



ESG Report 2022

CBK Group

Introduction

Welcome to CBK Group

Description

BE THE PREFERRED NORDIC
DISTRIBUTOR OF AV &
INFRASTRUCTURE SOLUTIONS

CBK is the leading distributor of comprehensive infrastructure and AV solutions in the Nordic Region. Our leadership is based on a unique commitment to dealers who want to deliver extra value to their customers. We make our customers shine, so that they are preferred as a dealer. To do so, we stand out in key areas; We are the most competent and up-to-date distributor and help our customers see into the future. We are best at putting together a comprehensive and

proper solution – helping the dealer deliver on his customers' needs. Our service attitude is second to none.

OUR VISION

CBK sets a new standard for how a distributor adds value to the customer.

OUR VALUE PROPOSITION

We make our customers shine. Through knowledge, service and a unique commitment, we are a highly valued partner for dealers who want to deliver extra value to their customers.

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Highlights 2022

<p>+ 18%</p>  <p>Revenue</p>	<p>+ 24%</p>  <p>Revenue Web</p>
<p>+ 21%</p>  <p>Employee Growth</p>	<p>4,2</p> <p>Engagement</p>  <p>Employee Satisfaction</p>
 <p>United Nations Global Compact</p> <p>Yes</p>	 <p>CERTIFIED ISO 9001 ISO 14001 Quality and environmental management systems</p>  <p>ISO-Certified</p>



Timeline 2022

We started early in January 2022 to invest in the audio segment with a dedicated resource in this area.

January

February

In February 2022, an energy survey of our head office/warehouse at Gneisveien 30 was carried out to find out which areas we can improve energy efficiency.

In March 2022, CBK acquired a Swedish distributor named Ekab Distribution AB.

March - July

Initiated a process to get rid of items in stock that were out of date or had a poor turnover rate. The aim is to sell/give away everything so that it does not have to be thrown away.

We established a new shipping partner (PostNord) for which one of the main criteria was environmental-friendly transport.

August

Established new office in Bergen and in Moss to reduce air transport and travel for the employees.

November

New centralized warehouse for CBK Group in the Nordics.

Managed 300 million in turnover.

December

Established a brand platform that defines who CBK is and how we work. Along with this, we decided to rebrand CBK. In November 2022 we got a new logo and a new profile.

Our Offerings

Products & Services

CBK imports and distributes AV products, network equipment, cables, components and associated equipment to Norwegian dealers. Step by step, we have developed our business and provided our customers with increasingly valuable solutions. We have main focus on functional solutions, good competence, efficient and sustainable purchasing routines and cost-saving logistics for our resellers.

Our Mission

CBK offers a wide range of IT-products and support hundreds of companies and organisations, in both the private and public sector. Our mission is to deliver extra value to our customers. We want to make our customers shine, so that they are preferred as a dealer. Our task is to putting together a comprehensive, sustainable and proper solution – helping the dealer deliver on his customers' needs.

Where we operate

Average number of employees per country 2023.

Personality

A likeable expert that everyone wants to get hold of

A CBKer lives to make others successful. They are easy to get hold of, nice to be with and passionate about their profession. A CBKer is genuinely interested, curious and thirsty for knowledge, takes pride in being at the forefront and gets extra energy from passing on insights to others. Therefore, CBKers are in demand by people around them both for what they know and the way they are.

Employee Satisfaction

We have invested in an IT system which will survey the satisfaction of the employees in all countries on a quarterly basis. Annual management evaluations will also be sent out. In addition to this, everyone has satisfaction meetings with their leader twice a year. We do this to ensure that all our employees feel comfortable in the workplace. We are also keen to arrange social gatherings to build a close and pleasant environment.



CEO Foreword



“The company that offers the best combination of delivery time, reliability and price win the customer”

CEO of CBK Group

Ole Blom

The world is facing major social challenges, and we in CBK Group want to contribute and do what we can with strong focus on the environment, social justice, responsible and ethical business management.

I strongly believe that by contributing to sustainable development and integrating ESG as an important part of our business strategy and business management, we will experience increased competitiveness in several areas.

This ESG report will guide you through our focus areas, thank you for your interest in our ESG commitment.



