

A message from Kai-Riin, our Chief Sustainability Officer

“2023 was a year of records. We witnessed an extraordinary number of climate- and nature-related records broken around the world. As to not bore the reader with a full list, here are just some of them. We lived through the hottest 12-month period in 125,000 years. For the first time, the world has temporarily exceeded a warming of 2 degrees. We reached the highest atmospheric CO₂ levels, the highest sea surface temperatures, the lowest Antarctic sea ice extent, the greatest gain in sea level rise, and the highest ocean heat content. More energy was globally consumed and we got hit by more billion-dollar natural disasters than ever before¹.”

Additionally, COP28, the world’s most important climate conference was held in a petrostate, led by an oil executive, and did not result in a majorly needed course correction for the Earth’s biosphere and humanity.

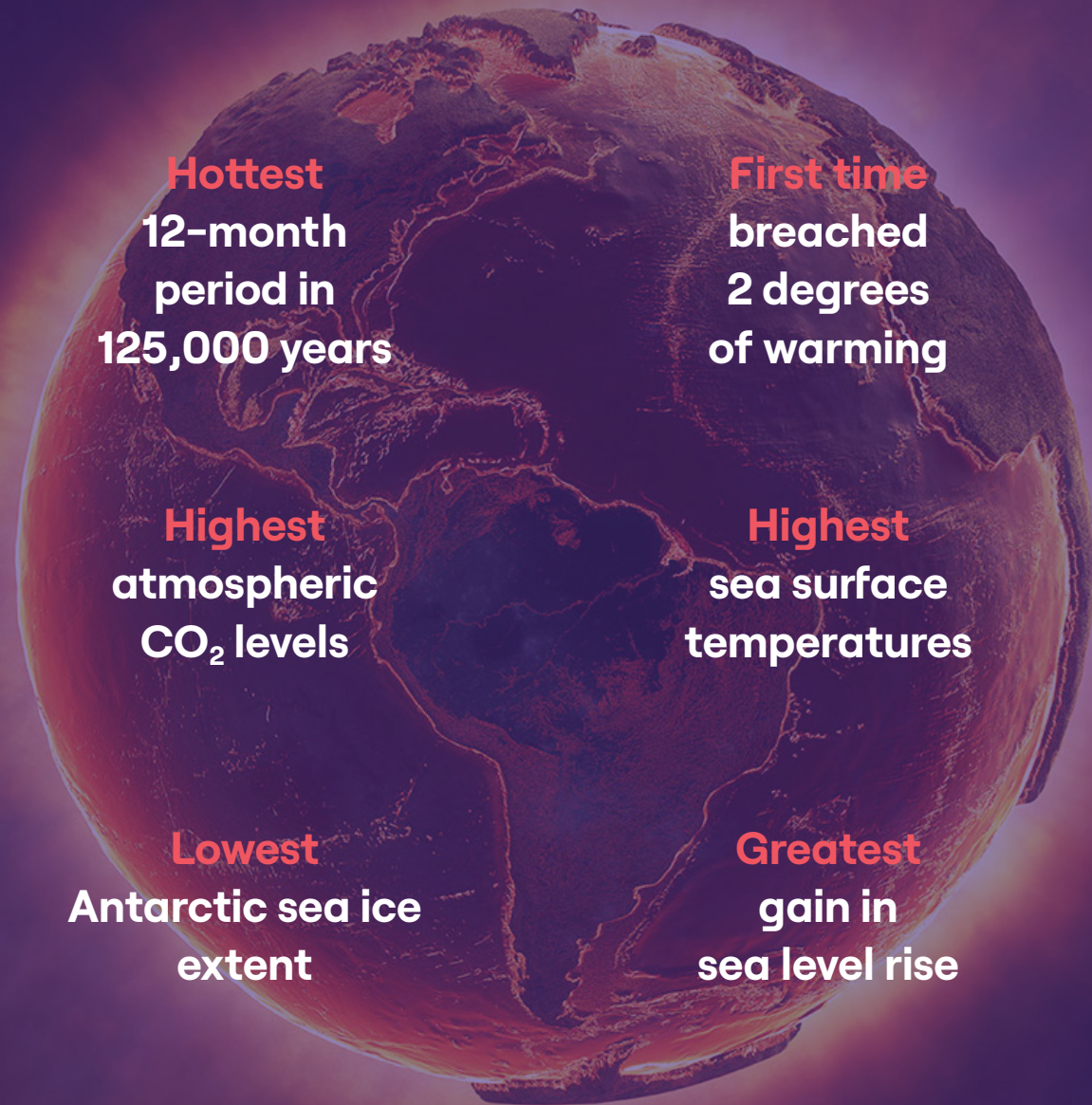
We are facing a polycrisis. A combination of multiple global crises, including climate change, biodiversity loss, resource depletion, social inequality, geopolitical tensions, and economic instability. Addressing this requires a swift

and radical systemic change. One aspect of that puzzle involves reshaping the way the economy works and rewiring the consumption patterns and habits we’ve been locked into. The private sector, traditionally part of the problem, must now become part of the solution. From our perspective, this means running businesses that can thrive in an economy not reliant on perpetual growth. As Triodos Bank’s Chief Economist Hans Stegeman says: “Post-growth economy is not a political program, but

¹) Source: [The 2023 state of the climate report: Entering uncharted territory \(stanford.edu\)](https://climate.stanford.edu/2023/state-of-the-climate-report-entering-uncharted-territory)



2023 was a year of records:



a pragmatic economic policy in times of increasing scarcity.” Luckily, Foxway is by design in a good position to do exactly that – be a business that the world needs, through advocating for a more circular tech industry where fewer new devices are produced.

In 2023, we welcomed new majority owners, Nordic Capital, based in Stockholm Sweden, and a board that is fully committed to sustainability. With their backing, we are now working towards integrating sustainability into all our business decisions. The ultimate goal is to reach a point where the role of Chief Sustainability Officer is no longer needed, as sustainability will be ingrained into all business operations at every organizational level, becoming a second nature. We still have a long way to go and much to improve, but we recognize sustainability as a business strategy, not a mere compliance exercise or risk management approach. As a testament to this, the current ESG report you are reading is put together by our Chief Strategy Officer, acting as interim Chief Sustainability Officer while I’m enjoying maternity leave.

While there’s a lot of work still ahead on our sustainability journey, in 2023 we led some important groundwork providing a solid foundation upon which we can continue to build. We analyzed climate-related risks and opportunities Foxway may face following the TCFD framework. We are prepared for CSRD reporting and

did a proper double materiality assessment, and also improved our supply chain ESG management. Science Based Targets were set (yet to be validated by SBTi in the first half of 2024) and a decarbonization plan to reach our short-term targets were made. We also improved our ESG governance model to establish clear accountability throughout the organization, updated some policies, and last but not least, welcomed a new valuable team member – Sonia Braska, our ESG Coordinator and Reporting Lead.

This year’s report is a little different compared to the last one. We’ve eliminated all claims that we can’t back with data to prioritize complete transparency and avoid even a hint of greenwashing. We invite the reader to be critical in reading this report and reach out if anything raises questions or resonates. Our ambition is to forge partnerships based on shared values. In a world that seems more and more like a zero-sum game, we believe in working together to shift society away from endless linear consumption of tech to a more mindful circular model where used tech devices, or “pre loved” as we like to call them, are the preferred kind.”

Kai-Riin Kriisa
Chief Sustainability Officer

Foxway annual sustainability report 2023

This sustainability report constitutes Foxway's statutory sustainability report and has been prepared in accordance with the Annual Accounts Act, Chapter 6. §§ 10–13, for Foxway Holding AB (publ) and its subsidiaries. The report is a deep dive into our ESG performance, impact, and contribution to the environment, society, and industry. All data reported occurred between January 1st and December 31st of 2023. This report is following the GRI standards. We have performed a data collection and calculation of our carbon emission and climate impact in Scope 1-3 according to the GHG Protocol and verified the data by an external third party. We also present our Sustainable Development Goals (SDGs) in this report.

Table of contents

00

A message from Kai-Riin, our Chief Sustainability Officer 2

Introduction 5

About Foxway 6

A circular business model 9

Foxway at a glance 2023 10

Positive impact has more than doubled since 2022 11

Foxway sustainability highlights from 2023 13

3 major highlights 14

The Foxway 2025 Plan 15

Evolving regulatory initiatives impacting Foxway 18

Stakeholder interviews and materiality assessment 19

United Nations Sustainable Development Goals (UNSDG) 29

Stakeholder engagement, industry organizations and memberships 30

Contribution towards United Nation Sustainable Development Goals 32

Sustainability training at Foxway 34

Greenwashing is now under scrutiny 35

Insights from our leaders 35

Words from our Chief Strategy Officer and Interim Sustainability Officer 37

A strong team makes the difference 39

Message from our CEO 40

01

Environment 41

Overview 42

Climate 43

Climate risk assessment – TCFD 44

Foxway CO₂e emission data 54

Science Based Targets initiative commitment 55

Carbon reduction plan* 56

02

CO₂e emissions 58

Scope 3 emissions 59

Emission data 60

Energy 63

Energy consumption per key country 64

Waste 65

Water 71

Social governance – People and Culture 72

Work environment 73

Employee diversity 74

Employee well-being 77

Growing and learning together 79

Sustainable supply chain 82

Society's contribution to Foxway 86

03

Governance 87

Management and structure 88

Sustainability governance 89

Board of Directors 91

Foxway Management Team 92

Code of Conduct and responsible business practices 93

ISO Certifications 94

Responsible business practice 95

Data security & privacy 97

04

Appendix 100

About this report 101

Acronyms used in this report 102

GRI index 103

Reporting parameters 110

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Introduction

About Foxway

Foxway is one of Europe's leading tech companies. We provide circular tech services to large organizations and resellers of consumer electronics. Our headquarters is located in Stockholm, Sweden and we have 1,400 dedicated employees in offices across Europe.

Together, we intend to change the tech industry to be and act more sustainable. With various services and solutions we are helping our customers and partners to manage mobile phones, computers, and other tech devices in a way that is both cost-efficient and more sustainable.

Through our circular business model, we can track, repair, and get valuable insights into the lifecycle of tech devices. With our AI-driven tools we can predict future lifetime and value. This enables our partners to make the right sustainable decisions, and also facilitates financial institutions, resellers, and partners to make beneficial financial agreements in the sharing economy.



We enable circular tech

Foxway’s circular business model offers many opportunities to our partners and customers. We enable circularity through services such as Device as a Service (DaaS), trade-in solutions, value recovery, and IT Asset Disposition (ITAD). The value propositions in Foxway are based on circular management of tech devices and ensuring a second, third, and sometimes even fourth life. When the end-of-life is reached for the devices, Foxway ensures secure and sustainable recycling by extracting parts and components (urban mining) and later ensuring that waste materials are recycled for material recovery in an environmentally responsible and compliant way.

Our business model makes us one-of-a-kind in the market. Simply put, we make sure that companies maximize their digitalization while minimizing their carbon footprint. We guide our partners and customers in their transition to consume tech more sustainably by introducing circularity instead of traditional linear consumption – the Foxway is the circular way.

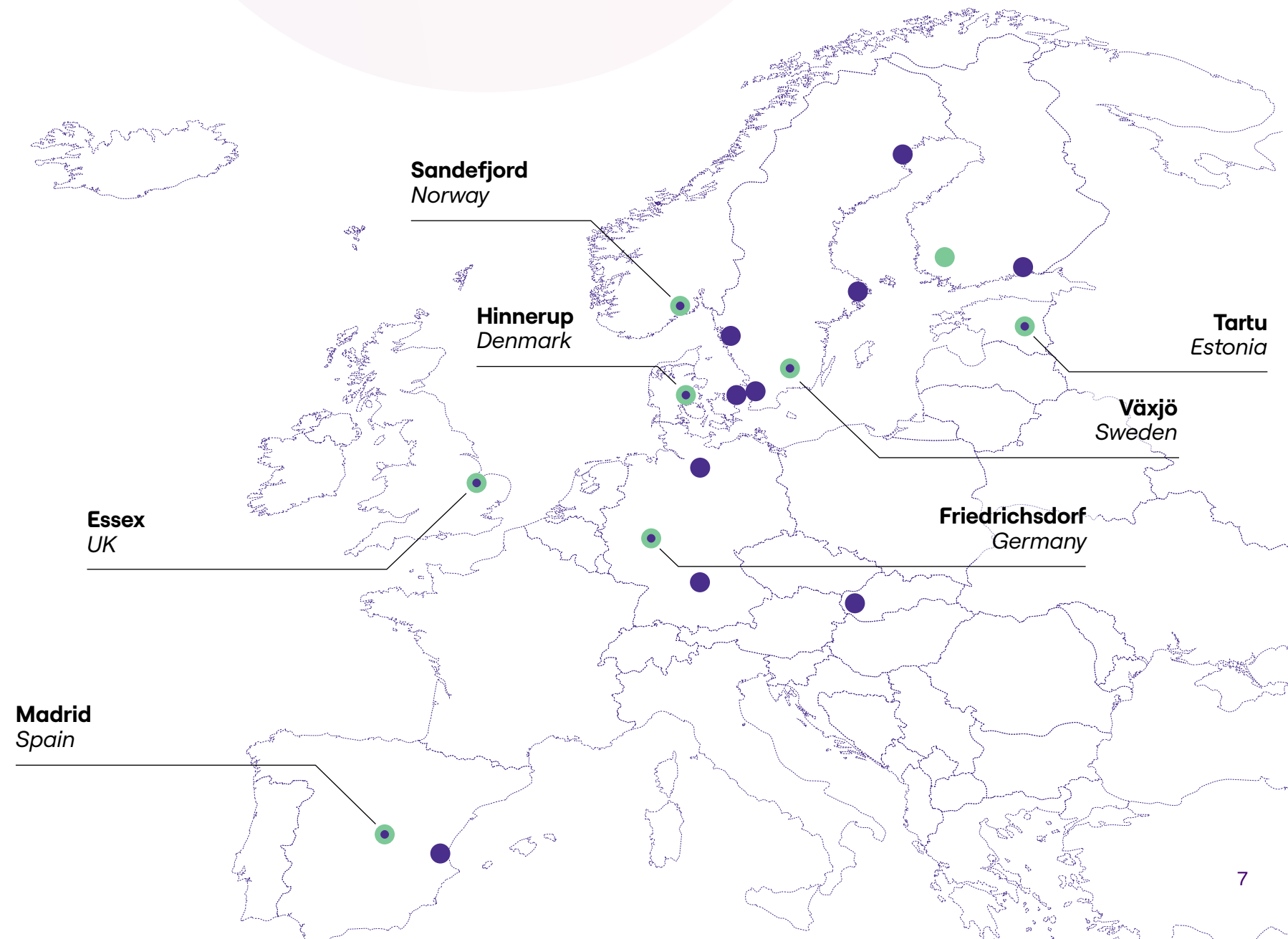
In Foxway we are proud to share that almost 50% of our co-workers are oriented to work tasks targeting repairs, value-add, upgrades and rescuing devices for another use. Foxway stands out as a distinctive player in the circular tech industry, providing a sustainability approach that transcends merely being an add-on to an industry largely focused on linear consumption models.

Company at a glance

Headquartered: Solna, Sweden
FTE: 1,327 (+18%)
Revenues: 644 EURm (+21%)
CSRD applicability: Yes (included in the 2024 CSRD framework as a listed company)

Foxway locations and operations

- Office sites
- Tech & logistic centers
- Office and tech & logistic centers



Our mission:

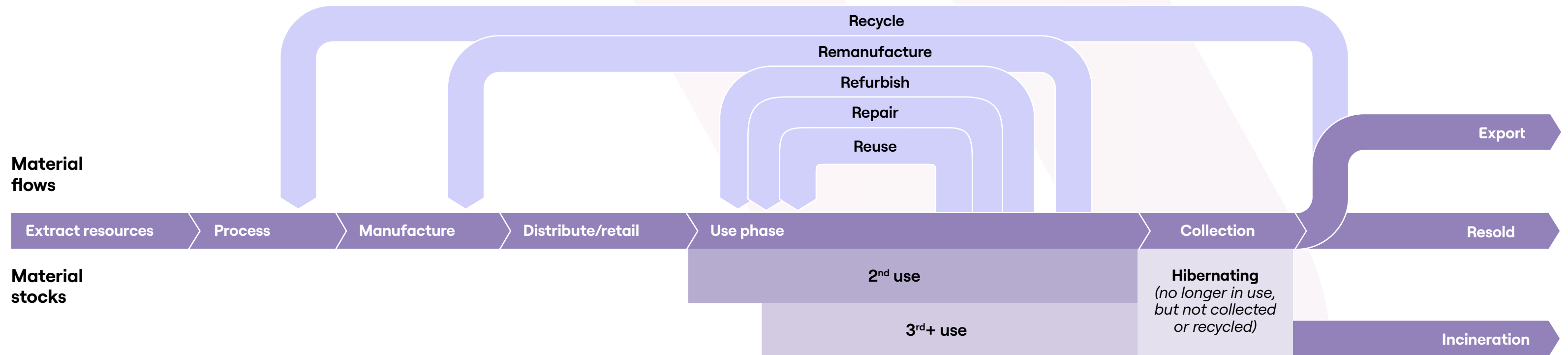
We enable sustainable tech for everyone

We have a unique business model that
challenges status quo and pushes the industry
to be more sustainable

A circular business model

Illustration of material flows (EU, smartphones)

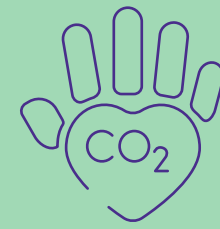
Material flows are an established way of representing loops of a circular economy. There are several potential impacts for Foxway.



Potential Foxway circularity impacts

- + Increase share of new product demand met by reuse/refurbish
- Trade-in incentives driving new or increased demand
- + Extend product lifetimes
+ Increase utilisation (reduce hibernating stock)
- Economic incentives in conflict with circularity or sustainability
- + Increase share of recycling

Foxway at a glance 2023



290,729

Tons CO₂e avoided (+241%)¹



434

Tons (-50%) Scope 1&2 CO₂e emissions



644

EUR mn (+21%) revenue



2,389,915

Repaired, collected and reused devices sold (+160%)



425,644

tCO₂e Scope 3 emissions (+4%)



661

tCO₂e/Mn € revenue (-15%) Scope 1-3 carbon intensity



1,327

FTE (+18%)



20%

Female board members²



30%

Of women among employees (-1%)³

1) See handprint data and methodology in this report, UK trading business added to the numbers and represents almost 100% of the increased volume, 2) -1 person and a breach to our ESG target 40% female board members set in 2021, 3) A negative development in relation to our targets reaching a balanced diversified workforce

Positive impact has more than doubled since 2022

Handprint, carbon dioxide equivalents 2019-2023

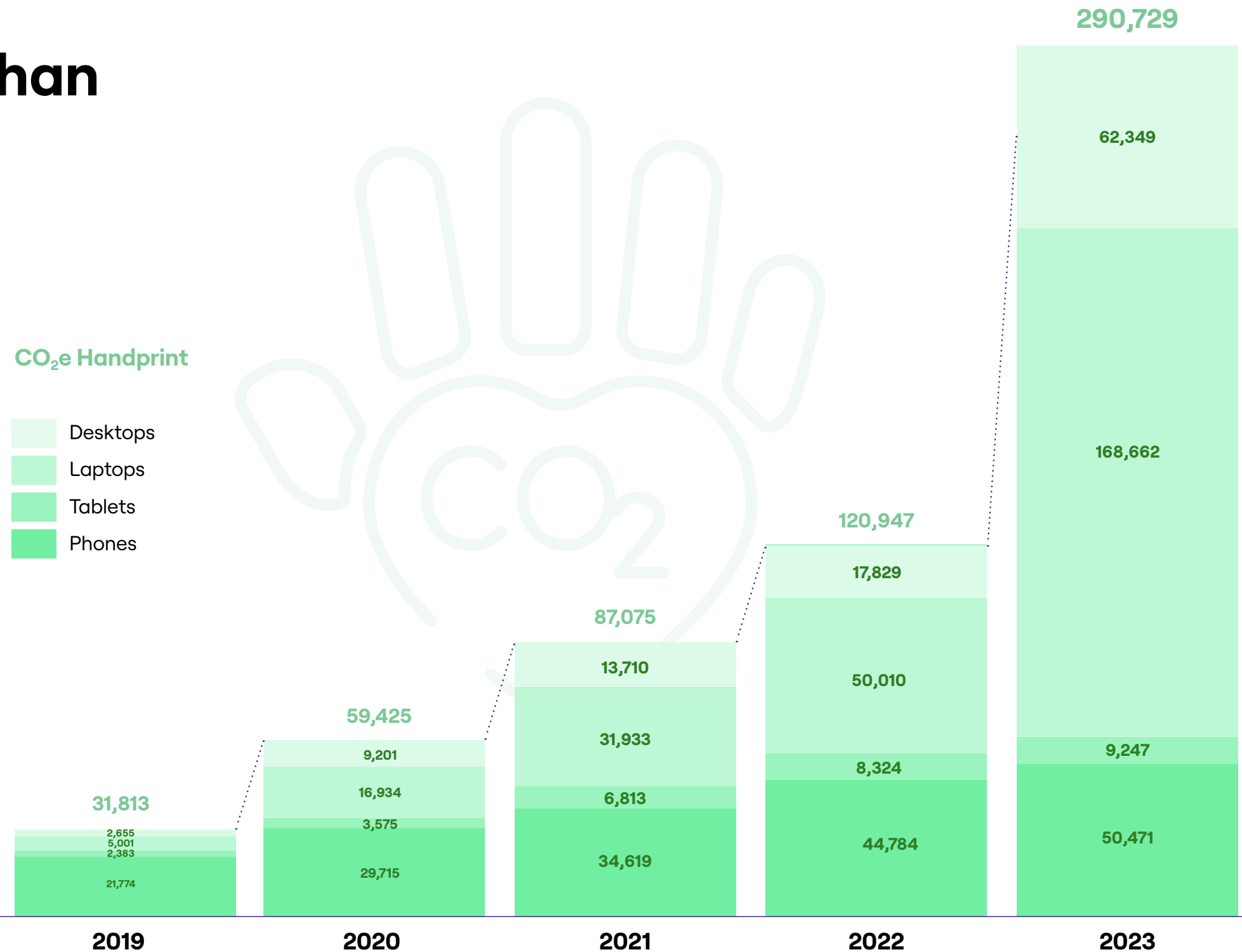
What are we measuring?

Extending the life of tech devices undoubtedly brings environmental benefits, but to quantify the exact impact is challenging. The baseline, meaning the negative footprint, is poorly reported in the industry due to complexity of the value chain. Critical negative effects on areas such as biodiversity, land change, social aspects, and water usage are hardly reported. As efforts to mitigate climate change intensify, most original equipment manufacturers (OEMs) report on carbon emissions, but there's significant variation in methodology and approach, and as of now, no public databases are available.

Numerous organizations adhere to the Greenhouse Gas (GHG) Protocol or are dedicated to the Science Based Targets initiative

CO₂e Handprint

- Desktops
- Laptops
- Tablets
- Phones



(SBTi), reporting based on a median assumption with a deviation number, or often relying on public sources like Ecoinvent databases. As an illustration, according to Ecoinvent, a laptop emits approximately 291 kg during its manufacturing process in the value chain. Other players in the industry might propose anything between 120 kg and 400 kg. Measuring the impact of circular measures therefore becomes challenging and only focuses, at this point, on climate impact and the CO₂ emissions.

To build a stronger foundation for our sustainability efforts (as well as for corresponding communication), calculating the positive impact on the environment is a necessary step.

The industry frequently uses “avoidance data” in different terms and terminology. Foxway uses the Handprint methodology to calculate the positive impact of “trading, collecting, selling, or reusing devices”. The figures can be subject to scrutiny, as the asserted avoidance claims are often disputable. The increase in handprint CO₂ avoidance for Foxway in 2023 was mainly related to buying and selling used devices, and at the same time almost doubling the number of devices refurbished and repaired. This can be seen as matchmaking activities to increase the utilization of pre-owned devices, undoubtedly contributing to a circular economy.

Foxway has chosen the path of striving toward being an authentic sustainable company.

The numbers of 2023

In the 2023 handprint, or carbon avoidance numbers, we include the collection and trading of devices intended for a second life. The highest impact is nevertheless done when hands-on activities are made by one of our 500+ craftswomen and -men who repaired and upgraded more than a million devices in 2023.

The carbon footprint from the production of a tech device is a major part of the total amount of greenhouse gas emissions generated by a device lifecycle (expressed in carbon dioxide equivalents). The carbon handprint is the beneficial environmental impact that organizations can achieve by ensuring circular measures and enabling a device to be reused.

The handprint is measured in CO₂e. To put it simply, CO₂e (carbon dioxide equivalent) is used to compare the emissions from various greenhouse gases based on their global warming potential. This is by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

The handprint calculation itself is a simple equation that is based on carbon footprint calculations following ISO 14040-44 and ISO 14067 standards, which specify principles, requirements, and guidelines for lifecycle assessments (see our specific [Handprint reports](#) available at www.foxway.com for more details).

The message to any reader of this report: Use the data and improvements below with care. The numbers are not carbon captured from the atmosphere, they represent a potential reduction when a new consumer chooses to use a refurbished device again instead of buying a new device. The data are not yet regulatively mandatory and should be seen as informative about the potential positive impact of reuse and circular activities.

With 150 years of [Jevons](#) paradox it’s wise to be sceptical about avoidance data, and Foxway has seen research on used smartphones already saying that there’s “imperfect substitution”. This means that extending the service life of a used device does not avoid demand and production of new product units on a 1:1 basis, but on average slightly less.

Adjusted handprint for laptops and mobiles

The data on device impact reported is adjusted related to our production footprint in Tartu, Estonia but is used group-wide.

The handprint has decreased since 2022 due to a higher production footprint. Overall, the avoidance or handprint data is adjusted as follows since the 2022 reports:

Laptops: Handprint impact reduced by 6 kg or 3% from 258 kg to 252 kg due to a higher production processing footprint.

Mobiles: Handprint impact reduced by 3.7 kg or 6% from 61.7 kg to 58 kg due to a higher production processing footprint.

Desktop: No adjustments made; data used are the average data of desktops from IVL (Swedish Environmental Institute).

Foxway sustainability highlights from 2023

In 2023, we witnessed record-breaking planetary emissions, water scarcity, land changes, and global warming. Despite these challenges, Foxway's impact continues to grow as we strive to make a positive change.

Some news from 2023

New majority owners in Nordic Capital:

Nordic Capital is a leading private equity investor that helps build strong sustainable companies. Becoming part of one of the strongest and most skilled teams in the Nordics and Europe will give Foxway a strong position to continue accelerating growth and geographical expansion on our way to becoming the leading sustainable tech company in Europe (www.nordiccapital.com).

New board and team members:

With the introduction of a new owner, a new board of directors has been assigned with skilled dedicated members from the industry and Nordic Capital. The new board has already shown a strong commitment to and supports the ambitions of our CSO and her team. Major investments have been approved to strengthen the quality, resources, and innovation in our area.

Acquired Teqcycle in Germany:

Teqcycle is a strong brand in the recommerce and circular business area, further strengthening our presence in the German market.

Reduced carbon intensity:

By increasing the share of circular devices put to the market and efforts to keep our footprint low, Foxway reduced its carbon intensity by 15%.

