



Taking care of the world's technology

Sustainability Report 2019

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CEO statement



I think we may look back on 2019 as the year the world woke up. Right around the globe, climate change has hit the headlines and people everywhere have begun to demand unprecedented social and economic changes to secure a greener future.

As we write this report the world has changed unrecognisably and businesses are facing unprecedented struggles to meet the challenge COVID-19 has set us. In a connected world, public awareness spreads rapidly and the global shutdown has caused many to take stock of the impact businesses have on the environment. When we emerge from the crisis, there will be more pressure on businesses, not just to demonstrate they are operating efficiently and responsibly to protect their finances and their people, but that they are also actively working to combat climate change. The businesses that flourish will be those that have inbuilt resilience to external shocks, while minimising their impact on the climate.

Consumers will use their buying power to support the most sustainable businesses. There will be an even greater demand for governments to introduce tighter regulation that places increased requirements on the corporate world. Every organisation will have to play their part to protect the planet.

Even though the climate change debate has raged for many years, the world is only just coming to understand the issue of e-waste and its impact on the environment.

As the corporate appetite for the latest devices grows and IT becomes obsolete more quickly, the number of computers, laptops and phones going to landfill has skyrocketed. According to the UN Global E-Waste Monitor (2017), we generate a staggering 44.7 million metric tonnes of e-waste each year. If we piled this all up it would be as tall as 4,500 Eiffel Towers.

These numbers keep me awake at night. They also motivate me and everyone here at 3stepIT. By taking care of the world's technology we aim to make organisations more sustainable – at every step.

In a recent survey, we asked more than 1000 IT leaders in businesses how they disposed of their old IT devices. Half still destroyed their devices or dumped them in landfill. Anyone can see this isn't sustainable. Businesses need to make the transition to greener IT consumption.

At 3stepIT, we believe it's our job to make it easy for them to achieve just that. Our Technology Lifecycle Management service allows our customers to return their used devices so that we can refurbish them for resale. This gives devices that would have gone to the scrap heap a second life. Last year we handled over 500,000 units in this way and sold 98% of returned devices.

The opportunity for society and for our business is huge. Our annual production of refurbished devices has grown 18% over two years as more businesses realise the need to manage their IT more responsibly. We now manage over two million assets for our customers and with reuse rates across Europe at less than 5%, there is still much work to be done.

In October 2019, we launched our joint venture company with BNP Paribas. BNP Paribas 3 Step IT will help 20 countries and many more businesses across Europe manage their IT sustainably. We aim to significantly increase the number of devices we manage, refurbish and reuse each year. As a result, we will ramp up our own contribution to the global fight against climate change.

Our track record on the environment is increasingly important to our customers. Some evaluate our sustainability credentials before considering our offer whilst others underline its value in their bid evaluation process. That's why this report is divided into two sections. 'Our business impact' shows exactly what we have done to help customers be more sustainable. 'Our sustainability credentials' details how we run our own business and ensure we have an ethical supply chain.

If 2019 was the year the world woke up, I hope now we take action. I'll be focused on helping our customers become more sustainable and ensuring we walk the talk at 3stepIT.


Carmen Ene
Chief Executive Officer

2019 highlights



Over
half a million
devices through
our refurbishing
centres



99%
of devices resold in Europe,
reducing the energy
consumption and CO₂
emissions required for export



A United Nations Global
Compact signatory



No recorded
serious injuries at
our sites.



New Vendor Charter
implemented for the
first time to promote an
ethical supply chain.



Recognised as an 'Efficient
Solution' by the Solar
Impulse Foundation, for
helping our customers
protect the environment in
a profitable way.



Awarded
**Best Sustainable
IT Finance**
by Capital Finance
International



New Skilful People
Strategy implemented
to support our people to
grow and flourish.

98%

of returned
devices sold and
given a second life



4.1 out of 5
Our employee
satisfaction rating

5 out of 6

of our sites use only
green electricity



**Highly
Commended**
in the World Economic
Forum's Circular
Economy Awards



2019 EcoVadis
**Sustainability
Rating - Silver**



Awarded
**Global Good
Awards Gold**



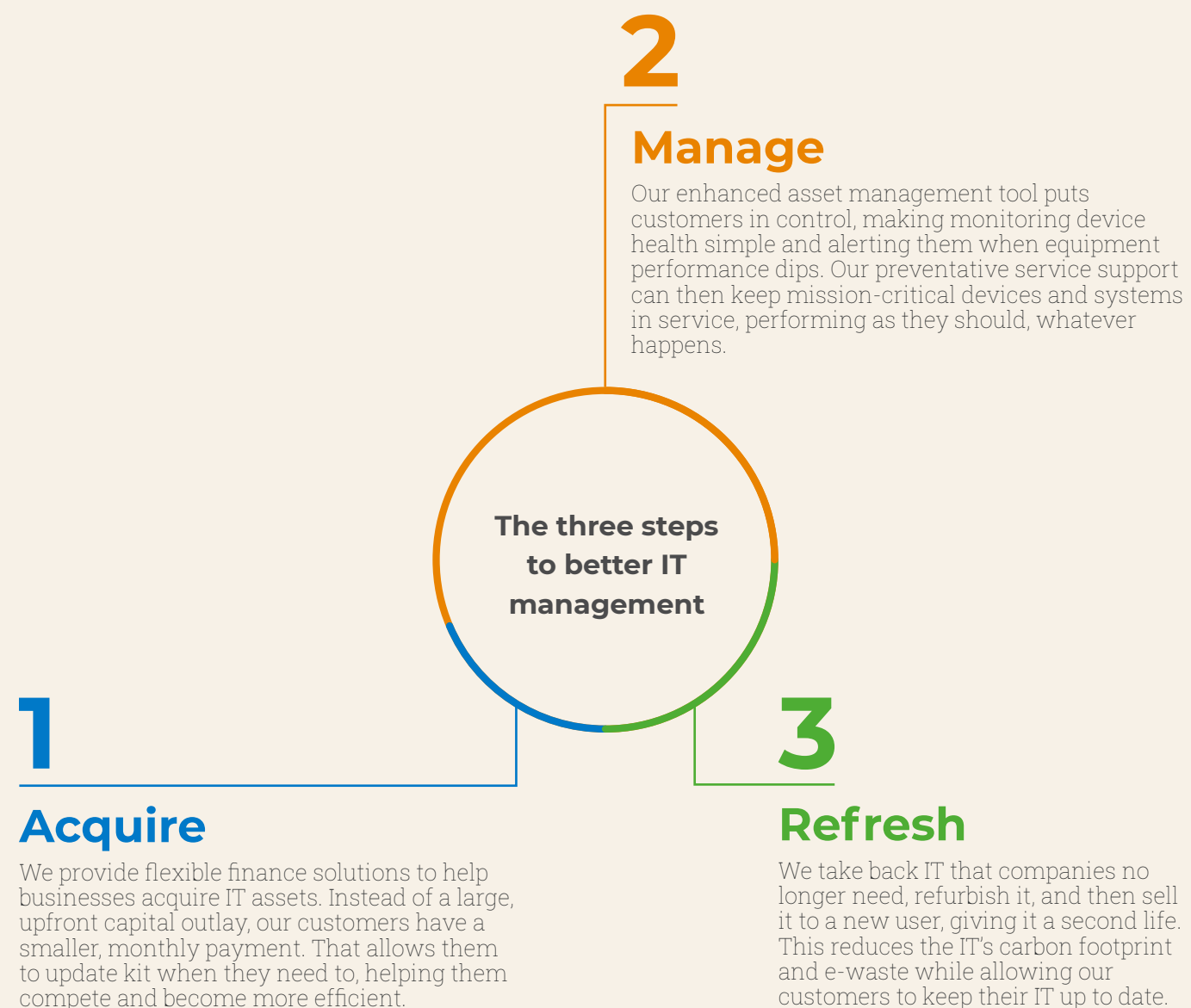
We are certified
**ISO 14001
compliant**
for effective environmental
management across our
headquarters and logistics
centres

Customer
satisfaction over
92%

About us

We take care of the world's technology. Our mission is to make organisations more sustainable – at every step.

At the moment, IT purchase is stuck in an old, linear model, with hardware largely bought, used, and thrown away. That's not environmentally sustainable. Our Technology Lifecycle Management service helps business to take care of their technology in three simple steps - acquire, manage and refresh.



Context

Over the past three decades, global internet access and usage has grown exponentially. With billions of people now online, the UN has even declared access to the web a human right. This unprecedented access has seen an explosion in the number of electronic devices.

As people become more connected, businesses also need more technology to help them reach and respond to customers, compete on efficiency, attract top talent and remain profitable. The problem is, each new piece of IT requires energy to manufacture and run, then ultimately ends up as e-waste once it needs replacing.