Sustainability Focus

Our Focus Areas

The prioritised sustainability topics are gathered into three Focus Areas; Sustainable CBK, Sustainable offerings, and Sustainable supply chain. CBK has a separate team that works to ensure that the products we buy have a sustainable design with a focus on the use of reusable materials and maximum lifespan, the factory workers' working and environmental conditions, the least possible plastic and waste as well as the shortest and most environmentally friendly transport possible to the Nordic, and to our customers.



1. SUSTAINABLE CBK

Attractive workplace
Diversity, gender balance and inclusion
Business ethics
Climate smart operations
Responsible financial management



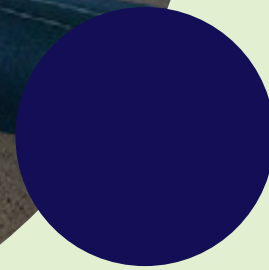
2. SUSTAINABLE OFFERINGS

Integrity and information security
Circular Economy
Digitalisation and innovation for a sustainable society
Partnerships



3. SUSTAINABLE VALUE CHAIN

Value chain management
ISO-14001
ISO-9001
Eco-Friendly shipping



Value Chain

Severin Aarnes, Purchasing & Logistics Manager

“ One of our key focus areas is reusable materials and the use of spareparts for a maximum lifespan on our products ”



Value Chain

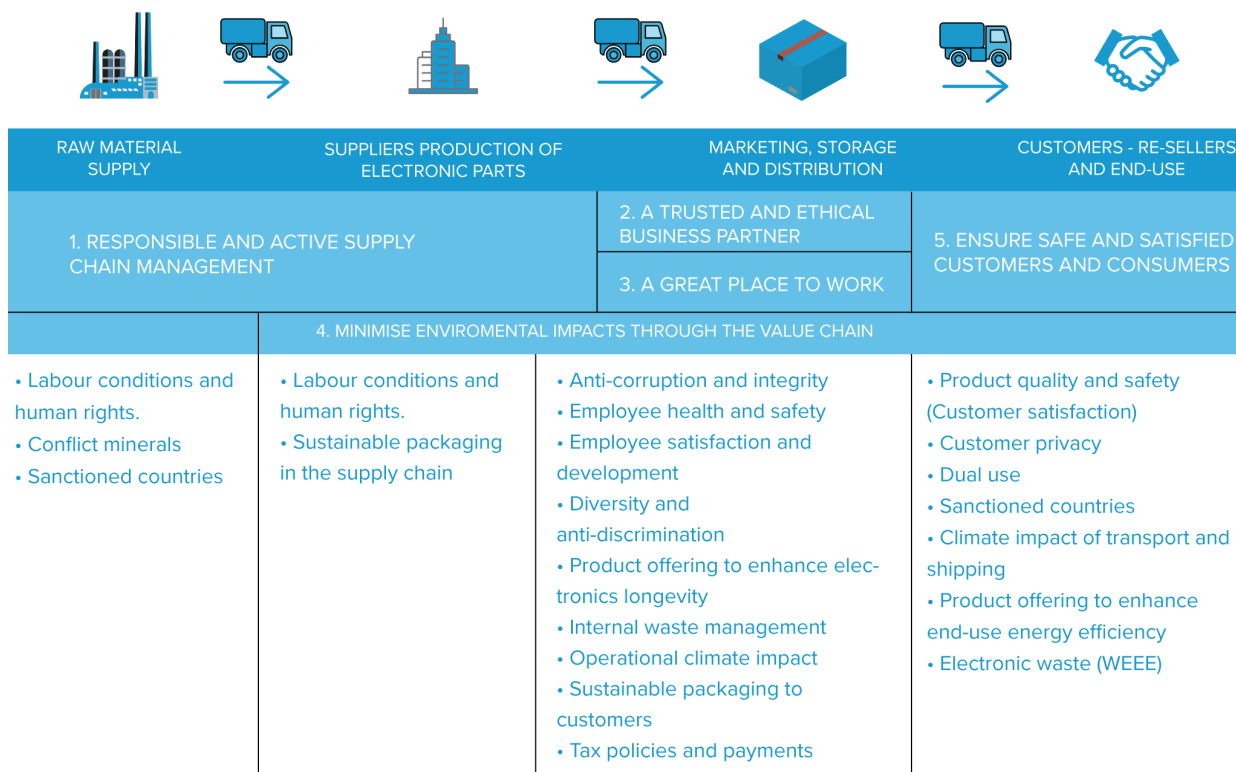
ESG Impact through the Value Chain

A substantial part of CBK's business is to provide spare parts for electronic devices, thereby to ensure that the products we buy have a sustainable design with a focus on the use of reusable materials and maximum lifespan. By doing so, CBK contributes to a more sustainable and environmentally friendly approach to the rapid growth in use of technology hardware. CBK needs to closely monitor in particular:

