

2015-16.



Corporate Responsibility Report

Step by Step towards a sustainable Dustin

Dustin

Greetings

This report provides an overview of Dustin's corporate responsibility efforts during the 2015/16 financial year. This is Dustin's second corporate responsibility report, and its format follows the G4 guidelines according to the GRI (Global Reporting Initiative) framework, just like last year's report. The report describes our most important corporate

responsibility issues, our focus areas and our targets and key performance indicators for these issues.

The report has been reviewed by the company's Board of Directors, but it has not been third party assured.

Dustin in brief

Dustin is one of the leading IT resellers in the Nordic region, offering a broad range of hardware, software and associated services and solutions. We ensure rapid and reliable deliveries through our centralised warehouse and an efficient logistics platform. By adding a high level of IT skills together with competitive prices, we meet the needs of primarily small and medium-sized enterprises, but also large companies, the public sector and the consumer market.

Dustin is well positioned in the market where an ever greater share of sales of products and basic services takes place online, thanks to its efficient online platform and focus on the SMEs, a group of customers that is more flexible and growing rapidly. We see a rising demand for more advanced services as demands for mobility and accessibility grow. By combining products and services into integrated solutions, and by adding more advanced services through acquisitions, Dustin is continually expanding its customer offering and is able to meet an ever-greater share of its customers' IT needs in accordance with its vision. Our offering encompasses services and solutions in areas such as "Client", "Infrastructure", "Software", "Mobility" and "Print".

Dustin employs a multichannel model where the majority of sales take place online, supplemented by relationship-based and consultative sales over the telephone or through customer visits. Dustin operates in Sweden, Norway, Denmark and Finland through two business segments, B2B (the corporate market) and B2C (the consumer market). These segments are in turn supported by several scalable shared central functions, comprising the online platform, purchasing, storage and logistics, pricing, marketing, IT and HR.

Dustin Group AB is a Swedish public limited liability company with its head office in Nacka Strand outside Stockholm. The share was listed in the Mid Cap segment on Nasdaq Stockholm on February 13, 2015.



Active B2B customers
100,000



Active B2C customers
350,000

Number of brands in the product range
1,200

Unique products in the range
200,000

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Net sales 2015/16

8.3 BSEK

Share of sales B2B
93 %

Share of sales B2C

7 %

Average number of employees

944

Responsible and sustainable business

The IT industry's use of natural resources and climate impact, customers' rising expectations for data protection and security, and the challenges we see in the value chain all make it important for us as a company to integrate sustainability issues into everything we do, step by step. Meanwhile digitalization and a circular economy approach are creating new opportunities. Our industry can make a positive contribution to reducing environmental impact through the IT services and solutions we deliver.

Continuously evolving

Dustin is an actor in a dynamic market, and the company is continually evolving. We expanded during the financial year, both by acquiring companies and by exporting our existing offerings to more of our markets. This requires us to continue our heightened focus on business ethics principles, shared values and our corporate responsibility efforts. This is one of the requirements for building a successful business.

Materiality analysis

We regularly review our priorities through stakeholder engagement, in order to focus on the most important areas in which we have the greatest opportunity to make a difference. Our engagement with stakeholders allows us to ensure sustainable long-term development. This is why we performed a materiality analysis during the year. The results of the analysis confirmed our five established focus areas: responsible manufacturing, reduced climate impact, responsible use of resources, business ethics and diversity and equality. In addition, the materiality analysis also showed the importance of other areas such as customer privacy and data protection.

Progress during the year

One of our values is to engage in continuous improvements. This is found in everything we do, and I want to highlight some of the progress we made in the corporate responsibility area during the year.

Diversity is an important focus area for Dustin, and in our corporate responsibility efforts we've established an equality target in order to achieve a more even distribution, with a target of a minimum representation of 40 per cent for each gender by 2020. During the year the proportion of female managers rose by 11 per cent, to 31 per cent. A total of 29 per cent of Dustin's employees are women. By increasing the proportion of female managers, we believe that we will also increase the proportion of women throughout the group. In order to achieve this, we have introduced a requirement that there should be an equally qualified finalist candidate of each gender for every managerial position when recruiting.

We were able to reduce our total greenhouse gas emissions by 6 per cent, above all by focusing on efficiency measures within logistics. If we also take recovery, reuse and recycling of products into account, the reduction amounts



to an impressive 11 per cent. Our target is to reduce our climate impact by 40 per cent by 2020.

We experienced challenges with product recovery during the year. We need to increase the recovery rate in order to achieve our target of 140 000 recovered products by 2020. This is a priority area as we enter the next financial year. We are working to increase customer awareness and to develop our own processes to achieve scalability.

Making it easier to make the right choice

One part of Dustin's corporate responsibility efforts is to make it easier for customers to find products that are a bit better for the climate. Therefore we made it possible during the year for customers to filter their search down to a number of internationally recognised eco-labels. Today, we offer over 1 600 eco-labelled products.

Greater focus on responsible manufacturing

Dustin offers about 200 000 products, and a large proportion of them are manufactured in countries where the risk of non-conformance with our Code of Conduct for Supp-

liers is relatively high. Therefore we have decided to follow up our requirements further down the value chain at the manufacturing stage. We launched products under our own brand during the year, and we have a greater responsibility for how they are manufactured. However, we will follow up on the manufacturing both of products made under our own brand and of other products. We want to contribute to improvements in the areas of human rights, labour conditions, environmental protection and business ethics through on-site audits, training and engagement. We want to cooperate with the suppliers and manufacturers, support them in their improvement efforts and contribute to positive development.

We will continuously practice corporate responsibility throughout the value chain, together with our customers, employees, suppliers and other stakeholders.

Georgi Ganev
President and CEO
November 24th, 2016

The world around us – trends and global agreements

As part of our strategic efforts, we follow up and analyse trends in order to evaluate their impact on Dustin as well as to identify new business opportunities. Digitalization and smart information and communication technology are viewed as important driving forces for achieving the UN's new global sustainable development goals. New forms of mobile work will lead to lower energy consumption and greater resource efficiency. At the same time, there are still great sustainability challenges in the industry.

Trends

1 Circular business models

It is becoming increasingly common to apply circular economy approach and circular business models as demand for used products increases. Reuse, remanufacturing, recycling, materials and energy savings are core concepts. In addition to reducing climate impact, circular business models also make it possible to liberate a company's growth prospects from dependence on access to new raw materials and natural resources.

Dustin has been working to integrate a circular economy approach into our business model since 2014/15. Today, we offer eco-labelled products with restrictions on hazardous substances, leasing services that include repair and recovery services to ensure that products can be safely reused or recycled.

2 Digitalization

Digitalization is one of the greatest forces of change in our time. When combined with a sustainable approach, digitalization is about optimising businesses and communities and making them more resource-efficient through smart information and communication technology (ICT). A large number of ICT applications can be used to drive sustainable consumption and a lower climate impact. It may be a matter of replacing products partially or entirely with services, smart solutions that reduce travel, optimising logistics and making energy consumption more efficient, and changing consumption choices.

IT services and solutions are at the heart of Dustin's business model.

We want to offer IT solutions that allow customers to focus on their core operations.

We offer packaged services and solutions in the areas of the Workplace, Infrastructure, Mobility and Print, primarily to small and medium-sized businesses. Many of these services and solutions also enable customers to achieve more efficient use of energy and resources.