The average laptop has a carbon footprint of around 300kg¹, taking into account its original manufacture, packaging, shipping and electricity consumption in-use. When you think that even the smallest business needs a phone and a laptop, tablet or desktop, the corporate contribution to e-waste and global emissions quickly starts to add up.



52.2 million
metric tonnes of e-waste
a year by 2021.¹



Out of 1000 organisations asked, half still destroyed their devices or dumped them in landfill.

In fact, e-waste is the world's fastest-growing waste stream according to the UN, predicted to produce 52.2 million metric tonnes of waste a year by 2021².

The problem is, many businesses have not realised their IT could be acquired, managed and refreshed in a much more sustainable way. Our 2019 survey of 1,000 organisations in Northern Europe found that more than 50% destroy or dump used devices. Only around half the e-waste in Europe is even collected³.

Many causes of climate change seem too big to tackle but there is a solution to e-waste we can all play a part in. Businesses can consume technology more responsibly by using our Technology Lifecycle Management service.

The good news is that there is a movement towards change in this area as the leading IT managers begin to adopt a new way of thinking that, perhaps for the first time, sees the IT department making a positive contribution to a company's sustainability ambitions.

Giving a device a second life after its first use reduces the need to manufacture another from scratch. This halves its carbon footprint by spreading it across multiple users. 3stepIT resells 98% of returned devices, with our customers typically using their refreshed devices for a further four years. This offers a potential 49% e-waste reduction – based on an external survey (see Appendix 1) - and a 36% reduction in CO2e compared to single-use.

This report explains how we do it and the other advantages for customer companies who use our Technology Lifecycle Management services.



98%

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¹ See Appendix 1

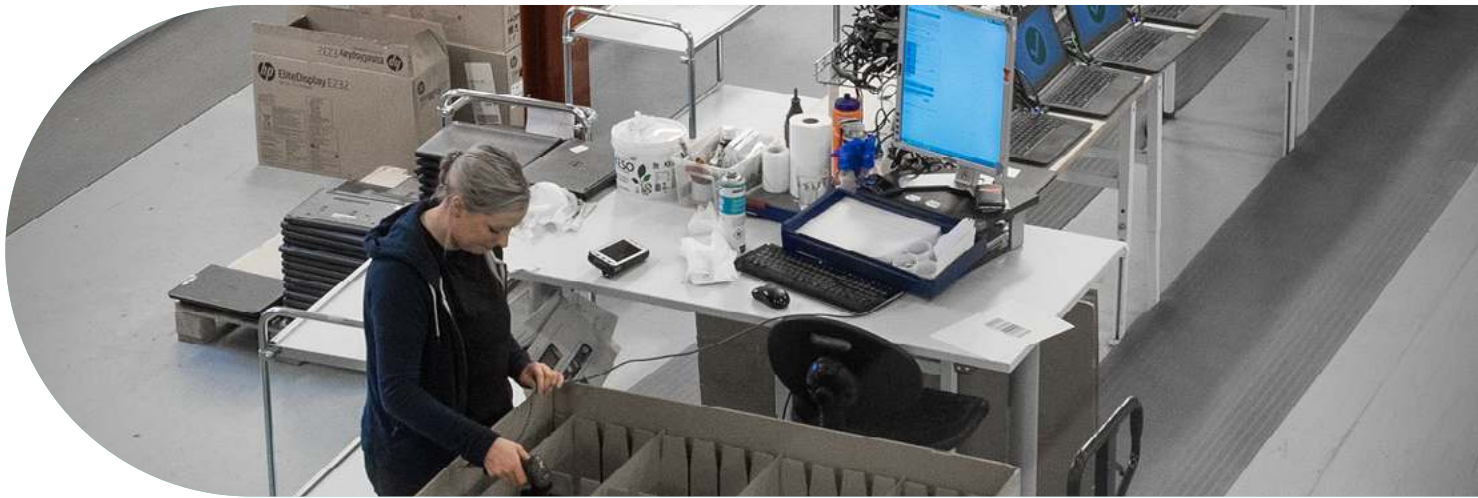
² The Global E-waste Monitor 2017

³ Eurostat statistics explained: Electrical and electronic equipment put on the market and waste EEE collected and treated, EU-28, 2010–2016, February 2019

Our business impact

making your IT more sustainable

3stepIT's Technology Lifecycle Management service helps companies to consume technology more sustainably, while halving their carbon footprint and reducing their contribution to e-waste. Here's how:



1 Acquire

Many businesses struggle to keep up with the speed of IT development. Funding and budgeting IT purchase, maintenance and replacement can be cumbersome.

Our service helps customers stay ahead of the curve by acquiring new devices and refreshing the IT stack regularly through a flexible finance solution. We are brand-neutral so we are able to support our customers to make purchase decisions that are right for their business and their people. We make life simple by taking care of everything for an all-in-one monthly fee.

Adopting this method of acquiring IT means businesses are procuring technology in the knowledge it needs to be returned, to be sold to a second user. This approach considers sustainability from the outset, rather than as an after-thought. Because we put a value on the returned equipment, companies are encouraged to take care of equipment, as the better condition it's in when returned to us, the higher its value. That means equipment has a longer lifespan, reducing its environmental impact.

With straightforward payment information easily accessible through our user-friendly asset management tool, our customers can effortlessly plan and budget for regular device refreshes, without the worry of contributing to landfill.

2 Manage

Our advanced asset management system keeps IT managers in the loop with information about the location and use of all their devices. Digitising routine IT administration, such as upgrade planning, makes their lives far easier.

Trying to fix IT problems after a failure occurs disrupts business; costing time and money. Our system puts customers in control, making monitoring device-health and alerting them when equipment performance dips.

Our pre-emptive service support helps IT departments avoid problems before they disrupt operations and keeps hardware in use as long as practicable.

Knowing where your devices are and what condition they are in retains their health for longer. It also ensures devices don't get lost or hidden away in cupboard – an important step towards reducing waste.

3 Refresh

When our customers have finished with their devices, they're sent to our refurbishment centres where our team securely erases the data and prepares the devices for resale.

In 2019, we sold 98% returned devices, significantly reducing the corporate contribution to the e-waste problem and global emissions. The remaining 2% were damaged beyond economic value, so we sent them to be recycled by trusted specialist partners.

Our refurbishing volumes have grown by 18% over 2 years, with a 5% increase in 2019. We now handle in excess of 500,000 devices per annum.

Re-using devices from other organisations
Our Refurbishing Centres handle much more than just our customers' end-of-lease returns: over half the used devices we refurbish come from other sources.

Devices received	2017	2018	2019
End-of-Lease total	193 854	229 783	234 201
Buy-in total	231 355	248 680	266 711
Grand total	425 209	478 463	500 912

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We now handle in excess of **500,000** devices per annum.

Clear benefits

Reducing CO₂ emissions

The manufacturing of a typical laptop, desktop or smartphone contributes the majority of the total CO₂ emissions it generates over its life. For laptops, 75-85% of emissions are down to manufacturing. (See Appendix 1 for more details.)

By reselling 98% of the returned devices we take back from customers, and finding buyers for it, we reduce CO₂ emissions by 36%. E-waste is the fastest growing waste-stream worldwide. Doubling product life almost halves our customers' E-waste, helping the planet. The cumulative impact of this work is significant and has the potential to reduce global emissions and support our fight against global warming.



Establishing our customers' green IT credentials

With the world waking up to the emissions and waste created by IT use, companies will increasingly need to demonstrate they are acting sustainably. Technology Lifecycle Management with 3stepIT enables them to do just that.

All our customers receive an environmental report that quantifies the CO₂ emissions reductions achieved as a result of refurbishment and recycling.

Our sustainability credentials

We exist to help our customers consume technology more sustainably but our mission doesn't end there. We know our customers only want to work with the most responsible business partners. Like them, we want to minimise our environmental impact and run the most sustainable operations we can.

Increasingly, our customers expect these sustainability credentials to meet their procurement benchmarks. To make sure we maintain the highest standards, we set out our environmental, social and economic responsibilities in full.

Our Code of Conduct states that 3stepIT will comply with all applicable environmental laws, regulations and standards wherever we operate and we expect suppliers and partners to do the same. We are proud that we incurred no fines or non-monetary sanctions for non-compliance in 2019.

We have divided our review of our sustainability credentials into three areas:



Environmental responsibility

Embracing the circular economy

Currently, most IT is part of a linear consumption economy: you take raw materials, make products, use them and dispose of them. Our vision is for a better, greener 'circular economy'. Instead of disposing of IT products after one period of ownership, you refurbish and give them a second life. Only the few products or components that cannot be re-used or re-made are recycled, with uses found for the materials released.

We subscribe to the principles of the Ellen Macarthur Foundation which works to build a framework for an economy that is restorative and regenerative by design. As a member of this organisation, we subscribe to a circular economy business model and help our customers to adopt that model in the way they use IT.

