aimed at ensuring that our supply chain operations are ethically and environmentally sound. We conducted audits of about 200 suppliers, focusing on their labor practices, environmental impact and overall compliance with our sustainability criteria. The audits resulted in improvement plans for some of our suppliers, and we also ended our relationship with one supplier, based on labor conditions. We also implemented a sustainability management system to audit and control running status for our suppliers.

Employee Well-being and Development

Our commitment to responsible business conduct extends to our workforce. We have a strong focus on employee development, and run several projects including skill enhancement trainings, and career progression planning. In 2023, we invested 3,5 million in internal competence and training. We are pleased to note that our employees over all, have a high job satisfaction and productivity level.

Environmental Stewardship

Understanding our responsibility towards environmental conservation, Elektroimportøren in 2023 introduced our "More power for less" program. This project focuses on integrating smart and renewable energy solutions across our operations, with a significant investment in solar panels for our main distribution center and energy saving solutions in our stores. During 2023, the pilot stores saved 15-30 percent energy consumption cs 2022 as a result of this investment. We will continue to invest in energy solutions for more stores during 2024 and 2025. We also got funding from DOGA to develop a new customer oriented solution for energy saving in private homes. This project will continue during 2024.

Governance and Oversight

To ensure our responsible business conduct efforts are guided by strong governance, we established a steering committee for our sustainability work in 2023. Comprised of senior leaders and external experts, this committee reviews and directs our sustainability strategies, ensuring alignment with global standards and stakeholder expectations. In 2023, the committee was instrumental in developing our double materiality assessment, updated processes and system support for due diligence of our supply chain and in updating our Code of Conduct.



Management of relationships with suppliers

Elektroimportøren imposes requirements outlined in our Code of Conduct when evaluating and selecting new suppliers. Furthermore, regular surveys and due diligence assessments are conducted for all key suppliers, especially those operating in identified high-risk areas. Suppliers are also required to provide close monitoring if any deviations are identified. Policies and guidelines are published on elektroimportoren.no and applies for both Namron AS and Elektroimportøren Norge AS.

Corruption and bribery

In line with our commitment to integrity and transparency, Elektroimportøren adopts a zero-tolerance policy towards corruption and bribery. This policy is integral to our business conduct and is explicitly outlined within our Code of Conduct. It applies universally to all employees, suppliers, and partners associated with Elektroimportøren, including both Namron AS and Elektroimportøren Norge AS.

Our zero corruption and bribery goal, means that we strive to ensure that all our business dealings are conducted in a fair, ethical, and transparent manner, adhering strictly to the laws and regulations of the jurisdictions in which we operate. In instances where corruption or bribery is detected, Elektroimportøren takes decisive action, including the termination of contracts, legal proceedings, and cooperating with relevant authorities to address and rectify the situation.

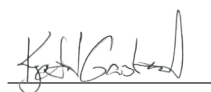
To support this further, Elektroimportøren will during 2024 increase our efforts in providing regular trainings and awareness programs for all staff, emphasizing the importance of ethical business practices and the mechanisms available for reporting unethical behaviour. Through collaboration with our stakeholders and adherence to international standards, we are dedicated to advancing our mission of driving sustainable development and ethical business practices across all areas of our operations.



Vegard Særaunet
Chair of the board



Eja Tuominen
Board member



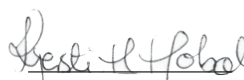
Kjetil Garstad
Board member



Andreas Niss
CEO



Gaute Gillebo
Board member



Kjersti Helen Krokeide Hobøl
Board member