Preparing for CSRD 2024:

Starting in 2024, Foxway will report according to the new CSRD standards. This means we are extending our work in sustainability activities and reporting. Foxway does not see the CSO office and ESG team as an isolated reporting department and therefore sees CSRD as a tool to implement sustainability activities in every part of our operations, strategy, and culture. We did our first double materiality analysis according to the upcoming CSRD framework, as well as an extended climate risk assessment according to the TFCF standard.

As our CSO, Kai-Riin, said: *"The ultimate goal is to reach a point where the Chief Sustainability Officer position is no longer needed"*.

3 major highlights

→ We more than doubled the volumes in our circular initiatives

Coupled with an organic growth of over 20%, the addition of our UK operations allowed us to double the total volume of devices recovered and introduced to the secondhand market, amounting to more than 2,400,000 devices being handed over to new users.

→ Launched the Teqcycle brand

A new premium brand of re-used devices. Our Teqcycle laptops and mobiles come with the touch and appearance of a new device but without the production carbon footprint. As the majority of a device's carbon footprint comes from emissions in the production phase, buying a Teqcycle device results in a footprint that can be >90% smaller.

→ Submitted our science-based targets

To be a sustainable company we also need to align with the highest standards in carbon reporting and carbon reduction ambitions. In 2023, Foxway submitted our science-based targets, setting both long- and short-term targets for 2030 and long-term targets, so-called net-zero targets, for 2050. Due to the long waiting time at SBT, we are still awaiting validation at the release of this report.



The Foxway 2025 Plan

Targets published in last year's report:

1:5

Collect and refurbish at least 5 times more used tech devices than we put into the market.

0

Zero non-avoidable carbon footprint. -- In 2023 we put maximum effort into reducing our Scope 1 and 2 emissions as much as possible. The same plan applies to Scope 3 emissions by 2025. The remaining emissions will be reduced aligning with SBTi targets that we plan to set by 2024.

2023 Numbers, updates and changes:

In Foxway, the ratio in 2023 was **5.69**. For every new device put to the market, we delivered 5.69 refurbished devices (mainly laptops, smartphones, tablets, and desktop computers).

While setting our science-based targets and analyzing our previously set goals in light of the guidelines set by the SBTi, we have decided to **terminate** the goal above and redefine it. We're committed to science-based targets in both our short-term goals for 2030 and our long-term goals for 2050.

Our updated committed public targets and expected outcome for 2030 are:

Reduce absolute Scope 1 and 2 GHG Emissions by 42% by 2030 from a 2022 base year — **6% yearly reduction needed.**

2023 result: from 857 tCO₂e to 434 tCO₂e = 49% reduction.

Reduce absolute Scope 3 GHG emissions by 25% by 2030 from a 2022 base year — a **4% yearly reduction needed.**

2023 result: from 408,626 tCO₂e to 425,644 tCO₂e = 4% increase.

Increase annual sourcing of renewable electricity to 100% by 2030 (from 47% base level in 2022).

2023 result: 87% = Increase 40%.

Reduce Scope 1, 2 & 3 emissions by 90% (and beyond value chain mitigation covering the remaining 10% by carbon removal) by 2050 from a 2022 base year (so-called "Net Zero" goal).

50%

Lowest footprint of refurbished devices in the industry. Today, we offer refurbished mobiles at a footprint of only 2.27 kg CO₂e and laptops at 6.65 kg CO₂e. We are committed to reducing this by 50% by 2025 ([Mobile handprint report](#)).

Result by the end of 2023 for the target **“Lowest footprint of refurbished devices in the industry”**.

We cannot yet prove the production footprint of our processes in relation to other industry competition due to a lack of data. Very few companies engaged in recommerce, ITAD, or refurbishment publish detailed reports on their carbon emission. This metric will be suspended until more accurate data can be provided.

Result by the end of 2023 for the target **“We are committed to decrease our production footprint by 50%”**.

The previous assessment was published in 2020 with the following results: 2.27 kg CO₂e footprint when refurbishing a smartphone. The footprint to refurbish a laptop in 2020 was 6.65 kg CO₂e. The measurements are made in our main refurbishment facility in Tartu, Estonia providing >95% of all refurbishment activities in 2020 and 2023. In 2023, we performed a new assessment by a third party with the following results:

Device	CO ₂ e emission/refurbished device
Laptops	From 6.65 kg to 11.10 kg (+166%)
Smartphones	From 2.27 kg to 2.35 kg (+3,5%)
Tablets	From 1.22 kg to 3.87 kg (+317%)

The higher footprint was mainly related to changes in the Ecoinvent database unit for air transport (with increased numbers for transportation) and an actual increase in transportation due to the centralization of our refurbishment processes. To reach our target, reducing the footprint seems like a target nearly impossible to reach. We are still confident that we have very efficient operations and from a planetary perspective, transporting hard-to-rescue devices to our high-tech processing center is better than scrapping. We will continue efforts to reduce our processing and refurbishing footprint and are considering amending this target after 2025 to focus on how many devices have been rescued and given a second life.

It is worth noting that even with transport-related emissions included, a refurbished device’s footprint still equals only about 3–6% of producing a new device.

1/2

Half of our volume revenue should be targeted to less fortunate groups with a price half to less than 50% of the original price.

This target has been nearly impossible to measure and there are too few data points to follow this going forward in a meaningful way until 2025. Foxway will terminate this target but not the ambition to reduce digital inequality. From next year, we start initiatives to investigate with third parties how to measure the effects on circularity and use of high-quality secondhand devices, especially in the Global South that extensively use refurbished tech products. We are also aiming to include the target in setting our 2030 goals.

1M+

1 M+ users should be offered our "My Sustainable Choice" model for choosing tech devices.

Foxway has chosen to **terminate** this metric based on new insights and a challenge to track the performance. From 2024 forward, one of the material aspects is "awareness of sustainable IT". The reporting will be managed with both quantitative metrics and qualitative descriptions on efforts in this area.

Foxway has the ambition to have sustainability and circularity built into our DNA. Everything we do is oriented towards enabling circular tech.

We have a growing share of value-driven management and a dedicated group of owners. At Foxway, we strive toward an equal human ecology, economy, and way of doing business. With the principle that resources extracted from our planet are to be taken care of, repaired, and circulated, we strive to provide advisory, insights, and a data-driven model for the tech Europe. Our ambition is to offer a model and way of using and consuming technology in a way that will significantly reduce the planetary negative footprint. In 2018, we set our ambitions in the following three sustainability pillars — they are still as actual today as back in 2018.

Three pillars of sustainability



Maximize device life

Maximize the lifetime of each device

Repair, upgrade, and refurbish. Help the industry and the market to choose sustainable, long-lasting products.



New consumption model

Own less. Pay for use.

Drive the acceleration towards a circular model where customers are paying for use in a Device as a Service model.

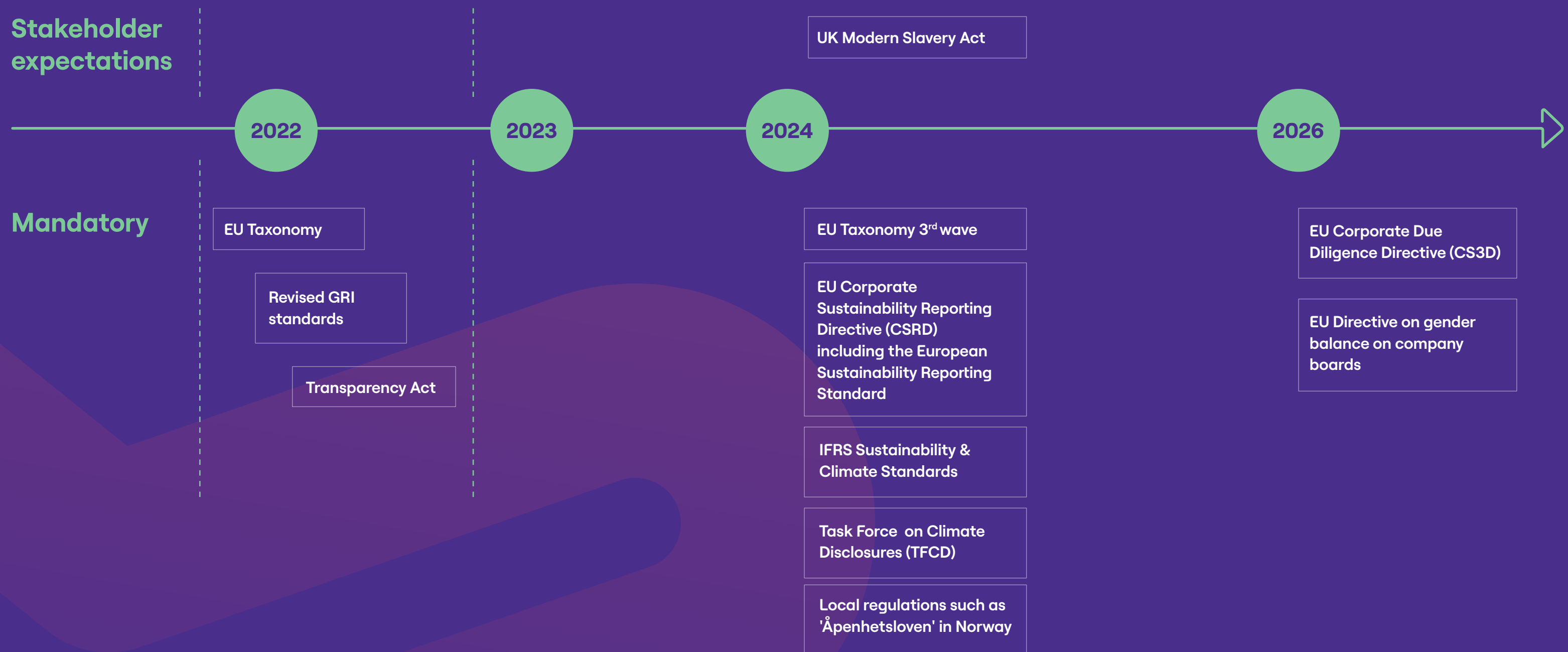


Transfer fair

Reduce digital inequality

More income should come from revenue streams related refurbished products.









Evolving regulatory initiatives impacting Foxway



Stakeholder interviews and materiality assessment

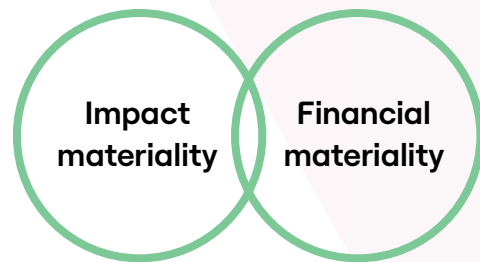
Active interaction with Foxway’s major stakeholders has been the main input when defining and identifying our stakeholders’ ESG aspects. Openness, conversations, and collaboration with our stakeholders are part of our daily business. We aim to have very close contact with the stakeholders whom we impact the most, and whose decisions have an impact on our operations in the short and long term. Following the introduction of CSRD we have performed stakeholder interviews to define both the sustainable material impacts of Foxway as well as the financial material aspects. Involved stakeholders were suppliers, NGO employees, management, financial institutions, business partners, and customers. These stakeholders were directly involved in the double materiality assessment.

The process was managed with the Footprint Firm in Copenhagen, providing external expertise in what is called a double materiality assessment.

Stakeholder group	How we engage them	What they expect from us
 Customers and end-users	Interviews and regular customer interactions.	To provide secure management of data, ensuring the most efficient and sustainable life cycle management with refurbishment cycles followed by safe end-of-life. Advisory and insights to support the end-customers sustainability agenda and reduce the climate footprint. Ensuring that OEMs and suppliers follow all relevant Code of Conducts set by major NGOs and industry standards.
 Suppliers and partners	Interviews and regular supplier interactions.	To act responsibly and follow all relevant Code of Conduct set by major NGOs and industry standards. To help our partners to become more competitive and help them and their end-customers to improve the sustainability metrics, such as e-waste, climate footprint, and contribution to the circular economy. Be the advisory partner providing valuable data enabling the ecosystems for trade-in, as-a-service concepts, and availability of reused tech.
 Owners and financial community	Regular meetings, interviews, and management interaction through the board representation.	To be a good example and leader in our industry in all ESG aspects. Be a market leader in our industry to ensure a future-proof value to our owners. Keeping track of our KPIs to enable sustainability linked financing.
 Industry	Membership in relevant organizations.	Actively engage and share our knowledge, learnings, and insights into how to improve the industry. Contribute to the industry organizations with advisory, research insights and regulative related input.
 Society and local communities	Participating in round tables and communicating with representatives from local and national governments. Tax contributions. Supply of technology.	Participate in developing our services to help society strive and evolve into more sustainable and ESG aligned goals. Pay our fair share of taxes and perform transparent financial reporting. Provide high quality tech enabling sustainable tech for everyone.
 Employees	Regular surveys and union representations.	A safe workplace with respect to all major values represented in common industry policies and standards. Further offering meaningful work with opportunities to grow and evolve with.
 Certification standards, regulatory compliance and NGO	Certification to internationally recognized industry standards. Compliance with local and international regulations. Membership and signatory in relevant organizations.	Following industry standards, regulatory compliance and contributing to membership organizations with insights to improve the ESG topics within the industry.
 Planet	By reading science reports about our planet's health and condition.	To do our best to mitigate damages and try turn the tide of destruction.

A double materiality assessment identifies key topics based on impact and/or financial materiality

Double materiality



“ Double materiality is the union (not intersection) of impact materiality and financial materiality. A sustainability topic or information **therefor meets the criteria of double materiality if it is material from the impact perspective or from the financial perspective or from both of these two perspectives.**

Impact materiality



“ A sustainability matter is material from an **impact perspective** if it is connected to actual or potential significant **impacts** by the undertaking **on people or the environment.**

Financial materiality



“ A sustainability matter is material from a **financial perspective** if it generates or may generate **significant risks or opportunities that influence, or are likely to influence, the future cash flows** but it is not captured or not yet fully captured by financial reporting at the reporting date.

For Foxway, a long list of potential material topics was identified from external and internal sources.

External sources

Internal sources

A ESRS disclosure topics from CSRD

B Reporting standards

C Competitor/peer assessment

D Existing material and previous analyses

Identification of topics in acc. to EU disclosure regulation (ESRS¹)

- Use of sector-agnostic, sector-specific and entity-specific disclosure requirements, as the starting point
- Grouping of topics, if relevant

Addition of topics from other standards/frameworks

- Use of additional sector-agnostic standards (e.g., UNGC) and sector-specific standards (e.g., SASB)

Addition of topics which appear to be material to competition

- Scan of competitor/peer activities to get an overview of their ESG focus and activities conducted

Insights from previously conducted analyses

- Including:
- Sustainability report (2022)
 - Materiality assessment
 - Handprint reports (2021)

During the Foxway initial analysis, a long list of topics were identified through above external sources, why these were used as a starting point and revised for the purpose of the assessment, also using internal sources



¹) The Corporate Sustainability Reporting Directive (CSRD) will introduce a requirement to report according to European Sustainability Reporting Standards (ESRS).

Overview of long list of ESG topics

We conducted the assessment using an ESG topic list with 23 topics spanning “E”, “S” and “G”.

‘E’ topics

Resource use & circularity	E1
GHG emissions & energy management	E2
Hazardous waste management	E3
Climate change adaptation	E4
Biodiversity & ecosystems	E5
Water consumption & wastewater management	E6
Pollution of air, water and soil	E7

‘S’ topics

Employee diversity, equity & inclusion	S1
Employee well-being ¹	S2
Employee development & training ²	S3
Responsible supply chain management ³	S4
Data security & privacy	S5
Affordability of technology ⁴	S6
Value chain diversity, equity & inclusion	S7
Affected communities	S8
Child & forced labour	S9
Product safety & end-user impact	S10

‘G’ topics

Awareness on sustainable tech	G1
Anti-money laundering ⁵	G2
Business conduct (corruption & bribery)	G3
Management of supplier relationships ⁶	G4
Political engagement	G5
Animal welfare	G6

1) Including labour practices such as health & safety; 2) Including finding and developing talent; 3) Includes working conditions, child labour, forced labour, and sourcing of conflict minerals in the value chain and previously divided in two topics “Value chain working conditions” and “Value chain child & forced labour”; 4) Also relates to social inclusion; 5) Previously included under “Corruption and bribery” but now separated; 6) Including payment practices.

The engagement approach has provided coverage around Foxway’s key stakeholders

These stakeholders were involved in the double materiality assessment.

Stakeholder group	Engagement approach
Customers and end-users	<ul style="list-style-type: none"> Stakeholder interviews
Suppliers and partners	<ul style="list-style-type: none"> Desktop research of suppliers Several suppliers interviewed
Owners and financial community	<ul style="list-style-type: none"> Stakeholder interview with Nordic Capital
Industry	<ul style="list-style-type: none"> Desktop research of peers incl. ESG reports
Society and local communities	<ul style="list-style-type: none"> Not engaged directly as part of this work
Employees	<ul style="list-style-type: none"> Stakeholder interviews with Foxway management and employees Review of existing employee engagement surveys
Certification standards, regulatory compliance and NGOs	<ul style="list-style-type: none"> Desktop research into EU regulations Stakeholder interviews



A 5x5 materiality matrix was used to combine multiple scores for each materiality dimension

Scope / Financial impact

	1	2	3	4	5
5	Medium	High	Very high	Extreme	Extreme
4	Medium	Medium	High	Very high	Extreme
3	Low	Medium	Medium	High	Very high
2	Very low	Low	Medium	Medium	High
1	Very low	Very low	Low	Medium	Medium

Irremediability

Scope / Financial impact

	1	2	3	4	5
5					
4					
3				Material	
2					
1	Not material				

Impact materiality
Financial materiality

If a topic scores 3/5 or 4/5 on "Irremediability" we move it one diagonal step upwards on the matrix and if it scores 5/5 on "Irremediability" we move it two diagonal steps upwards on the matrix.

The methodology applied is in line with CSRD requirements.

Critical CSRD requirements for double materiality assessments

Engagement with stakeholders...

“ Engagement with affected stakeholders is **central to the undertaking’s on-going due diligence process and sustainability materiality** assessment. This includes its processes to identify and assess actual and potential negative impacts, which then inform the assessment process to identify the material impacts for the purposes of sustainability reporting. ”

Assessment of impact materiality...

“ A sustainability matter is material from an impact perspective when it pertains to the undertaking’s material actual or potential, **positive or negative impacts on people or the environment over the short-, medium- or long-term**. Impacts include those connected with the undertaking’s own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. ”

Assessment of financial materiality...

“ A sustainability matter is material from a financial perspective if it triggers or could reasonably be expected to trigger material financial effects on the undertaking. This is the case when **a sustainability matter generates risks or opportunities** that have a material influence, or could reasonably be expected to have a material influence, on the undertaking’s development, financial position, financial performance, cash flows, access to finance or cost of capital over the **short-, medium- or long-term**. ”

Key take-aways and implications



A double materiality assessment is not an exact science – and the methodology applied is in line with the CSRD guidelines



Impact materiality assesses Foxway's effect on people or the environment, and financial materiality assesses ESG risks that could impact Foxway financially



The results largely reflect stakeholder input and supporting research – and are also subject to your input at the workshop

Source: CSRD.

Overview of long list of ESG topics with material topics highlighted

Based on findings from the double materiality assessment, 9 ESG topics are deemed material for Foxway

'E' topics

- Resource use & circularity E1
- GHG emissions & energy management E2
- Hazardous waste management E3
- Climate change adaptation E4
- Biodiversity & ecosystems E5
- Water consumption & wastewater management E6
- Pollution of air, water and soil E7

'S' topics

- Employee diversity, equity & inclusion S1
- Employee well-being¹ S2
- Employee development & training² S3
- Responsible supply chain management³ S4
- Data security & privacy S5
- Affordability of technology⁴ S6
- Value chain diversity, equity & inclusion S7
- Affected communities S8
- Child & forced labour S9
- Product safety & end-user impact S10

'G' topics

- Awareness on sustainable IT G1
- Anti-money laundering⁵ G2
- Business conduct (corruption & bribery) G3
- Management of supplier relationships⁶ G4
- Political engagement G5
- Animal welfare G6

Source: Analysis by The Footprint Firm. 1) Including labour practices such as health & safety; 2) Including finding and developing talent; 3) Includes working conditions, child labour, forced labour, and sourcing of conflict minerals in the value chain and previously divided in two topics "Value chain working conditions" and "Value chain child & forced labour"; 4) Also relates to social inclusion; 5) Previously included under "Corruption and bribery" but now separated; 6) Including payment practices.

Foxway's material ESG topics relate to its circular business model, positioning in the tech value chain, as well as increasing company size

Circular Business Model

Material topics

- Resource use & circularity E1
- GHG emissions & energy management E2
- Employee well-being¹ S2
- Awareness on sustainable IT G1

(Potential) Material topics

- Water consumption & wastewater management E6
- Pollution of air, water and soil E7
- Anti-money laundering⁵ G2

Tech Value Chain

- Hazardous waste management E3
- Responsible supply chain management³ S4
- Data security & privacy S5

- Climate change adaptation E4
- Biodiversity & ecosystems E5
- Affordability of technology⁴ S6
- Value chain diversity, equity & inclusion S7
- Affected communities S8
- Child & forced labour S9

Large Company

- Employee diversity, equity & inclusion S1
- Business conduct (corruption & bribery) G3

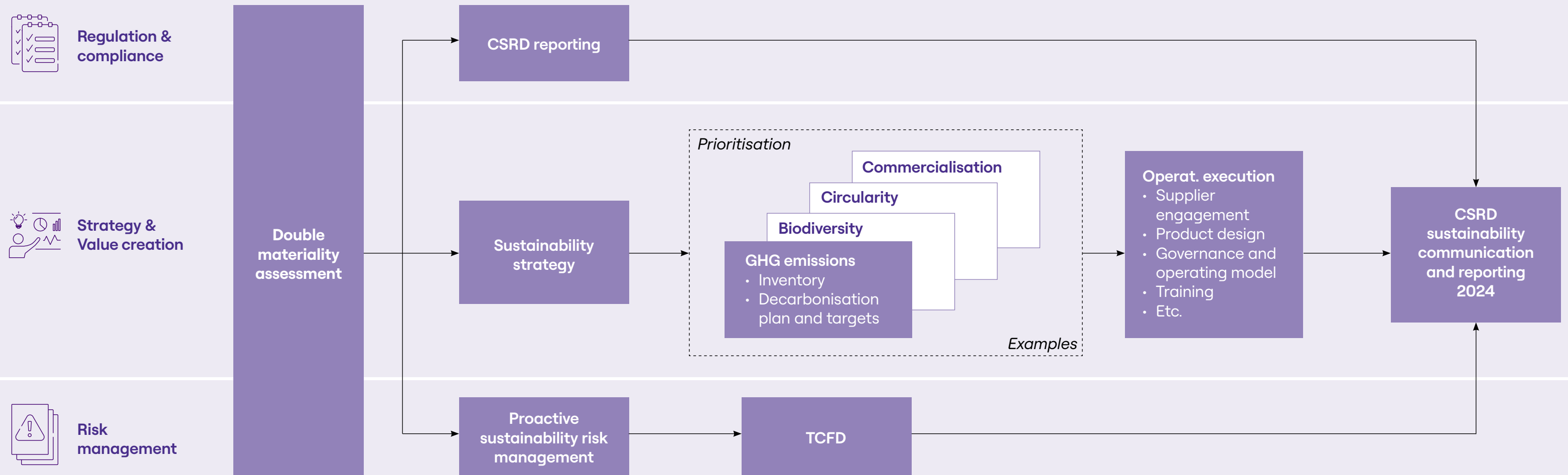
- Employee development & training² S3
- Management of supplier relationships⁶ G4
- Political engagement G5

Source: The Footprint Firm. 1) Including labour practices such as health & safety, 2) Including finding and developing talent, 3) Includes working conditions, child labour, forced labour, and sourcing of conflict minerals in the value chain and previously divided in two topics "Value chain working conditions" and "Value chain child & forced labour", 4) Also relates to social inclusion, 5) Previously included under "Corruption and bribery" but now separated, 6) Including payment practices.

Process and work related to implementation of CSRD and strategic alignment

Foxway's approach to CSRD reporting from 2024, building on the results of the double materiality assessment

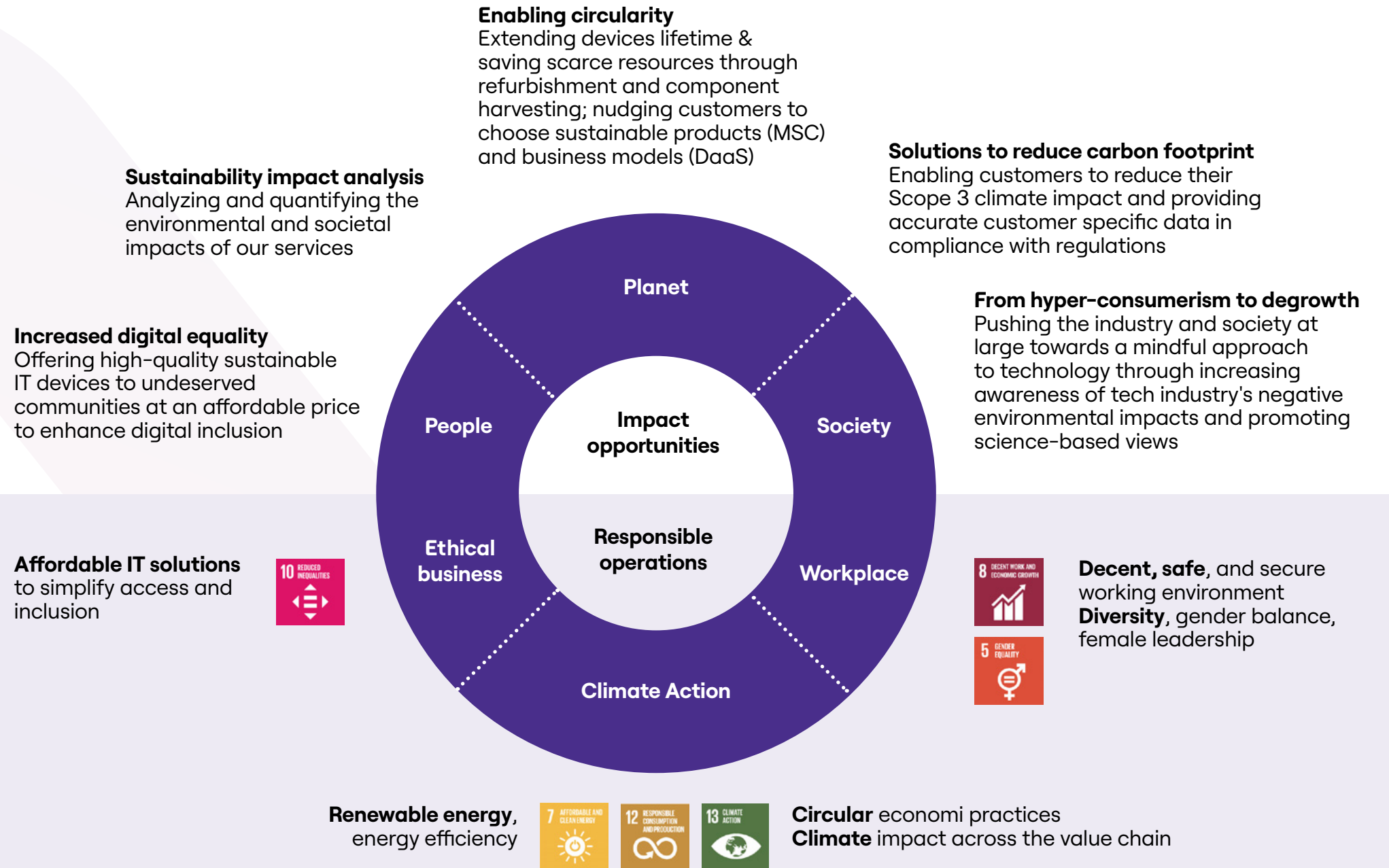
 Already initiated



United Nations Sustainable Development Goals (UNSDG)

Foxway has aligned our sustainability gameplan and 2025 strategy with UNSDG.