It means being committed to reducing our reliance on raw materials and limiting the impact of our consumption on the planet, by ensuring products remain in use for as long as possible.

Adopting globally recognised goals: our guiding principles

The UN Global Compact

In May 2019, 3stepIT was delighted to be accepted as a signatory to The United Nations Global Compact. This voluntary initiative invites CEOs to commit to implementing universal green principles and undertake partnerships in support of UN goals.

We chose four UN Sustainable Development Goals (SDGs) to guide our priorities:



SDG #4: Provide quality education

In 2019, we established a mandatory training programme on business ethics. Our training programmes cover 3stepIT's environmentally responsible processes and ambitions. In 2019 we introduced UN Global Compact educational materials to enrich the education programme for our production team. We also reward our interns fairly and offer flexible work arrangements so they can continue their academic or technical training.



SDG #5: Promote and respect diversity and aim for gender equality

We want 3stepIT to be free from discrimination and harassment, whether based on race, colour, religion, gender, gender-identity or expression, sexual orientation, national or social origin, genetics, disability, political beliefs or any factors unrelated to 3stepIT's legitimate business interests. If any discrimination is seen, we ask that concerns are reported. We do not tolerate retaliation against anyone who reports in good faith. Our CEO and CIO, both women, work to advance diversity within 3stepIT and in the wider industry.



SDG #10: Reduce inequalities

By providing reconditioned IT equipment at prices below the cost of new alternatives, we help bridge the digital divide, empowering more people through technology. Our products enable educators to invest in more IT equipment for students. In 2019, 3stepIT worked with charities that provide used equipment to schools and marginalised groups (see 'Using our IT refurbishment skills to support charities' section below). We also encourage and enable our people to contribute to charities and make a difference by reducing their environmental impact. (See 'Our people' section.)



SDG #12: Responsible consumption and production

Our circular economy business model helps other organisations use IT more responsibly. As Technology Lifecycle Management experts, we ensure that returned devices are securely refurbished and reused where possible. Each reused device displaces the manufacture of a new one, reducing the carbon footprint per year of device use. (See 'Our business impact' section above)

In 2019, we introduced a repair programme using parts salvaged from e-waste to improve or refurbishment rates of production. (See 'The Klavreström repair programme' above.)

Our operations

Energy use in our refurbishment operations

There are two ways we can make a positive impact: using more renewable energy sources and reducing demand by improving efficiency. We try to maximise both to cut our emissions and play our part in protecting the environment.

The eventual target is for all our ISO 14001 certified locations to use only green electricity. So far we have achieved this in five of our six locations:



Reducing energy consumption

The principles of economies of scale apply to energy consumption. By increasing IT refurbishment production at our sites, we reduce energy consumption per unit produced (see kWh/unit decline in diagram).

Energy use for device refurbishing in Klavreström

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Devices handled	38,646	50972	65019	78956	98885	103600	173180	220324	221018	231453
kWh used	237,767	224,494	210618	205324	216719	180588	212314	233585	239418	219325
kWh / unit	6.15	4.40	3.24	2.60	2.19	1.74	1.23	1.06	1.08	0.95

This table shows consistent improvement in energy use per refurbished device. This is currently only measured at our centre in Sweden, with the intention to extend the measurement to all European refurbishing centres.

Focused on long-term efficiency, we improved our systems to reduce waste. We also enhanced scheduling and made it easy to 'switch off' a centre to minimise overnight energy consumption.



Reducing packaging waste and transportation emissions

To reduce waste and minimise the environmental footprint of packaging, we reuse incoming plastic packaging for the refurbished product leaving our centres.

Packing IT equipment tightly and only shipping in pallet loads also helps us decrease waste and reduce greenhouse gas emissions and fuel costs. Our minimum order quantity for desktops is a full pallet, usually about 40 devices. Our customers can still select products like laptops and phones individually because they can be mixed and packed tightly on a pallet.

To further improve shipping densities and save material, 3stepIT has developed smart packaging for IT equipment. This maximises the use of space while protecting equipment during transportation. We educate our customers and logistics partners to work with these methods, increasing efficiency across our operations.

Using old parts to make new

Refurbishing IT with new parts can be expensive. To tackle the problem, in 2017 we piloted a repair programme at our refurbishing centre in Klavrestrom, Sweden. Our team developed innovative techniques to salvage usable parts from even the most damaged devices. For example, a screen from a permanently locked phone can be used to repair a functional phone with a shattered screen. In 2019, the Klavrestrom repair programme improved the quality of 8,612 lower-grade devices.

The scheme was a huge success so, in 2019, we rolled it out to all refurbishment production in Sweden and Vantaa, Finland. Repairing rather than scrapping 2,348 devices in Sweden boosted our 2019 resale rate. In the process, the repair team developed new techniques to avoid scrapping devices with a wider range of faults. Towards the end of the year, this approach had the potential to improve around 80% of devices going through our refurbishment centres. After salvaging every possible spare part, we recycle what's left to ensure we extract the maximum value from all our devices.

In 2020 we will go a step further, introducing the programme to all our refurbishing centres to reach a target of 10,000 devices saved from being scrapped or recycled prematurely.

Getting ideas from the shop floor

Towards the end of 2019, we ran Quality & Sustainability sessions in all our European refurbishing centres, including training and workshops to generate fresh thinking on how we can improve. Most of those eligible attended, working together to produce 167 improvement suggestions.

There was an impressive range of ideas. Some concerned individual roles while others sought to improve operations. We implemented the most straight-forward, low-cost suggestions before the end of 2019. Those requiring more investment will be evaluated fully in 2020, with some being implemented before the year is out.

We are also implementing our own framework to drive innovation, adapting the LEAN principles, which aim to eliminate waste and inefficiency, to mirror the needs of our organisation.

Our offices

We lead by example and encourage environmentally-friendly behaviours in our daily work.

Some of our offices have e-scooters that any employee can borrow for travel to meetings. They are typically used to visit clients, providing faster travel with a lower environmental impact compared to a car struggling through inner-city traffic.

To further decrease emissions from work-related travelling and commuting, we encourage virtual meetings and remote work wherever possible. As you would expect, our people are fully equipped with the technology to make this possible, wherever they are located.

Of course, we also minimise the use of paper, sorting and recycling our waste in our offices. Our refurbishing centres salvage the paper left in returned printers and copiers to cut down on new paper use.

Office environmental accreditations

It is not enough to stand still. We need to continually improve our green credentials. Our headquarters and logistics centres are all ISO 14001 certified. This is the international standard for effective environmental management and requires demonstrable annual progress.

Our supply chain

Every business should use its purchasing power to promote its environmental goals. In 2019, we began reviewing the sustainability credentials of suppliers - including working conditions - before contracting them. We are planning to use this assessment to review all new suppliers from 2020 onwards.

Our partners also play an important role in ensuring the responsible end-of-life treatment of used devices. This includes both trading partners who buy refurbished devices and recycling partners that process unusable devices as raw material.

We choose our trading partners carefully, prioritising long-term relationships so we know exactly where our refurbished equipment ships. Our partners are an important part of our green strategy so we run detailed background checks to make sure they meet our high standards on anti-money laundering, bribery and modern slavery. We repeat the check annually when contracts are renewed.

When selecting our recycling partners, we only choose those with high environmental standards. The recycling partners we use in Finland, Norway and Sweden are all ISO 14001 and ISO 9001 certified.

Selling to responsible countries

We only sell our refurbished devices to countries with effective e-waste regulatory regimes. In 2019, we sold over 99% of devices refurbished in Europe to European destinations, reducing the energy consumption and CO2 emissions required for export. Devices refurbished in Malaysia and Singapore went to local traders.

Future improvements

- We've made some great progress improving our environmental impact but we know there is always more to do.
- In 2020, we will:
- Automate the quote process when buying used equipment
 - Develop and deploy a trader portal
 - Reduce the time devices spend in the refurbishing process
 - Improve customers' environmental reports and deliver these to everyone as standard (currently they are optional)
 - Complete our repair programme roll-out

These innovations will help grow buy-in volumes, reduce recycling by increasing the number of devices we can refurbish, improve our service and speed-up device sales.

Awards and certifications

We are very proud that our environmental credentials were recognised with several awards and certifications during 2019.

We were accredited with a Silver Ecovadis Sustainability Rating for 2019, rating our performance in environment, ethics, labour and human rights, and sustainable procurement.

We were Highly Commended in the Circular Economy Awards organised by the World Economic Forum. We were awarded Best Sustainable IT Finance by Capital Finance International, with judges remarking on our strong progress. We also won a Global Good Award in the Circular Economy category.