3 Privacy and data protection

In view of events in recent years and increased social attention to privacy issues, privacy is not only an issue of risk management and regulatory compliance, but a competitive factor and business opportunity as well. Managing customer privacy will become increasingly important as regulations and customers' expectations become stricter.

We have made a firm resolution to respect and protect our customers' privacy. Our ambition is for privacy and data security aspects to be an integrated part of our services, processes and infrastructure, as well as our daily work in general. In the next financial year, we will work diligently to adapt our business to the new data protection legislation that will come into effect in the spring of 2018.



Challenges

The IT industry is facing several challenges. About 60 per cent of an electronic products' environmental impact occurs during raw material extraction, manufacturing of components, product assembly and distribution. The value chain is usually long and complex, and production takes place to a great extent in so-called high risk countries. Stakeholders' expectations for greater transparency and traceability can demand a high level of resources and can be challenging for companies to live up to.

Compliance with codes of conduct and management of non-conformance are followed up to a varying extent by manufacturers. The industry pioneers have been supplementing supplier audits with capability building programmes and classroom training for factory workers for some time. However, smaller players may experience challenges in influencing labour conditions in factories with several thousand workers due to their small purchase volumes.

On the consumer side, there are no clear signs that environmental and sustainability aspects have a significant effect on purchasing decisions. Finally, there is a lack of consumer awareness about returning old products, and as a result, reuse and recycling of electronics have not yet achieved their full potential.

Global sustainability agreements

The countries of the world agreed on a new legally binding global climate agreement at the UN COP21 climate conference in Paris. Together with the UN global sustainable development goals for 2030, this agreement constitutes the framework for these countries' climate efforts going forward, and provides guidelines for our actions as companies.

The UN global goals for 2030 aim to eliminate poverty and hunger, put human rights into practice, achieve equality and empowerment for women and girls and guarantee enduring protection of the planet and its natural resources. The global goals are integrated, and they balance the three dimensions of sustainable development: economic, social and environmental.

Relevant goals for Dustin

As one of the leading resellers of IT products and associated services and solutions in the Nordic region, we monitor global trends and we look to the future. Dustin wishes to actively contribute to achieving the global goals by 2030. We will focus on the goals that are most relevant to our operation, where we as a company can have the greatest impact.

The goals that primarily agree with our identified focus areas for corporate responsibility are numbers 5, 8, 12, 13 and 16.

- **Goal 5** – Equality through a fair division of power, influence and resources in society.
- **Goal 8** – Decent working conditions and economic growth, through measures including protection of workers' rights and promoting a safe and secure working environment.
- **Goal 12** – Sustainable consumption and production of goods and services, as well as efficient use of resources.
- **Goal 13** – Measures to combat climate change and its consequences.
- **Goal 16** – Peaceful and inclusive communities through good governance and by significantly reducing all forms of corruption and bribes.

Business value

Profitable and relevant corporate responsibility efforts are based on core operations and focus on companies' critical aspects. By anchoring our corporate responsibility work in Dustin's vision and taking the starting point in our overall strategy, we create added value for our stakeholders and contribute to the company's annual result.

At Dustin, corporate responsibility encompasses our work on the group's long-term impact on society and the environment, and our responsibility extends throughout the value chain. Dustin's vision is to be the customer's first choice and to set the standard for efficient IT. Acting ethically and responsibly is an important part of our vision, since this strengthens our own business as well as improving our prospects to be the customer's first choice and one of our customer's closest business partners.

Our corporate responsibility efforts include taking responsibility in the areas of business ethics, social responsibility, human rights, labour conditions, health and safety, well-being, environmental protection, diversity and equality. During the 2015/16 financial year, we concentrated our corporate responsibility efforts on the following five focus areas.

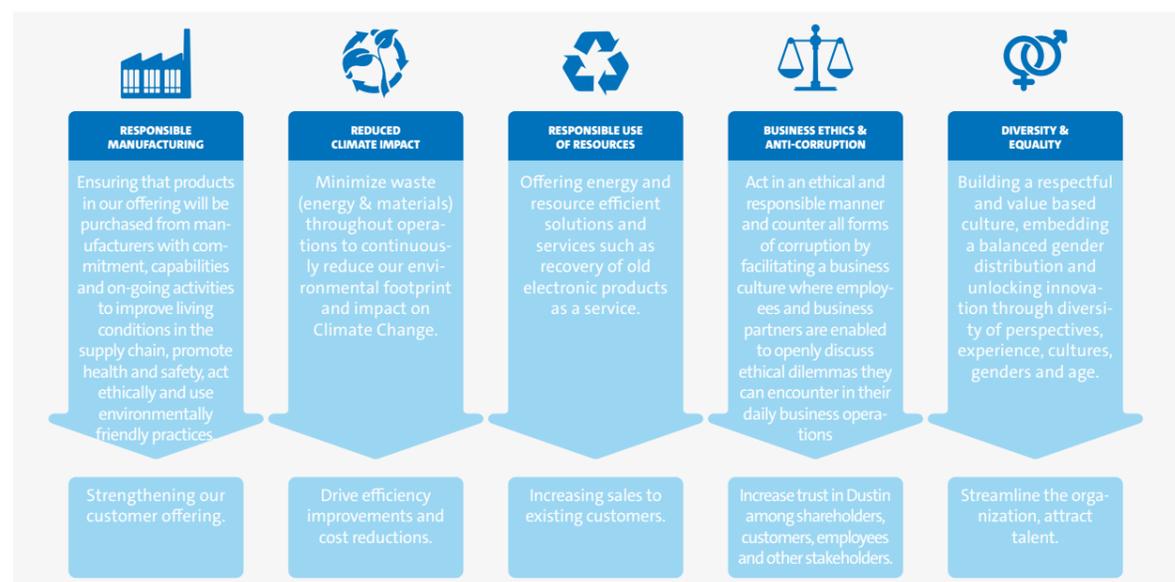
1. Responsible manufacturing
2. Reduced climate impact
3. Responsible use of resources
4. Business ethics and anti-corruption
5. Diversity and equality

Progress during the year and long-term targets in these focus areas are discussed in the section "Development within our focus areas", below.

Our corporate responsibility efforts are based on our overall strategy, as well as the materiality analysis performed during the year. Each focus area has a long-term target. Our strategy is designed to strengthen our position as one of the Nordic region's leading providers in IT by:

- employing a flexible sales model and increasing sales to existing customers
- introducing and strengthening our customer offering to the entire Nordic market
- continuously striving to enhance efficiency

Our corporate responsibility efforts are an important part of all of the company's business areas. We work continuously to integrate corporate responsibility throughout the organisation through systematic efforts, clear guidelines and processes and an aim for constant improvement. Our purpose is to make corporate responsibility a natural part of every employee's daily job and to strengthen and maintain a responsible corporate culture.



Development within our focus areas

During 2014/15, Dustin's executive management team and the Board of Directors established five focus areas with a long-term 2020 target. The focus areas were selected in dialogue with some of Dustin's key stakeholders and ambition level benchmarked externally.



Responsible manufacturing

Target: 100 per cent of our suppliers from whom our total annual purchases exceed SEK 200 000 or equivalent are required to accept the undertakings set out in Dustin's Code of Conduct for Suppliers.

2014/15 result: At the end of the 2014/15 financial year, our largest suppliers, which account for about 85 per cent of sales, signed our Code of Conduct or had their own codes of conduct that correspond to our expectations.