We integrate our business model and processes to the goals and business operations and potential impact.





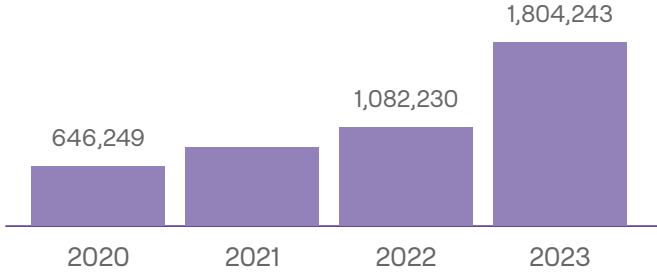
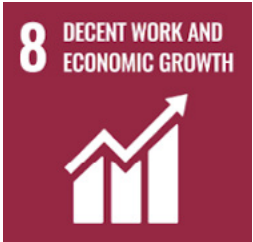
Stakeholder engagement, industry organizations and memberships

Relevant sustainability-related memberships are explored. Foxway is part of the following external initiatives and is included in several memberships.

Organization and type of relation	Description	Achievements
Following and monitoring		
RBA – Responsible Business Alliance	Supply chain control and monitoring of human rights: https://www.responsiblebusiness.org/	>97% of Foxway’s suppliers’ volume are members of this organization and complying with this
RMI – Responsible Mineral Initiative	Responsible sourcing of minerals, including the conflict mineral subject: https://www.responsiblebusiness.org/initiatives/rmi/	>97% of Foxway’s suppliers’ volume are members of this organization and comply with this
RLI – Responsible Labor Initiative	Responsible and fair treatment of labor force within the supply chain: https://www.responsiblebusiness.org/initiatives/rli/	>97% of Foxway’s suppliers’ volume are members of this organization and comply with this
RFI – Responsible Factory Initiative	Responsible and safe management of factories and the workers, environment related to supply chain: https://www.responsiblebusiness.org/initiatives/rfi/	>97 % of Foxway’s suppliers’ volume are members of this organization and comply with this
Following and signatory		
UN Global Compact	The UN managed organization to reduce and eliminate corruption, discrimination, and abuse of workforce in the world: https://www.unglobalcompact.org/	Foxway has been a signatory member since April 2021
Science Based Target initiative	Science-based targets show businesses how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change: https://sciencebasedtargets.org/	Foxway have committed and submitted a short term and long term net zero target plus created a Carbon reduction plan in 2023
United Nations Sustainable development goals	The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet: https://sdgs.un.org/goals	Foxway is signatory and reports to several contribution goals related to the 17 goals in agenda 2030

Organization and type of relation	Description	Achievements
Members and participating		
Eurefas	The leading EU refurbishment organization working towards a stronger refurbishment culture and structured repairing/circular culture in the EU: https://www.eurefas.com/	Foxway has a position in the Board of Eurefas, participate in work groups. Foxway was one of the ultimate founders and stakeholders in the organization
Cradlenet	An industry organization working, advising and advocating towards a more circular society: https://www.cradlenet.se/	Foxway is an active member
Tech Sverige sustainability board	The Swedish industry organization coordinating efforts to improve sustainability in all aspects of IT: https://www.techsverige.se/amne/hallbarhet/	Foxway has been an active participant and advisor to several initiatives related to taxation, measurements of CO ₂ avoidance plus legalization related to return and deposit schemes in Sweden. Furthermore, TechSweden and IDG nominated Foxway as one of the leaders in sustainability 2022
Keep project	Working with product traceability to enable a circular future: https://keepelectronics.com/#/	Foxway is a member in the research project which enables tech products to be tracked through the complete life cycle.
Fossil Free Sweden	Target to transform the IT industry towards: 2030: reduce CO ₂ e emissions by half 2045: net zero CO ₂ e emissions https://fossilfritt sverige.se/en/roadmap/the-digitalisation-consultancy-industry/	Foxway is an active member and appointed to the board of calculating avoidance efforts
Targeting to join		
Science Based Targets	The SBTi is the main organization to guide, audit and manage climate change governance and reduction of the CO ₂ footprint: https://sciencebasedtargets.org/	Foxway has committed and submitted long and short term company-wide emission reductions in line with science-based net-zero with the SBTi. (The targets are currently in the validation process).

Contribution towards United Nation Sustainable Development Goals

Company activity	SDG	SDG target ¹	SDG indicator	Company KPIs
Providiing affordable tech solutions to simplify access and inclusion for all		10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of their demographic		(Will be reported from 2024 in qualitative terms according to CSRD standards.)
Promoting, enabling and practising tech hardware waste prevention, reduction, recycling and reuse		12.5: By 2030, sustainably reduce waste generation through prevention, reduction, recycling and reuse	12.5.1: National recycle rate, tons of material recycled	<p>Repaired, reused and redeployed products # * IRIS+ OI7920</p>  <p>* Mobile phones, PC and tablets</p>
Providing decent, safe and secure working environment for own employess		8.8: By 2030, protect labour rights and promote safe and secure working environments for all workers	8.8.1: Frequency rate of fatal and non-fatal occupational injuries by sex and migrant status	<p>Accident rate, #/1000 FTE IRIS+ OI3757</p> <p>Injury frequency rate in 2023 was 0.725 (per every 200,000 hours worked)</p>

¹) UN Sustainable Development Goals

Company activity

SDG

SDG target¹

SDG indicator

Company KPIs

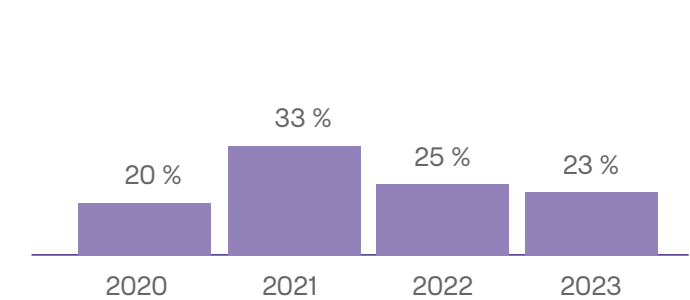
Promoting diversity as a value and encouraging female leadership



5.5:
Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

5.5.2:
Proportion of women in managerial positions

Women in management, % IRIS+OI1571



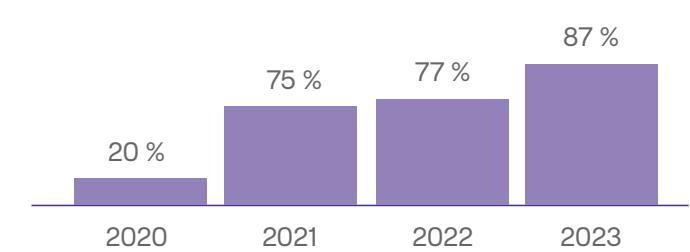
Reducing own energy efficiency



7.2:
By 2030, increase substantially the share of renewable energy in the global energy mix

12.5.1:
Renewable energy share in the total final energy consumption

Renewable electricity procured, % IRIS+ OI3324



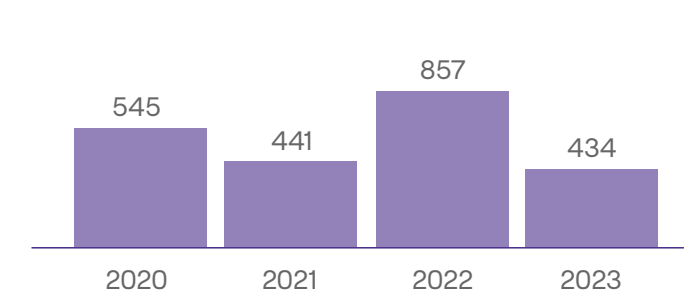
Reducing the carbon footprint of own operations and enabling carbon footprint reduction in the value chain



13.2:
Integrate climate measures into (national) policies, strategies and planning

8.8.1:
Number of countries that have communicated an integrated plan for adaptability and resilience to climate change; for companies: GHG contribution to national emissions

Carbon footprint, tCO₂e* (Scope 1 & 2) IRIS+ OI1479



¹⁾ UN Sustainable Development Goals

Foxway’s activities are mapped to the SDGs and relevant targets. Each activity identified contributes to an IRIS+ KPI. Potential for national contribution is assessed using the SDG Report 2021, highlighting countries in the value chain that can benefit from company activities.

* During the period, Foxway made new acquisitions and expanded, which increased our carbon footprint. Despite this, our carbon intensity decreased by 19 %.

Screenshot from our online sustainability training course.

PROJECT TITLE (ADMIN) **Sustainability course Foxway** ☆

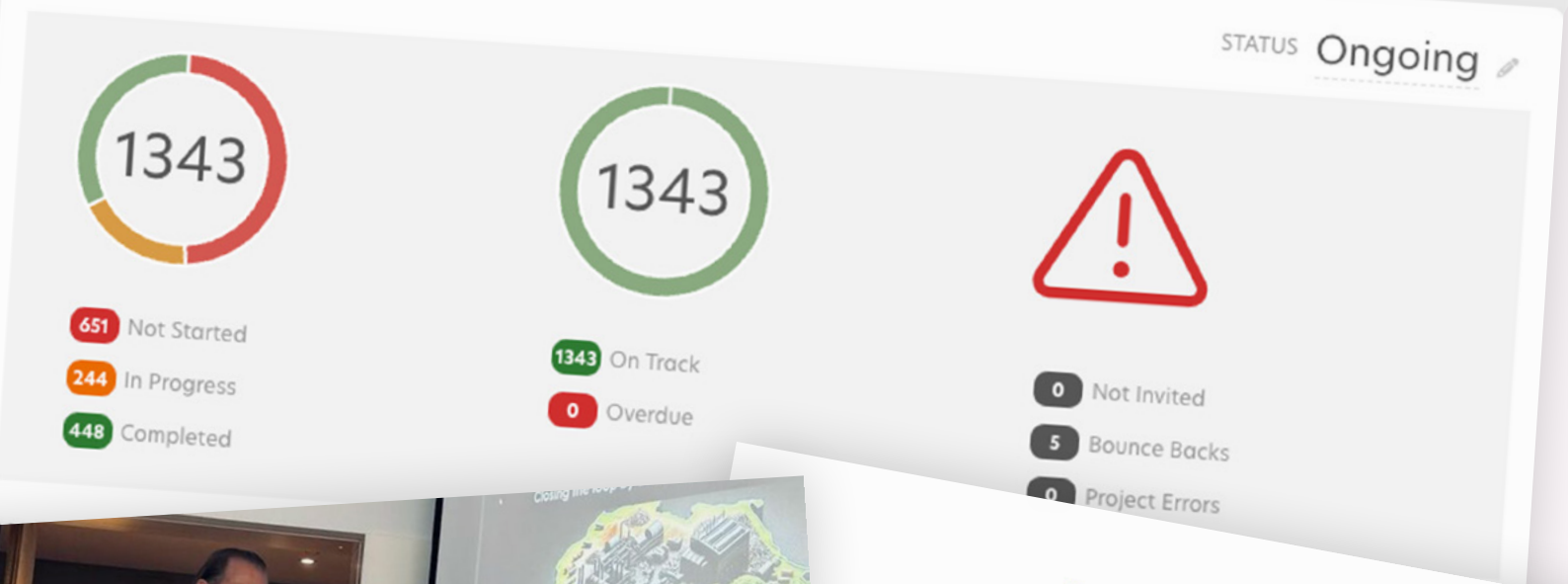
COURSE TITLE (LEARNER) **Sustainability course Foxway**

CREATED Thursday, September 29, 2022

UPDATED **Maire Kattel** Wednesday, May 3, 2023

Edit course **Preview** **Delete** **Copy**

1343 participants



Sustainability training at Foxway

We are deeply committed to creating a company culture where everybody understands the main drivers behind Foxway’s sustainability strategy and shares the same core values.

That’s why all our employees are asked upon onboarding to complete an extensive e-learning course on the subject of sustainability, created for Foxway in collaboration with Chalmers University of Technology. Additionally, to deepen the employees’ understanding of the sustainability challenges specific to the tech industry, the ESG team regularly conducts webinars and on-site presentations, targeting employees of specific Foxway entities. During 2023, around 900 employees in Estonia, Denmark, and the UK participated in such training.

Yearly, all of our coworkers participate in a 2-hour class with a deep dive and Q&A. In addition, every team have specific trainings related to environment, reporting regulations, supply chain management, and more.

The CEO and all management team have passed the Foxway Sustainability training described in this report. In addition the Board of directors and the management team have approved the sustainability strategy, gameplan and regularly considers a complete SWOT analysis.

Tech industry challenges

- E-waste**
44mt in 2014
53mt in 2019
74mt expected by 2030
- IT carbon footprint**
Phones: 80kg
- Other sustainability issues**
Use of scarce minerals
Value chain issues
Degradation of environment

The real cost of a smartphone

- Is 1-3 €/day for working in artisanal mining acceptable salary?
- Down to 10 € / day working at global shipping
- Down to 10 € / day working at Foxconn factory
- Restoration of land? Healthcare? Pensions? Working conditions?

Pictures from our onsite training material.

Insights from our leaders

Greenwashing is now under scrutiny



“ In recent years, greenwashing has become a growing problem for consumers. An increasing number of companies are promoting their products and services with sustainability claims, potentially misleading customers into believing they’re more environmentally friendly than they truly are. Findings of a screening conducted by the EU in 2021 revealed that nearly half of all environmental claims made online are exaggerated, deceptive, or outright false.

While most companies likely have good intentions and genuinely strive to make a positive impact, the challenge lies in the fact that many resort to vague or misleading language to make their offerings more attractive, or they simply struggle to communicate their efforts accurately.

At Foxway we are welcoming the new regulations and encourage transparency and clarity in our sustainability communications. We believe it will empower both the consumer and the companies in the green transition. People want to know the truth, and they want it in plain English. That allows the

customers to make a fair comparison and choose their business partner based on facts supported by data.

Can the new regulations drive the circular economy?

While it remains common to use terms like "conscious," "eco-friendly," "zero carbon," and "climate neutral" to portray environmental responsibility, regulators are now taking action to ensure companies avoid making unsubstantiated or misleading claims.

As we see it, these regulations will contribute to raising awareness and knowledge about how to make truly sustainable tech choices. In our role as one of the leading companies within this field, we empower our partners and customers to consume tech that can be reused and refurbished. By doing so, the products become a part of the circular economy and have thereby extended their lifespan – we call it circular tech.

“If a company is thinking of the term greenwashing and if it applies to them, they should ask themselves this question: Are we giving the impression that we’re doing more for the environment than we actually are? If so, then it’s most likely greenwashing. The upcoming regulations around greenwashing will be harsh enough to stop companies from communicating sweepingly and falsely. Instead, they need to really make an effort to convey the truth. That is something we at Foxway believe both companies and consumers will benefit from.”

As circular tech is integrated in Foxway’s business model and strategy, ensuring trustworthiness in the market is crucial for us. A great start is to review our communication to make sure it is correct, transparent, and not misleading. We have initiated training sessions for our marketing team and will carry out training for our employees. This is to ensure they are well-versed in the new regulations. This encourages us to act as ambassadors for our sustainability goals, and to communicate the principles of circularity in a clear, fact-based manner.

Together with our industry peers, we have a significant responsibility to drive the tech industry toward sustainability based on verifiable facts rather than wishful thinking. The regulations, as we see them, are a great step in the right direction.”

Emma Lindberg
Chief Marketing Officer



Words from our Chief Strategy Officer and Interim Sustainability Officer

“ Is it possible to combine promises about endless economic growth and carbon net-zero pledges?

An impossible equation

Being the responsible strategist of Foxway and holding the interim position of the Sustainability Officer’s role during Kai-Riin’s maternity leave, gives some formidable insights when analyzing a holistic view of the tech industry and the hyper-consumeristic society.

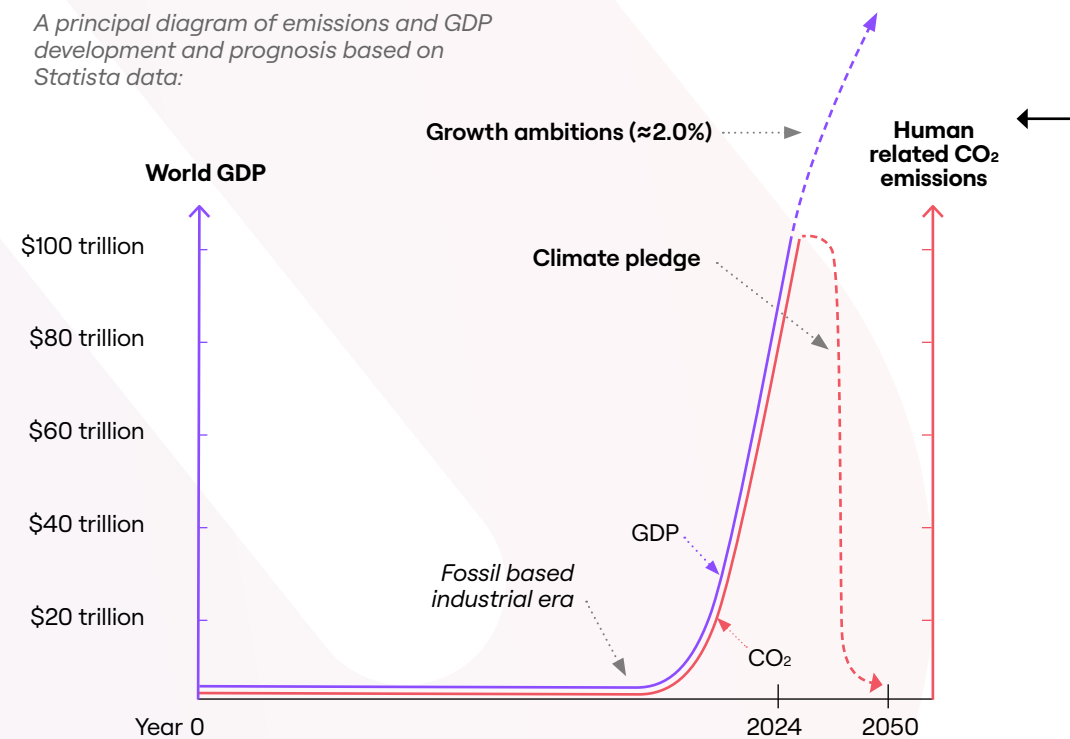
As shared in this report, the core message from Foxway is that we strive to be sustainability leaders in our industry and our society. To be authentic in our ambitions, we need to ask ourselves and society some honest and difficult questions. I would like to share an image for reflection:

The industry, society, and the world pledged to the Paris Agreement 2015, trying to hold global temperature increase below 2.0 °C, preferably limiting the increase to 1.5 °C. To reach the targets, most of the industries in the US and the EU pledged to science-based targets to achieve a “net-zero” emissions level by 2050. Furthermore, [the EU aims to be climate-neutral by 2050](#).

To target pre-industrial carbon emission levels, and at the same time promise a comfortable energy intensive economy and structure continuous growth of approximately 75% until 2050, is, in my view, neither reachable nor honest.

The reality is rapidly catching up, as was visible when the Science Based Targets organization [removed around 500](#)

A principal diagram of emissions and GDP development and prognosis based on Statista data:



(Source: Statista)



[corporations](#) from their validation process. They also demanded several large corporations to redo their homework and create viable and ambitious climate mitigation plans. Others, one of them [a global financial and sustainability advisor](#), have simply been forced to withdraw their pledges to net zero since it turned out to be more of an unrealistic marketing approach than an honest pledge or plan.

We must prepare and believe in something alternative. It's already visible how we're collectively not meeting our ambitious goals: **A.** [Sweden just dropped its near-term climate targets for 2030](#); **B.** An overview based on public emission data from OEMs in the tech industry shows that the reduction of emissions from production is near zero; **C.** Some companies in our industry have growth targets combined with a linear business model, which leaves little room for supporting climate goals.

We will most certainly find ourselves in a future where new financial realities like de-growth will be more commonly discussed, carbon taxation is already on the horizon, and consumeristic behavior has already been found in urgent need of measures.

The challenges go way beyond the EU, the US, and the Global North. In the end, it's our lifestyle that is the root cause of the problems we are facing. We simply cannot just continue to consume as we used to. And the reality is brutally catching up.

Climate: As described above, the graphs and reality don't match up. We are facing a harsh reality.

Resource scarcity: PWC, in its report from 2023, shares the insight that we are not only facing scarcity of supply but also total depletion of several critical minerals this century.

Security: In the same report it's easy to understand that the Global South is suffering the most from climate change, with the Global North having a major impact on the supply of current and future resources. The latter has a 90% import dependency on critical materials and can easily be critiqued for using non-renewable elements and minerals for unjustified or unnecessary consumption.

Social Aspects: The industry knows very well that even though measures are made through several industry initiatives, the situation in places like Congo, Madagascar, and China is far from perfect. It's not only the planet suffering, but the societal impact is also tragic in many cases.

The takeaway from a strategist's point of view:

To build a future-proof company, one must create a strategy considering:

- **potential carbon taxation measures and regulations**
- **de-growth scenarios**
- **surprises in the supply chain (trade wars, scarcity of materials, and price fluctuations)**

When building the strategy for Foxway, we have created a business model that allows Foxway to strive, grow, and in the future become a meaningful place to work beyond feel-good events and financial compensation. Whether we envision a future addressing the urgent challenges outlined above, or one where the economy persists in a hyper consumption model, our aim is to contribute to a circular future – one that Foxway can and will support.

Already with the current circular business model, when Foxway grows, from a planetary perspective, the footprint of the tech industry is reduced, and the effects of consumption go down. Although this will not solve everything, we will keep on trying to create a more sustainable way of consuming tech.

To implement the strategy fully and realize all ambitions, we have a journey ahead of us. We also see what might look like impossible hurdles (like the net-zero target for 2050). By looking at the broader picture and involving all stakeholders as part of Foxway, we will reach far and continue to grow our positive impact.

The dedication from Foxway is clear, the Board of Directors is aligned, strategy and sustainability are closely interlinked and combined. The work toward being a positive impact company goes into every part of Foxway.”

Stefan Nilsson

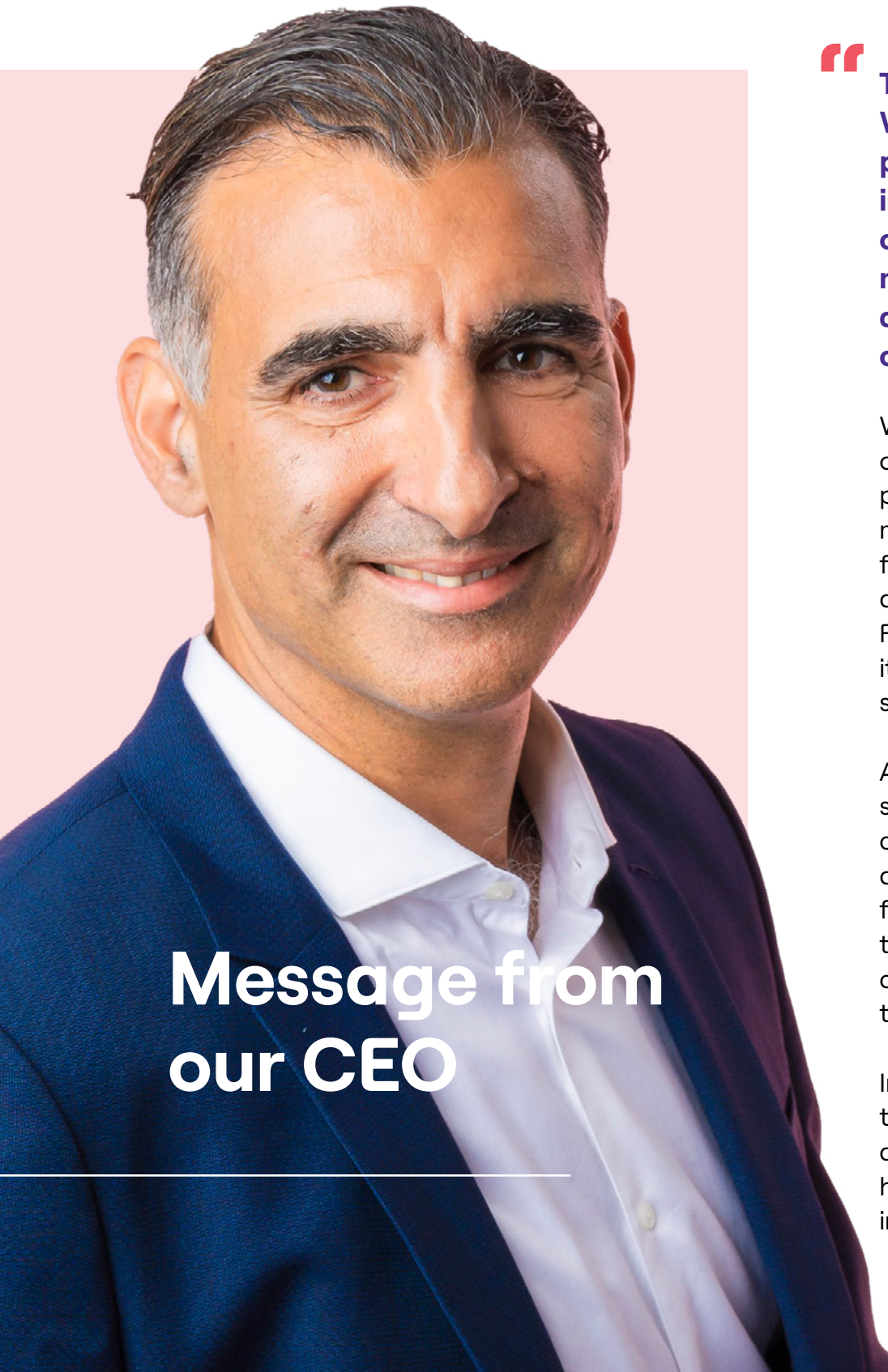
Chief Strategy Officer & Interim Chief Sustainability Officer



A strong team makes the difference

“ At Foxway, we recognize that our journey towards an ideal learning and development culture is ongoing. In 2023, we took significant steps by improving our onboarding processes and enhancing leadership training, but we are aware that there is much more to achieve. Our focus is not just on building skills, but on creating an environment where continuous improvement is part of our DNA. As we move forward, we're committed to evolving and adapting, ensuring that every member of our team has opportunities for growth and that we collectively contribute to a dynamic, learning organization. ”

Annika Ploom
Chief People and Culture Officer



Message from our CEO

“ The year 2023 continued to present challenges globally. Wars, particularly affecting Europe, escalated economic pressures through rising inflation and interest rates, directly impacting individuals and corporations alike. Meanwhile, the climate crisis persists, with grim prospects, and the financial markets have witnessed a downturn in ESG funds. These developments underscore an urgent need for transformative change and positive action.