Our service was recognised as an 'Efficient Solution' by the Solar Impulse Foundation, for how it helps businesses protect the environment in a profitable way. This organisation aims to bridge the gap between ecology and the economy by recognising solutions that combine environmental protection with financial viability. Recognised solutions must be both practical and affordable, fixing problems while offering opportunities for clean economic growth. The three-month certification process is rigorous, involving a detailed examination by a panel of independent experts. Around two thirds of applications fail. The fact we succeeded is testament to the economic and environmental credentials of our circular economy business model.



Social responsibility

Doing business in a greener way is about more than just reducing our environmental impact. We also have responsibilities for our people, our customers and our partners.

Like everything we do, our social responsibility policies are purpose-driven. We aim to do right by the people we work with, take care of the world's technology and help businesses be more sustainable.

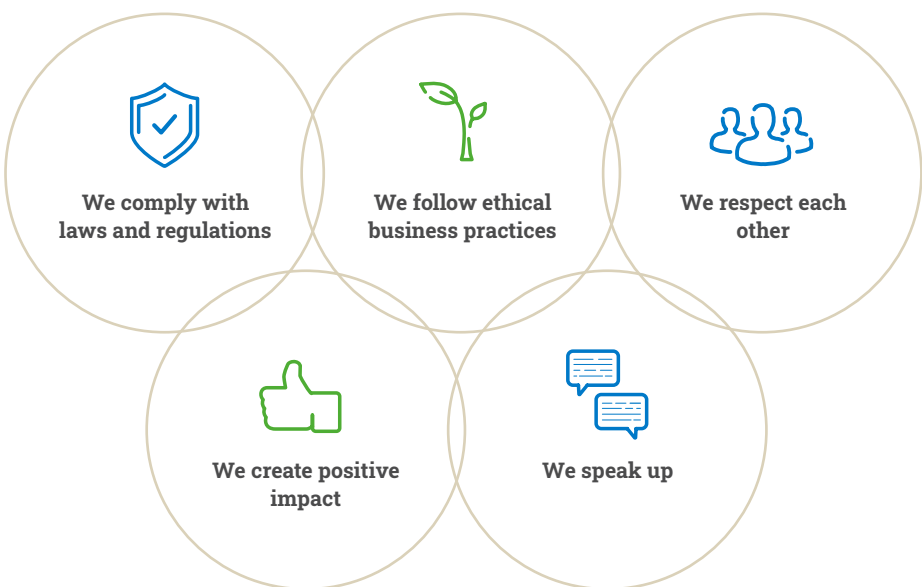
Our Code of Conduct

We hold ourselves to the highest standards and expect our partners to do the same. Our Code of Conduct outlines the ethical behaviour standards and values that all of us should adhere to, regardless of the position we hold, or where we are located.

Our Code of Conduct is reviewed and updated every year and published publicly for all our colleagues, partners and customers to use. In 2019, we revised it when we became signatories to the UN Global Compact and this year we renewed it based on our updated purpose, mission, vision and values.

Every 3stepIT employee is responsible for respecting and implementing the Code of Conduct in their daily work. Each manager has a responsibility to ensure employees know and follow the Code.

Our updated Code of Conduct 2020 edition can be summarised in five principles:



Making our Code of Conduct part of the culture

Our mandatory Code of Conduct training is organised annually. This involves taking a test at the end of the course to show that the Code of Conduct is understood and accepted.

During 2019, we also developed a portfolio of mandatory training in business ethics. Topics covered included environmental management, anti-money laundering, data privacy and GDPR responsibilities.

Results

We are proud to report that we did not incur any fines or non-monetary sanctions for non-compliance with laws and social regulations in 2019.



The focus for 2020 and beyond

Most organisations have a purpose and set of values. The challenge is to get your people to live these in everything they do. That's what the Ethics and Compliance programme does. My appointment is a sign of the company's determination to make 3stepIT a truly purpose-led organisation.

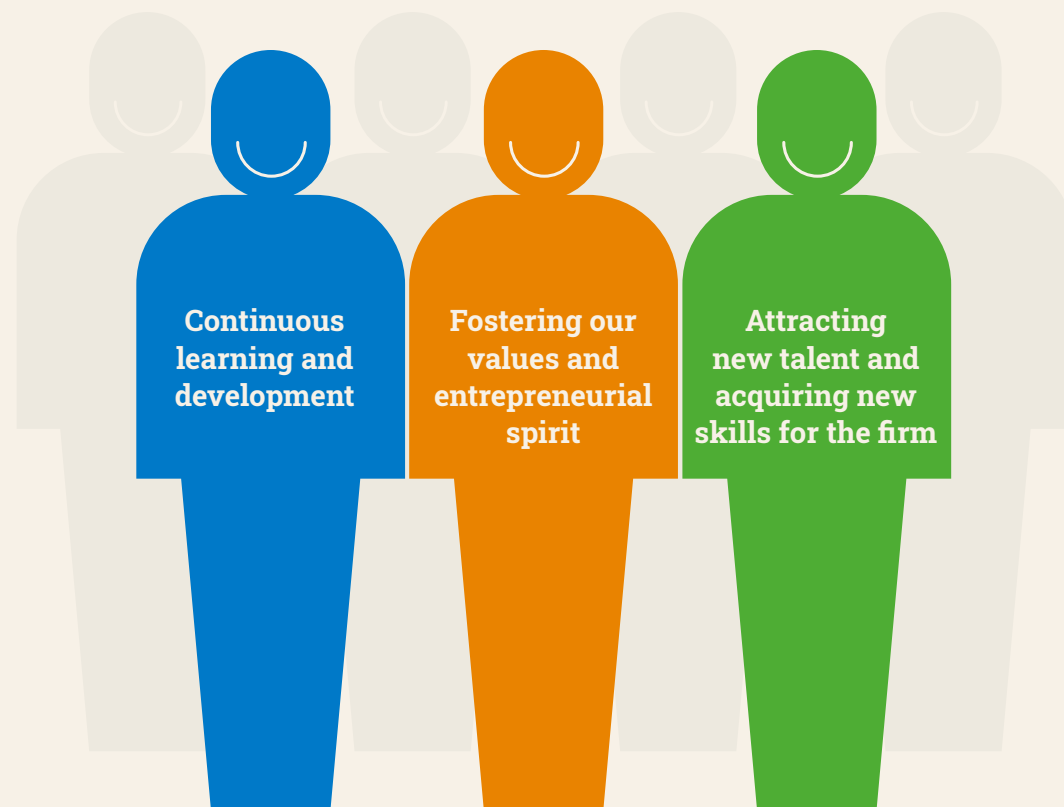
Varpu Ahvenainen

Group Ethics and Compliance Officer & Legal Counsel
Appointed January 2020

Our people

In 2019 we invested heavily in our people to help them grow and flourish.

We defined and implemented a new HR strategy called "Skilful People", a two-year action plan to make the organisation future-ready. It includes:



A business cannot be sustainable without an engaged, energetic and committed workforce. We regularly review and improve how we take care of our people to ensure we continue to have a happy, healthy team.

Colleague satisfaction

We measure our people's engagement through a comprehensive annual, group-wide employee survey, conducted by an external company and benchmarked against the top 25% best performing organisations in Finland.

In 2019, we achieved high levels of participation and we were proud to report high levels of satisfaction, building on our successes last year.

Survey findings

We had an impressive response from our team: 91% of those invited completed the survey. There was a high overall satisfaction score of 4.1 out of a maximum of 5. For teamwork, line manager quality and the company overall, we scored in the top quartile of the best performing companies benchmark group.



Things are efficiently put into practice in my team. ★★★★★ 4.03 (+0.52)

We aren't scared to openly talk about mistakes. ★★★★★ 4.22 (+0.44)

Our approach to work is positive and solution-oriented. ★★★★★ 4.33 (+0.32)

Employee scores for their part of the organisation and their own work straddled the top quartile hurdle.

Our approach

Motivation through information

It is essential our people have a stake in our strategy and objectives. So, we keep everyone informed about our approach and performance through quarterly, hour-long global video briefings covering business results, innovation and strategy development. In January, we invite all our people to our first quarter briefing, a two-day annual training event with detailed reporting, team-building workshops and improvement programmes.

We also work hard to guarantee that new starters have the information they need to give them the best possible start. Our new hires all undergo a two-day induction programme to familiarise them with our business and welcome them to the company.

Training and development

This year we launched a new online training platform for all our people, with mandatory courses on business ethics and modules covering our environmental management system and Code of Conduct, anti-money laundering, IT and general security awareness, and individual GDPR responsibilities.

We offer our people access to the 3step Academy - a series of open, online courses that provide training and education on different topics relevant to our work.

2019 also saw a new focus on sales, with a specific training program designed to support our people in this area to reach their highest potential. The six-month online training programme is complemented by live workshops and a targeted personal development plan to ensure the training is both accessible and comprehensive. We will continue to develop this area of our training programme throughout 2020.