2015/16 result: At the end of the 2015/16 financial year, 97 per cent of our suppliers, from whom our total annual purchases exceed SEK 200,000 or equivalent, had signed our Code of Conduct or had their own codes of conduct that correspond to our expectations. The number of suppliers from whom our total annual purchases exceed SEK 200,000 represented 94 per cent of the total share of suppliers we purchased from in 2015/16, and 96 per cent of purchases measured in SEK. These figures do not include indirect purchases such as office equipment.

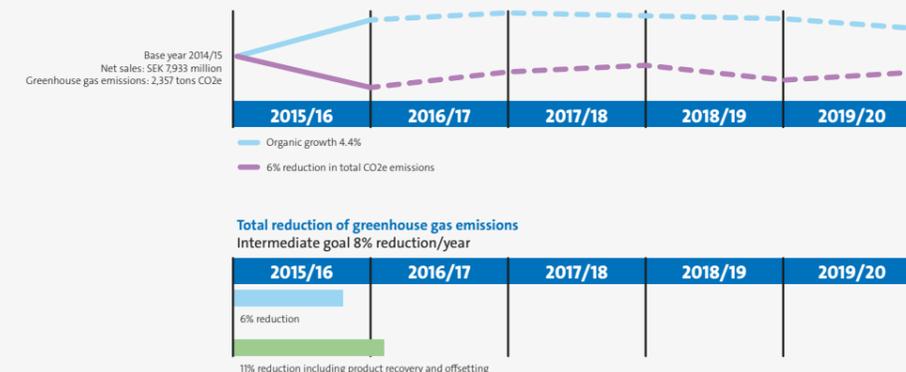


Reduced climate impact

Target: We will reduce our climate impact by 40 per cent by 2020, compared with 2014/15.

2014/15 result: Our base year's measurement shows that our greenhouse gas emissions amounted to 2,357 tons CO₂e ("see the chapter "Effects of any restatements of information provided in previous corporate responsibility report").

2015/16 result: We reduced the total amount of greenhouse gas emissions during the financial year by 6 per cent, at the same time as our organic growth reached 4.4 per cent. This means that satisfactory progress was achieved within the framework of our target to reduce our environmental impact. One of the main reasons behind this was efficiency measures taken in logistics. If we consider greenhouse gas emission savings from the reuse of recovered products, the recycling of waste and offsetting of emissions by one of our logistics partners, our total greenhouse gas emissions declined by 11 per cent.



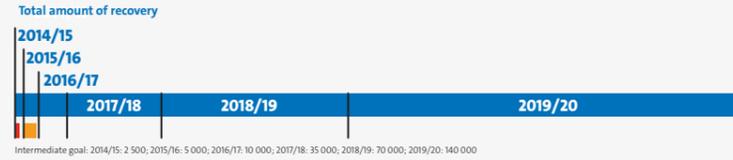


Responsible use of resources

Target: We will have recovered 140 000 sold products by 2020.

2014/15 result: We recovered 1 373 products during the year. 1 138 of them could be reused and 235 could be recycled.

2015/16 result: We recovered 4 592 products during the year. 3 984 of them were reused and 608 were recycled. Since adopting this target, we have recovered a total of 5 965 units, which only constitutes 4.3 per cent of the total number for 2020. One significant reason for this is the fact that our internal recovery process did not enable scalability. This focus area will have high priority during the next financial year in order to improve the result.



Business ethics and anti-corruption

Target: 100 per cent of our business areas will undergo an annual risk assessment concerning business ethics and anti-corruption. 100 per cent of incidents reported will be followed up.

2014/15 result: 100 per cent of our business areas have undergone a risk assessment concerning business ethics and anti-corruption. No incidents were reported.

2015/16 result: 100 per cent of our business areas have undergone a risk assessment concerning business ethics and anti-corruption. One incident was reported and investigated. No incidents of corruption were observed.



Diversity & Equality

Target: By 2020, each gender is to make up at least 40 per cent of the entire organisation.

2014/15 result:
 Total: 78 per cent men and 22 per cent women.
 Management level: 80 per cent men and 20 per cent women.
 Executive management: 91 per cent men and 9 per cent women.
 Board of Directors: 83 per cent men and 17 per cent women.

2015/16 result:
 In 2015/16, we made progress in terms of our equality target at every level of the organisation. The greatest change occurred at the managerial level, where the proportion of women rose by 11 per cent. The distribution between male and female managers is 69 and 31 per cent, respectively. For the company as a whole, the distribution is 73 per cent men and 27 per cent women, which is an improvement of 5 per cent during the year.
 Total: 73 per cent men and 27 per cent women.
 Management level: 69 per cent men and 31 per cent women.
 Executive management: 89 per cent men and 11 per cent women.
 Board of Directors: 71 per cent men and 29 per cent women.



Materiality analysis and stakeholder engagement

We are creating mutual understanding concerning aspects of corporate responsibility that are significant to our business through active engagement with our most important stakeholders. Our first materiality analysis confirms that we are on the right track.

In 2015/16, Dustin carried out its first materiality analysis. The purpose of the analysis was to confirm that our corporate responsibility efforts are focusing in the right areas, and to learn about new focus areas where we might need to devote our efforts. The results were presented to the Board of Directors, as well as members of Dustin's executive management team and Corporate Responsibility Council.

Process

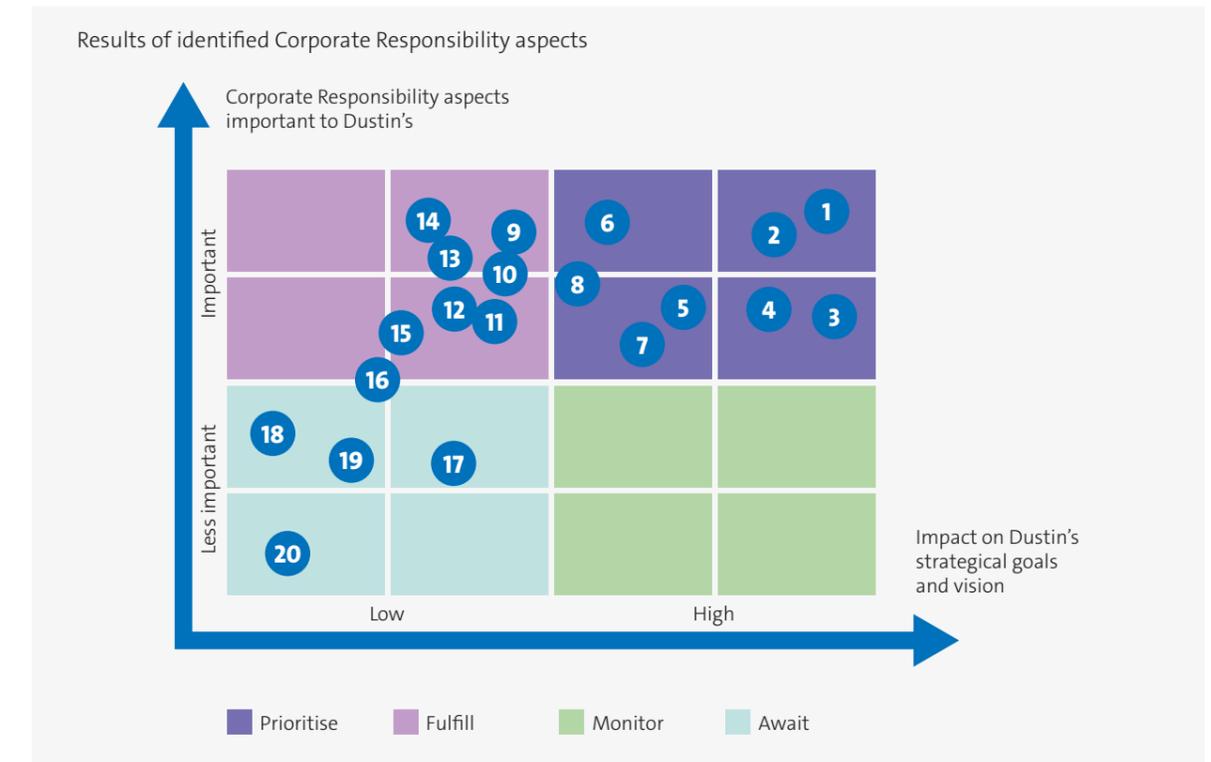
The materiality analysis process consisted of seven stages:

- i) definition of purpose and scope of analysis,
- ii) identification of potential aspects of corporate responsibility,
- iii) categorisation of aspects and issues,
- iv) classification of importance by key stakeholders,
- v) classification of importance to Dustin's strategy and vision
- vi) presentation of results and
- vii) feedback from stakeholders

The materiality analysis encompassed the group's entire business in the Nordic countries.

We identified 20 potential aspects of corporate responsibility by analysing sustainability trends, best practices, industry risks and opportunities. We also considered legal requirements and trends appearing in the IT sector and Dustin's overall strategy.

We surveyed both internal and external stakeholders that influence or are influenced by Dustin's operation. The purpose was to gain an understanding of how important the 20 identified aspects of corporate responsibility were to them. The stakeholders we identified included manufacturers, distributors, customers, business partners, employees, the Board of Directors, the executive management, investors, NGOs and partners. This stakeholder engagement was the most comprehensive Dustin had ever undertaken with regard to corporate responsibility. The analysis was



qualitative, and 77 stakeholders participated.

The 20 identified aspects of corporate responsibility were also analysed by Dustin's internal Corporate Responsibility Council on their importance to the company's vision and strategic goals.

Results and implementation

The results of the materiality analysis were presented in a materiality matrix that showed the importance of each aspect of corporate responsibility to both the stakeholders and Dustin's vision and strategy.

After the results were discussed and analysed by the Corporate Responsibility Council, they were categorised into four areas for implementation:

Prioritise – Aspects of corporate responsibility with the highest priority that require clear direction, continuous follow-up and communication. Together with our already defined 5 focus areas, we will continue to concentrate even more closely on these aspects of corporate responsibility in 2016/17.

Fulfill – Aspects of corporate responsibility that are important to our stakeholders, and for which we want to take direct and/or indirect responsibility. We will also communicate to our stakeholders concerning these aspects.

Monitor – Aspects of corporate responsibility that have a significant impact on Dustin's strategy, where we monitor developments and opportunities. None of the aspects

identified fell within this group.

Await – Aspects of corporate responsibility that are less relevant to our stakeholders, as well as our vision and strategy. These will not be prioritised but they will be watched.

Follow-up

Dustin's cooperation with its stakeholders is an ongoing process that allows us to build relationships and create mutual understanding. Since we have long-term goals for our corporate responsibility efforts until 2020, we have chosen to perform a materiality analysis every two or three years. If significant changes were to be made to the company's strategy or operations, such as geographic expansion or acquisitions, there may be a need to perform the analyses more often. In the near future we will concentrate on fulfilling our established objectives.

Our employees continuously engage with our stakeholders in order to strengthen our relationships and listen to their wishes and expectations. We have well-established communication channels with several of our stakeholders, such as meetings with customers, employee surveys, annual general meetings and supplier meetings.

Dustin has defined the areas of corporate responsibility described in this year's corporate responsibility report based on the results of the materiality analysis and our five focus areas. The areas of corporate responsibility are considered to be important to the entire organisation and our external stakeholders. Our privacy and data protection programme will be reported in the annual report.

Identified corporate responsibility aspects

- 1 Business ethics
- 2 Responsible manufacturing
- 3 Integrity and the protection of consumer data
- 4 Good corporate governance and risk management
- 5 Energy and resource efficient IT service and solutions
- 6 Open communication and transparency
- 7 Simple and effective recovery services for electronic waste
- 8 Certified management system
- 9 Equality, diversity and prevention of discrimination
- 10 Responsible sourcing and usage of raw materials
- 11 Talent attraction
- 12 Employee health and wellbeing
- 13 Sustainable and smart product packaging
- 14 Prevention of climate impact and reduction of environment footprint
- 15 Green and energy efficient product offering
- 16 Eco product design
- 17 Local community engagement and charity
- 18 Purchasing of green electricity
- 19 Water scarcity and diversity
- 20 Environmental lobbying

Governance and follow-up

Dustin regularly reviews its corporate responsibility efforts at all levels of the company. We will safeguard our work on our focus areas and our ability to act responsibly through good governance modelmanagement and clear values. We support our follow-up through measures including group-wide targets and key performance indicators that are broken down into operational targets in all relevant units of the group, as well as through our group-wide risk process.

Governance model

- **Board of Directors** – is responsible for and adopts the group’s business strategy, which also includes its corporate responsibility strategy. The Board of Directors also regularly considers relevant corporate responsibility issues at its meetings. Among the issues considered in 2015/16 were the results of the materiality analysis and planned activities within priority focus areas for future years.
- **CEO and executive management** – the CEO is responsible for day-to-day management, with the support of the executive team. This includes the annual corporate responsibility report, following up the implementation of the corporate responsibility strategy and corporate responsibility related-targets and key performance indicators.
- **The Corporate Responsibility Council** – The council is responsible for the development and implementation

of the corporate responsibility strategy, reporting and corporate responsibility-related targets and performance indicators. The council consists of members of the executive management team and group functions.

- **Head of Corporate Responsibility** – drives the overall development of the corporate responsibility work and monitors the implementation.
- **Office of Ethics and Regulatory Compliance** – is responsible for ensuring an adequate management of ethical and legal requirements and compliance with such requirements. This office also includes a whistleblower function led by the chairman of the audit committee.

For more information on corporate governance, including a description of the management structure and processes, see our Corporate Governance Report.

Our undertakings

Dustin has committed to follow the UN declaration on human rights and the ILO’s core conventions. We have also signed the UN Global Compact, which encompasses human rights, working conditions, environmental protection and business ethics as well as anti-corruption. In addition, we have pledged to follow the OECD guidelines for multinational companies. These undertakings are embodied in Dustin’s Code of Ethics and Code of Conduct for Suppliers, and they apply to all companies within the group.

Governance documents

Dustin’s Code of Ethics is our governing document for correct and responsible behaviour in business, and how to conduct the business in order to meet expectations in the areas of ethics and sustainability. It is a group-wide policy that is based on international standards and encompasses human rights and labour law, environmental and anti-corruption issues.