We have had a fantastic development during 2023, which entails onboarding a new majority owner in Nordic Capital. We also keep our previous majority owner, Norvestor, who is stepping in as an important minority owner. The new ownership gives us additional opportunities for expanding our circular business model to even more customers and markets. One of the most visible changes is a visible message – in Foxway, sustainability and strategy go hand in hand. It is, as we see it, a success factor for us as we can align our entire business on a sustainable foundation.

Although there's an increased interest in sustainability issues, we see that the world is moving backward rather than forward when it comes to adopting circular business models. That's why Foxway has an even more important role to play. We aim to drive the development from a linear to a circular consumption pattern and take the lead in transforming our industry. Together with our customers and partners, we continue to evolve, grow, and learn to contribute to a positive impact on the tech industry, society, and the planet.

In 2023 we have accelerated our DaaS (Device as a Service) offering to the European market, and launched our brand of premium refurbished devices: Teqcycle. This gives customers the opportunity to consume high-quality refurbished electronics while minimizing negative climate impact by opting out of buying new ones. The skepticism that may exist

against buying used electronics can be reduced through conditions and benefits that are equal to buying new. The climate impact per unit also shows a significant reduction in carbon dioxide emissions if a unit is put back into use, instead of consuming a new one. For instance, a refurbished computer generates only 11 kg of CO₂e, compared to the 265 kg CO₂e generated by a new unit. This difference further enhances the environmental benefits of choosing a premium, reused computer or mobile device.

During 2023 we also submitted our science-based targets, to make a common effort to keep global warming down, and reduce our emissions in accordance with the Paris Agreement. We are looking forward to sharing more positive news in this area for the year ahead. During 2024, we will aspire to raise our positive impact in the market with continuous growth, improvements, and acquisitions in the industry.

I am proud of what Foxway has achieved in 2023. I want to extend a special thank you to all the dedicated colleagues, customers, and partners who are driving the transformation of the industry and creating value together with us.

Our ambition is to enable circular tech services on an even wider market and thus become the customers' first and most sustainable choice. We have good conditions to continue building our company, live our values fully, and accelerate our circular concept to more markets with a lower climate footprint as a result. We look forward to 2024 and to continue realizing our circular business model together.

Kind regards, ”

Martin Backman
Chief Executive Officer

01

Environment

Overview

Foxway reports on the figures and activities related to climate impact (CO₂ emissions), waste production, energy and water consumption recorded in 2023. We have seen improvements in most of our areas except for a 4% increase in total CO₂e emissions compared to 2022.

Despite a 21% increase in revenue – which indicates lower carbon intensity for this reporting period – the increased CO₂ footprint remains a concern and will be addressed in our carbon reduction plan. The rise mainly stems from the use of sold goods. This means that even if the global planetary footprint decreased by our circular activities, according to current reporting standards, Foxway's footprint still increased. This concern will be investigated further in future reports.

As mentioned in the introduction, Foxway will be reporting according to the CSRD standard from 2024 and the format of reporting will change in the future. In this GRI-based report, we tried to make the numbers and data as comparable as possible to our 2022 results.

Accuracy and transparency in reporting are a priority for Foxway. However, we're also aware of the young state of ESG reporting and the still rapidly evolving nature of standardized systems and processes in the field. This means the quality of collecting and evaluating data is often influenced by the manual nature of the work behind it. In addition to the general state of climate accounting, we must also consider the complexity of Foxway's internal structure. While we navigate as one Foxway, we operate as several legal entities and in a number of locations. Due to legal requirements or practicalities, not all financial, inventory, and ERP systems are centralized and may leave room for error in data collection. That being said, we have been vigilant to provide the utmost accuracy and transparency in our numbers. In 2024, Foxway is planning to automate as many processes as possible to enhance the accuracy of our data, which in turn will give our partners more security in reporting their climate impact.

In the materiality assessment and report, all the areas below will be continuously monitored as material aspects of Foxway's financial and environmental aspects (see the [double materiality assessment](#) section).



Climate

The Paris Agreement targets seem unreachable with current society and consumerism models. We have already experienced the warmest months and year in 125,000 years and have few hopes for improvements. Every enterprise, consumer, and country must do their utmost to reduce the carbon footprint of our daily lives, operations, and consumption.

In light of the above and to perform responsibly in business, we as an enterprise need to mitigate and manage the risks related to climate change, both in terms of financial risks and climate effects on operations. As part of our climate report on the data of 2023, Foxway has performed an extended climate risk assessment following the TFCF (Task Force on Climate-Related Financial Disclosures) framework. Foxway discloses an overview of the most essential parts of the risk assessment, for further details contact the Foxway CSO team directly.

The analysis was made in cooperation with the Footprint Firm, Copenhagen, Denmark.

* Source: <https://www.un.org/sg/en/content/sg/speeches/2023-07-27/secretary-generals-opening-remarks-press-conference-climate>

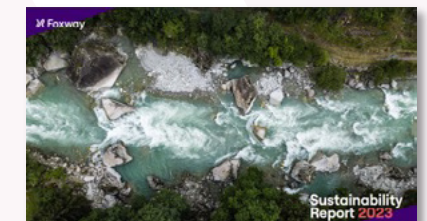
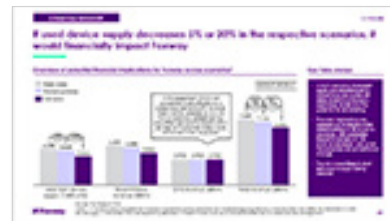
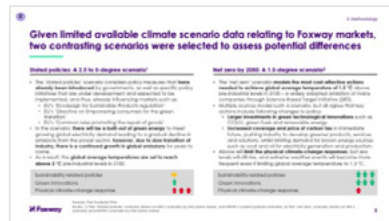
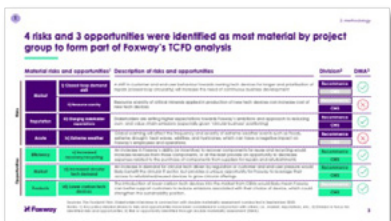
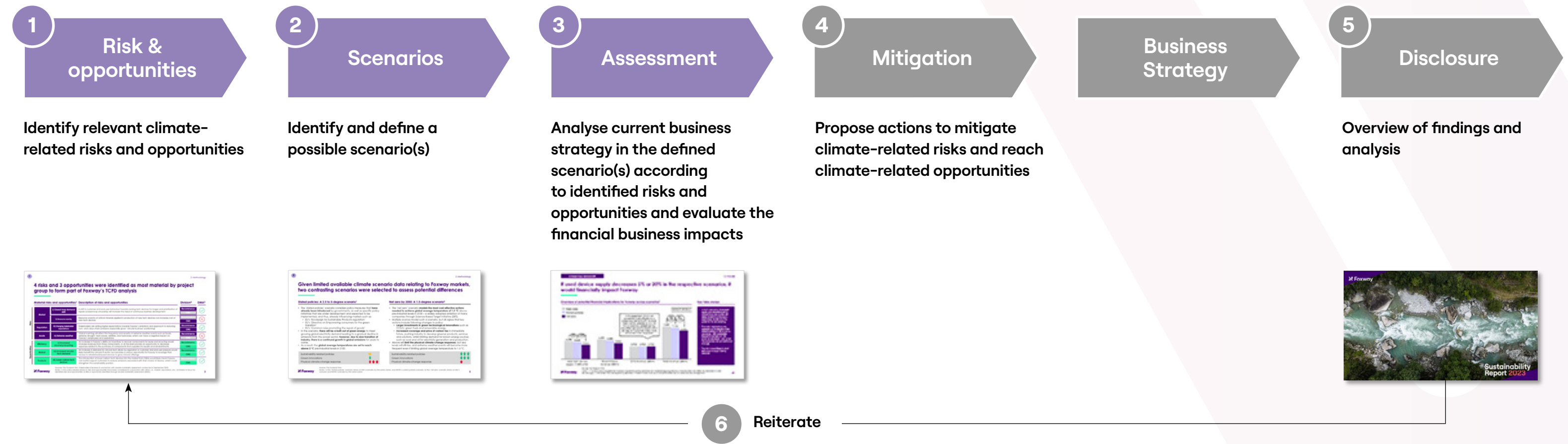
“The Era of global boiling has arrived”

**António Guterres
UN secretary-General, 2023***

Climate risk assessment – TCFD

Methodology: Overview of the three steps (deep dive next pages)

The approach considers three out of six steps and will provide insights to strategic decisions for Foxway



1 Risk & opportunities

Overview of climate-related risks and opportunities specified by TCFD

TCFD outlines potential transitional and physical climate-related risks and opportunities for consideration

Transitional risks

Policy and legal: either actions that constrain or promote behaviour (e.g., carbon pricing, shifting to low-emission energy, energy-efficiency solutions), and climate related litigation claims.

Technology: e.g., renewable energy, battery storage, energy efficiency, carbon capture and storage.

Market: shifts in supply and demand for certain commodities, products, and services.

Reputation: changing customer or community perceptions of an organization's contribution.

Physical risks

Acute risks: are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.

Chronic risks: longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

Opportunity analysis

Resource efficiency: reduced operating costs by improving efficiency.

Energy source: saving energy costs from shifting toward low emission energy sources.

Products and services: innovating and developing new low-emission products and services.

Markets: pro-actively seeking opportunities in new markets or types of assets to diversify activities and better position themselves for the transition to a lower-carbon economy.

Resilience: developing adaptive capacity to respond to climate change.

Source: [TCFD, Recommendations of the Task Force on Climate-related Financial Disclosures framework \(2017\)](#).

1 Risk & opportunities

Examples of resilience of Foxway's business to climate-related impacts

Foxway provide some resiliency against potential climate-related risks

Selected risks & opportunities

Market	ii) Resource scarcity
---------------	------------------------------

Products	vii) Lower carbon tech devices
-----------------	---------------------------------------

CWS (Circular Workspace Solutions)

Recommerce



Scarcity of critical minerals may lead to increasing device prices and supply chain disruptions, limiting Foxways ability to supply customers with new devices...



...the increase in new device prices could be expected to increase the prices of used devices and components from which Foxway would likely benefit.



... Foxway can provide customers refurbished devices in place of new ones.



Scarcity of critical minerals may lead to increasing device prices and supply chain disruptions, limiting Foxways ability to supply customers with new devices...



...potential breakthroughs in lower carbon devices could potentially constrain demand for used and refurbished devices.



...lower carbon devices with longer lifetime would likely allow Foxway to provide more value through repair and refurbishment through 2nd and 3rd device uses.

Source: The Footprint Firm.

2 Scenarios

Given limited available climate scenario data relating to Foxway markets, two contrasting scenarios were selected to assess potential differences

Stated policies: A 2.5 to 5-degree scenario¹

- The 'stated policies' scenario considers policy measures that **have already been introduced** by governments, as well as specific policy initiatives that are under development and expected to be implemented, and thus, already influencing markets such as:
 - EU's 'Ecodesign for sustainable products regulation'
 - EU's 'Directive on empowering consumers for the green transition'
 - EU's 'Common rules promoting the repair of goods'

In the scenario, **there will be a built-out of green energy** to meet growing global electricity demand leading to a gradual decline in emissions from the power sector; **however, due to slow transition of industry, there is a continued growth in global emissions** for years to come.

- As a result, the **global average temperatures are set to reach above 2 °C** pre-industrial levels in 2100.

Sustainability-related policies



Green innovations



Physical climate-change response



Net zero by 2050: A 1.5-degree scenario²

- The 'net zero' scenario **models the most cost-effective actions needed to achieve global average temperature of 1.5 °C** above pre-industrial levels in 2100 – a widely adopted ambition of many companies through Science Based Targets initiative (SBTi).
- Multiple sources model such a scenario, but all agree that key actions include following changes to policy:
 - Larger investments in green technological innovations** such as CCS/U, green fuels and renewable energy.
 - Increased coverage and price of carbon tax** in immediate future, pushing industry to develop greener products, services and solutions, whilst limiting demand for brown energy sources such as coal and oil for electricity generation and production.
- Above will **limit the physical climate-change responses**, but sea levels will still rise, and extreme weather events will become more frequent even if limiting global average temperature to 1.5 °C.

Sustainability-related policies



Green innovations



Physical climate-change response



Source: The Footprint Firm. Notes: 1) The 'stated policies' scenario draws on IEA's scenario by the same name, and NGFS's current policies scenario; 2) The 'net zero' scenario draws on IEA's scenario and NGFS's scenario by the same name.

3 Assessment

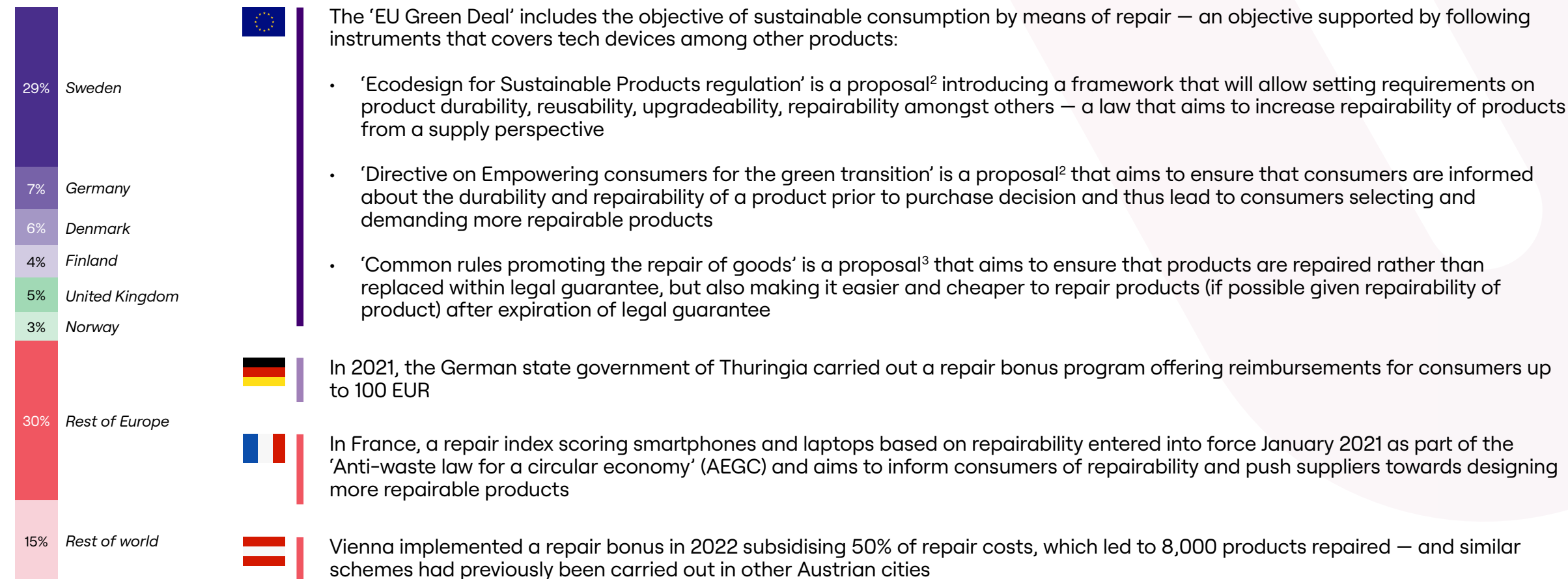
The risks and opportunities are assessed quantitatively or qualitatively, depending on available data and the level of materiality

Material risks and opportunities		Data avail.	Fin. mat. ¹	Approach to the assessment of risks and opportunities	
Risks	Market	i) Closed-loop demand shift			Quantitative analysis calculating the financial implications to Foxway's Recommerce revenue based on change in supply for used tech devices informed qualitatively by regulations promoting closed-loop, customer perception of closed-loop and evidence of closed-loop sustainability
		ii) Resource scarcity			Qualitative analysis describing development of resource scarcity of critical minerals applied in tech devices, potential impacts on cost of new tech devices, and the financial implications to Foxway's CWS offering
	Reputation	iii) Changing stakeholder expectations			Quantitative analysis calculating the financial implications to Foxway's CWS and Recommerce revenue if Foxway loses most climate ambitious customers & sourcing partners informed qualitatively by GHG accounting and decarbonisation performance expectations of stakeholders creating a dribble-down effect onto Foxway
	Acute	iv) Extreme weather			Quantitative analysis of financial impacts to Foxway's revenue if production is forced to shut down or inventory and fixed assets are destroyed – with financial implications informed qualitatively by the exposure and severity of an extreme weather event
Opportunities	Efficiency	v) Increased recovery/recycling			Qualitative analysis describing policy and technology development that increases the potential recovery of components and recycling of materials, likely providing an increase in the demand and realised prices of harvested components and end of life materials
	Market	vi) Increased circular tech demand			Quantitative analysis calculating financial upside to Foxway's revenue based on change in circular tech demand from CWS and Recommerce customers informed qualitatively by regulations promoting circularity and customer awareness on tech sustainability
	Products	vii) Lower carbon tech devices			Quantitative analysis calculating financial upside to Foxway's revenue from CWS through use of lower carbon devices (both embodied carbon and energy use) informed qualitatively by expected availability of such tech devices, Foxway's access and ability to influence customer decisions towards selecting lower carbon devices

Source: The Footprint Firm. Note: 1) High-level financial materiality scoring, i) and iii) from double materiality assessment conducted in September 2023.

Regulation will promote repair and repairability, leading to an increased lifetime of tech devices before replacement

Overview of policy promoting closed-loop repair approach across Foxway’s main markets¹



Key take-aways

More than a third of Foxway’s current market is within EU, where multiple regulations have been proposed by the EC (pending adoption and/or implementation) to increase repair and repairability of products, incl. tech devices




Further, multiple countries have national initiatives promoting the same behaviour change from both consumers and enterprise

Successful implementation of regulation and initiatives promoting repairs will increase the lifetime of tech devices and put focus on circular business models

Sources: EC, Ecodesign for Sustainable Products Regulation (accessed 17/9-23); EC, Rules promoting the repair of goods (accessed 17/9-23); Stadt Wien, Wiener Reparaturbon (accessed 17/9-23); Right to repair, Germany and Austria implement repair bonuses (2021).
 Notes: 1) Main markets are presented by percentage revenue in 2022; 2) Adopted by EC in March 2022; 3) Adopted by the EC in March 2023.

Surging clean energy demand for critical minerals outpaces supply, putting stress on other sectors, including tech devices

Financial implications for Foxway

- | | |
|-----------------|---|
| Stated policies | <ul style="list-style-type: none"> According to the IEA Critical Minerals Market Review, <ul style="list-style-type: none"> Prices for most critical materials currently remain well above historical averages. While near-term prices may dip due to current economics and increased supplies, medium-term prices are predicted to stay elevated as the economy recovers. Furthermore, supply-side events have the potential to create short-term price pressures, as seen in early 2023, due to supply chain disruptions and extreme weather events at sourcing locations. <p> These trends may affect Foxway if higher prices may reduce device demand, or if further supply side events lead to supply chain disruptions</p> |
| Net zero | <ul style="list-style-type: none"> In the IEA NZE scenario, the demand for critical minerals for clean energy applications quadruples between 2022 and 2030, with EVs and battery storage being the main drivers. Despite a 30% boost in capital spending on critical minerals and a 20% rise in exploration expenditure in 2022, announced mining projects fall short of meeting the requirements of the IEA NZE Scenario in 2030. Closing this gap necessitates a focus on investment, recycling, technology innovation and behavioural change. In the NZE Scenario, secondary supply from recycling contributes 10-20% of total demand for critical minerals in 2030. This share is poised to increase significantly as more equipment reaches its end of life in the longer term. <p> Further critical mineral price increase and supply shortages may hinder access to new devices, and thus impact Foxway's ability to supply their customers</p> <p> These affects may be partly mitigated in Recommerce as the trends would likely increase demand and prices on reused and remanufactured devices and components</p> |

Key statistics supporting the analysis

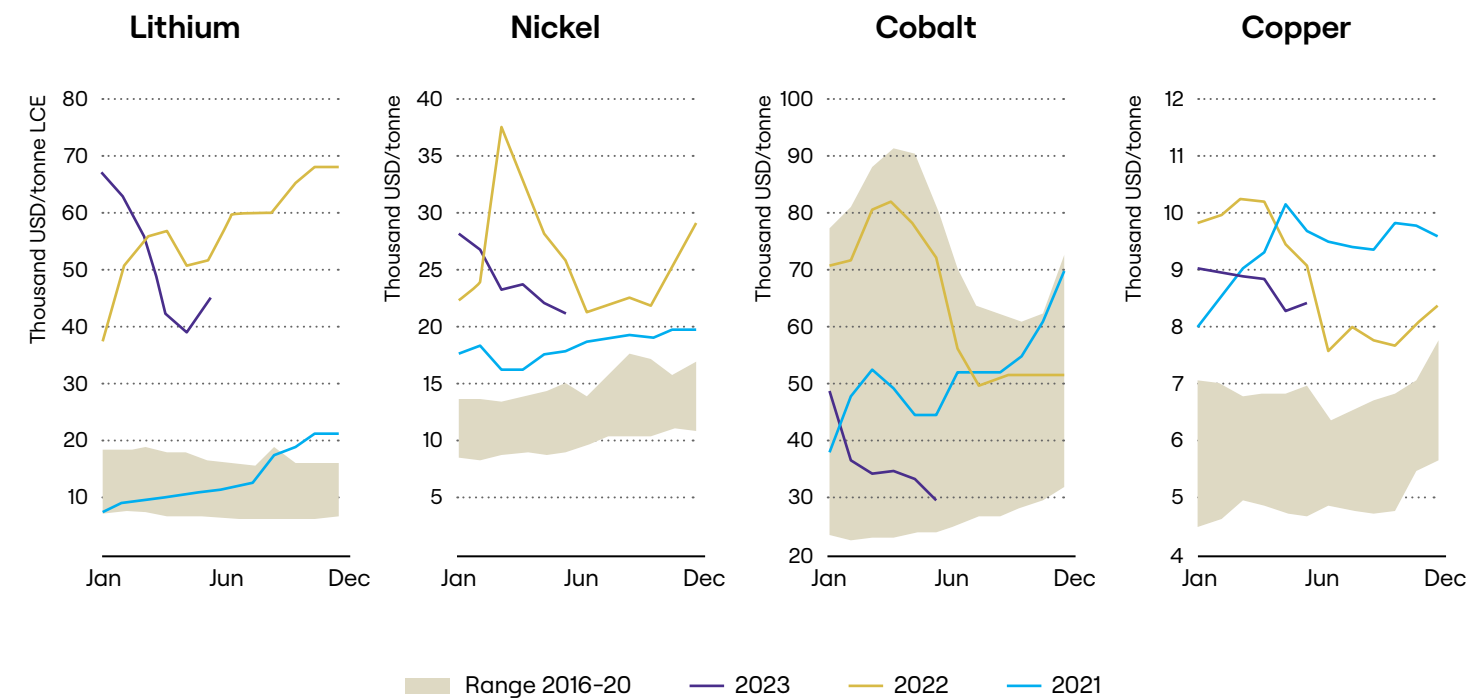
	Lithium	Nickel	Cobalt	Copper
Price development for selected energy transition minerals Average 2022-23 price range vs. 2016-20 price range ¹	3.9x	2.3x	1.07x	1.45x
Projected supply and demand for minerals in the IEA NZE Scenario (2030) Projected NZE demand vs. primary supply in 2030 ¹	1.8x	1.4x	1.4x	1.4x

Sources: The Footprint Firm; IEA, Net Zero Roadmap: A Global Pathway to Keep the 1.5 C Goal in Reach (2023 update); IEA, Critical Minerals Market Review (2023).
 Note: 1) Approximate – refer back-up analysis for underlying data.

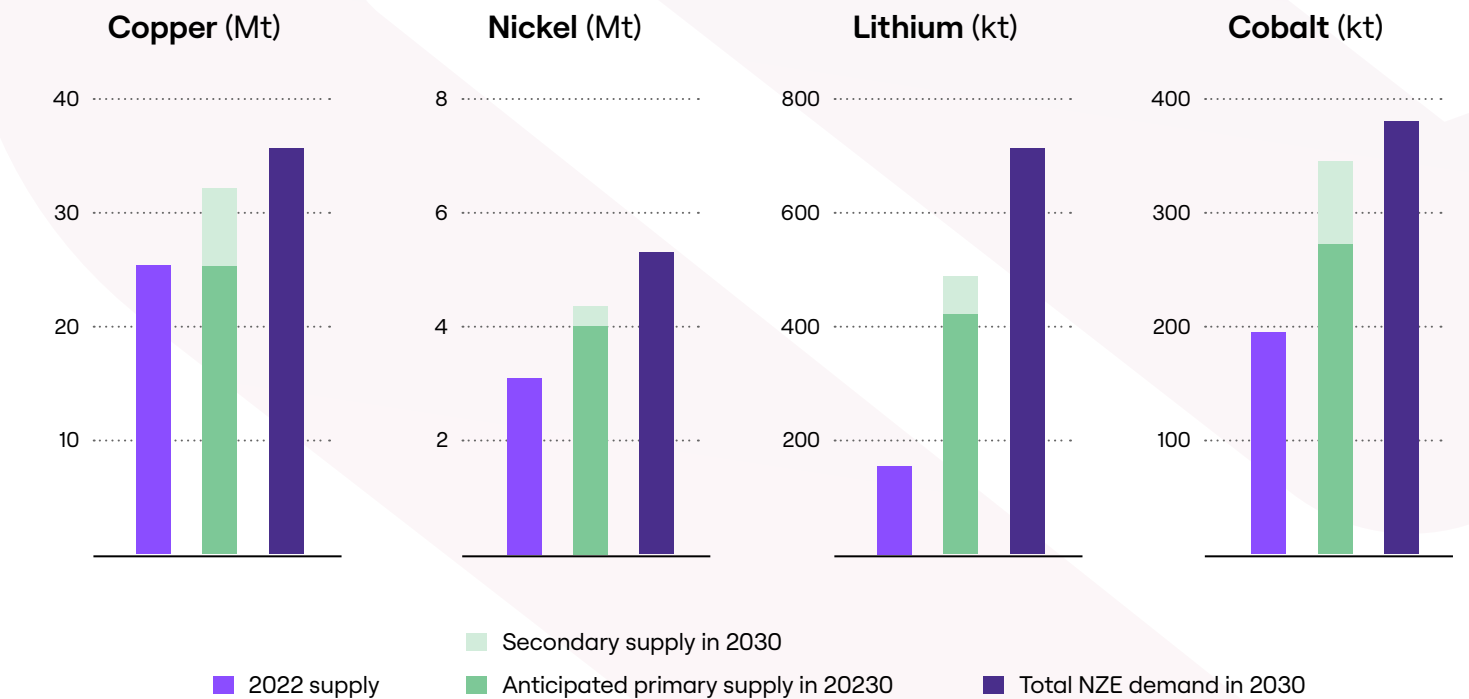
Key statistics supporting the analysis

Surging clean energy demand for critical minerals outpaces supply, putting stress on other sectors, including tech devices

Price development for selected energy transition minerals and metals









Anticipated supply and projected demand for selected minerals in the NZE Scenario, 2030






There are several acute physical risks that could affect Foxway's location specific vulnerabilities, especially storms and river floods

Acute physical risks' potential impact on businesses

Acute physical risks	The impact on businesses ¹
 Storms/ Extreme wind	High winds can damage infrastructure, cause disruption by downing power lines, and put life and property at risk by causing loose material to become projectiles
 Non-coastal floods	Non-coastal floods can directly damage infrastructure and equipment as well as cause loss in productivity by its impact on employees
 Forest fires	Forest fires can damage assets and infrastructure that are in proximity to trees and other vegetation
 Coastal floods	Coastal flooding can have same impact as non-coastal floods. But it is both an acute event and chronic change (e.g., rising sea levels)
 Extreme heat	Extreme temperatures can cause various systems to fail causing operational disruption, and extreme heat can cause human productivity loss. This is both an acute event and chronic change
 Tropical cyclones	Tropical cyclones cause catastrophic damage to infrastructure from the extreme winds, and further causes loss in productivity and are a threat to life

Foxway's locations and acute physical risks²

 Share of Foxway employees

Tartu, Estonia 	Essex, UK 	Växjö, Sweden 
(High ³ risk)	N/A	N/A
High risk	Very low risk	Low risk
Medium risk	High risk	Medium risk
No data	High risk	No data
No data	Low risk	Low risk
No data	No data	No data

Focus of assessment

Sources: 1) Morningstar Sustainalytics – Physical Climate Risk Metrics Methodology (2023); 2) Think Hazard (accessed 09/10-23)
 Note: 3) Storms are not assessed in the open-source hazard data set, but was highlighted by Foxway's sustainability team as being a high risk.