For our leaders, in partnership with Hanken SSE business school, we developed a two-year management and executive training programme, combining six-months' online learning, live group workshops, and individual study. We delivered the second part of our Leap for Growth leadership development programme in 2019. It aims to support transformation and strategy execution and promote a shared leadership culture whilst boosting innovation, learning and networking opportunities.

We have big plans for 2020 in this area, including new leadership coaching and leadership days to be rolled out across the business.

Regular employee reviews sustain improvements

The foundation for our approach is a twice-yearly formal performance, planning and objectives review for every employee. In 2019, we rebuilt the performance management process to include half-yearly strategic targets, major responsibilities, skills development and a focus on our values. We will implement the new process in 2020.



Health and safety

We have a spotless health and safety record, with no recorded serious injuries in 2019.

The most serious health and safety risks in our operations relate to exposure to chemicals or dust and our refurbishment process. Our teams in refurbishment regularly assess risks and refine the processes accordingly to reduce danger. In some operations, heavy lifting is required, so we provide detailed manual handling training.

We have country-specific health and safety policies and processes in place. In each country we hold occasional meetings, open to all our people, to discuss working conditions.

When it comes to the health and wellbeing of our people, we encourage preventive wellness activity to avoid rather than treat medical conditions. In Finland, for example, we provide gym equipment and weekly exercise classes, as well as affordable massage services, to keep our people fit, happy and healthy.

Work-related injuries in 2019 (Ref. GRI 403.9):

		Minor injury	Serious injury	Injury-related time lost	Fatalities
	Finland	0	0	0	0
	Sweden	2	0	1 hour	0
	Norway		0		0
	Denmark	0	0	0	0
	UK	2	0	2 hours	0
	Malaysia & Singapore	0	0	0	0

Diversity, equality and fair treatment

We provide a safe working environment with equal opportunities and fair treatment for all.

With people from all over the world, our workplace brings different cultures and backgrounds together. We operate zero-tolerance on any kind of discrimination based on race, colour, religion, gender, gender identity or expression, sexual orientation, national origin, genetics, disability, or age. We promote and celebrate diversity and only judge people based on their ability and performance at work.

If we identify inappropriate behaviour or discrimination, we will take action. Our Code of Conduct clearly explains our approach and the channels our people can use to report incidents.

At the end of 2019, we employed 409 people (vs. 391 in 2018), with 45% female and 55% male. The turnover rate for permanent employees was 12% (vs.11% in 2018). See the Appendix 2 for detailed employment statistics.



Our customers

We know we wouldn't be where we are today without the dedication our customers have to operating more sustainably, so supporting their needs is always our top priority. Our sales people build personal relationships with our customers, developing bespoke solutions and building their trust.

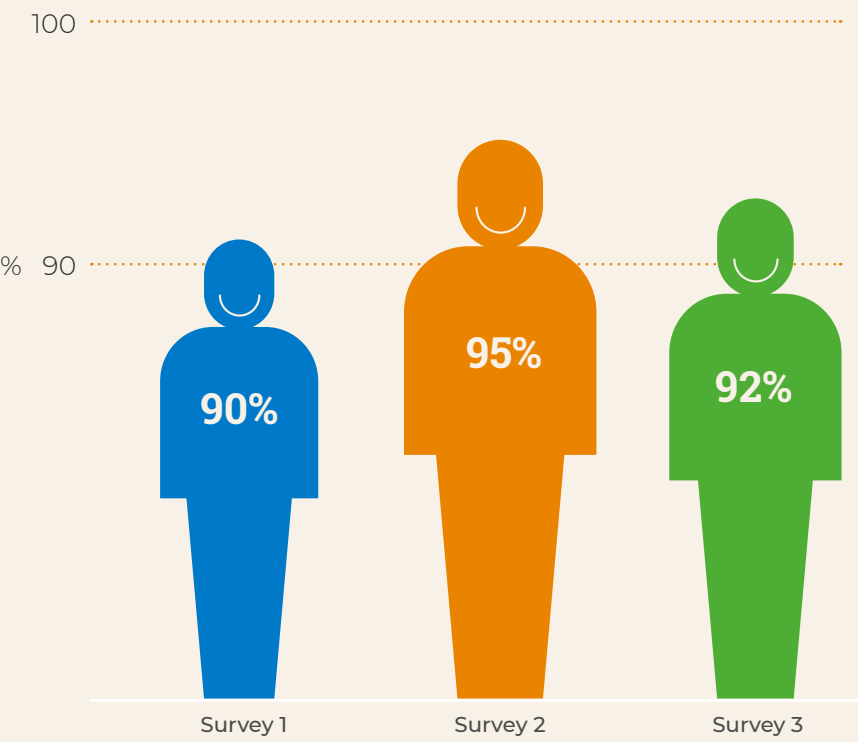
Customer satisfaction

We measure customer satisfaction at two points in the asset lifecycle: the beginning of our contractual relationship and the end of the lease agreement.

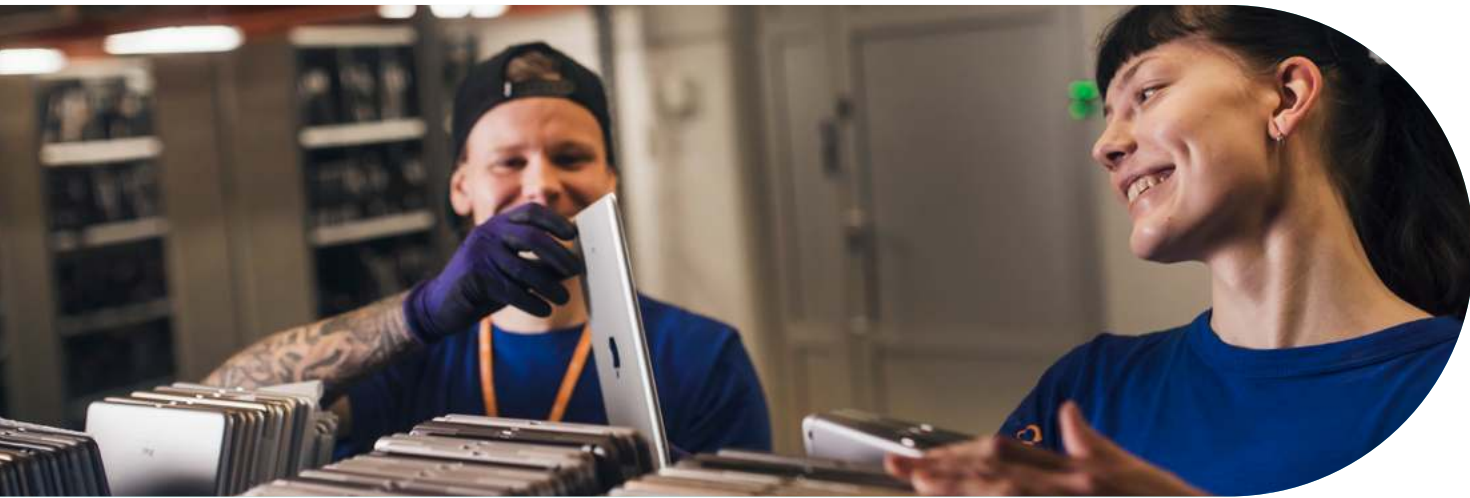
In three surveys conducted in 2019, 90%, 95% and 92% of customers said they were 'totally' or 'fairly' satisfied at the end of lease stage. 80% of respondents rated the professionalism of our sales people as excellent or very good. These scores maintain our excellent performance from last year's survey, and show our commitment to excellent service standards.⁵

Customers are asked to suggest how we might improve the process. This open question generates many useful ideas about how we can improve our services and we will introduce it to our occasional trading partner survey in 2020.

Customer satisfaction survey ratings 2019



⁵ With small sample sizes there is no statistically significant change for better or worse.



Our supply chain

Our 2019 survey of customer, supplier, partner and employee priorities identified the development of an ethical supply chain as a primary concern – so we made it a top priority.

Throughout our supply chain we are committed to:

- Only reselling devices to partners with responsible green policies and backgrounds we have thoroughly checked
- Ensuring each reseller is committed to our anti-corruption directives
- Only selling devices to countries with trustworthy programmes for recycling and e-waste disposal
- Ensuring devices that can no longer be reused are recycled responsibly through professional partners.

We have also drafted a 'Vendor Charter' to describe the most important elements of a contract with our partners. It sets out the employee rights, data privacy, general environment policies and IT security standards we require from suppliers. We are planning to use this checklist to review all new suppliers from 2020 onwards.

We audit our suppliers regularly and actively follow up if we think they need to improve their operations.