The Code was adopted by Dustin’s Board of Directors, and is complemented by several underlying policies and

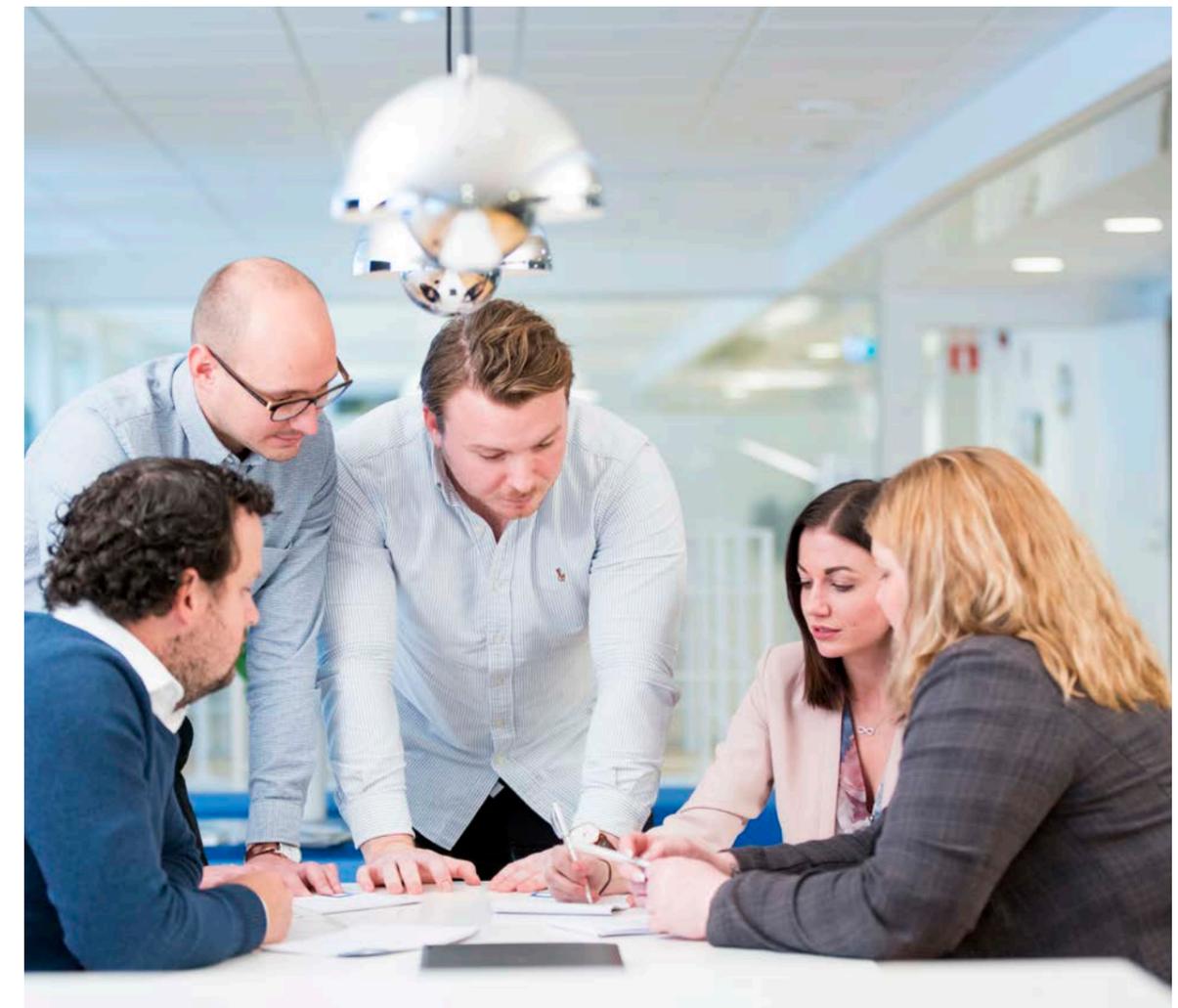
guidelines, such as Dustin’s Code of Conduct for Suppliers, business ethics guidelines as well as several internal instruction governance documents.

We require all employees to read and sign our Code of Ethics as well as our business ethics guidelines. We evaluate the need to revise our policies and guidelines on an annual basis.

Dustin also has an environmental policy, health and safety policy and quality policy that meets the requirements of the ISO 14001:2004 environmental management standard, the requirements found in Swedish Work Environment Authority provision AFS 2001:1 and the ISO 9001:2008 quality management standard.

Group-wide policies and guidelines associated with Dustin’s corporate responsibility efforts:

- Dustin’s Code of Ethics
- Dustin’s Code of Conduct for Suppliers
- Business ethics guidelines
- Environmental policy, health and safety policy



Corporate Responsibility Council of Dustin





Values

Dustin's values, along with its code of ethics, form the foundation for how we promote responsible behaviour within the company. The company's core value is "Win as a team". Continuing our success and working in an ethical and responsible manner throughout the entire value chain require cooperation, both among our employees and with suppliers, customers, business partners and other stakeholders.

Our work approach is characterised by our four support values. They also help us to develop our focus areas for corporate responsibility, where they are applied as follows:

Challenge all cost – we incorporate resource efficiency into our actions, and try to find the best solution from an economic, social and environmental perspective.

Keep it simple – We are pragmatic, and we treat everyone the same and do not complicate things more than necessary.

Live up to promises – we keep our promises, and we are trustworthy and transparent.

Strive to improve – We are characterised by continuous improvement and work proactively and preventatively.

Follow-up of objectives

Beginning in 2016/17, our annual objectives and/or key performance indicators for the five focus areas will be included in the scorecards for each business area and support function where it is relevant.

Dustin's strategic plan is established at the beginning of the financial year, and it includes corporate responsibility. The objectives for the focus areas will thus become part of the regular follow-up between management and functions. This is an important step in our continuing efforts to integrate corporate responsibility throughout the business.

Management system

Dustin's Group-wide guidelines and strategic objectives for environmental protection, health and safety and quality are implemented with the aid of a management system and Lean Six Sigma methodology. The management system helps us to work systematically, continuously and preventively.

In Sweden our business is certified in the areas of quality, the environment and health and safety. Our certification demonstrates that we strive to achieve efficient use of resources, holistic risk management and increased customer satisfaction.



Risk management and internal control

Systematic management of corporate responsibility risks is integrated into Dustin's group-wide risk process, and it helps to ensure that the company's business model is sustainable in the long term.

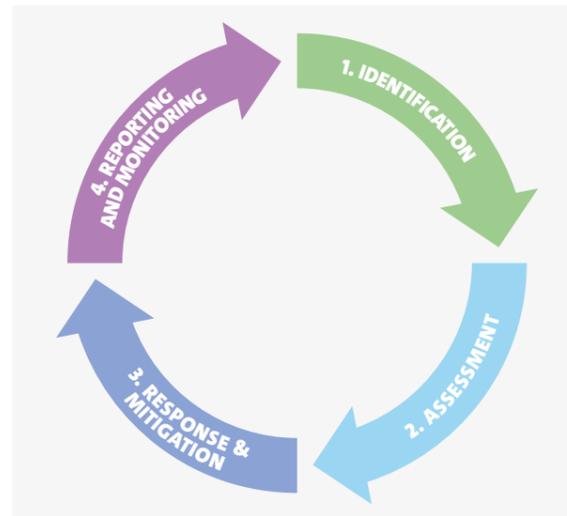
Dustin's group-wide risk management process aims to achieve good control of risk exposure. The process consists of four primary activities: (i) identification, (ii) evaluation and prioritisation, (iii) management and (iv) follow-up and reporting.