The scenario analysis assessed 7 risks and opportunities across two scenarios, with two risks showing substantial impact in a net zero scenario

Material risks and opportunities		Time frame	Tendency	
Risks	Market	i) Closed-loop demand shift	S M L Higher demand for circular services, incl. repair services of tech devices in closed-loop models	↑
		ii) Resource scarcity	S M L Higher demand for critical minerals, e.g., from renewable energy	↑
	Reputation	iii) Changing stakeholder expectations	S M L Higher stakeholder expectations towards setting ambitious targets and achieving (and enabling) GHG emission reductions	↑
	Acute	iv) Extreme weather	S M L Lower probability and severity of extreme weather events such as storms	↓
Opportunities	Efficiency	v) Increased recovery/recycling	S M L Higher demand for recycled materials given increased demand for critical minerals, e.g., from renewable energy	↑
	Market	vi) Increased circular tech demand	S M L Higher supply of used devices, and higher demand for circular products and services, incl. refurbished devices and DaaS solutions	↑
	Products	vii) Lower carbon tech devices	S M L More pressure on OEMs to develop lower carbon tech device and more willingness to pay for sustainable products and services	↓

S >3 years
M 3-10 years
L 10+ years

Source: The Footprint Firm.

Foxway CO₂e emission data

Foxway continuously explores how to reduce our own, our customers', and the global CO₂e footprint

Foxway strives to lead the tech industry towards choosing circular over linear. This means having ambitious targets in the following areas:

Our own production footprint, our customers' CO₂e footprint, and finally the planetary impact of our operations. It's a learning journey where we try to improve, contribute, and share our knowledge. At Foxway, the CSO office is not a cornered reporting office – they put most of their energy into influencing and helping their colleagues and partners to improve. Some of the work done in 2023 included:

- Committing to and submitting our science-based target data for validation and approval.
- Contributing and engaging with circular studies and industry organizations.
- 100% use of biodiesel in our own operations.
- Performing an updated review of our own production footprint related to laptops, mobiles, and tablets.
The results of the review support our customers in their footprint calculations related to purchasing Foxway refurbished devices. Likewise, it contributes to initiatives illustrating the potential positive environmental effect of emissions avoided in the process of recovering devices from the market and giving them a new life cycle ("Handprint" reporting).
- Implementing and securing future use of RECs (Renewable Energy Certificates) in all our main facilities, starting in 2024.

Foxway's carbon footprint intensity

(Includes Scope 1 & 2 emissions from all locations of the Foxway Group, as disclosed below for total amount of the group's carbon footprint)

Per full time employee
(adjusted 2022 data)

0.31

(-54%)

Tons per Mn€ revenue
(adjusted 2022 data)

0.67

(-58%)

Science Based Targets initiative commitment

On October 27th, 2023, Foxway submitted its short- and long-term net zero emissions reduction targets (for 2030 and 2050, respectively) for approval by the Science Based Targets initiative (SBTi). The targets are under validation by the SBTi organization.

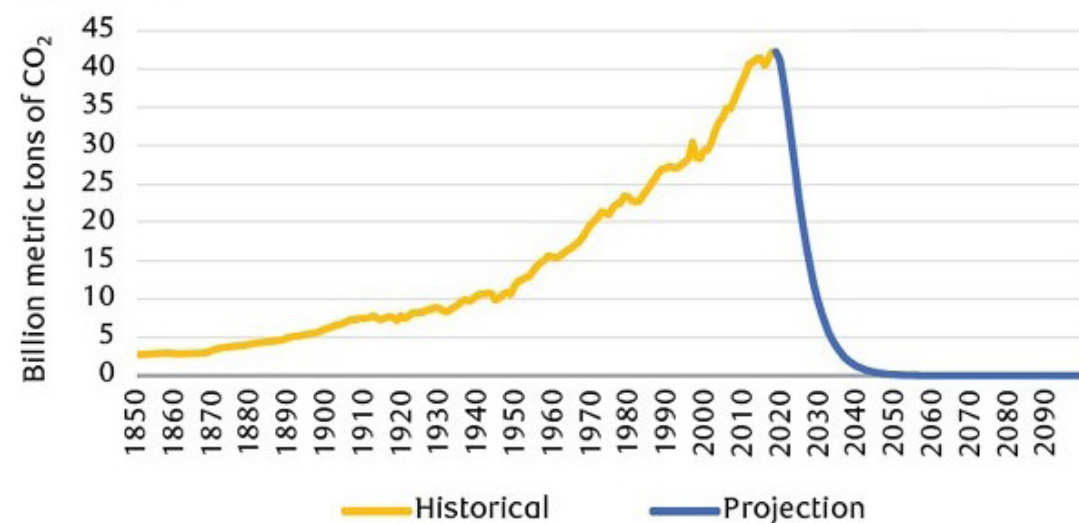
The following commitments and targets were set:

- Reduce absolute Scope 1+2 GHG Emissions by 42% by 2030 from a 2022 base year.
- Reduce absolute Scope 3 GHG emissions by 25% by 2030 from a 2022 base year.
- Increase annual sourcing of renewable electricity to 100% by 2030 (from 47% base level in 2022).
- Reduce Scope 1, 2 & 3 emissions by 90% (and beyond value chain mitigation covering the remaining 10% by carbon removal) by 2050 from a 2022 base year (so-called "Net Zero" goal).

The decision and rationale to join SBTi were made as a part of the desire to be a sustainability leader and to authentically act and strive in the direction of a more sustainable industry. We have developed a viable plan to reach our near-term reduction targets in a detailed carbon reduction plan, which is directly connected to Foxway's strategy, goals, and business plan. By doing so, Foxway has successfully combined strategic work and sustainability ambitions. Climate impact and the ambition to reach reductions are directly integrated into all areas of our business. The Science Based Targets initiative is seen as the most credible approach in trying to reach the Paris Agreement, trying to reduce global warming – an ambition failing rapidly as discussed in the introduction of this report. We will do our best to contribute not only to reducing our own emissions but also to the industry and society as such by communicating and influencing others.

CO₂ reductions needed to achieve net-zero emissions by 2050

This action aims to help cap the rise in the global average temperature below 1.5 degrees Celsius



Note: CO₂ reductions necessary if mitigation had started - with global emissions peaking and quickly reducing - in 2019.
Source: OurWorldinData.org

Carbon reduction plan*

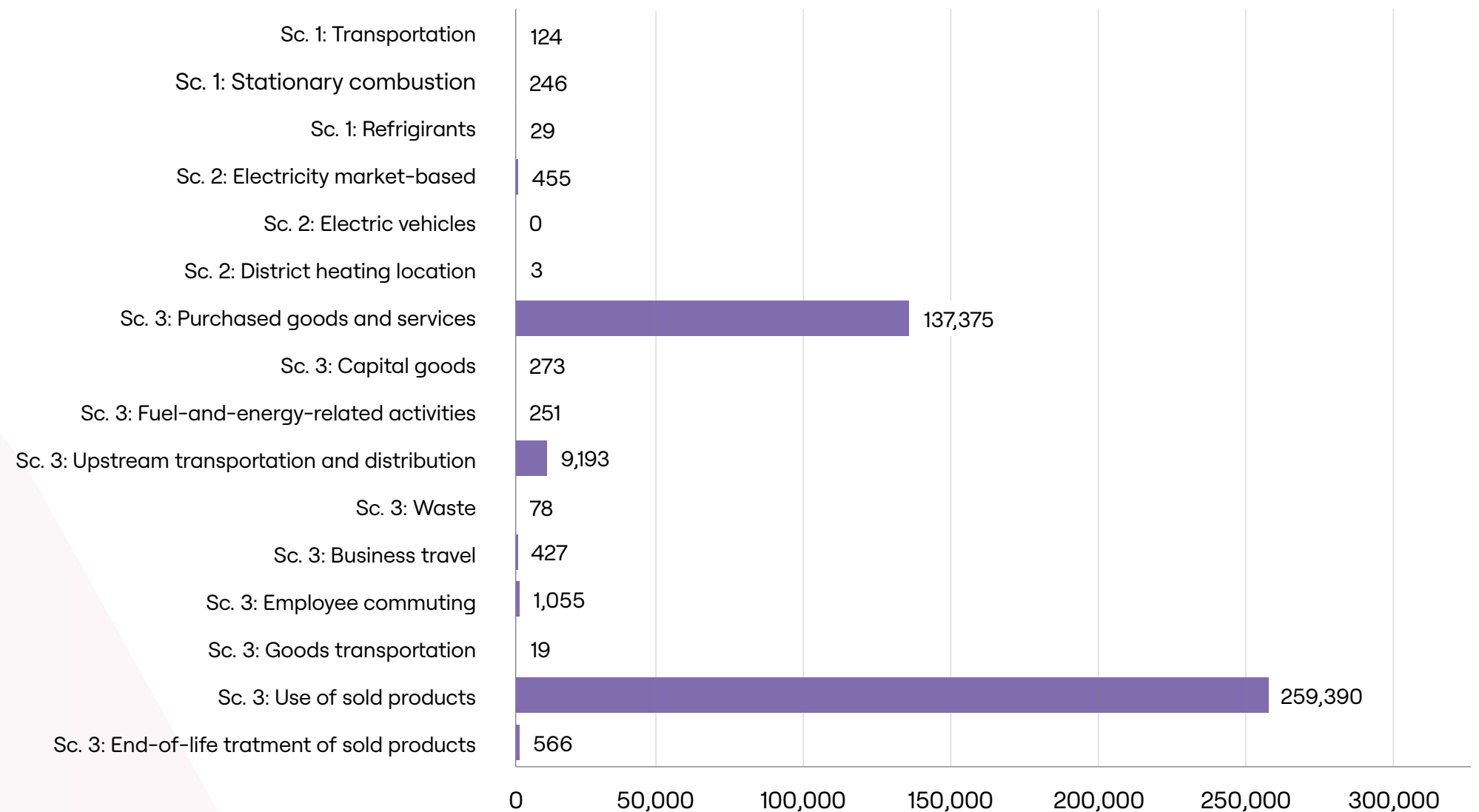
Foxway's base year (2022) emissions profile

In the base year 2022, Foxway emitted a total of 409,483 tons of CO₂e (verified by the 3rd party auditor DNV*). Scope 1 and 2 (emissions from purchased heat, electricity, and company vehicles) represented merely 0.2% of total emissions, while Scope 3, which relates to our procurement, sales, and use of sold products, represented the vast majority – 99.8%. Thus, the focus of emissions reduction will be on Scope 3. Nevertheless, some reductions to our own emissions are still required, e.g., purchasing only renewable electricity, phasing out fossil fuel use in heating systems, switching to electric vehicles, reducing emissions from business travels, etc.

Calculations were performed by Cemsys and verified by DNV (DNV Business Assurance Norway AS, ref PRJN-10476740 according to the following standards: (ISO 14064-3:2019, GHG Protocol Corporate Accounting and Reporting Standard, and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard)

* [Foxway carbon reduction plan](#)

GHG emissions (tCO₂e per category marked-based)



Scope 1–2 reduction strategy

To reach our Scope 1+2 targets, the following measurements will be implemented across Foxway:

1. All electricity sourcing must have SBT-approved renewable energy certificates (REC). This is a mandatory and immediate policy for all locations and facilities.
2. All facilities using fossil-based energy sources for heating must provide a viable transition plan to switch to renewable energy/heating sources (e.g., district heating, biogas, etc.) before 2025. All fossil-based energy/heating consumption is to be terminated before 2030.
3. A vehicle policy starting from 2024, which requires a 100% electric car fleet group-wide. Charging stations at all Foxway locations are to be set up to facilitate on-site charging of electricity covered by Renewable Energy Certificates (RECs).

Scope 3 GHG emissions reduction

Target: Reduce absolute Scope 3 GHG emissions by 25% by 2030 (with 2022 as the base year). **The reduction target requires a yearly reduction of 4%.**

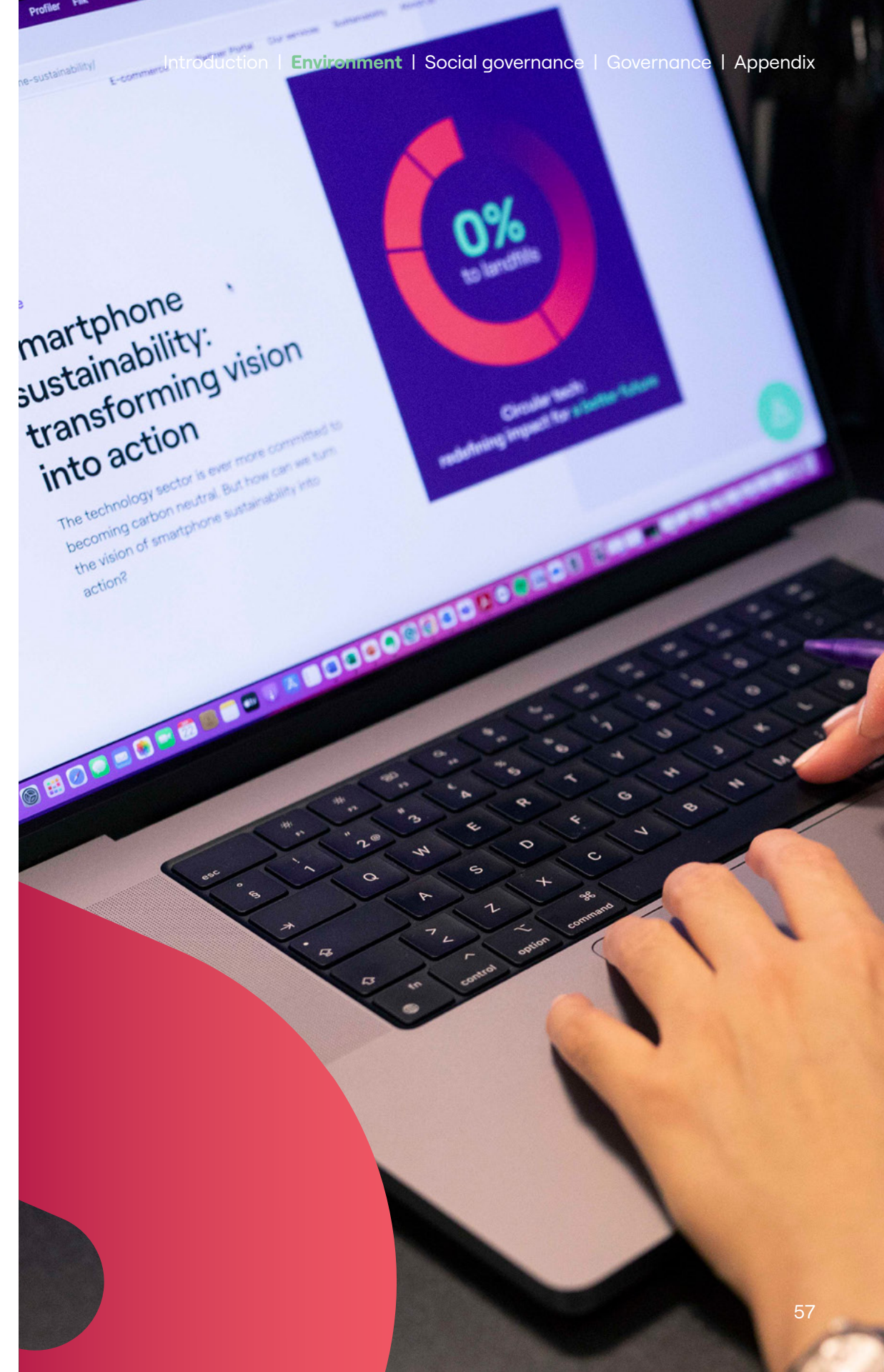
The GHG emissions from Scope 3 originate from our interaction with suppliers and customers. The Scope 3 emissions are part of our core business and DNA. Foxway has a vision of becoming the leading circular tech company and a sustainability leader. This vision gives a clear direction on how to reach the targets. Since every refurbished device has a (refurbishment) production carbon footprint near 3%

in comparison to that of a new device (Foxway Handprint report), our circular business model is the obvious strategy for Foxway.

Approximately 1/3 of our emissions are related to sold goods – the emission type most easily affected by our business strategy. Our total footprint can be lowered by increasing the share of refurbished devices among the device variety sold by Foxway, as refurbished devices carry no legacy of production emissions. The use of sold goods represents nearly 2/3 of our emission footprint – an area that we can influence by seeking and supporting activities that influence end-user behavior. This includes activities such as encouraging our customers to use renewable energy sources, as well as optimizing transport (11% of our Scope 3 emission) in our value chain with land-based transport, bulk shipments, and enhanced cooperation with low emission partners for logistics operations.

To reach our Scope 3 targets, the following initiatives will be implemented group-wide:

1. Incentivize customers to strive for approved Renewable Energy Certificates (REC).
2. Increase sales of circular devices in relation to new devices put on the market in alignment with our [2025 goal 1:5](#).
3. Establish a task-force logistics team to target emissions reduction in inbound and outbound transport.
4. Target a >90% use of refurbished devices internally in our own operations.



CO₂e emissions

Summary of CO₂e results

In the Foxway 2022 Sustainability report, Foxway claimed emissions related to Scopes 1–3 (Scope 3: 1–7,9,11–12) at the level of a total of 341,812 tCO₂e. These numbers have been adjusted to 409,483 tons of CO₂e. The adjustment was done during the SBTi application work together with Cemsys in 2023. The main adjustments have been related to the increased emission base in category 3:11, the use of sold products. All emissions are measured in relation to the adjusted 2022 emissions.

In general, climate accounting and calculations are to be seen as an evolving area where some impacts and ambitions might be contradicting from a planetary perspective. But to strive for comparable results, governance measurements, and regulations, the GHG protocol and SBTi are the best tools available. Foxway will continuously work towards solutions that we deem authentically sustainable. We will continue to disclose regulative data paired with our learnings to support research and projects focused on improving sustainability from a planetary perspective.

Overall, Foxway would still strive toward circular measures, rescuing pre-owned devices, and increased reuse, even if in reporting it would increase emissions in some areas short-term. In addition to reducing digital inequality, the sales of functional high-quality tech is also important to the Global South and areas with higher emission factors than the Nordics. In the future, this will continue to impact emission measurements negatively but from a global perspective contribute to a better planet.

Methodology

Calculations performed by Cemsys according to the following standards: ISO 14064–3:2019, GHG Protocol Corporate Accounting and Reporting Standard, and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The Accounting and Reporting Standard includes Scope 1–3 (Scope 3: 1–7,9,11–12). The carbon footprint is expressed in CO₂e or carbon dioxide equivalent which showcases the impact of different

greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), fluorinated gases (SF₆, NF₃). In terms of the amount of CO₂ that creates the same global warming potential over a period of one hundred years.

Professional databases (e.g. Ecochain, Idemat), national greenhouse gas inventories, international research reports, scientific literature, and other relevant sources were referenced to identify the appropriate emission factors used for the assessment. An operational control consolidation approach was used for determining the emissions that the company is responsible for.

Scope 2 emissions (indirect emissions from electricity and heat consumption) were calculated using the market-based method which reflects emissions that companies have purposefully chosen (based on contractual instruments). For calculating the emissions from purchased electricity with a standard grid contract (i.e. residual mix), emission factors corresponding to 2022 were used as residual mixes for 2023 that have not yet been issued.

Scope 3 emissions

Scope 3 Materiality

Carbon footprint approach

- Companies are not merely responsible for emissions from their own operations (Scope 1), or those from procured energy (Scope 2). They are also responsible for indirect emissions originating from their supply chain (Scope 3).
- In general, the majority of corporate emissions originate from Scope 3 sources. Although companies are not always able to influence these Scope 3 emissions, unquestionably at least part of these emissions can be avoided or reduced.
- The reported carbon footprint is in conformance with the GHG Protocol Scope 3 Standard.
- The operational control consolidation approach is used to identify which activities in the company's value chain are categorized as Scope 1, 2, or 3.
- The organizational boundary of the company entails the full set of locations and subsidiaries under the scope of the assessment.
- Material emissions categories are identified through an assessment of the industry's carbon exposure and a discussion with management.

- ✓ Material and assessed
- ✓ Material but not assessed
- ✗ Not material

Materiality

	Emission category ¹	Materiality	Type of data
S1	Stationary combustion	✓	Provided by company
	Fuels (diesel, petrol, natural gas)	✓	Provided by company
	Fugitive emissions from AC	✗	
	Other fugitive/process emissions	✗	
S2	Purchased electricity	✓	Provided by company
	Purchased heat	✓	Provided by company
S3	Purchased goods and services	✓	Quantity & value of goods
	Capital goods	✓	Quantity & value of goods
	Fuel- and energy-related activities	✓	Consumption data
	Upstream transportation & distribution	✓	Spend-based & supplier data
	Waste generated in operations	✓	Weight per waste stream
	Business travel	✓	Distance & spend-based data
	Employee commuting	✓	Distance travelled
	Upstream leased assets	✗	
	Downstream transportation & distribution	✓	Supplier data
	Processing of sold products	✗	
	Use of sold products	✓	Electricity consumption
	End-of-life treatment of sold products	✓	Weight per waste stream
	Downstream leased assets	✗	
	Franchises	✗	
Investments	✗		

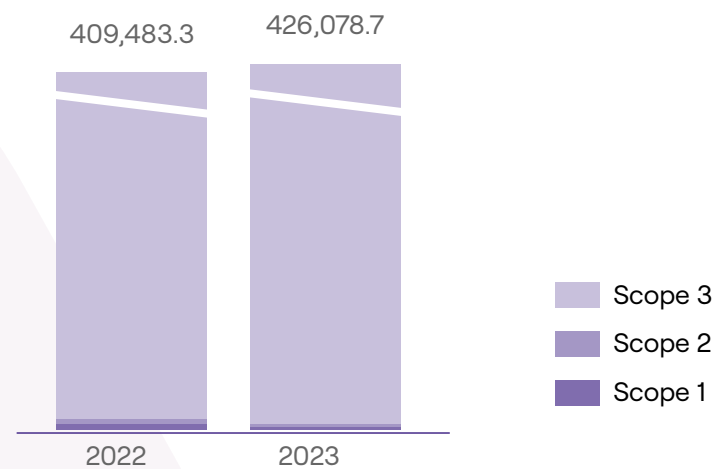
¹⁾ As defined by the internationally accepted corporate accounting and reporting standard: The Greenhouse Gas Protocol.

Emission data

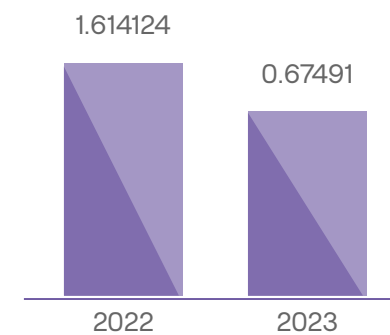
Scope 3 Overview¹

GHG Emissions overview

Total GHG footprint², (tCO₂e)



GHG intensity⁴, Scope 1 & 2, (tCO₂e/Mn€ revenue)



Scope 1 & 2 GHG emissions

- Scope 1 emissions are primarily derived from gas consumption at company locations in Estonia and Denmark.
- Non-renewable electricity procurement is the largest Scope 2 contributor.

Scope 3 GHG emissions

- Purchases on behalf of customers and customers' use of sold goods contribute to an absolute majority of Scope 3 and all CO₂e emissions.

Improvement measures

- Ensure electrical power comes from renewable sources (from 2024 all major sites will use REC).
- Increase the proportion of additional sales and handling of circular devices.

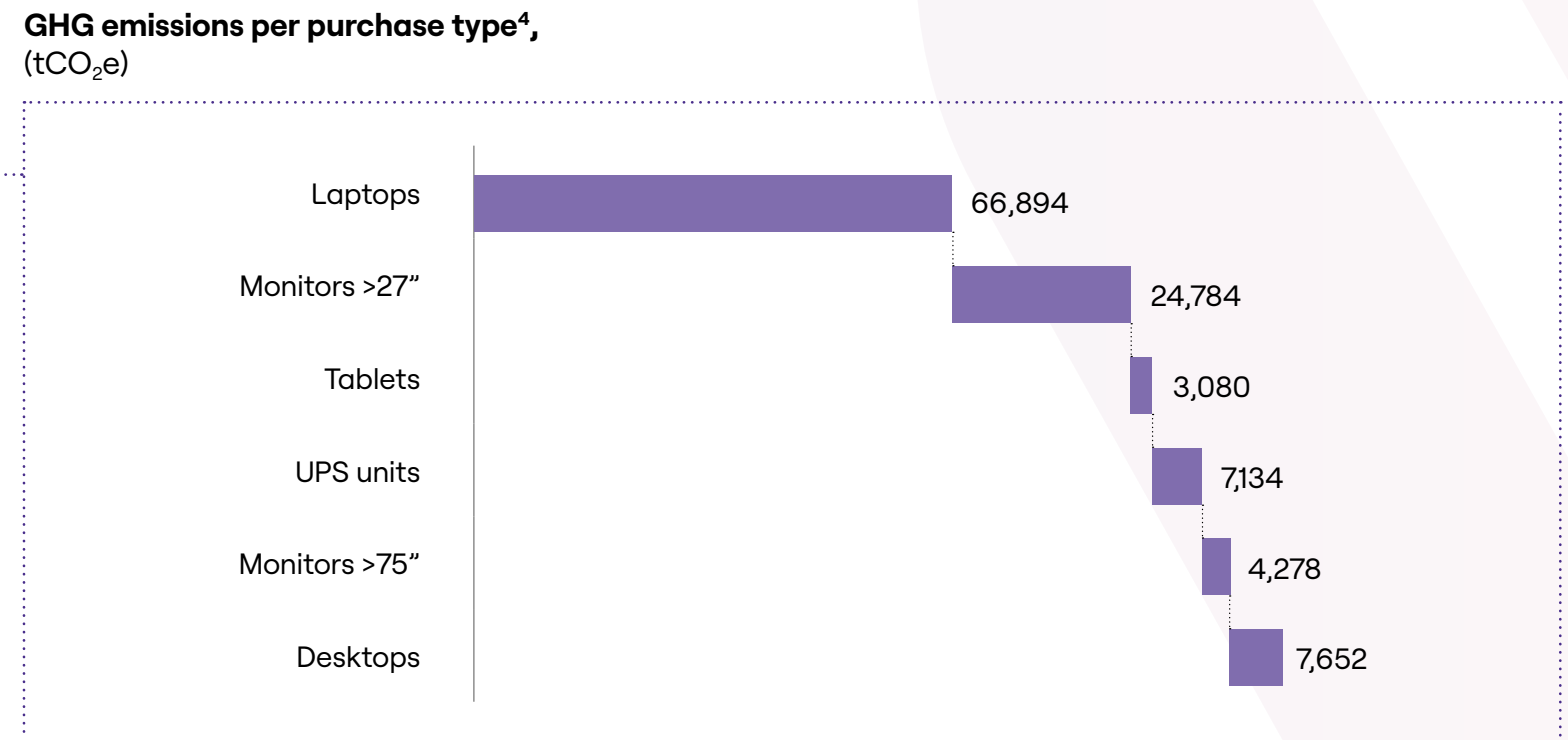
¹) As defined by the internationally accepted corporate accounting and reporting standard: The Greenhouse Gas Protocol; ²) The carbon footprint includes the GHG emissions CO₂, SF₆, CH₄, N₂O, HFCs, PCFs, and is usually expressed in equivalent tons of carbon dioxide (tCO₂e).