1. the conditions under which the products are produced,
2. the potential impacts on end-user safety, and
3. the potential impact of the dual use of products for unethical purposes.

Electronic waste, packaging and other product components presents an environmental impact through the value chain that must be managed through efficient stock management, clear supplier requirements and strict guidelines and processes for handling and disposing of the waste. The environmental impacts of production and the sourcing of raw materials are also important parts of CBK's footprint.

Looking through our value chain the ESG impacts at each step can be illustrated as follows:



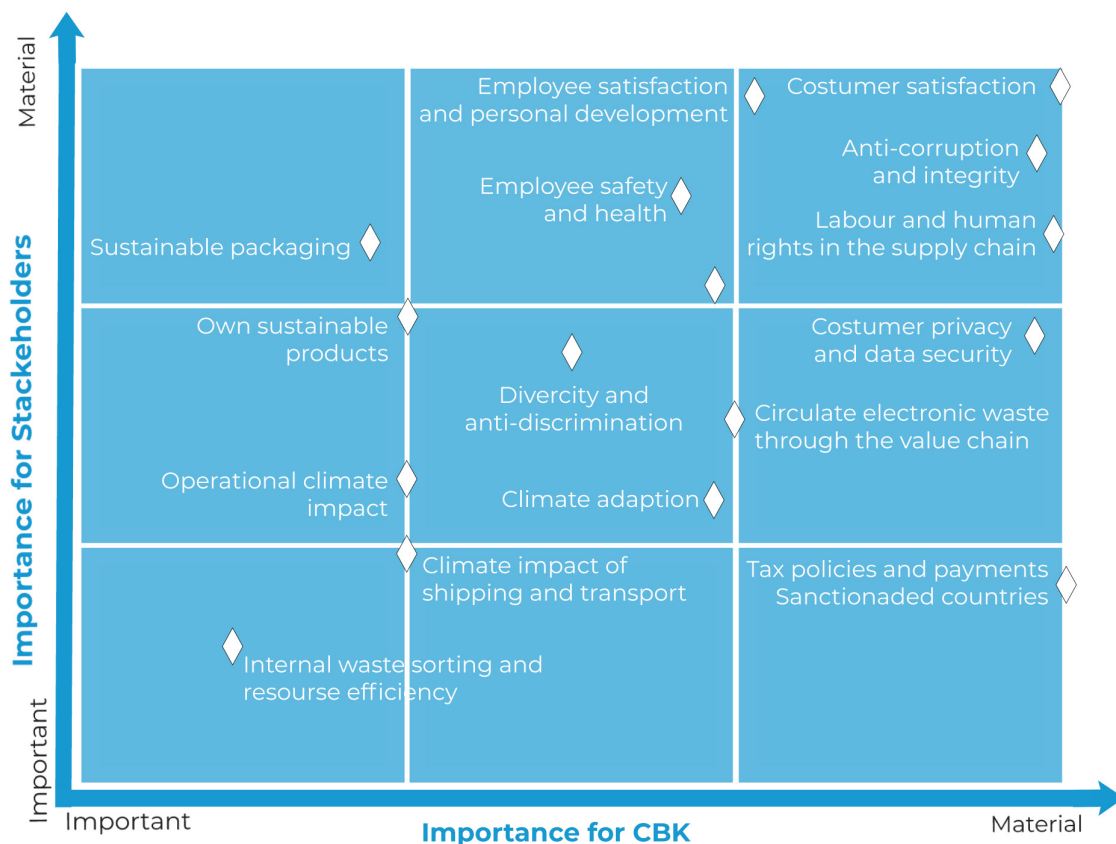
Risks & Opportunities

ESG Impact through the Value Chain

Innovation in the field of electronic devices moves quickly and it has become common to replace electronic devices frequently. These practices lead to a high amount of electronic waste that is neither being reused nor recycled.