Corporate responsibility risks are defined as risks related to environmental protection, business ethics, social responsibility and human rights, health and safety, as well as diversity and equality. Important risks in these areas are regularly evaluated as part of Dustin's risk management process.

All of the risks in Dustin's risk management process are allocated into three categories: external, strategic and operational risks. This risk allocation provides support in the choice of suitable methods to identify both existing and new risks, their interconnection and management.

- **External corporate responsibility risks** – risks related to the industry, countries where the group operates, changes in market conditions, regulatory changes and events beyond the group's direct control.
- **Strategic corporate responsibility risks** – direct risks related to Dustin's value chain - raw materials and products design, component manufacturer, product assembly, inbound logistics and distribution, storage and packing, outbound logistics, product use, reuse and recycling
- **Operational corporate risks** – direct risks related to Dustin's value chain that are identified primarily by surveying processes and audits. Management of operational risks focuses on limiting the probability of the risk occurring, for example, through internal controls or procedure descriptions.

The extent of the corporate responsibility risks is estimated using a risk matrix that takes into account both the risks' potential impact on the business and the likelihood that the risk would occur within a defined time period. The potential impact of the corporate responsibility risk on the



- business is evaluated based on the following criteria:
- The effect on tangible and intangible assets - economic consequences
 - Strategic business goals
 - Operational consequences
 - The group's reputation
 - Business continuity
 - Effect on investors' ESG (environment, social responsibility and corporate governance) analyses of the company
 - Effect on procurements
 - Legal and regulatory compliance
 - Effect on employees' safety and well-being

The company also investigates which risk reduction activities are already established, such as certified management systems and factory audits.

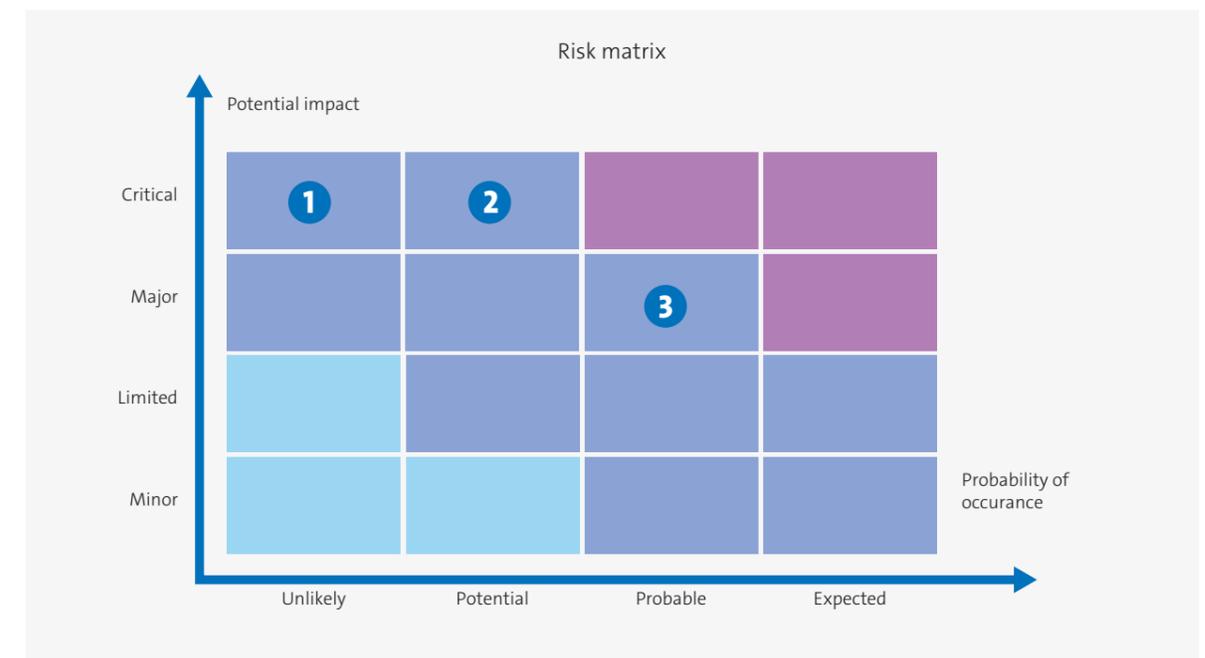
The potential impact on operations is put into the following categories in accordance with Dustin's risk management process: (i) critical, (ii) major, (iii) limited or (iv) minor. The likelihood that the risk would occur is categorised as (i) unlikely, (ii) potential, (iii) probable or (iv) expected. This provides support when deciding on the importance of the risk and how to respond.

Dustin's Head of Corporate Responsibility regularly monitors and analyses external corporate responsibility risks and their potential effect on the group. Each business area and support function analyses, manages and monitors existing internal risks, and identifies any new risks facing the unit.

Dustin designates risk owners for the largest risks. The risk owner is responsible for ensuring that suitable actions are taken within a reasonable time.

Reporting to the group's risk committee is performed on a quarterly basis. The risk committee analyses the risks that have been reported, compiles the group's most important risks and evaluates whether the management of these risks is sufficient. The group's largest risks and the measures for managing them are reported at least twice per year to the Audit Committee.

Below is a selection of risk areas related to corporate responsibility, and a brief description of the measures for managing them.



1

Health & Safety

Description of risk: The risk of significant physical damage (such as fire) to the building or equipment in the central warehouse, and worker safety.

Management: Dustin's central warehouse has a health and safety management system, and it is OSHAS 18001-certified. Fireproof doors and emergency exit signs are inspected every month. External parties perform

continuous inspections of sprinkler systems and fire extinguishers. Once a year a safety inspection is performed attended by the safety representative, Dustin's Nordic warehouse manager, and HR representative and external safety engineer. During a safety inspection in 2015/16, a type of temporary obstacle (pellets, packages, cables) was identified at several emergency exit corridors, which could make evacuation more difficult in case of a fire. The root cause of the non-conformance was analysed and corrected immediately.

2

Business ethics

Description of risk: The risk of bribes in connection with purchases or sales.

Management: Dustin's employees read and sign our Code of Ethics, as well as our business ethics guidelines, as part of the introduction process. Our nine business areas underwent a risk assessment during the 2015/16 financial year. The risk assessment provides the management team in each business area with guidelines for identifying the primary risk areas, how to prioritize them, how to evaluate the effectiveness of current controls and how to follow up on identified risks. Our greatest risks exist in the purchas-

ing process and when entering into major contracts. In 2015/16 we continued to train our employees in business ethics through interactive discussions with new employees, employees of companies that Dustin acquired during the year, and employees within relevant functions in purchasing and sales.

Management 2016/17: In 2016/17, we will launch an updated training programme to additionally raise awareness among employees. The programme will consist of general business ethics via e-learning and practical guidance in terms of business ethics through discussions about ethical dilemmas.

3

Social Responsibility

Description of risk: Violations of Dustin's Code of Conduct for Suppliers.