In 2020 we plan to extend the scope of our supplier evaluation in two ways:

- In addition to any new suppliers, we will evaluate current suppliers when their contracts are renewed or extended
- We will increase the detail of the supplier evaluation to learn how our suppliers assess their own suppliers' approach to employee rights and the ethical standards of their supply chain

Our community

People who join an organisation with a green mission like ours tend to view their work as more than just a job. We have always tried to have a positive impact on the communities where we live and operate. 2019 was no different, with a variety of charitable donations and a range of joint activities with local organisations.



Computers for All

We are one of the founding members of the Computers for All Campaign, together with the charity Domestic Aid. Not everyone can afford the technology that is increasingly required for learning, putting some people at a disadvantage. Our campaign aims to prevent digital exclusion and help children keep learning despite their circumstances, by providing much-needed access to IT equipment. Endorsed by the President of Finland, the campaign collects devices from companies and donates them to students across Finland who cannot afford to buy laptops. We securely wipe data from the devices before they are distributed, ensuring they are secure and safe for the new recipient.

Walk the Talk

It's not enough just to say we're sustainable, we want everyone to live and breathe this ethos as part of their work. In October, we launched a 'Walk the Talk' campaign to effect real change, reduce individual environmental impact and raise public awareness.

Activities included book donations, vegetarian days, carpooling, plogging (jogging combined with picking up litter), and setting up a flea market and yard sale. In Norway, winters are extreme, so we collected and donated cold-weather clothing to Gateteam, a homeless charity in Oslo.

Our 'urban mining' challenge saw us dig around in draws and cupboards to unearth old IT, harvesting nearly 50 devices to be recycled or refurbished for reuse. Using the hashtag #WalktheTalk, we promoted the campaign online and encouraged others to participate.

The Danish team took to the water, embarking on a 'trash expedition'. By picking rubbish out of Copenhagen canals, the team helped protect the oceans from micro-plastic pollution whilst raising awareness of the problem of underwater waste.

#BeatAirPollution

The theme for World Environment Day 2019 was 'Beat air pollution'. 91% of people do not breathe clean air and pollution causes over 7 million deaths each year. Poor air quality has been linked to severe health problems such as cancer, heart diseases, strokes and asthma and pollution contributes to climate change and global warming.

To celebrate World Environment Day, we encouraged all '3steppers' to do their bit for the planet. During a two-week environmental challenge, they plogged, cycled to work and put vegetarian food on their plates to go greener and raise awareness of the impact of air pollution.

Other charitable activity

We support many charitable causes throughout the year. Here are some of the highlights.

Welcoming immigrants

The Swedish team worked with the Södertälje SK hockey club and some of our local funders to support the integration project for newly arrived immigrants. It also donated 50,000 SEK to BRIS, one of Sweden's leading children's rights organisations.

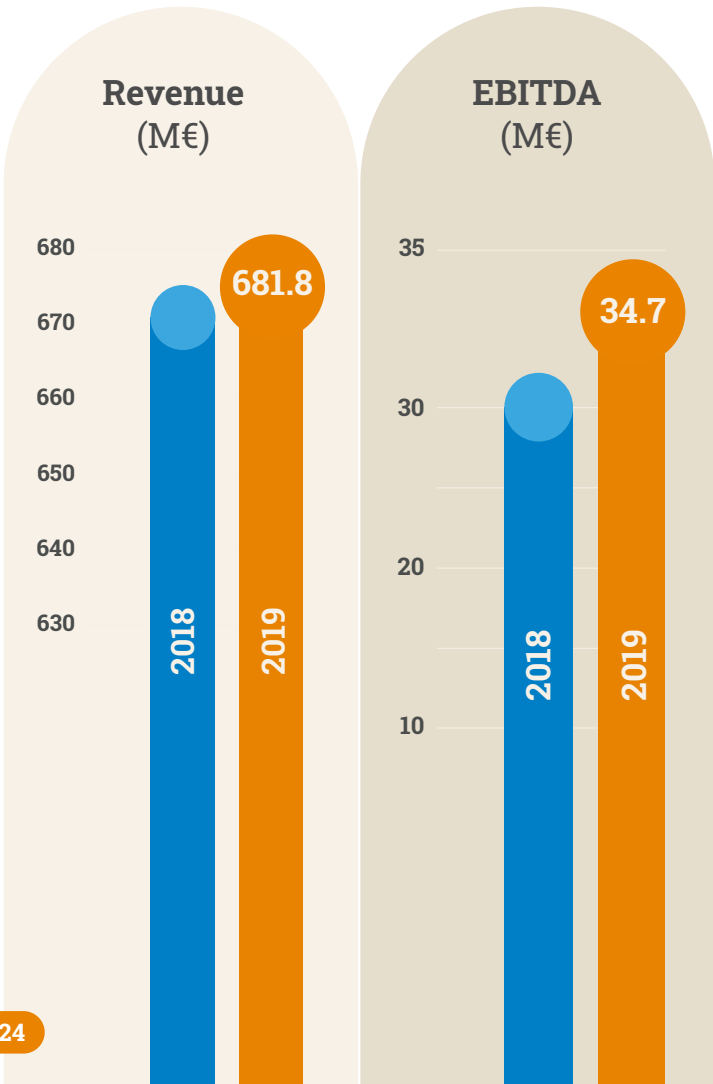
Supporting good causes

In Norway, we donated to Care Norway, Save the Children, and the Salvation Army, whilst in Denmark we gave to "Knæk cancer" (beat cancer), an annual charity collection from individuals and companies with a TV-show climax that raises funds for cancer research and patient support.

Economic responsibility

Our commitment to environmental responsibility isn't just the right thing to do, it's a significant part of our value proposition of increasing importance to customers. Some clients scrutinise our sustainability credentials before considering our offer, while others attribute value to it in their bid evaluation process.

We've transformed our business to ensure everything we do is focused on our purpose: 'To take care of the world's technology' and thereby help our customers become more sustainable. To deliver the best service to the businesses we work with, we must be sustainable ourselves - economically as well as environmentally. That means having resilience, relevance and a strong plan for growth.



A sustainable business model

When we develop our business strategies and investment plans, our goal is to create long-term value that grows over time.

We are realistic, open and honest about progress in pursuit of our strategic goals. We take great care to account fairly and accurately and our accounts are independently audited and approved by the Board for publication.

With our Code of Conduct, we hold ourselves to the highest ethical principles, clamping down on conflicts of interest. Our commercial standards include an anti-money laundering (AML) policy strengthened in 2019, with a new e-training module on AML essentials made mandatory for all our people.

We are proud to have delivered steady growth for 22 years and in 2019, we delivered record revenues.

Our core business measurement is devices financed, which grew by 5.6% this year to 838,028. Production (the refurbishment and resale of devices) grew 5% with 500,912 devices processed. We sold 98% of returned devices - an industry-leading rate.

Our revenue grew 0.9% to 681.8M euro, up from 675.8M euro in 2018. EBITDA were 34.7M euro, an increase of 8.2% on last year, benefitting from our BNP Paribas 3 Step IT joint venture which began trading on 1 October 2019.

EBITDA performance included costs arising from investment in internal IT systems and digital service development. These investments will improve service delivery in 2020.

Our business strategy is designed to maintain and encourage sustainable growth. We will continue to focus on developing innovative service models that respond to customer needs and the demand for more responsible IT procurement. We will also make the most of these service improvements in our new joint venture, BNP Paribas 3 Step IT, as it opens branches and builds business across Europe.



Our economic impact

Economic value generated and distributed

In 2019, we generated 698M euro in economic value, with a distributed value of 701M euro* across all our activities.

	2018	2019
Economic value generated, euro, million	677.4	698.5
Operating costs	- 622.1	- 641.2
Employee wages & benefits	- 30.0	-30.3
Payments to the providers of funds	- 16.5	-23.5
Payments to the government	- 7.0	-6.2
Economic value distributed	675.6	701.3
Economic value retained	1.8	- 2.8

*Reference to GRI 201-1 Direct economic value generated and distributed (GRI 201: Economic performance 2016)

Giving back



In the UK our sales team works closely with schools and charities to supply them with high quality, refurbished IT equipment at affordable prices. It's an area of the business we're really proud of because you can see the direct impact we're having by giving young people and disadvantaged members of our communities' access to technology and all its benefits. Last year, more than 1,000 laptops reached our education partners and we have ambitious targets to improve on that in 2020.

.....
Scott Watson

Account Manager, Remarketing

What our customers say:



3stepIT are our go-to providers when scoping out new projects. The staff are extremely keen and helpful, with excellent product knowledge. 3stepIT allow us to keep on budget whilst leveraging modern technologies. All equipment arrives in 'as new' condition, with the peace of mind of extended warranties - and always fully functioning!

.....
Stephen Hardy

Stowe Valley MAT



We work with 3stepIT to help us source first-class technology without breaking the bank. Their extensive knowledge in this area takes the risk out of buying refurbished hardware for our school.