CBK serves a growing need among customers and end-users to maintain and update electronic devices. Positioning the business to meet this growing need is an opportunity at the core of the business model. The supply of spare parts extends the life cycle of the repaired equipment, and it reduces waste from an otherwise scrapped piece of equipment.

However, the production of electronic parts and devices may involve negative environmental impacts or poor labour conditions, both of which must be avoided. Some products might also be used for unethical purposes or by people in countries that are under sanctions. Corruption and unethical conduct may be present in parts of the value chain, as CBK deals with many suppliers and customers across the globe. CBK has an opportunity to contribute to SDG 17, sustainable consumption, and production patterns. This particularly the case with the management of natural resources, waste, increasing recycling and increasing transparency in supply chains.



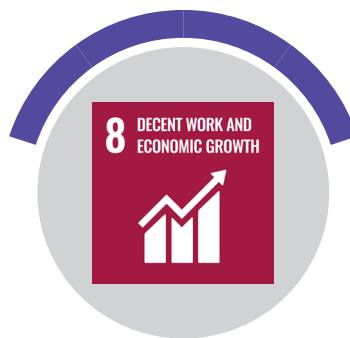
UN Global Compact

UN Sustainable Development Goals

The ten principles of the United Nations Global Compact apply to our sourcing and trading partners specifically where we are importer of the products. At CBK, we promote decent working and environmental standards in our supply chains. We cooperate closely with our suppliers and business partners in pursuit of this aim. Accordingly, we have policies with these ten principles of the United Nations Global Compact to illustrate what we expect of our suppliers and business partners. This must be signed when we establish a new partnership with a supplier. The ten principles of the United Nations Compact covers human rights, workers' rights, the environment and corruption. We aim to continuously improve policies and support our suppliers in complying with these principles. We have chosen to illustrate our efforts in the context of the UN Sustainable Development Goals (SDGs) of which we have chosen to focus on five in this report:



No.5 Gender equality



No.8 Decent Work & Economic Growth



No.12 Responsible Consumption and production



No.13 Climate Action



No.16 Peace, Justice and Strong Institutions



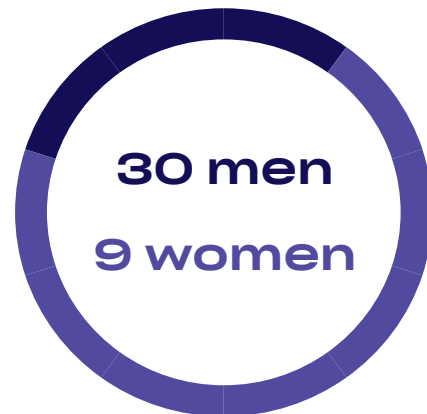
Gender Equality

No.8

In 2022, we recruited many employees, and of the new hires, 2 were women. The proportion of women is 23%, and the aim is to increase this.

Research indicates that various teams – for instance in phrases of gender and cultural background – carry out higher and are greater worthwhile than homogeneous groups. Unfortunately, gender imbalance and shortage of variety are nevertheless issues in our enterprise and our company.

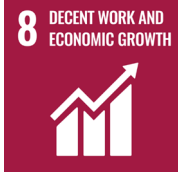
CBK is devoted to turning this case around, to enhance our joint capacity to innovate and grow, for the sake of our clients, personnel, in addition to candidates. Currently, a significant part of our female personnel work in administration or different non-IT-associated roles. Our intention is to gain more women consulting, and in management roles



Group goals:

CBK wants to achieve a greater proportion of female employees in all levels of the company. We want to reach a percentage of 35% by 2030. CBK wants to distribute the proportion between women and men among gender-fixed positions.





Sustainable Workplace

No.8

CBK promotes health, works preventively against all forms of health, and offers a good and safe working environment free from discrimination and where all people have equal value. Our efforts are systematic, and we use a risk-based method to detect and prevent illness and potential work-related accidents. This makes it possible for employees to report injuries, discrepancies by name or anonymously.