Scope 3 breakdown

Scope 3 footprint 2023 - Top emission categories¹

Data quality ²	Degree of influence ³		Scope 3 GHG emissions ⁴ , (tCO ₂ e)
		Purchased goods and services	126,155.8
		Capital goods	527.4
		Fuel and energy-related activities	263.9
		Upstream transportation and distribution	5,738.8
		Waste	762.6
		Business travel	363.7
		Employee commuting	1,273.4
		Downstream transportation and distribution	363.9
		Use of sold products	289,924.4
		End-of-life treatment of sold products	270.1
Scope 3 total (tCO₂e)			425,643.9

Breakdown of top emission category 2023



Main takeaways

- Foxway's Scope 3 emissions are dominated by capital goods and the use of these products, specifically due to laptops, purchased monitors, desktops, and uninterruptible power supplies (UPS'). Emissions originating from the electricity consumption of sold goods comprise 68% of Foxway's Scope 3 emissions. The high emission footprint related to the use of sold goods derives mainly from refurbished data servers sold to wholesalers globally.

1) As defined by the internationally accepted corporate accounting and reporting standard: The Greenhouse Gas Protocol; 2) Indicates whether supplier specific (4/4), activity-based (3/4), spend-based (2/4), or estimation-based (1/4) data was used; 3) Indicates how much control the reporting company has over the category of emissions generated, with 1/4 indicating little control and 4/4 indicating a high degree of control; 4) The carbon footprint includes the GHG emissions CO₂, SF₆, CH₄, N₂O, HFCs, PCFs, and is usually expressed in equivalent tons of carbon dioxide (tCO₂e); Source: Greenhouse Gas Protocol.

Scope 3 breakdown: Per location

Emissions per entity
(2023, tCO₂e)

	Denmark	Estonia	Finland	Germany	Norway	Spain	Sweden	UK	Total
Scope 1	53.9	115.1	-	1.4	-	1.2	74.8	0.2	246.6
Scope 2	-	-	-	50.2	0.3	-	5.4	132.2	188.1
Scope 3	107,863.9	46,888.7	8,260.0	1,644.0	32,058.9	60.9	45,362.8	183,504.9	425,643.9
Total (tCO₂e)	107,917.7	47,003.8	8,260.0	1,695.6	32,059.2	62.0	45,443.0	183,637.3	426,078.7

Energy

Continuous improvements in energy-related performance are sought throughout the company.

At least once a year, each office documents specific improvements to reduce energy consumption and improve energy efficiency. Every country manages its own energy management by following the environmental policy urging that fossil-free energy with approved Renewable Energy Certificates (REC) should always be used when available.

Furthermore, we follow the local guidelines by the environmental department by country to minimize energy consumption.

Energy consumption expresses electricity and heating values, including the usage of natural gas for heating purposes. Natural gas consumption has been converted into energy power (MWh).

In 2023, the total energy consumption within the organization was 4663 MWh. Natural gas was used for heating in Denmark, Germany, and Estonia. Finland uses geothermal energy for heating as well as the new warehouse in Estonia, meaning that heating values are included in the energy consumption values, as geothermal heating needs electricity to operate.

While Foxway did not generate any energy (electricity, heating, cooling, and steam) on its own for usage or selling, choosing to operate in sites such as the A-energy class building that houses our warehouse and operations in Estonia, is something we aim to extend across Foxway. For more details on the particular building see the Foxway sustainability report published in 2023.

Group energy intensity

(includes electricity and heating from all locations as disclosed below in total energy consumption)

Energy consumption (MWh)

4,663.7
(+21%)

Energy intensity (Mvh/Mn€)

7.24
(+/- 0%)

Total energy consumption in 2023 was 3,177.2 MWh %RECs was 84.1%, Total revenue 644 Mn € giving the energy intensity of 7.24 Mwh/Mn€ Revenue

Energy consumption per key country

	Denmark	Estonia	Finland	Germany	Norway	Spain	Sweden	UK
Gas consumption for heating (MWh)	198.4	562.8	-	-	-	-	154.4	-
Fossil fuels: petrol, diesel (MWh)	115.5	-	-	5.2	-	4.4	241	-
Fuels from renewable sources (MWh)	-	29.2	-	-	-	-	-	-
Scope 1 renewable energy, (MWh)	70.0	29.2	-	-	-	-	76.3	-
Scope 1 renewable energy %	22.3%	4.9%	0%	0%	0%	0%	22.3%	0%
Electricity (MWh)								
Electricity (MWh)	383.2	1109.8	78.1	63.5	492.8	16.5	420	362
District heating and cooling (MWh)	-	-	-	37.8	-	-	213.6	-
Scope 2 renewable energy (MWh, market based)	383.2	432.8	78.1	11	481.9	16.5	547.8	-
Scope 2 renewable energy %, market based	100%	100%	100%	10.8%	97.80%	100%	86.50%	0%

Market-based energy calculation method. Sources of conversions factors include AIB (Association of Issuing Bodies) and IEA (International Energy Agency).

Energy from the fuel is used to transport goods between clients and the company. Foxway focuses on providing devices and communicating with clients directly without the use of intermediary vendors. In this way, the company has a better overview of the products and can arrange the take-back, repairs, and redirection to reuse old devices. This also decreases products' life cycle environmental impact as less energy is spent on transporting devices between different parties.

Foxway also utilizes a third-party solution integration through the ERP for logistic planning, called LogTrade. This system is commonly used to consolidate packages into one parcel that goes to the same receiver or postal code. Lowering the distances traveled also helps us lower transportation costs and environmental impact.

Foxway only uses leading logistic partners with a high level of sustainability focus and a clear agenda to meet our climate targets. The partners have voyage efficiency and eco-driving principles in place.

Furthermore, for supplies Foxway recommends batch deliveries to reduce transport footprint. Foxway uses partners that have implemented efforts to use low-emission fuels and implement carbon emission reduction practices across their value chains. To reduce transport carbon emissions, Foxway aims to replace all the company cars with vehicles based on electric operation. From 2023, the diesel that is used for internal transport between the warehouses in Estonia was replaced with renewable diesel reducing the carbon emissions.

Electronic waste (e-waste) is the fastest-growing solid waste stream globally, with only 20% being re-used¹ properly in the EU. Foxway’s mission is to minimize the amount of e-waste produced by extending devices’ lifespans or ensuring they’re properly recycled with the best possible technology.

Tech devices, from data servers to smartphones, bring huge benefits to humankind and offer a crucial platform for human development. They present new tools to address the challenges of climate change, expand education, deliver healthcare, and manage everyday life for billions of people. AI, digitalization, and connectivity are also part of achieving the 17 Sustainable Development Goals.

At the same time, the current system of production and consumption needs a major reboot and remake. In the mining, manufacturing, transport, retail, consumption, and disposal of electronics, there are vast amounts of wasted resources and the system has several negative impacts. According to the [World Economic Forum](#), approximately 53.6 million metric tons of e-waste is produced each year, equivalent in weight to all commercial aircraft ever built – only 17% is formally recycled. According to some reports in the EU, only 17–20% of smartphones and laptops are circulated for another lifecycle or re-use period. If nothing is done, the amount of waste will [more than double by 2050](#), to 120 million tons annually.

When it is not idling in cellars, drawers, and cabinets, e-waste is often incinerated or dumped in landfills. A large

number of devices are with good purposes sold to the Global South, an area with an unfortunate lack of proper smelters and scrapping processes. They are regularly pulled apart by hand or burned by the world’s poorest, to the detriment of health and the environment. Some devices are traded for their mineral value and stockpiled in Asia awaiting higher prices of minerals or used for potential money laundering schemes. The potential within this electronic waste is significant. Its material worth stands at \$62.5 billion (€55 billion) according to the [WEF 2019 report](#), surpassing the annual production of silver from global mines threefold and exceeding the GDP of most countries. A ton of mobile phones contains a hundred times more gold compared to a ton of gold ore. Additionally, extracting resources from discarded electronics generates significantly lower carbon dioxide emissions when compared to traditional mining activities in the Earth’s crust.

Unfortunately, in most cases, mining offers less costly processes and is still the main source for many OEMs of technology.

Working electronic goods and components are worth more than the materials they contain. Therefore, extending the life of products and re-using components brings an even larger economic benefit. This is the core of Foxway’s business as well as our “waste strategy”.

Today, Foxway is the largest circular tech company in Europe contributing significantly to mitigate the negative impact of e-waste.

¹) https://www3.weforum.org/docs/WEF_A_New_Circular_Vision_for_Electronics.pdf

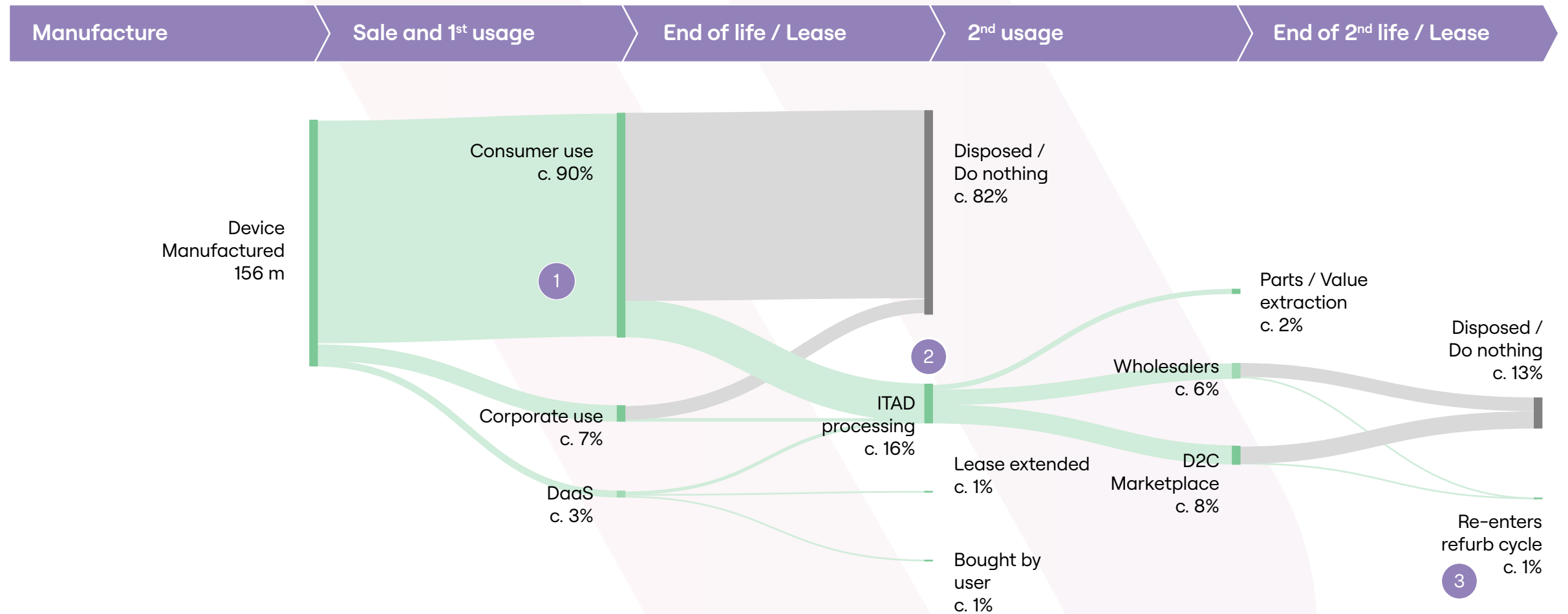


Waste

Mobile market value chain flows, 2021

Commentary

- 1 Most smartphone volumes are in consumer, which is more significant as an intake channel for mobiles due to less value difference between corporate / consumer devices. Main growth opportunity is in increasing the trade-in rate for consumer devices.
- 2 While the share of devices sent to ITAD processing is lower than laptops (16% vs. 20%), the number of devices is significantly higher for mobiles, and most volume comes from the consumer channel.
- 3 While devices refurbished a second time are still limited in mobile phones, the rate is significantly higher than laptops as they are more likely to be traded-in early in their lifespan.

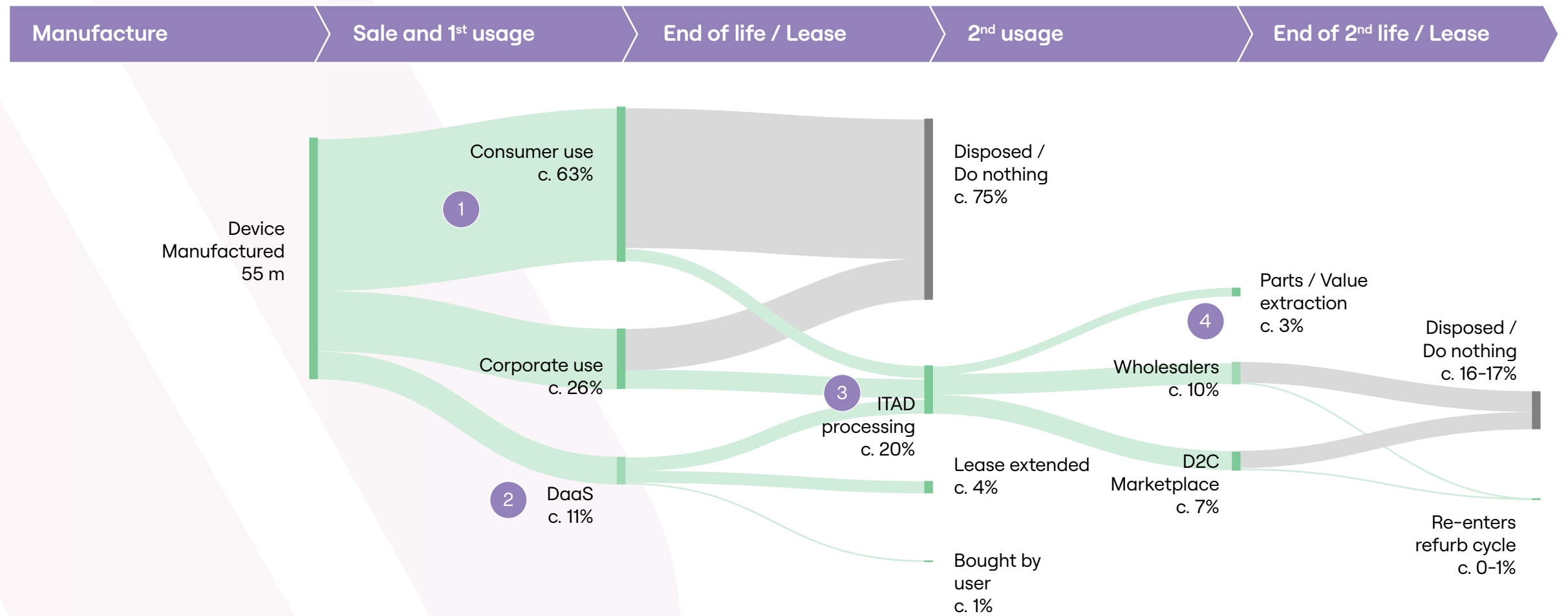


1) Based on 2022 new device at 2022 flow rates, therefore not equivalent to modelled 2022 market size for remarketed devices. Source: Canalis, Centrepont, Expert Interviews, Desk Research, OC&C analysis

Laptop market value chain flows, 2021

Commentary

- 1 The majority of the market volume sits in consumer use, however the **share that are returned for ITAD processing is significantly smaller** than corporates due to less mature trade-in and lower retained value for consumer laptops.
- 2 DaaS is a **more significant channel for laptops** than for mobile, as corporate leasing is more common for laptops.
- 3 The **majority of incoming ITAD volume is from corporate sources** (either users or DaaS), which are also higher value assets.
- 4 **Consumer devices are more likely to be used for parts extraction** as they are less premium brands that hold value less well, and are generally older.



1) Based on 2022 new device at 2022 flow rates, therefore not equivalent to modelled 2022 market size for remarketed devices. Source: Canalis, Centrepont, Expert Interviews, Desk Research, OC&C analysis

E-waste reduction strategy

In Foxway Group, we follow the following waste hierarchy:

1. Reduce & Re-use

We offer a device-as-a-service option as well as take-back devices sold to our customers. We reuse packaging and are working on finding better packaging solutions. We have found options for the reuse of parts and devices outside of our regular flow. For example, an enormous volume of cables reaches the end-of-life each year although they are perfectly reusable. In 2023, we found a new solution in cooperation with our partner to increase the reuse of them.

In our facilities in Denmark, Estonia, Norway, and the UK, we perform different comprehensive processes to give the used devices a new life. We have also started to cooperate with partners who are able to repair the devices that need operations we don't perform in our facilities and therefore increase the reuse of devices even more.

Of all devices returned the re-use success rate was >93%.

2. Recycle

All devices that we are not able to refurbish as well as other types of waste in our operations and offices are sent to recycling partners that are carefully selected and audited to make sure their processes and actions are up to our standards.

In 2023 we managed to reuse the following volumes:

	Phones	Tablets	Laptops	Desktops	Servers	Wearables	Network equipment	Mobile broadbands	Other Consumer electronics
Estonia	854,279	94,901	139,800	15,523	310	24,860	1,283	25,366	53,099
Norway	12,572	10,107	71,612	12,441	1,012	0	3,657	0	16,217
Denmark	610	2,190	40,349	8,731	187	0	0	0	14,107
UK	2,726	2,4907	417,533	95,962	43,551	0	111,298	0	290,725
	870,187	132,105	669,294	132,657	45,060	24,860	116,238	25,366	374,148

Waste management in Foxway

In 2023, Foxway generated 1299 tons of waste of which 1286 tons (99%) were non-hazardous, and 13 tons (1%) were hazardous waste. The main waste generated was electronic waste (586 tons of non-hazardous and 9 tons of hazardous) that cannot be reused or repaired. That waste was sorted into relevant categories and handed over to a licensed waste recycler for raw material recovery. Complex recycling and recovery processes of raw materials are made by third-party partners. All the waste handed over to our partners is reused or recycled in Europe or Japan.

Hazardous waste

The hazardous waste consists mostly of old printers and monitors with hazardous components that don't have reuse value and are therefore recycled in a safe manner by a licensed waste processor specialized in recycling the specific type of electronic waste. Only a small fraction of these devices are hazardous components.

The rest of the hazardous waste is packages and residues of chemicals that are left over in our refurbishing process. For chemicals, we follow the manufacturer's requirements for personal protective equipment, train our employees in the use of chemicals, and instruct them in the use of personal

protective equipment. Residues of chemicals and their packages are processed or incinerated by a company licensed and specialized in hazardous waste.

Waste statistics 2023

The weight of all products sold by Foxway, including packaging in 2023, was 6,838 tons. A large share of the sold devices will be returned to us and will receive another life span. The rest will become waste at the end of their use and will be collected and recycled through take-back schemes organized by extended producer responsibility (EPR) providers.

Only output waste is included in the data below (off site), excluding the processes that are taking place in Foxway facilities, e.g. devices that are refurbished for reuse and packaging that is reused. Waste produced in the offices in Spain and Germany is excluded as the data isn't available from the service provider. The potential amount of excluded waste is below 1% of the total. Waste quantities and treatment statistics have been received from our recycling partners.

(Correction of previous report: an error occurred with the reporting of waste quantities of 2022 in last year's report. 180.5 tons of E-waste from Norway and 4 tons from Spain were not reported.)

Waste produced:

	Denmark	Estonia	Finland	Germany	Norway	Spain	Sweden	UK
Waste (in tons)	53.74	380.75	12.20	0.02	376.01	27.90	118.47	357.83
Non-hazardous waste generated		27.90	118.47	357.83	376.01	27.90	112.07	357.83
Non-hazardous waste reused	53.74	374.41	12.20	0.02	376.01	27.90	112.07	357.83

(Cont.)	Denmark	Estonia	Finland	Germany	Norway	Spain	Sweden	UK
Non-hazardous waste recycled	0.52	30.27	0	0	0	0	0	0
Other recovery operations with non-hazardous waste	40.02	296.18	10.73	0.02	306.95	27.90	27.97	327.42
Hazardous waste generated	0	0	0	0	0	0	0	0
Hazardous waste reused	0	6.34	0	0	0	0	6.39	0
Hazardous waste recycled	0	0	0	0	0	0	0,01	0
Other recovery operations with hazardous waste	0	0.03	0	0	0	0	4.59	0
Non-hazardous waste disposed	13.20	47.96	1.47	0	0	0	84.10	30.14
Non-hazardous waste incinerated with energy recovery	9.61	44.25	1.47	0	0	0	84.07	30.14
Non-hazardous waste incinerated without energy recovery	0	0	0	0	0	0	0	0
Non-hazardous waste landfilled	3.59	3.71	0	0	0	0	0.03	0
Other disposal operations with non-hazardous waste	0	0	0	0	0	0	0	0
Hazardous waste disposed	0	6.31	0	0	0	0	2.93	0
Hazardous waste incinerated with energy recovery	0	6.31	0	0	0	0	2.74	0
Hazardous waste incinerated without energy recovery	0	0	0	0	0	0	0	0
Hazardous waste landfilled	0	1.1	0	0	0	0	0.20	0
Other disposal operations with hazardous waste	0	0	0	0	0	0	0	0

We take responsibility

In an on-site audit in 2023 in Angola, it was discovered that the work methods of one of the recyclers that were re-assigned by our ITAD partner don't align with our set standards in terms of both environmental and workers' safety aspects. Therefore in 2024, we will put in serious effort to make sure that all waste management in our supply chain is compliant with the best possible standards by extended supplier assessment and necessary audits.

Foxway has also created detailed documentation related to working conditions, security, and environmental aspects for all our waste and external refurbishment partners.

Positive material impacts from our processes

In 2023, 87% of the devices and 93% of all goods that we received were resold for reuse and 130,734 spare parts were extracted that were either used in repairs or sold for reuse. By refurbishing these devices in our facilities, the production of more than 6000

tons of e-waste was prevented. In addition to the carbon handprint from our activities resulting from the reduction of the number of brand-new devices produced, there are also raw materials that are spared from mining because of the reuse of devices that are refurbished by us as well as raw materials extracted by our partners during recycling processes.

We collect used devices from a broad variety of categories, brands, and ages, making it difficult to provide an exact assessment of the materials potentially extracted from our own operations and end-of-life recycling partners.

An estimate based on public statistics from the tech industry points out that all of the smartphones we handled contained approximately 10 tons of copper, 50 kg of silver, 30 kg of gold, 2 kg of platinum and 600 kg of rare earth elements. The laptops we handled contained more than 284 kg of silver, 152 kg of gold and 2 kg of platinum.

In 2024, we will continue to investigate how to further reduce the already minimal landfill as well as ensuring reuse to the longest extent possible reducing the overall global footprint of waste.

Water

Foxway mainly uses water as household water and has a comparably low water intensity. A small amount of water might be considered wastewater in the Estonian operation during some polishing processes. In 2024, Foxway will perform a wastewater analysis together with Tartu Municipality to ensure that Foxway doesn't contribute to pollution with the water used in the aforementioned processes.

In principle, the water use correlates with the number of employees engaged in each facility and represents normal usage numbers for the areas of operation.

Water usage:

	Denmark	Estonia	Finland	Germany	Norway	Spain	Sweden	UK
Water usage (m3)	523	3,340	50	-	-	12	785.59	632

022

**Social governance —
People and Culture**

Work environment

Foxway Code of Conduct was updated and approved by the board in 2023. Following this update, we implemented a 'read and approve' initiative, requiring all employees to review and acknowledge the revised guidelines. This approach ensures that every member of our team is not only aware of but also actively consents to uphold our ethical standards. Parallel to this, we are in the development phase of an e-learning course on our Code of Conduct, targeting a 2024 launch. This course is envisioned as a vital tool to further enhance understanding and application of our ethical guidelines across the organization.

At the end of 2023 the headcount across Foxway all legal entities were 1,380.

Last year, there were a total of 83 workers who were not employees but whose work was managed by Foxway. These workers were mostly consultants in different fields, for example, in software development and key account management. All tasks were completed on the basis of cooperation agreement contracts.

We have observed a 37% increase in the use of consultancy services compared to the previous year. This rise is apparent in comparison

Foxway employees based on employment type:

Employment type	Sweden	Finland	Spain	Norway	Denmark	Estonia	Germany	UK
Number of permanent employees FTEs	260.6	18.0	17.0	85.0	94.4	632.8	42.0	134.7
Number of temporary employees FTEs	5.8	0.0	0.0	6.0	30.2	1.0	0.0	0.0
Number of full-time employees FTEs	259.0	18.0	17.0	91.0	118.0	631.0	38.0	131.0
Number of part-time employees FTEs	2.3	0.0	0.0	0.0	6.7	3.3	4.0	3.7

The data presented in the table reflects full-time equivalents (FTEs) based on insights gathered from 2023, utilizing our integrated Human Resource Management (HRM) system. Foxway did not engage any workers on non-guaranteed hours contracts in 2023.

to previous periods, especially in Sweden. Most of the consultants, sourced by external recruitment agencies, were engaged in roles comparable to those of full-time employees and tailored to meet specific operational needs. This arrangement is subject to the evolving requirements of our operations and the stipulations of external vendors.

In contrast, other consultants, who were engaged in specific,

temporary project-based tasks, are not regarded as traditional employees. It's important to note that the observed increase in consultancy use may also be attributed to the recent consolidation of our workforce data into a single HRM system. This integration has significantly enhanced the quality and comprehensiveness of our data, allowing for a more accurate and detailed overview of our workforce dynamics.

Employee diversity

Employee diversity:

In 2023, our objectives and their outcomes were as follows:

- Increase female representation in the workforce to 35% from a baseline of 30%.
Outcome: Achieved 30%, goal not met.
- Attain 40% female representation in the Foxway Management team.
Outcome: Reached 19%, goal not met.
- Ensure the Foxway Management team comprises members from at least 3 different countries.
Outcome: Achieved.
- Achieve 40% female representation on the Board.
Outcome: Reached 20%, goal not met.
- Ensure the Board includes members from at least 3 different countries.
Outcome: Achieved.