.....
Sami Khan

William Morris Sixth Form



With 3stepIT, they always get us what we need and they are honest from the outset regarding available stock and give us realistic delivery expectations.

.....
Michael Gobey

Jubilee High School

Information security and data protection

In a connected world, protecting sensitive information is a significant challenge for all industries. It is particularly essential in our business, where secure data removal from old IT equipment is vital.

For 3stepIT there are two information security challenges:

- Responsible destruction of data that is an integral part of the technology lifecycle management service we offer
- Providing our services in a way that protects the confidentiality, integrity and availability of information

Our security accreditation

Our approach to security includes administrative, technical and physical controls to manage information security risks, prevent, detect and respond to information security incidents, and to assure business continuity.

3stepIT has established and implemented an Information Security Management System which is ISO 27001 certified. Information security governance is coordinated by the Group Security and Privacy team and was renewed during 2019 to remain compliant with up-to-date ISO standards on cyber security and new company structures.

We use Blancco™ software to erase and overwrite data during the used equipment refurbishing process. Blancco is the most widely tested, certified and approved data erasure software, chosen to give our customers complete peace of mind. If the software cannot run on an item of faulty equipment, we use a robust manual process, physically shredding hard drives or whole devices. The refurbishing process creates an automatic data-erasure report for all devices. This is recorded in our asset tool to give customers a complete data-destruction audit trail.

Security training for our people

People have the potential to be a security risk, through human error. To mitigate this risk, we offer comprehensive training, supported by technical security controls, to empower them to become informed and engaged security advocates.

Annual information security and data privacy awareness training is mandatory for all our people. This consists of e-learning courses, refreshed and updated in 2019, and complemented by facilitated lectures for important functions and third parties.

We know our protection is only as secure as our weakest link, so we review third party controls to prevent security being by-passed via a supplier or partner.

Security policies

All work related to information security is governed by Group policies on privacy and security, performed in accordance with the 3stepIT operational model and aligned to the company's reporting structure. These policies aim to control, facilitate, implement and improve information security and privacy measures throughout the organisation. Clients regularly query how and where we store and secure data and approve our processes.

Internal and external audit

We periodically conduct internal and external audits to ensure proper security and privacy organisation and deliver continuous improvement. We passed a rigorous due diligence process, including a data security audit measured against the standards of a major European financial institution, in order to conclude our partnership with BNP Paribas.

Responsible Marketing

To ensure responsible marketing and sales communications, we produce communication materials centrally and review them annually. The marketing team creates materials in collaboration with the development team, especially product management. Whether it is a fact sheet, brochure, information on our website, or centrally managed PowerPoint materials, the facts are independently checked before any item is finalised and published.

In 2019, there were no incidents of non-compliance concerning product and service information or marketing communications.

Appendix 1:

Carbon & e-waste savings resulting from device reuse

Two years ago, we published an EY analysis of how re-using IT devices improves the sustainability performance of the first owner. This Appendix updates the analysis using CO2e data published by several manufacturers for their current range of devices.

The carbon footprint of any device is caused by several factors over its lifetime, including its original manufacture, packaging, shipping, electricity consumption in-use and its end-of-life disposal.

HP publishes carbon footprint information for many devices.⁶ Sampling products shipped in 2019 or later, the chart shows a range of 'in-use' contributions to the total life CO2e.

	In use CO2e	Total life CO2e (kg)
HP Desktop	40-60%	370-750
HP Notebook	15-30%	210-370
HP Monitor	15-20%	525-725

HP emphasises that these numbers are estimates, taking one product as an example to illustrate the range. For example, the HP Engage One Prime All-in-One System has a mean 370 kg estimated total life CO2e and a standard deviation of 110 kg of CO2e. It is clear that the way a product is used will affect in use power consumption. A screen in constant use at full brightness, for example, will consume far more power than a dim screen used only occasionally.

Lenovo publishes similar data.⁷ The in-use consumption of a ThinkPad T490 contributes 10% (421kg CO2e) of its total life carbon footprint, with 4% caused by transportation, less than 1% from packaging and end of life handling, and 85% by the original manufacture.

The life cycle carbon emissions of the Apple iPhone 11 derive from production (79%), transport (3%), use (17%), and end-of-life processing (<1%), with the total life carbon footprint ranging from 68-89 kg CO2e, depending on the model.⁸

Assumptions for the re-use carbon-saving calculation

These numbers are estimates with broad standard deviations, so it helps to define a 'typical device'. Laptops are the most commonly shipped business device, so it is reasonable to define the typical laptop with a lifetime CO2e of 300kg, with 20% in-use CO2e for a 4-year life and 5% of CO2e from transportation and other factors.

Our customers typically go on to use refurbished devices for four years. Our 2019 survey of 1,000 organisations in Northern Europe found that 24% destroy or dump all their obsolete devices and a further 31% destroy or dump some obsolete devices.

Refurbishing is an estimate based on shorter shipping distances (in some cases, within the same country) and most energy use being renewable. Relatively few physical resources are used, beyond cleaning spray.

	Manufacture	Ship, etc.	In use	Refurbish	In use
First device: 300 kg	75%, 225kg	5%, 15 kg	20%, 60 kg	-	-
Second device: 300 kg	75%, 225kg	5%, 15 kg	20%, 60 kg	-	-
Two devices together, 600 kg	450 kg	30 kg	120 kg	-	-
One device, used twice, 375 kg	225 kg	15 kg	60 kg	15 kg	60 kg

Our managed life cycle, device re-use approach offers a potential 36% reduction in CO2e compared to the two product life cycles approach.

Two brand-new products would have a combined footprint of 600 kg. A new and then refurbished product has a carbon footprint of 375kg, a saving of 225 kg CO2e versus two separate product life cycles. (This has to be adjusted for the 98% re-sale rate of returned devices, which reduces the potential saving to 220 kg).

Appendix 2:

Employment statistics (at 31 December 2019)

These statistics reference GRI 401-1 and 405-1. They were prepared with data from the Group HR information system, and then by checking the individuals in each category with the local records kept in each country. The statistics reflect employee numbers at 31 December 2019 (except for full-year movement statistics).

The full-year movements cover joiners and leavers, these happen steadily during the year, with no swings for seasonality.

a. Contract category by gender

	Female	Female %	Male	Male %	Total
Permanent	172	45	214	55	386
Temporary	17	74	6	26	23
Total	189	46	220	54	409

b. Contract category by region

	Permanent	Temporary
Asia	10	0
UK	11	0
Norway	26	1
Denmark	16	0
Sweden	97	3
Finland	198	17
Baltics	27	2
Other (Poland)	1	0
Total	386	23

c. Employees by responsibility

	Female	Female %	Male	Male %	Total
Employee	157	48	169	52	326
Supervisor	30	43	40	57	70
Executive	2	15	11	85	13
Total	189		220		409

d. Full & part-time employees

	Full time	Part-time
Female	169	21
Male	207	12
Total	376	33

e. New employees joining on a permanent contract during 2019

By gender	#	%	By age	#	%
Female	29	44	Under 30	21	32
Male	37	56	30-39	21	32
Total	66		40-49	21	32
			50-59	3	5
			Over 60	0	0
			Total	66	

f. Permanent employees who left during 2019

17 employees transferred to our joint venture company, BNP Paribas 3 Step IT, during 2019.

They are excluded from these leaver statistics.

By gender	#	%	By age	#	%
Female	15	47	Under 30	4	13
Male	17	53	30-39	11	34
Total	32		40-49	11	38
			50-59	5	13
			Over 60	1	3
			Total	32	

Excluding the leavers transferring to our joint venture company, the attrition rate was 12% (using an average of year-start and year-end permanent employee numbers).

⁶ HP publishes carbon footprint profiles for the planned lifecycle of many of its products at - <https://h22235.www2.hp.com/hpinfo/globalcitizenship/environment/productdata/ProductCarbonFootprintdesktop-pc.html>
⁷ Lenovo Product Carbon Footprint Information Sheet - https://static.lenovo.com/ww/docs/regulatory/PCF_ThinkPad_T490.pdf
⁸ Product environmental report for iPhone 11, September 2019 - https://www.apple.com/environment/pdf/products/iphone/iPhone_11_PER_sept2019.pdf

Appendix 3:

Additional KPIs

Measuring remarketing progress

The KPIs we use and plan to use are:

KPI	2018	2019	2020
Sold returned devices ^[1]	97%	98%	98%
Sites using only Green Electricity (Ref. GRI 302.1) ^[2]	4/6	5/6	5/6
Energy/device handled (Ref. GRI 302.2)	1,08 ^[3]	0,95 ^[4]	<1 kWh ^[5]

^[1] Scope: End of Lease CORE 1 Devices

^[2] Scope: ISO 14001 certified locations

^[3] Calculated only in Klavreström, Sweden

^[4] Calculated only in Klavreström, Sweden

^[5] Applied to all sites, where KPI is calculated (Helsinki, HQ, Findland; Tampere R&D, Finland; Klavreström, Sweden, Enköping, Sweden; Ski, Norway; Vantaa, Finland)

Key HR measurements

Employee survey participation rate: **91%**

Employee turnover rate (Ref. GRI 401.1): **12%**

Occupational health & safety:

1. All people, employees and contractors, working in our offices and refurbishing centres are covered by our occupational health system. (Ref. GRI 403.8)
2. Work related injuries in 2019 (Ref. GRI 403.9):

	Minor injury	Serious injury	Injury-related time lost	Fatalities
Finland	0	0	0	0
Sweden	2	0	1 hour	0
Norway		0		0
Denmark	0	0	0	0
UK	2	0	2 hours	0
Malaysia & Singapore	0	0	0	0

Supply chain measurements

In 2020 we plan to include environmental criteria in the supplier assessment, and to extend assessment to current suppliers when their contract is renewed.