All employees are covered by the systematic activities related to health and safety in the workplace. Examples of health and safety topics that are followed up are sickness absence, reported accidents and discrimination.

In 2022, a HR-department was established in Eltek Holding AS to ensure better onboarding, follow-up, progression and more. They also invested in a corporate HR-system (Bamboo HR).

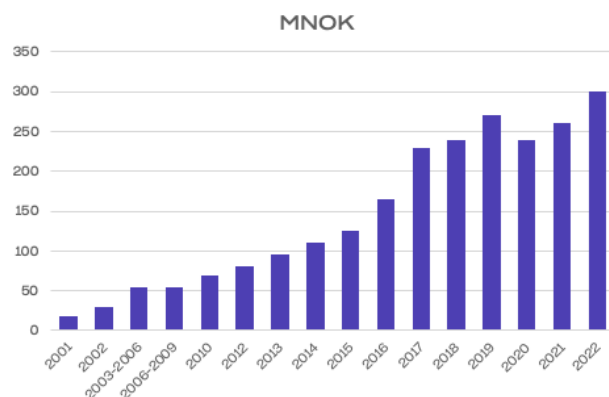
CBK aims to be a long-term partner for our customers today, tomorrow and in the years to come. To do this, we need to ensure that our business is stable and profitable. Stability also enables us to attract and retain competent employees, and thanks to our continued growth, we can continue to invest in and develop our employees.

CBK offers top health insurance to all employees, including first in line if, for example, you need an operation, chiropractic appointments, a psychologist, specialist assessments, etc.

In addition to good health insurance, CBK offers free electric car charging, good pension schemes, training, ergonomic office equipment and fresh fruit delivered to the office.

CBK has increased revenues by 3.5x since Eltek acquisition in 2010

- 2001** – Established - cables and accessories
- 2002** – Started distribute D-Link in Norway
- 2010** – Eltek/Morten Angell acquired CBK
- 2012** – Introduced new private label LinkIT
- 2013** – Started distribute Philips Display in Norway
- 2016** – Introduced new private label Stoltzen
- 2020** – Started distribute Hisense Display in Norway
- 2020** – Moved to top modern storage facility outside Oslo
- 2020** – Invested in AutoStore
- 2020** – ISO-Certification (9001 and 14001)
- 2021** – Introduced a new private label; Elivi
- 2021** – Acquisition of Pericad OY, distributor in Finland
- 2021** – Sole distributor for Hisense in the Nordic region
- 2022** – Acquisition of Ekab AB, distributor in Sweden





Responsible Production

No.12

CBK assists in importation, factory contact, shipping from various parts of the world, expertise and distribution directly to end users to dealers where the end user is most often public administration or a privately owned company. Our organization has a separate team that works purposefully to ensure that the products we buy have a sustainable design with a focus on reusable materials and lifespan, factory workers' working and environmental conditions, the least possible plastic and waste as well as the shortest and most environmentally friendly transport into Norway possible.

Our measuring points when purchasing and sorting sources:

Code of conduct: The factories CBK uses must sign a code of conduct where the source must sign that they operate in accordance with international standards in relation to working hours, working conditions, child labour, freedom of association, wages, and health and safety regulations. The factories must be monitored through factory visits, identification of employees or the use of an external agency.

Packaging: Minimize plastic use, use recyclable and degradable plastic where plastic is needed. Make packaging as compact as possible so that you transport as little "air" as possible, which ensures the lowest possible CO2 emissions per shipment. Ensure that cardboard and paper come from sustainable sources and are 100% recyclable. Products that are to be sold primarily to the public and businesses must not contain unnecessary ink (colour) or glue-based packaging in order to minimize environmentally hostile waste both during production and when waste is to be thrown away/sorted after use. Minimize the use of plastic strips and other disposable waste.

Product: The products must be designed for the longest possible lifespan. This means rechargeable batteries where possible, or that the product is designed for battery replacement instead and had to buy a new product when the battery was empty. The products must be ensured to be designed by the manufacturer so that they can be repaired and thus be possible to open in the event of a physical fault on the product. In cases where the product has a firmware/software, this must be possible to the greatest extent possible to upgrade with new functionality so that you do not have to change or buy a new product more often than necessary. In cases where hard plastic (PVC or similar in the products) is used, it must be ensured that this is recoverable and recyclable plastic. The products and components that follow (e.g. power adapter) must comply with the current requirements for power consumption and be designed to comply with known regulations from the EU/EEA which come to ensure the lowest possible power consumption.