	Sweden	Finland	Spain	Norway	Denmark	Estonia	Germany	UK
Male	74 %	83 %	59 %	55 %	83 %	67 %	75 %	78 %
Female	26 %	17 %	41 %	45 %	17 %	33 %	25 %	22 %
Age under 30	36 %	28 %	6 %	31 %	29 %	58 %	15 %	32 %
Age 30–49	53 %	56 %	59 %	60 %	48 %	41 %	79 %	53 %
Age over 50	12 %	17 %	35 %	9 %	22 %	1 %	6 %	15 %

In conclusion, while we are increasingly focusing on important aspects such as diversity, women in leadership positions, and equitable compensation practices, it's clear that we did not meet several of our targets for this year. This outcome underscores the need for more effective strategies in these areas. Moving forward, we are committed to learning from these experiences and redoubling our efforts to achieve our goals, ensuring continuous improvement and progress towards a more inclusive and fairer workplace.

As of 2023, Foxway includes 36 individuals with disabilities among our valued employees. We acknowledge that due to the privacy protections under GDPR, this figure is based on voluntarily disclosed information and may not fully represent the actual number.

In 2023, Foxway introduced a comprehensive Diversity, Equity, and Inclusion (DEI) policy, affirming our unwavering commitment to:

- Upholding equality and respect.
- Combating discrimination.
- Creating an inclusive environment.

Looking ahead to 2024, we plan to organize a series of educational and awareness sessions across the company. These sessions are designed to bring the critical topic of diversity and inclusion to the forefront, further reinforcing our commitment to creating an inclusive and equitable workplace for all.

In our previous ESG report, we presented a figure stating that the ratio of basic salary and remuneration average throughout Foxway was 81%. However, we acknowledge that this data, gathered through our annual salary survey, may not have fully captured the complexities of our remuneration structure. Recognizing this, we have invested in a thorough job architecture project in 2024 to enhance the accuracy of our data.

The highest compensated individual in Foxway received 795% of compensation compared to median employee compensation excluding the highest compensated individual.

In 2023, the average ratio of women's to men's total salaries (including bonuses) for production and warehouse employees was 0.8. For office and administrative staff, this ratio was 0.72. Detailed country-level ratios are presented in the table below. In Germany, we had no production and warehouse employees, and in Finland, there were no female employees in the production and warehouse units. This data was primarily sourced from our payroll and HRM system.

Ratio of total salary of women to men (incl. bonuses):

	Sweden	Finland	Spain	Norway	Denmark	Estonia	Germany	UK
Production and warehouse employees	1.02		1.00	0.98	0.83	0.91		1.01
Office and administrative employees	0.83	0.78	0.74	0.71	0.75	0.71	0.70	0.61

The data presented in the table is based on the total salary and total headcounts of 2023. The average unadjusted pay gap in 2023 was 18%, which is similar to the results from the year before.

To promote clarity and transparency and to uphold the principle of equal pay for equal work, we have developed and implemented key strategies for fostering gender equity at Foxway. These strategies, which are comprehensively detailed in our Diversity, Equity, and Inclusion (DEI) policy, are the following:

- **Conducting annual salary reviews.**
- **In-depth workforce analysis:** We take a keen interest in understanding the gender dynamics across our organization, giving particular attention to women's representation in leadership roles.
- **Uniform compensation model:** Our aim is to have a clear structure for determining the compensation. It should be influenced by the role, experience, and performance, ensuring that gender doesn't play a part in these financial decisions.
- **Actively addressing disparities.**
- **Advancing fair recruitment and promotion practices.**
- **Transparency and encouraging feedback.**

Our goal is to be a positive role model in promoting gender balance within the tech industry. We're committed to increasing female representation to 40% on our board and in our management team by 2025, and in leadership roles by 2030.

For 2023, we targeted a voluntary employee turnover rate of 20% and achieved a rate of 17.1%. Additionally, we have launched initiatives to address turnover rates and develop strategies for the upcoming years. In 2024, we are targeting an attrition rate decrease of 2%. The following data shows the employee attrition rate by country.

Diversity of the board and managerial roles (percentage and number):

	Board members	Foxway management team members	Managers
Women	20% (1)	19% (2)	23% (45)
Men	80% (4)	81% (9)	77% (150)
Age under 30	0% (0)	0% (0)	19% (38)
Age 30-49	60%	55% (6)	64% (124)
Age over 50	40%	45% (5)	17% (34)

New employee hires and employee turnover:

	Foxway Total	Sweden	Finland	Spain	Norway	Denmark	Estonia	Germany	UK
Attrition rate: Total % employees who left (voluntarily)	17.1%	13.9%	16.7%	11.8%	8.6%	15.8%	21.9%	2.4%	17.8%
New male employees	280	43	0	1	16	27	151	7	35
New female employees	126	21	0	0	10	7	78	1	9
New employees age under 30 (headcount)	263	33	0	0	15	20	173	6	16
New employees age 31-50 (headcount)	121	27	0	0	11	11	55	2	15
New employees age over 50 (headcount)	10	4	0	1	0	3	1	0	1

Employee well-being

Importance of feedback

People at Foxway are encouraged to share their feedback to make us an even better place to work. Company-wide Employee Engagement surveys are conducted biannually. In 2023, our engagement score reached 71.8 out of 100, marking a slight increase of 0.8 points from the previous year. The participation rate in November 2023 was 82%, consistent with our May 2023 survey and the year before.

Our survey highlights include strong beliefs in Foxway's long-term success (scoring 77.1) and positive feedback about managerial support (scoring 75.2). Providing constructive feedback that aids employee improvement scored the highest in managerial support. Our teams use these results to take action. This includes, for example, discussions within the teams and identifying company-wide focus areas that we communicate to the whole organization.

In 2023, we launched a new performance review and goal-setting process, aligning individual efforts with our strategic objectives and emphasizing empowerment, clarity, and transparency. By the year's end, 77% of our employees had participated in these performance and development

reviews. Moving into 2024, our focus is on refining this process to ensure it brings value to both the organization and each employee.

We also hold regular company review meetings, led by the CEO, where employees can engage directly with top-level management. Additionally, on a more localized scale, we conduct monthly or quarterly general meetings at each site, fostering open communication and collaboration across all levels of the organization.

Looking ahead to 2024, we are committed to increasing our employee engagement score to 73 (out of 100) and are excited to introduce a new feedback framework. This will facilitate more frequent, streamlined 'pulse' surveys, enhancing our approach to continuous employee feedback and engagement.



Our Culture

In 2023, we introduced the Foxway Culture Playbook, a guide that articulates our mission, values, and cultural pillars. Our values — curiosity, commitment, courage, and passion — along with our core pillars of sustainability, business acumen, inclusiveness and respect, and feedback, are central to our identity. The playbook also clarifies our approach to decision-making, collaboration, communication, and fostering a growth mindset. Developed collaboratively with our leaders, it is now an integral part of our new employee onboarding process. The aim for 2024 is to create an e-learning course to enhance the implementation process even more.

To further embed our core values in our everyday work life, we launched the Foxway Awards. This company-wide recognition program allows employees to nominate their peers and projects which exemplify our values and contribute significantly towards achieving our vision of 'One Foxway'. The plan is to establish this as an annual event, reinforcing the behaviors and community spirit that are essential to Foxway's culture.

We highly value our employees' well-being. Through our annual employee engagement surveys, we actively seek their feedback on working conditions. In 2023, we set a target to achieve a minimum average satisfaction score of 8 out of 10, and we successfully met this goal with a score of 8.27. Moving into 2024, our continued focus is to elevate this satisfaction rating even further, aiming for a minimum of 8.2.

To support our employees' well-being, we implement various local initiatives that enhance teamwork and collaboration. Additionally, we organize health-focused company-wide events twice a year, fostering a culture of wellness.

Highlights of our Health Month include:

- **Educational webinars:** In 2023, we delved into 'Transforming Stress into Strength: Cultivating Resilience Against Challenges' and 'Building Mental Immunity.'
- **Activity challenges:** These company-wide challenges encourage physical fitness, networking, and a focus on health.

A new addition in the past year was our company-wide summer event. Simultaneously held at multiple locations, it fostered unity and provided a platform for relationship building, despite the geographical separation. For 2024, we intend to maintain our established initiatives and introduce Diversity Month as an additional company-wide focus.

In 2022, we launched a group-wide whistleblowing policy, which is introduced to all new employees during onboarding. Reports are encouraged, and each case is pre-evaluated by an independent committee before a dedicated internal committee takes further action. Retaliation against those who report incidents is strictly prohibited. In 2023, we achieved our goals of addressing whistleblowing cases within three weeks and recording zero

incidents of discrimination and ethics violations. However, we recognize the need for deeper insights into the absence of reports in specific categories, highlighting potential areas for further development.

Equal employment opportunities are provided for everyone to promote a respectful working environment. 79% of employees are covered by collective bargaining agreements in Sweden, in Finland and Spain 100 %, and 2% in Denmark. Overall, 20 % of employees are covered in Foxway. We compensate for extra or atypical working hours. In our industry, collective bargaining agreements are not demanded by the law in all Foxway locations. In countries or legal entities where employees are not covered by collective bargaining agreements, the working conditions are fixed based on local employment law, human rights standards, and consider industry trends.





Growing and learning together

In our 2023 development initiatives, we invested over 129,000 EUR into employee development. The training programs were diverse, focusing on crucial areas such as leadership development, environmental, social, and governance (ESG), sustainability, and IT security awareness.

In terms of engagement, we observed a slight variation in the average training duration between different employee groups. Female administrative employees, on average, engaged in 4.8 hours of training per person, while their male counterparts averaged 4.6 hours. In the production and warehouse area, the trend was similar, with female employees engaging in an average of 3.9 hours of training per person, compared to 3.6 hours for male employees.

In 2023, Foxway had a promotion rate of 16.8% – mainly the result of internal career changes and growth within the career stream.

76% of our employees received career or skills-related training during 2023.

This data reflects our commitment to providing development opportunities to all employees. We aim to be a learning organization with a growth mindset. During the upcoming years, our goal is to nurture a culture of continuous growth and development among all employees and leaders, enhancing their skills and competencies through development programs and talent management initiatives.

Onboarding in focus

In 2023, we dedicated our efforts to refining and standardizing the onboarding experience for new employees. Key initiatives included the introduction of company-wide onboarding surveys and the launch of a welcoming video from our CEO, specifically tailored for new team members. Additionally, we implemented several automated workflows to streamline various steps of the onboarding process, making it more efficient and consistent.

As we move into 2024, our focus remains on enhancing this process. Our goal is to deliver a uniformly high-quality onboarding experience across the company. To this end, we're focusing on digitalization and automated processes, alongside effective development programs. An important aspect of our approach will be the 'buddy system', where newcomers are paired with experienced colleagues for guidance.

Leadership development

In 2023, we initiated different leadership training programs, tailored to instill fundamental leadership skills. These programs encompassed key areas such as:

- **Cultivating a leadership mindset**
- **Engaging in consistent one-on-one interactions**
- **Strategizing for team success and results**
- **Fostering a feedback-rich environment**
- **Navigating teams through periods of change**
- **Effective time and energy management**

The target group included individuals managing at least one direct report. 28% of our leaders participated in the pilot. They met this initiative with enthusiasm and provided an overall positive response. In 2024, we plan to introduce additional measures to nurture our leaders' growth. This will be in tandem with the ongoing development of a comprehensive, company-wide leadership framework.



Occupational health & safety

Our employees' well-being is essential to Foxway. We promote good health and a safe working environment in compliance with internationally recognized standards.

Mandatory health checkups and health care coverage are organized based on local legislation. Additionally, discussions about working conditions are incorporated into annual individual communication sessions held with every employee. In alignment with legal standards, we have also conducted comprehensive health and safety risk assessments at our operational sites (88% of coverage). We train our employees to create a safe working environment, including in the use of chemicals, first aid, and instruction in the use of personal protective equipment. Precaution measures are in place to avoid injuries and to promote safety.

The table below presents the absenteeism rates for Foxway's various locations in 2023.

In 2023, we concentrated significantly on analyzing and comprehending the reasons behind high absenteeism rates, particularly in countries where these rates were most pronounced. For instance, in Estonia, we have implemented various improvement measures in response to our findings. These include, among others, a focus on leadership development and the restructuring of motivational packages.

Local protocols are established for reporting and investigating health and safety hazards and incidents. Typically, the initial report and investigation are carried out by a designated safety or work environment representative. Depending on the nature of the case, additional stakeholders may be involved in the process. All reports and incidents are systematically recorded, and specific procedures are followed accordingly. In Norway, we have implemented a deviation system, allowing all employees to record their observations directly. 12% of the total workforce across all locations is represented in formal joint management-worker health and safety committees. 62% of the total workforce across all Foxway entities is covered by formally elected employee representatives.

Absenteeism rates:

	Sweden	Finland	Spain	Norway	Denmark	Estonia	Germany	UK
Short-term absenteeism rate (%)	4.0 %	13.6 %	3.0 %	0.8 %	0.7 %	7.3 %	1.4 %	1.7 %
Long-term absenteeism rate (%)	1.6 %	0.0 %	0.0 %	0.0 %	2.3 %	0.0 %	0.0 %	0.0 %

Work-related injuries in 2023:

- 0 fatalities from work-related injuries.
- 0 high-consequence work-related injuries (excluding fatalities)
- 10 work-related accidents resulted in sick leave

The injury frequency rate in 2023 was 0.725 (per every 200,000 hours worked).

The predominant injuries observed are soft tissue injuries such as lacerations, bumps, small finger cuts, strains or sprains, and bruises. While these injuries often result in short-term pain, they typically heal independently without the need for medical intervention. One incident was caused by a falling object. Following an internal investigation into the incidents, both employees and leaders have undergone further training to avert similar accidents in the future. Additionally, enhancements have been made to the working environment, including installing extra safety signage. There has also been a thorough analysis of working methods and tools to reinforce overall safety.



Sustainable supply chain

What is sustainable procurement?

Foxway aims to be an industry leader in sustainability, which includes managing the social aspects of responsible sourcing. This means looking beyond simple compliance, or just promoting memberships or diplomas. Our long-term ambition is to change the industry and how we relate to and consume tech. We are deeply engaged in the social and environmental aspects of the tech value chain and want to influence all stakeholders to understand their role and how they can improve and develop.

We believe that engaging with OEMs and looking only at the upstream activities will not be enough in the future. How we consume and use tech, our actions and decisions, will play an equally or more important role.

To contribute and choose correct downstream partners, understanding that we are all part of the same supply chain, will be crucial to manage sustainable procurement. Validating the workforce in the upstream activities has the same importance as choosing the right partner engaged in downstream activities. We believe that by focusing on embedding ESG principles within our own operations, supporting companies across the value chain, and cooperating with our peers, we can tackle wider societal and environmental problems.

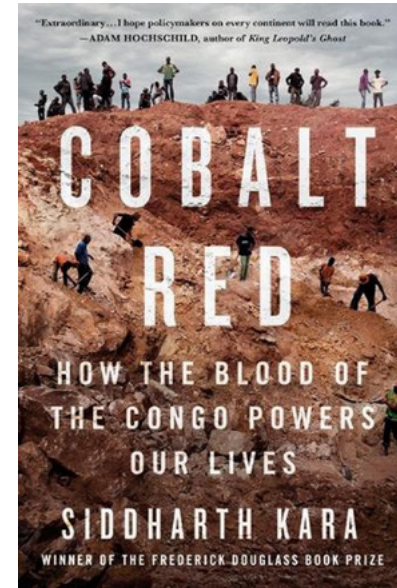
The traditional approach in the tech industry is to rely on organisations like Ecovadis, TCO, RBA (Responsible Business Alliance, <https://www.responsiblebusiness.org/>) and its affiliated initiatives below:

- Responsible Minerals Initiative
- Responsible Labor Initiative
- Responsible Factory Initiative
- Responsible Environment Initiative

All of them play a crucial role of improving the conditions in the supply chain as well as the transparency of the tech industry. But to continue improving we need to investigate

the fundamental aspects of the tech industry. Even with the most ambitious endorsement programmes and most robust supply chain policies, there are still frequent breaches in the industry reported by various NGOs (Non-Governmental Organisations) related to work condition. Examples:

- **Child labour in Madagascar (Somo):**
<https://www.somo.nl/child-labour-in-madagascars-mica-sector/>
- **Re-labelling of conflict minerals (Global Witness):**
<https://www.globalwitness.org/en/campaigns/natural-resource-governance/itsci-laundromat/>
- **Slave labour in Xinjiang province (ASPI):**
<https://www.aspi.org.au/report/uyghurs-sale>
- **The alarming book from Siddharth Kara about artisanal mines and the mining for cobalt in Congo:**
<https://carrcenter.hks.harvard.edu/people/siddharth-kara>



While Foxway has the ambition to improve and be compliant with the highest standards regarding supply chain management, we recognize that we still have a long road in front of us. But we also believe that our biggest impact and contribution towards sustainable value chains might be to introduce our circular economy perspective to our customers, thus reducing the overall demand for new mineral extraction and low-priced devices produced under harsh working conditions. Circularity - giving new life to used devices - is the only way to reduce the overall consumption of resources, reduce the stress on global supply chains, and close the gap between demand and supply of critical minerals and components.

Foxways approach to sustainable procurement 2023

We work with partners and suppliers who share our values in terms of social, environmental, and ethical standards of conduct. During the autumn of 2023, we have made several substantial upgrades to our supply chain management practices:

- A new **Sustainable Procurement Policy** was introduced, together with a supply chain policy for responsible global supply chain of **Conflict Minerals** from conflict-affected and high-risk areas.
- Foxway Group's **Supplier Code of Conduct** was reviewed and updated to include a clearer chapter regarding **Conflict Minerals** in line with the new policy.
- Together with Position Green, we have started the implementation process for Foxway's new supply risk management software.

2023 Supply chain assessment

All suppliers with annual spend exceeding €100,000 were considered to pose significant risk if any issues were identified, and were thus chosen for a more thorough assessment. Together, these suppliers make up for over 95% of Foxway's business volume.

In total, 171 suppliers across the organisation met the risk assessment criteria and were evaluated on financial and ESG criteria by the procurement entity.

- **No immediate environmental or social issues with actual or potential significant negative impact were identified during the 2023 assessment.**
- **14% of the targeted suppliers have signed the Foxway Supplier Code of Conduct¹.**
- **12% of the targeted suppliers have signed a contract that included environmental and social clauses¹.**
- **102 suppliers were identified to be subject to Foxway's Conflict Minerals Policy and screened in accordance with it. No conflict minerals-related issues were identified.**
- **Foxway has decided to continue cooperating with all the assessed suppliers.**
- **All contracted OEMs, which make up for >90% of Foxway's total sourcing volume, have publicly disseminated their Supplier Code of Conduct, Employee Code of Conduct, Conflict Minerals and policies pertaining to environment, labour and human rights. All OEMs are members of RBA (Responsible Business Alliance) and the sub-organisations RMI (Responsible Mining Initiative), RLI (Responsible Labour Initiative), RFI (Responsible Factory Initiative) and REI (Responsible Environment Initiative).**
- **Foxway has published our first [Due Diligence Report on Conflict Minerals](#).**

¹ The targeted suppliers that has not signed Foxway Supplier Code of Conduct have in most cases publicly presented their own code of conduct equivalent and compliant with Foxway and therefore not obliged to sign the document.

Code of Conduct breaches

In June 2023, Foxway became aware that one of our suppliers had breached our Code of Conduct regarding economic sanctions. Following this, the supplier were asked to specify what kind of actions they were taking to ensure future compliance. As the answer were deemed satisfactory, no further action was taken. The customers affected by the breach were duly informed.

In October 2023, Foxway was alerted that one of our ITAD partners had not been handling the assets properly and might be in breach of Foxway's Code of Conduct regarding employee human rights and health and safety. Steps were taken together with the client for whom the partner was contracted, with a joint on-site audit being considered for the beginning of Q1 2024 at four ITAD partners' premises.

Audits, corrective actions and supplier training

Two audits were completed during 2023, both prior to entering agreements with new partners. All issues identified during one of the audits were subsequently closed, while a Corrective Action Plan has been implemented as a result of the second audit.

Foxway has also conducted several in-person training sessions on environmental issues in tech for our key suppliers.

Employee training

All employees in the procurement organization have completed a combined on-site and online 4-hour-long, company-wide, extensive mandatory training on sustainability issues, including a basic knowledge test. Furthermore, the procurement managers have received additional training on sustainable procurement facilitated by one of Foxway's partners.

Future

In October 2023, Foxway signed a contract with Position Green to build a new platform for sustainable supply chain management.

From the financial year 2024 onwards, targeted suppliers will be subject to a Risk Assessment and ESG evaluation conducted through the platform. Prospective new suppliers will have to complete their assessment as part of their tender or prior to onboarding, while already onboarded suppliers will be enquired to complete their assessments at any time under 2024.

The launch of the new system will be accompanied by the release of Foxway's updated Sustainable Supplier Management Manual, training on sustainable procurement and the new software for all buyers across the entire organization.

Foxway is currently planning to join efforts with one of our partners to coordinate on-site audits for our common large OEM suppliers during 2024. A detailed plan and framework for these audits should be in place during Q1 2024.





Society's contribution to Foxway

Every year, Foxway chooses to collaborate with organizations that contribute to social benefit in some form or move us toward an increasingly fair and sustainable society.

In this year's report, we want to highlight the collaboration with Charlotte at Ndara and her team in Africa. They sew cherished stuffed animals using recycled fabrics. Fabrics that would otherwise have gone to waste. Through this, we, our customers, and lots of children can be happy when the fabrics get new life in the shape of, for example, a charming fox. Read more about the work at: <https://ndaratibeafrika.com/>

Ndara

The media often report on violence and atrocities by CAR. Ndara is a nice contrast to that, as they want to build peaceful and sustainable solutions for Central Africans. This is based on their greatest strength: resilience.

Ndara was founded by Charlotte Mararv, born in Central African Republic with a vision to create self-sustainable independent strong community of women to improve the local culture and people.

Ndara means to be skilled in Sango. Ndara have together created a meaningful symbol of craftsmanship, transfer of learning, circularity, a common legacy and the idea of being clever, resilient and sustainable.

03

Governance

Management and structure

The Foxway Management Team (FMT) includes CEO Martin Backman, and representatives from the business divisions and group functions.

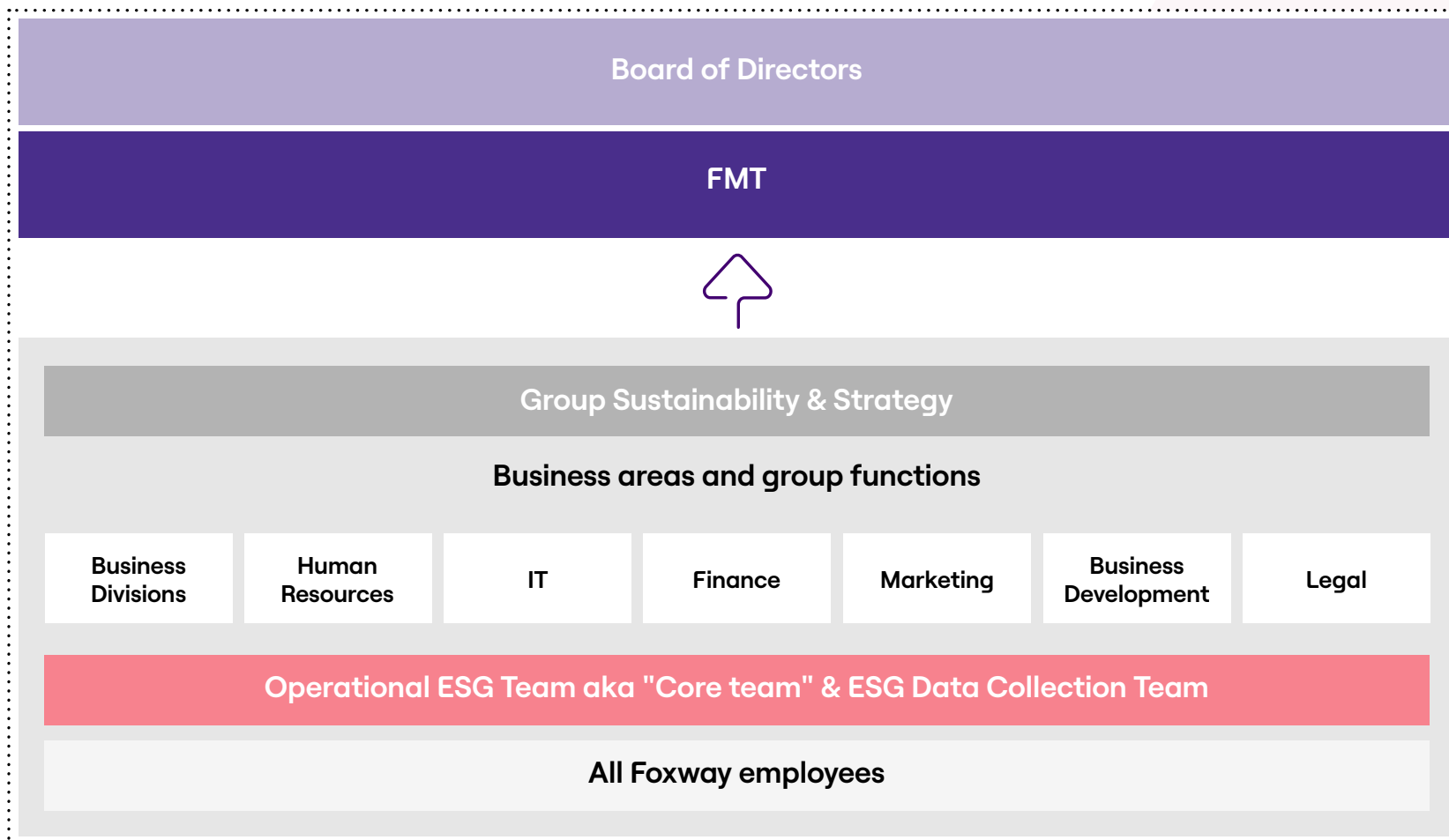
All entities within the Foxway Group are owned by Foxway Holding AB (publ). The parent company of Foxway Holding AB (publ) is Ytinrete TopCo AB, org no. 559432-8410.

The ESG governance is managed by the principles approved by the board of directors. This includes the ESG report, the ESG strategy, Annual targets, and the Code of Conduct. The FMT implements the decisions throughout the organization. So far, no conflict of interest has been identified in the board of directors or the FMT as a group.



Sustainability governance

Foxway has a clear governance structure with clear ownership of each responsibility:



Board of Directors

Provides oversight, monitors performance against ESG goals and targets, ensures accountability.

Chief Strategy Officer

Responsible for external stakeholder relations. Research coordination and impact strategy.

Chief Sustainability Officer

Has overall accountability for the management of ESG; develops and oversees sustainability strategy within Foxway, reports on Foxway's ESG performance to internal and external stakeholders.

General Counsel

Responsible for Corporate Governance and Governance related to responsible business practices, including AML, Trade Compliance and Anti-Bribery and Anti-Corruption Policies.

Foxway Management Team

Considers, approves, and manages the implementation of strategic ESG plans and decisions; ensures that their teams are trained on ESG policies and procedures.

Operational ESG Team

Implements Foxway's ESG strategy at the operational level and oversees ESG data collection (data collected by ESG Data Collection Team).

Employees

Follow ESG related policies, report any sustainability issues, concerns or suggestions to their supervisor and follow sustainable practices within their workspace.