Appendix 4:

GRI disclosures referenced in this report.

This report, the appendices and the KPIs reference the following Global Reporting Initiative disclosures

GRI 102	General disclosures	102-1 Name of the organization
		102-2 Activities, brands, products, and services
		102-3 Location of headquarters
		102-4 Location of operations
		102-5 Ownership and legal form
		102-6 Markets served
		102-7 Scale of the organization
		102-8 Information on employees and other workers
		102-12 External initiatives
		102-14 Statement from senior decision-maker
		102-16 Values, principles, standards, and norms of behavior
		102-17 Mechanisms for advice and concerns about ethics
		102-20 Executive-level responsibility for economic, environmental, and social topics
		102-21 Consulting stakeholders on economic, environmental, and social topics
GRI 201	Economic Performance	102-41 Collective bargaining agreements
		102-50 Reporting period
		102-51 Date of most recent report
		102-52 Reporting cycle
		102-53 Contact point for questions regarding the report
		201-1 Direct economic value generated and distributed
		203-2 Significant indirect economic impacts
		205-2 Communication and training about anti-corruption policies and procedures
		302-1 Energy consumption within the organization
		302-4 Reduction of energy consumption
GRI 307	Environmental Compliance	307-1 Non-compliance with environmental laws and regulations
		401-1 New employee hires and employee turnover
		403-8 Workers covered by an occupational health and safety management System
GRI 401	Employment	403-9 Work-related injuries
		404-3 Percentage of employees receiving regular performance and career development reviews
		405-1 Diversity of governance bodies and employees
GRI 403	Occupational Health and Safety	414-1 New suppliers that were screened using social criteria
		417-2 Incidents of non-compliance concerning product and service information and labeling
		417-3 Incidents of non-compliance concerning marketing communications
GRI 404	Training and Education	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
		419-1 Non-compliance with laws and regulations in the social and economic area
GRI 405	Diversity and Equal	
GRI 414	Supplier Social Assessment	
GRI 417	Marketing and Labeling	
GRI 418	Customer Privacy	
GRI 419	Socioeconomic Compliance	

Corporate governance

Corporate responsibility governance

The Group Leadership Team sets targets and allocates resources for corporate responsibility. Quality, environment and sustainability specialists work in various functions, with a team coordinator reporting to the Chief Operations Officer. These specialists lead improvement projects and report their progress and current priorities twice a year to the Group Leadership Team. Security is handled slightly differently, within IT, and also reports on progress and initiatives to the Group Leadership Team.

Functional leaders are responsible for creating supporting policies and procedures. For an independent, cross-functional approach, the Board of Directors appointed a Group Ethics & Compliance Officer in January 2020. Reporting to the Chief Operations Officer, the new appointment will focus on developing, implementing, supporting and enhancing our ethics and compliance culture. The role also includes responsibility for an effective policy management system.

Working together, our sustainability specialists and the Ethics & Compliance Officer develop, review and update policies regularly. The Group Leadership Team reviews, approves and controls compliance with these policies. National management teams are notified of new policies or changes so they can implement them locally.

The Board of Directors reviews and approves the Code of Conduct and major policies changes.

About this sustainability report

Our third sustainability report covers the calendar year 2019. To align with international best practice, this report references the Global Reporting Initiative (GRI) framework.

We defined the contents of this report in accordance with the GRI principle of materiality to cover topics: these reflect the organisation's significant economic, environmental and social impacts, or substantively influence the assessment and decisions of customers, partners, suppliers or employees. The reporting of the most important topics covers all countries where we operate.

We improved our materiality approach with input from everyone involved in our business and those we serve. Soliciting independent perspectives on our environmental priorities, we refined and re-prioritised the areas we needed to improve.

Peoples' top priorities were clear:

Information security & data protection: this was already a priority with the Board and reflected in their approved plans and investment. You can read about our progress in the Social Responsibility section of this report.

Responsible end-of-life treatment of used devices: unsurprisingly, this was a top priority for employees and external respondents. It is already one of our own priorities and a central focus for our remarketing team. Our new approach to repairs represents real progress in this area. Read more in the Environmental Responsibility section of this report.

A more ethical supply chain: many respondents wanted to eliminate child labour from the supply chain and ensure ethical procurement processes. Several other supply chain issues were also highly ranked. We developed a supplier charter with a focus on human rights to assess all new suppliers' ethical standards. We hope to roll this out to existing suppliers when their contracts are up for renewal. You can read about further improvement plans in the Social Responsibility section of this report.

This year we also had feedback from our Ecovadis report to refine improvement priorities. The consistent observation is that we need to introduce and report on measurable targets.

An independent third party, PricewaterhouseCoopers Oy, has provided limited assurance on selected sustainability information presented in this report.

For any questions about this report, please contact Jari Lemmilä, 3stepIT's CFO: Jari.Lemmila@3stepit.com

This report and the KPIs reference Global Reporting Initiative disclosures in GRI 102 - General disclosures;

GRI 201- Economic Performance; GRI 203 - Indirect Economic Impacts; GRI 205 - Anti-corruption; GRI 302 – Energy; GRI 307 – Environmental Compliance; GRI 401 – Employment; GRI 403 – Occupational Health & Safety; GRI 404 - Training and Education; GRI 405 - Diversity and Equal Opportunity; GRI 414 - Supplier Social Assessment; GRI 417 - Marketing and Labelling; GRI 418 - Customer Privacy and GRI 419 - Socioeconomic Compliance. The topic-specific disclosures are individually listed in the appendix: GRI disclosures referenced in this report.

Independent practitioner's assurance report

Independent Practitioner's Assurance Report

To the Management of 3 Step IT Group Oy

We have been engaged by the Management of 3 Step IT Group Oy (hereinafter the Company) to perform a limited assurance engagement on selected sustainability disclosures for the reporting period 1 January to 31 December 2019, disclosed in the Company's Sustainability Report 2019. In terms of the Company's GRI Standards Content Index, the scope of the assurance has covered selected economic, social and environmental sustainability disclosures listed within the Topic-Specific Disclosures and the Company's own Disclosures and General Disclosure 102-8.

Management's responsibility

The Management of 3 Step IT Group Oy is responsible for preparing the Sustainability Information in accordance with the Reporting criteria as set out in the Company's reporting instructions and the GRI Sustainability Reporting Standards of the Global Reporting Initiative where applicable. The Management of 3 Step IT Group Oy is also responsible for such internal control as the management determines is necessary to enable the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

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

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

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

- Interviewing senior management of the Company.
- Visiting the Company's Head Office as well as one site in Finland.

- Interviewing employees responsible for collecting and reporting the information presented in the Sustainability Information at the Group level and at the site.
- Assessing how Group employees apply the reporting instructions and procedures of the Company.
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis.
- Testing the consolidation of information and performing recalculations on a sample basis.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that 3 Step IT Group Oy's Sustainability Information for the reporting period ended 31 December 2019 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

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

Practitioner's independence, qualifications and quality control

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

Our multi-disciplinary team of corporate responsibility and assurance specialists possesses the requisite skills and experience within financial and non-financial assurance, corporate responsibility strategy and management, social and environmental issues, as well as the relevant industry knowledge, to undertake this assurance engagement.

PricewaterhouseCoopers Oy applies international standard on quality control ISQC1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Helsinki, 3 June 2020

PricewaterhouseCoopers Oy

Sirpa Juutinen
Partner
Sustainability & Climate Change

Jussi Nokkala
Director
Sustainability & Climate Change



Thanks for reading

**Sustainable technology**

We take care of the world's technology, to take care of the world.
We help our customers manage technology in a sustainable,
efficient and cost-effective manner.

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3 Step IT Group Oy
Mechelininkatu 1A
00180 Helsinki Finland
+358 10 525 3200
3stepit@3stepit.com