Shipping: When shipping from other continents to Norway, efforts must be made to use the greatest possible degree of boat transport or rail-based transport where possible. Sources as close as possible to Norway should be chosen if it is possible to choose this to still be competitive in our market. Air transport must only be used when there are no other alternatives or the case has a time limit which means that other transport cannot be used. Good and long-term planning of the flow of goods is necessary to ensure this in both the procurement, sales, dealer and end-customer stages. Local transport and package deliveries must be CO2 compensated, for example Bring climate-neutral business package. It must be ensured that carriers of long-haul goods use rail to the greatest extent possible for the longer distances as well as environmentally friendly courier transport with electric cars, bicycle couriers or the like for the last part of the shipment consumption.



Climate Actions

No.13

At CBK, the environment is an important focus area. We want to appear as a responsible company with a focus on continuous sustainability. We do this by looking at the total environmental impact from raw material extraction via production, use, disposal and transport. In this way, our durable products will enable a more sustainable lifestyle. We work preventively and long-term with the environment as an integral part of our daily operations. We constantly work to carry out environmentally friendly purchases and set equally strict requirements for our manufacturers and suppliers as we do for ourselves. We work purposefully to ensure that the products we buy have a sustainable design, with a focus on reusable materials and lifespan, and environmental conditions on the factories, as little plastic and waste as possible, as well as the shortest and most environmentally friendly transport into Norway possible. The environmental approach must be continuously monitored and where possible improved.

New Warehouse with AutoStore:

CBK's foremost measure for the environment has been to move to a more appropriate warehouse and office in the summer of 2020, where we have, among other things, invested in a new and efficient warehouse system; Autostore with electric robots for picking goods. In our new warehouse, loading and unloading of goods is much faster than before, and thus the warehouse doors will be closed to a far greater extent than in the old warehouse. This has reduced energy use considerably.



Environmentally friendly packaging:

A project that has been initiated is the transition from current plastic and cardboard packaging to 100% environmentally friendly cardboard primarily under our private labels.

Electric Cars:

In addition, more and more of the employees are switching from cars that run on fossil fuel to hybrid or electric cars. In 2019, there were a total of 3 employees who had an electric car, in 2021 there were a total of 7 employees who had an electric car, and in 2022 there are a total of 18 who have private electric cars.

Eco-friendly shipping:

We offer "eco-friendly transportation" as a shipping option on outgoing transport from our warehouse to our customers.

ISO-14001 Certification:

We In recent years, CBK has increased its focus on sustainable development and social responsibility and established this as an important foundation in the corporate culture. In 2020, we certified ourselves in quality and environmental management according to ISO standards 9001 and 14001. Re-certification will be in May 2023.

Group goals:

Deliver all products under our private labels with 100% environmentally friendly packaging and, in addition, that shipping from CBK to the end customer must be delivered in an environmentally friendly way.





Business ethics & Transparency

No.13

CBK's long-term success depends on operating the business fairly and ethically. CBK follows the principles set out in the UN Global Compact, which also includes anti-corruption. We have a political zero tolerance towards unethical behavior. This is well established in CBK's code of conduct for both employees and suppliers.

CBK works continuously to minimize the risk of inappropriate or illegal operation of the business internally or in relation to external partners. No country or company is immune to non-compliance, which is why we at CBK continue to work to ensure business ethics and compliance.

We have a strict procedure and a system via "House of Control" for assessing our suppliers/manufacturers as a result of ISO and the Transparency Act.

The procedure includes the purchase of goods and services from suppliers where our annual purchases exceed NOK 50,000, and all suppliers who have a direct influence on the quality of our goods/services (for example logistics services) and are relevant to our significant environmental aspects. New suppliers are asked to respond to our survey before cooperation is assessed, and already approved suppliers are assessed at least once every third year.

Group goals:

All employees and suppliers must be familiar with CBK's Code of Conduct for employees, which also contains policies for anti-corruption. Purchases must also never be made from suppliers who are under review, or who, in the worst case, have been disqualified as a result of unethical working conditions etc.