Sustainability pillar	Area	Policy / Guideline / Toolkit	Overall Group level responsibility	
Environmental	Climate action, circularity, and other environmental impacts	Environmental policy (incl. energy, waste, water management, sourcing)	CSO and Strategy Officer	
		Net zero plan (TBD)		
Social	Employee wellbeing, health and safety, diversity & inclusion	Non-discrimination and anti-harassment policy	CHRO	
		Recruitment policy		
		Working from home guidelines		
		Guidelines for internal meetings		
		Travel policy		
		Human Rights policy		
		Code of Conduct (includes diversity, equity, inclusion, pay equity, EHS)		
Community impact	Community impact	Sponsorship policy	CMO	
	Community impact	Stakeholder Engagement policy (TBD)	CSO	
Governance	Overall ESG coordination, strategic initiatives, focus areas etc.	ESG calendar & strategy plan, cooperation with the scientific community etc. (TBD)	CSO	
	ESG reporting	Annual ESG report		
	Internal ESG knowledge building	Compulsory sustainability course		
	Corporate Governance		Code of Conduct	CHRO
			Anti-Corruption and Bribery policy	GC
			Anti Money Laundering & KYC policy	CFO
			Sanctions and export control	GC
			Whistleblowing policy	CHRO
			Foxway Board Diversity policy	Director of the Board
			Risk Management policy	COO
	IT and information security (GDPR etc.)		Foxway Group IT Strategy	CIDO, CISO
			Target Architecture Foxway Group	
			Information security classification	CISO
			Handling information security incidents	
			Foxway social media policy	
			Information Security policy	
	Supply chain management		Supplier Code of Conduct	Head of Business Division
Supplier Assessment Questionnaire				
Sustainable Sourcing policy (Supply chain management)				

The implementation, and or any deviation, breach or change of policy is reported by the governing function according to the structure described in page 90. This is done during the regular management meetings. The CEO forwards any relevant incident or required information to the regular board meetings.

Board of Directors

The Board of Directors of the Foxway Group sit in Ytinrete TopCo AB, the parent company of Foxway Holding AB (publ).



Per Hallius
Chairman of the Board

- Nearly 25 years of experience in the management consulting industry, most recently in the role of Senior Partner at the Boston Consulting Group.
- Solid experience of board duties. Industrial advisor and 'Operating Chairman' to Nordic Capital's Funds.
- Advisor to senior executives in international industrial and service companies.
- Own business with investments in smaller companies and start-ups focusing on strong entrepreneurs, and disruptive business models within B2B.



Henning Vold
Board member

- Partner at Norvestor.
- A well-known investor and business developer in growing IT companies in the Nordics.
- A partner at Norvestor and has been responsible for Foxway's development since Norvestor became the owner in 2019.



Jens Aleljung
Board member

- Working at Nordic Capital since 2008.
- Master's degree in financial management and accounting from Stockholm School of Economics.
- Previously worked in investment management and investment banking at Goldman Sachs in London.



Joakim Andreasson
Board member

- Working at Nordic Capital since 2008.
- Master's degree in economics and business administration from Stockholm School of Economics and Lund University, School of Economics and Management.
- Served on the boards of five portfolio companies at Nordic Capital, primarily focused on the business services sector.
- Previously worked in the European Private Equity Team at Merrill Lynch in London, and ABN AMRO in London.



Pernilla Ramslöv
Board member


- Named the Most Powerful Female Entrepreneur in Business (2019 and 2021).
- CEO of the Year (2019) and Female Rising Star of the Year for EY Entrepreneur of the Year (2019).
- Background as a marketing and sales manager in the IT industry.
- Founder and CEO of NOX Consulting.



Stephan Derksen
Board member

- With 20 years of experience in circular IT in Europe and the USA.
- Currently a board member of Danish company Kimbrer-Renewtech.
- Driven by a passion to foster growth and contribute to the advancement of a circular economy.
- Held leadership roles at Infotheek/Flex IT Distribution and Curvature.

Foxway Management Team



Chief Executive Officer
Martin Backman


Martin Backman leads the Group's ongoing operations. Our group management team works closely with every business area in order to provide help and tools which make the business more effective and keep a strong customer focus.



Interim Chief Financial Officer
Gustav Zaar



Head of Innovation & Business Development
Ove Lidström



President of the Recommerce Business Area
Kent Jeppesen



Chief People and Culture Officer
Annika Ploom




Chief Marketing Officer
Emma Lindberg



Head of Recommerce Mobiles
Mikkel Frid




Chief Strategy Officer and Interim Chief Sustainability Officer
Stefan Nilsson



General Counsel
Oskar Arndt



Chief Operations Officer
Stefan Sanz-Velasco



President of CWS Business Area
Steinar Aune



Chief Sustainability Officer (on leave)
Kai-Riin Kriisa

Code of Conduct and responsible business practices

The management team is responsible for ensuring the business is carried out ethically and in accordance with applicable laws and regulations. Conflicts of interest and remuneration policy are covered in Foxway's Code of Conduct.

The remuneration should be at an industry-equal level and is set by each governing function (the board, the remuneration committee, CEO, and FMT). Remuneration is set by each manager and is related to the company's KPIs where the ESG targets are included.

Management addresses any violations of the Code of Conduct and takes specific action as necessary. Any breaches are managed through a predefined process. Since 2022, Foxway has a whistleblowing function in place, applying both internally and externally, managed by a third-party law firm (<https://foxway.trumpet-whistleblowing.eu/>).



ISO Certifications

Most of our entities are certified according to ISO 9001 regarding the Quality Management System; ISO 14001 regarding the Environmental Management System; and ISO 27001 regarding the Information Security Management System. And some of our sites are certified according to ISO 45001.

Audits are performed by accredited external auditors in line with the Registered Certification Body (RCB). Continuous improvement is supported by internal audits, environmental compliance assessments and formal management reviews. Foxway has also started a process of ISO certification (9001 and 14001) on Group level, supported by parts of the Management Systems on Group level.

Foxway ISO certifications coverage:

	ISO 9001	ISO 14001	ISO 27001	ISO 45001
Foxway AB (Sweden)	Yes	Yes	Yes	Yes
Foxway A/S (Denmark)	Yes	Yes	No	No
Foxway Remanufacturing ApS	Yes	Yes	Yes	No
Foxway AS (Norway)	Yes	Yes	Yes	Yes
Foxway GmbH (Germany)	No	No	No	No
Foxway Ibérica S.L. (Spain)	Yes	Yes	Yes	No
Foxway OY (Finland)	No	No	No	No
Foxway OÜ (Estonia)	Yes	Yes	Yes	No
Foxway Circular UK Ltd (UK)	Yes	Yes	Yes	Yes
Total coverage	7/9	7/9	6/9	3/9
In %	78	78	67	33

Responsible business practice

In 2023, we have continued to improve the ESG management and principles inside the company, including auditing environmental impacts and Code of Conduct compliance.

Foxway works with a diverse range of customers, suppliers, partners, and other stakeholders. We recognize that each entity in this value chain has its own independent duty to respect human rights. We expect them to adhere to ethical business conduct, consistent with our own. We are committed to working with our external partners and stakeholders to fulfill this common goal.

Foxway has made its Code of Conduct and Supplier Code of Conduct available on Foxway's website. We have run training sessions for coworkers, as well as communicated and highlighted this to all our major suppliers. In this process, we also share the link to our whistleblowing channel, open for anyone concerned to report any misconduct.

Foxway's internal Code of Conduct applies to all employees and directors of Foxway as well as anyone acting on Foxway's behalf, such as contracted consultants.

The Supplier Code of Conduct sets out the minimum requirements for all suppliers of Foxway and is communicated and agreed upon in connection with entering into any supplier partnership.

The Code of Conduct, Supplier Code of Conduct and relevant reports are made available to the public on Foxway's [website](#).



The immediate superior or the CEO is responsible for answering any questions relating to the Code of Conduct. All employees have taken part of, and agreed to follow, the Code of Conduct and relevant policies.

Each manager has received an extended responsibility to manage those parts of Foxway’s policies that relate to his or her team and operations. Foxway ambition is to follow all applicable laws and regulations. Our goal is to be one step ahead of our obligations to do more than what is expected from us and boost positive impact.

Many of our customers and partners apply service level agreements with specific metrics to measure how we perform our services. During follow-up meetings and reporting of service deliveries, the grievance mechanisms are discussed as a regular part of the agenda. Not only are the services measured automatically but also through ITSM (IT Service Management) systems and helpdesk services.

Foxway has implemented the NPS method to measure customer satisfaction and customer loyalty. The measurement provides a good insight into the customer experience and allows Foxway to identify and continuously work on areas for improvement.

The targets for Foxway are aiming for the best score in our industry. Further, every customer with recurring contact has an assigned account manager.

We take a zero-tolerance approach to bribery and corruption and are committed to ensuring business is conducted in an honest and ethical manner.

During 2023, we have taken measures to further improve our anti-bribery and corruption program by hiring a General Counsel to lead our work within this area. Improvement work has commenced, which will continue in 2024 rolling out a more comprehensive framework to ensure compliance within all countries where we conduct business.

0
0
1

Key results of 2023:

0 confirmed incidents of corruption were registered

0 (severe or major) confirmed incidents of non-compliance with laws and regulations were registered

1 qualified whistleblowing incident was recorded

Data security & privacy

Foxway regards its information, including that of its clients, and its information systems, as valuable assets. These assets are fundamentally important to Foxway's business operations and are carefully guarded and preserved. We understand the importance of guarding the information we hold from evolving threats and continually work to enhance the information protection frameworks already in place.

Foxway takes a holistic approach to information protection, which means that technical and operational measures (based on security policies as well as technology standards) go hand in hand. Everyone within Foxway has a role to play in information protection at Foxway.

Beholden to its contractual obligations, Foxway has a responsibility to keep its clients' and its own data safe and, to that end, has implemented group-wide policies and established a group-wide Enterprise IT team. These are foundational elements of how Foxway supports its teams in the delivery of client services.

Foxway also includes provisions in its supplier agreements, incorporating applicable information security requirements, and requires its suppliers to confirm their compliance with these. Depending on the nature of the supplier's work, and the sensitivity of the information provided to the supplier, Foxway evaluates its supplier's compliance with information security requirements using internal and third-party resources.



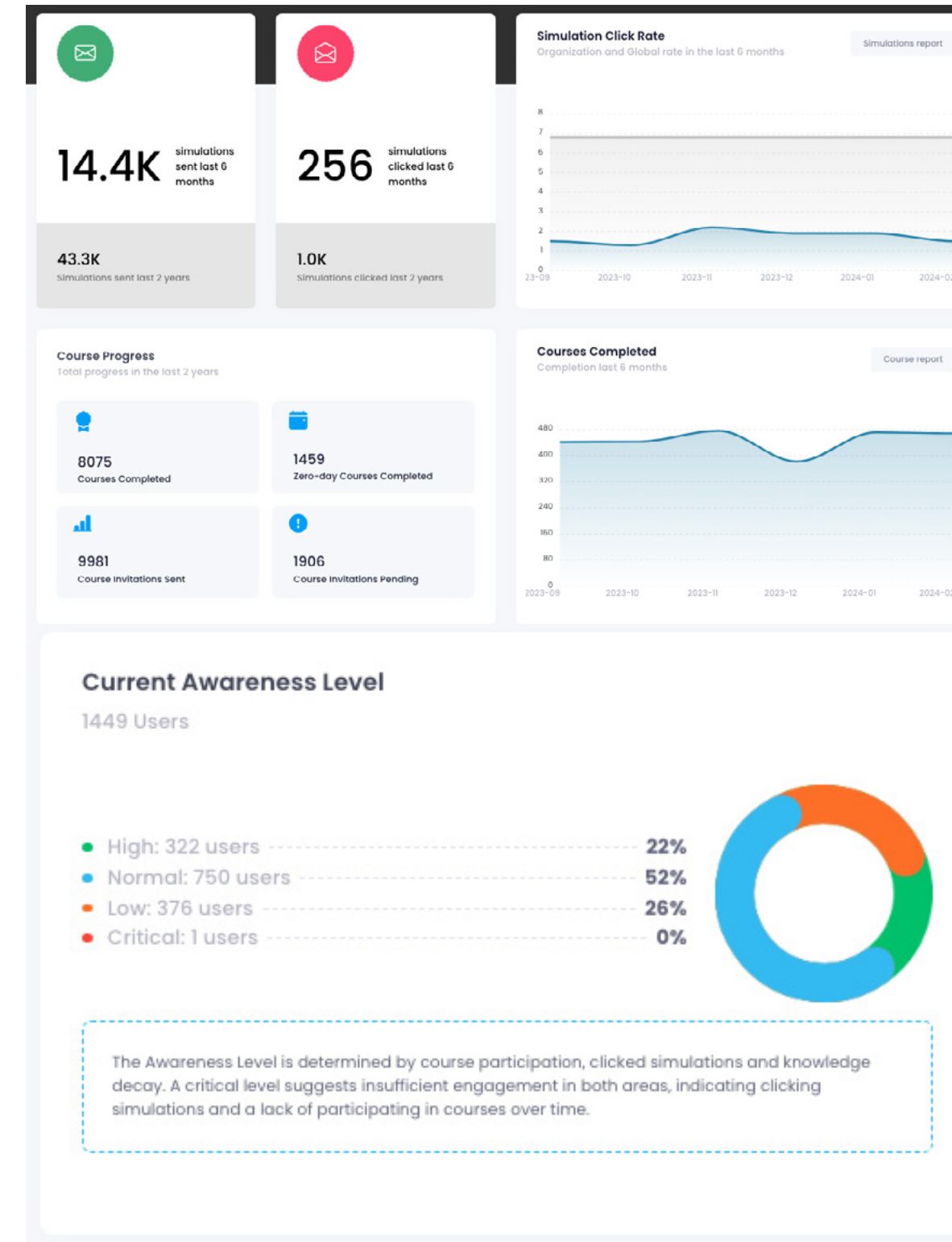
Actions that have been taken to minimize IT security risks:

- **Definition of Information Security policies at Foxway Group level**
 Foxway Group Information Security Policy clauses are directly aligned with ISO 27001:2013 controls and represent the minimum information security baseline expected for all Foxway entities to achieve and maintain their IT operations.
- **Definition of an Enterprise Risk Management Framework**
 The mandate of Enterprise Risk Management (ERM) is to promote risk-informed decision-making and support the effective execution of Foxway’s strategic and business plans by implementing a group-wide risk management framework.
- **Continuous supplier security assessment through Panorays platform**
 The Panorays platform provides visibility into and control over third-party security risks through automated vendor questionnaires, assessments of a third-party's external attack surface, and evaluation of the nature and criticality of the business relationship. The platform also checks vendor compliance with multiple regulations, including the European Union’s General Data Protection Regulation (GDPR).

- **Continuous Information Security Awareness training through Nimblr platform**
 Web-based weekly security awareness modules for all Foxway employees with attendance records, including:

 - *Risks and dangers of Artificial Intelligence (AI)*
 - *Fake QR codes*
 - *Social engineering*
 - *Physical IT security*
 - *Online integrity and data collection*

In just more than a year, Nimblr has helped us reduce our clicking behavior on suspicious emails by half (down to 1.9% end of 2023).



Goals, targets, and initiatives for 2024

- Increase employee awareness of cyber security by implementing continuous training through online courses like Nimblr.
- Have zero IT security breaches and a good reputation regarding IT security.
- Shift Foxway entities' ISO 27001 certifications to a Foxway Group multi-site certification.
- Foxway bug bounty program (in partnership with YesWeHack).

Foxway private program submitted to a specific number of researchers, not subject to external communication. Selected experts will test Foxway platforms within a defined perimeter and will be rewarded for each discovered vulnerability, according to its severity and the quality of the report provided.

Data privacy and IT security results of 2023:

0

security breaches or hacking incidents were identified.

0

external complaints were received concerning breaches of customer privacy.

0

complaints from regulatory bodies concerning breaches of customer privacy.

Foxway uses different system providers as partners for interacting with clients and thus all complaints are first directed to them. We are always ready to delete customer data and deal with data privacy concerns. Client data exchange with our business partners is increasingly shared through using ID codes for sharing as little information as possible for doing business.

04

Appendix

About this report

Sustainability is one of the most important and urgent topics of our times.

Environmental, Social, and Governance (ESG) are the three central factors in measuring a company's sustainability and ethical impact. ESG factors, though non-financial, have a material impact on a company's long-term risk and financial performance. Companies that use ESG standards are typically more conscientious, less risky, and more likely to succeed.

This report describes the relevance of ESG in the industry in which Foxway is operating, and the report assesses Foxway's performance within key material ESG areas. It provides an action plan to mitigate risks and create valuable opportunities. This report is the final report in this format. It will be replaced by CSRD regulative reporting standards entering 2024.

All policies, efforts, and results related to the company's ESG performance described in this report involve Foxway's general management team, both related to decision-making and follow-up on results.

The report is the result of the joint efforts of our ESG team and the responsible managers governing their area of responsibility:

Introduction and general company information:
Stefan Nilsson (interim CSO) and Kai Riin Kriisa (CSO)

Environment:
Stefan Nilsson, Sonia Braska, and Eero Piirisalu

Social governance:
Annika Ploom (CHRO), People & Culture

Governance, Responsible Business and IT Security:
Oskar Arndt and David Grynberg

To ensure quality, transparency, and compliance in major areas we have engaged leading specialists from external advisors:

TFCD (Climate Risk Assessment):
The Footprint Firm

CSRD preparation, Double materiality assessment:
The Footprint Firm

Climate accounting and verification:
Cemasys and DNV

Acronyms used in this report

AML	Anti-Money Laundering	ESRS	European Sustainability Reporting Standards	REC	Renewable Energy Certificates – Proof of use/ procurement of renewable energy
CoC	Code of Conduct	EUREFAS	An industry NGO founded by the refurbishment industry. Foxway was one of the ultimate founders. The organization work with Lobbying in the EU environment to promote the refurbishment industry in relation to legalization and support.	Right to Repair	Upcoming EU regulation targeting enforced fair pricing and availability of spare-parts, promoting refurbishment industry and repair industry.
CSO	Chief Sustainability Officer	GDPR	EU general data protection regulation	Scope 3	A category in Climate accounting / reporting. Includes indirect upstream and downstream activities, products and actions. (purchased and sold goods, logistics and transports, use of sold gods, business travels)
CSRD	Corporate Sustainability Reporting Standard (the new EU framework with mandatory regulative reporting based on a double materiality assessment)	GHG	Green House Gas Emissions	SBTi	Science Based Targets initiative (A carbon disclosure framework with mandatory carbon reduction plans and metrics)
CWS & RC	Circular workspace services & Recommerce divisions within Foxway	ITAD / ITAM	IT asset disposition / IT asset management	SDG	United Nations Sustainability Development Goals
DMA	Double materiality analysis (Part of setting the KPIs in relation to CSRD)	OEM	Original Equipment Manufacturer (Apple, Dell, HP, Lenovo, Samsung, etc.)	SFDR	Sustainable Finance Disclosures Regulation
ECO-design directive	Eco design for sustainable product regulations framework in EU	PCF	Production Carbon Footprint	TFCD	Task Force on Climate-Related Financial Disclosures (mandatory assessment around climate-related financial risks and opportunities)
EOL	End of life (usually meaning recycling) or potentially waste / landfill	PG	Position Green, the proposed governance system to track and store CSRD reporting		
ESG	Environmental, Social, Governance	RBA	Responsible business alliance, a private American NGO founded by the electronic industry (OEMs) to streamline and standardize ESG related activities and reporting.		

GRI index

Statement of use	Foxway has reported in accordance with the GRI Standards for the period 1/1/2023 – 31/12/2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None apply

GRI Standard	Disclosure	Location (name of chapter)	Omission		
			Requirement(s) omitted	Reason	Explanation
				1 - Not applicable 2 - Legal prohibitions 3 - Confidentiality constraints 4 - Information unavailable/incomplete	
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	'Reporting parameters' (p.110)			
	2-2 Entities included in the organization's sustainability reporting	'Reporting parameters' (p.110)			
	2-3 Reporting period, frequency and contact point	'Reporting parameters' (p.110)			
	2-4 Restatements of information	'Reporting parameters' (p.110)			
	2-5 External assurance	'Reporting parameters' (p.110)			
	2-6 Activities, value chain and other business relationships	'About Foxway' (p.9)			

GRI Standard	Disclosure	Location (name of chapter)	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-7 Employees	'Work environment' (p.73)			
	2-8 Workers who are not employees	'Work environment' (p.73)			
	2-9 Governance structure and composition	'Management and structure' (pp.88, 91)	2-9-a 2-9-b 2-9-c	4	During 2023 Foxway got a new majority owner with Nordic Capital controlling a majority post of the shares of the company. The new structure of nomination, selection and structure of the board will be presented in the next years 2024 Report
	2-10 Nomination and selection of the highest governance body	'Management and structure' (p.88)	2-10-a 2-10-b	4	During 2023 Foxway got a new majority owner with Nordic Capital controlling a majority post of the shares of the company. The new structure of nomination, selection and structure of the board will be presented in the next years 2024 Report
	2-11 Chair of the highest governance body	'Management and structure' (p.88)			
	2-12 Role of the highest governance body in overseeing the management of impacts	'Sustainability governance' (p.89)			
	2-13 Delegation of responsibility for managing impacts	'Sustainability governance' (pp.89-90)			
	2-14 Role of the highest governance body in sustainability reporting	'Sustainability governance' (p.89)			
	2-15 Conflicts of interest	'Management and structure' (p.88) Code of Conduct and responsible business practices. (p.93)			
	2-16 Communication of critical concerns	'Sustainability governance' (p.89) and 'Responsible business practice' (p.96)	2-16-a	4	Nature of concern missing.
	2-17 Collective knowledge of the highest governance body	'Sustainability Training at Foxway' (p.34)			
	2-18 Evaluation of the performance of the highest governance body	'Sustainability governance' (pp.89-90)			

GRI Standard	Disclosure	Location (name of chapter)	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-19 Remuneration policies	'Management and structure' (p.88)			
	2-20 Process to determine remuneration	'Management and structure' (p.88)			
	2-21 Annual total compensation ratio	'Employee diversity' (p.75)	2-21-b	3	Confidentiality constraints
	2-22 Statement on sustainable development strategy	'Message from our CEO' (p.40)			
	2-23 Policy commitments	'Responsible business practice' (pp.95-96)			
	2-24 Embedding policy commitments	'Responsible business practice' (p.96)			
	2-25 Processes to remediate negative impacts	'Responsible business practice' (pp.96, 82-83)			
	2-26 Mechanisms for seeking advice and raising concerns	'Responsible business practice' (p.96)			
	2-27 Compliance with laws and regulations	'Responsible business practice' (p.96)	2-27 a 2-27-b 2-27-c 2-27-d		
	2-28 Membership associations	'Stakeholder engagement, industry organizations and memberships' (p.31)			
	2-29 Approach to stakeholder engagement	'Stakeholder interviews and materiality assessment' (pp.19, 23)			
	2-30 Collective bargaining agreements	'Our Culture' (p.78)			

GRI Standard	Disclosure	Location (name of chapter)	Omission		
			Requirement(s) omitted	Reason	Explanation
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	'Stakeholder interviews and materiality assessment' (pp.19-25)			
	3-2 List of material topics	'Overview of long list of ESG topics with material topics highlighted' (p.26)			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Responsible business practice' (pp.95-96)			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	'2023 Supply chain assessment' (p.84)			
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	'Responsible business practice' (pp.95-96)			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	'E-waste reduction strategy' (p.68)			
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	'The Foxway 2025 Plan' (p.15)			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Energy' (pp.63-64)			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	'Energy' (pp.63-64)			
	302-3 Energy intensity	'Energy' (pp.63-64)			

GRI Standard	Disclosure	Location (name of chapter)	Omission		
			Requirement(s) omitted	Reason	Explanation
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Climate' (pp.43-62)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	'Carbon reduction plan' (pp.56-58)			
	305-2 Energy indirect (Scope 2) GHG emissions	'Carbon reduction plan' (pp.56-58)			
	305-3 Other indirect (Scope 3) GHG emissions	'Carbon reduction plan' (pp.56-58)			
	305-4 GHG emissions intensity	'Emission data' (p.60)			
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Waste' (pp.65-71)			
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	'E-waste reduction strategy' (p.68) and 'Waste management in Foxway' (p.69)			
	306-3 Waste generated	'Waste' (pp.65-71)			
	306-4 Waste diverted from disposal	'Waste' (pp.65-71)			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Sustainable supply chain' (pp.82-85)			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	'Sustainable supply chain' (pp.82-85)	308-1-a	4	Data on all suppliers disclosed

GRI Standard	Disclosure	Location (name of chapter)	Omission		
			Requirement(s) omitted	Reason	Explanation
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Employee diversity' (pp.74-76)			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	'Employee diversity' (p.76)	401-1-b	4	No data on gender and age split for turnover
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Occupational health and safety' (p.81)			
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	'Occupational health and safety' (p.81)	403-9 c 403-9 d 403-9 g	4	Missing info on hazards and whether ILO is followed
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Growing and learning together' (pp.79-80)			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	'Growing and learning together' (pp.79-80)	404-1-a	4	Employee category split not disclosed
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Employee diversity' (pp.74-76)			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	'Employee diversity' (p.76)			
	405-2 Ratio of basic salary and remuneration of women to men	'Employee diversity' (p.75)			

GRI Standard	Disclosure	Location (name of chapter)	Omission		
			Requirement(s) omitted	Reason	Explanation
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Employee diversity' (pp.74-76), 'Our Culture' (p.78)			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	'Our Culture' (p.78)			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Sustainable supply chain' (p.82-85)			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	'Sustainable supply chain' (p.84)	414-1-a	4	Data on all suppliers disclosed
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	'Data security and privacy' (pp.97-99)			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	'Data security and privacy' (p.99)			

Reporting parameters

Legal name	Foxway Holding AB (publ)
Org.nr	559366-8758
NACE sector code	G46.5.2 Wholesale of electronic and telecommunications equipment and parts
Location of headquarters	Evenemangsgatan 21, Solna, Sverige
Nature of ownership	Privately owned Ltd, majority owned by the majority owner Nordic Capital, Norvestor, the founders, leadership team and employees
Countries of operations	Sweden, Norway, Estonia, Finland, Spain, UK, Denmark, Germany
Reporting period	1/1/2023 – 31/12/2023
Reporting frequency	Annual
Publication date of the report	29 April 2024
Contact point for questions about the report	Stefan Nilsson – Interim Chief Sustainability Officer, Chief Strategy Officer phone: +35 1927768811 email: stefan.nilsson@foxway.com

This report includes aggregated information about all entities under Foxway Holding AB (publ) if not otherwise stated.

In February 2023 Foxway acquired Teqcycle GmbH, a circular tech company based in Germany.

Corrections from previous report:

1. Waste data from 2022 was adjusted, as described on page 70, adding missing data from Norway and Spain.
2. The 2022 CO₂e Carbon emission has been adjusted and updated by Cemsys and verified by DNV as part of the process to submit Foxway base year emission data to Science Based targets. The total calculated Scope 1-3 emission was adjusted from 341 K ton CO₂e to 409 k ton CO₂e.

This report has been audited by MOORE KLN AB, Foxway’s official financial auditing advisor. (<https://mooresweden.se>)

Read more: [Foxway annual report 2023](#)

The board of Foxway Holding AB (publ) hereby submits the sustainability report for 2023, approved at the board meeting on April 26, 2024.

Auditor’s opinion regarding the statutory sustainability report

To the General Meeting of the shareholders of Foxway Holding AB (publ), corporate identity number 559366-8758

Engagement and responsibility

It is the Board of Directors that is responsible for the sustainability report for the year 2023 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Göteborg on April 26, 2024
MOORE KLN AB

Ulf Lindesson
Authorized Public Accountant



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