Management: At the end of the 2015/16 financial year, 97 per cent of our suppliers, from whom our total annual purchases exceed SEK 200,000, had approved and signed our Dustin's Code of Conduct for Suppliers or had their own codes of conduct that correspond to our expectations. All 350 suppliers for direct purchasing were categorised by risk in 2014/15. In 2015/16 six suppliers were categorized as high-risk, because they perform their own manufacturing or purchase on the spot market. Suppliers classified as high and medium-risk undergo an annual self-assessment concerning compliance with the Code of Conduct. The purpose is to receive better insight into how distributors engage in sustainability manage-

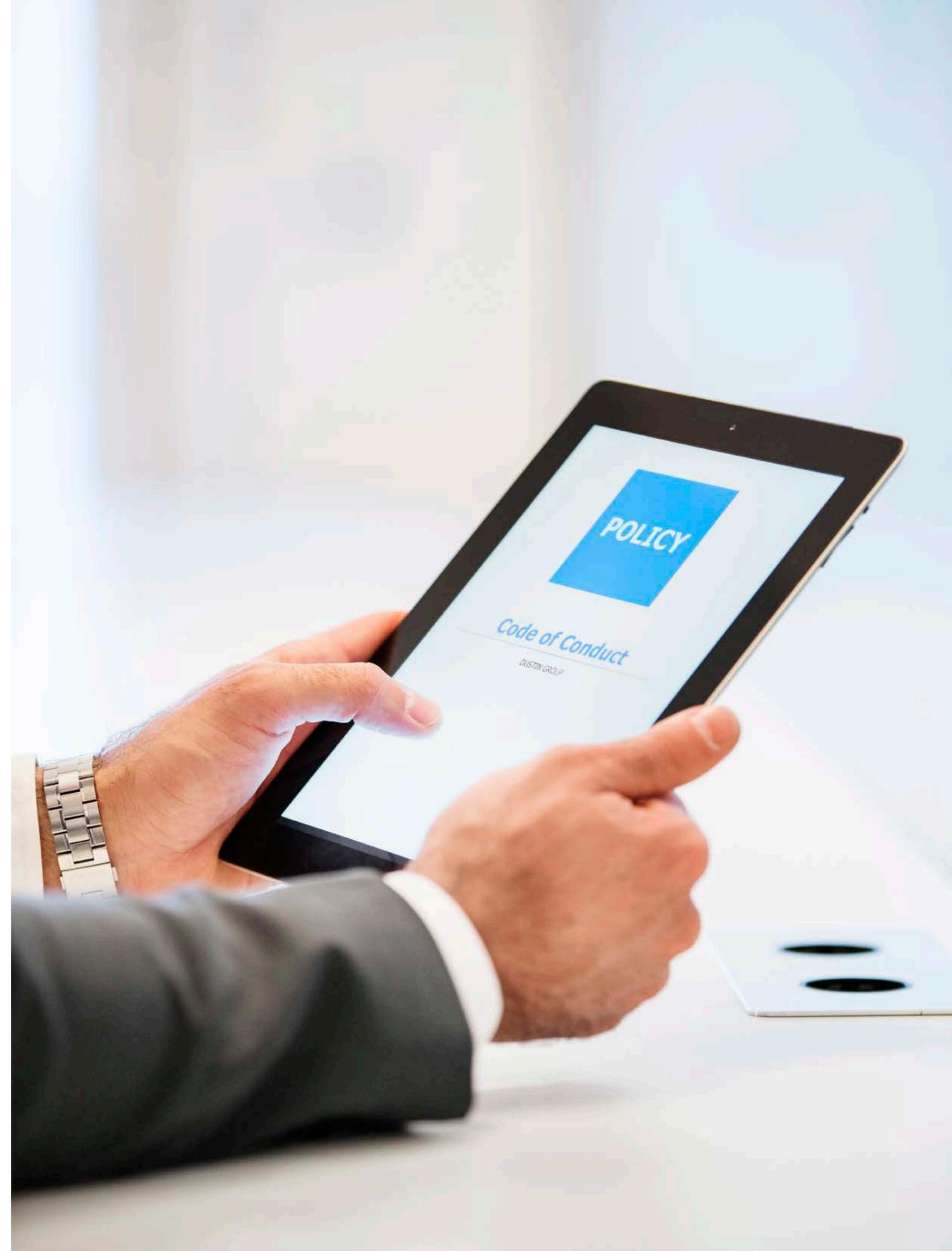
ment, whether they have a code of business ethics or code of conduct and how they ensure that the manufacturers meet the requirements.

Management 2016/17: In 2016/17 we will begin working further down the value chain, with the manufacturers of the products we sell. This work will include assessing the manufacturers' ability to fulfil the requirements we set, monitoring compliance and following up any non-conformance. This will give us greater insight into the manufacturers' ongoing activities, commitment and competence when it comes to safeguarding and improving working conditions in their own factories, outsourced production and the manufacturing of components by sub-suppliers. We will also begin carrying out factory audits and arranging training sessions.

Internal controls in 2016/17

In 2016/17 we will design and implement a framework for internal controls of corporate responsibility reporting and integrate it into Dustin's group-wide internal control

framework. The controls will be based on our five corporate responsibility focus areas. This is how we are further integrating corporate responsibility into the business.





Responsible manufacturing

In 2015/16, we made the decision that in future years we would begin working further down the value chain. The aim is to improve one of Dustin's top priority areas in a more tangible way. Our engagement includes working conditions in the factories, the promotion of human rights, workers' health and safety, environmental protection and ethical behaviour.

Dustin's value chain contains several sustainability challenges. These challenges depend partly on the size and complexity of the chain, but also on our location high up in the value chain.

We define suppliers as our business partners for direct purchases, which includes our distributors and largest manufacturers. If we go further down the value chain, the distributors are closest to us. We cooperate with over 350 distributors, and currently about 80 per cent of our purchasing goes through them. The manufacturers come next. We currently have about 200 000 products in our range that are produced by about 1 200 manufacturers, over 750 of whom manufacture hardware. Production takes place in their own factories or those of their contract manufacturers, which is a common arrangement in the electronics industry. We estimate that there are an equal number of manufacturing plants and products in our value chain. After the manufacturers come the component manufacturers. Depending on its size, electronics products may contain several hundred components and parts.

Corporate responsibility risks in the value chain

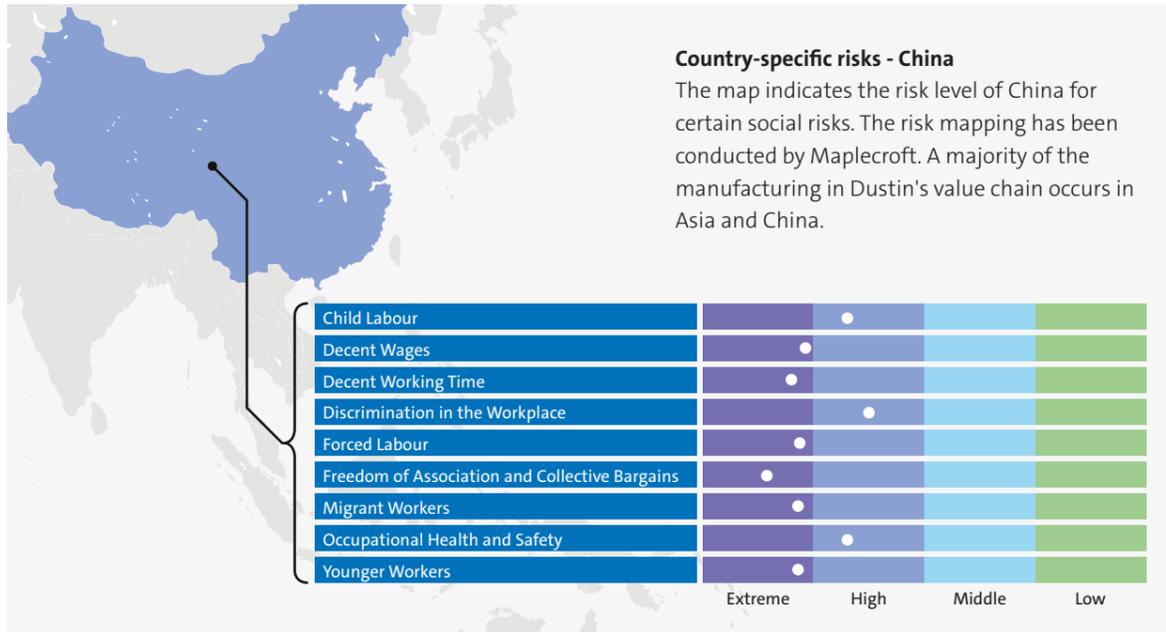
Risk increases further down in the value chain from a sustainability perspective, in other words in the manufacturing of products and components. This is one of the reasons we chose to begin cooperating more actively with the manufacturers.

The first step is to have a good understanding of the various types of risks and to introduce methods to minimise or completely eliminate them. Some corporate responsibility risks are related to our industry, while others can be attributed to the countries where production takes place. Some risks are manufacturer- or product-specific, while others are related to Dustin's internal processes and systems. We will implement internal controls for risks relating to Dustin's internal processes and systems in 2016/17.

We use external and internal resources to gain the best possible understanding of corporate responsibility risks

related to our industry and the countries where our manufacturers operate.

- **Industry-specific risks** – the electronics industry is still labour-intensive and dependent on skilled labour. A high rate of employee turnover and excessively long working hours are some of the potential risks in a factory that may employ thousands of workers. Furthermore, numerous processing chemicals are used during the production of IT products.
- **Country-specific risks** – Certain ethical, social or environmental risks occur to a greater extent in some countries than in others. Examples of these may be discrimination against migrant workers, a lack of freedom of expression and association, and restrictions on the right to collective bargaining. There is also a higher risk of corruption and privacy violations in certain countries.
- **Manufacturer-specific risks** – Many manufacturers are already well on the way to managing their businesses ethically and sustainably. Meanwhile there is a great variation among manufacturers and how far down the chain they work. For example, manufacturer-specific risks may relate to the effectiveness of management systems, the quality of training programmes for factory workers or auditing of subcontractors.



Dustin Code of Conduct for Supplier

Distributors and manufacturers that supply Dustin are obligated to act in accordance with the principles of our Code of Conduct for Suppliers, and in accordance with all applicable laws and regulations.

Dustin's Code of Conduct covers the following areas:

1. Legal requirements
2. Freedom of association and the right to collective bargaining
3. Prohibition of discrimination
4. Salaries and other remuneration
5. Working hours
6. Occupational health and safety
7. Housing conditions
8. Prohibition of child labour
9. Terms of employment
10. Prohibition of forced labour and disciplinary measures
11. Environmental protection and environmental work
12. Conflict minerals
13. Business ethics

We require all new suppliers from whom our total annual purchases exceed SEK 200,000 to sign the Code of Conduct or have their own codes of conduct that correspond to our expectations. The Code has been distributed to existing suppliers and manufacturers. For direct purchases exceeding SEK 200,000, we have followed up to ensure that the Code was signed or that the supplier have their own codes of conduct that correspond to our expectations.

We also require the suppliers to pose equivalent requirements on their suppliers, manufacturers, business partners and others involved in the manufacturing of products and services on our behalf.

We plan to hold web-based training on Dustin's Code of Conduct for Suppliers in 2016/17. The e-learning sessions will target both our purchasing and product organization and our suppliers.

We have zero tolerance for child labour, forced labour, prison labour and bonded labour. We classify them as zero-tolerance incidents of non-conformance that require corrective actions within 48 hours. We are aware of the types of challenges and risks found in our value chain and we work to reduce them. No such incidents of non-conformance came to our attention in 2015/16.

Systematic non-conformance management and follow-up

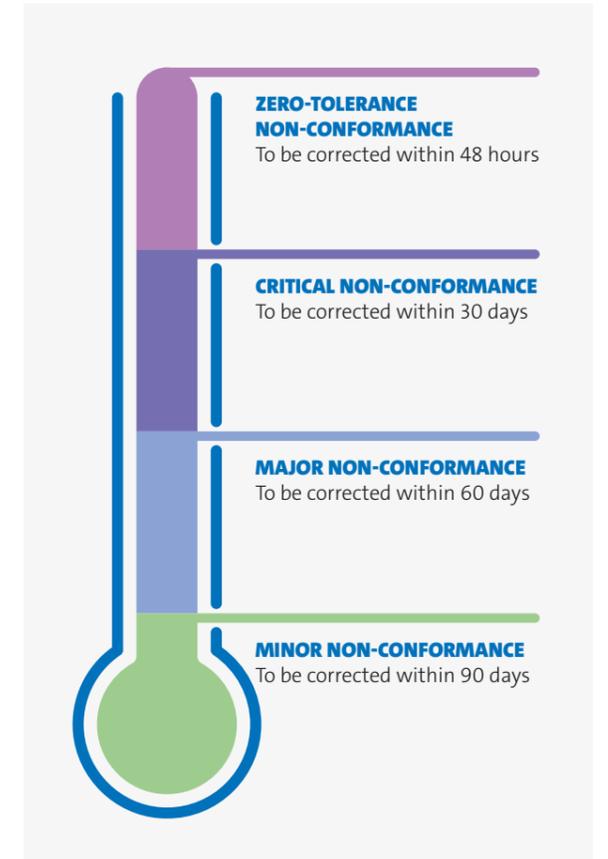
If the case of non-conformance to our Code of Conduct comes to our attention, we review what we can do as a reseller to strive for just working conditions, and what the manufacturer can do to improve the situation in their daily work with the factories. One way for us to drive change as a reseller is to stipulate requirements and regularly review our Code of Conduct in accordance with new framework agreements, conventions and needs. We are also in contact with the manufacturers in order to gain better understanding of working conditions in their existing factories and to exert pressure for follow-up.

We reviewed our approach to managing non-conformance in 2015/16. Our goal is to follow up on our Code of Conduct and management of non-conformance in a way that is more systematic and better integrated. Depending on the

severity level, the manufacturer has a certain number of days to correct the non-conformance, perform root cause analysis and prepare preventive actions. We have identified five different types of non-conformance through industry benchmarking:

- **Zero-tolerance** – Unacceptable finding, with a significant impact that require immediate corrective actions. These are predefined and limited to five different audit findings: 1) the presence of child labour in the facility 2) the presence of forced, prison, bonded labour in the facility 3) high health & safety issues that can cause immediate danger to life or serious injury 4) act or attempted act of bribery 5) falsification of records, licences or permits. The non-conformance must be reported to Dustin's CEO, Vice President Supply Chain, Head of Corporate Responsibility and Head of Legal within 24 hours.
- **Critical non-conformance** – Full violation of the requirement, putting employee safety, employee rights or the surrounding community at high risk or danger.
- **Major Non-conformance** – Significant violation of the requirement. The finding indicates a systematic failure in the management system and the lack of control. The impact on employee safety, employee rights or the surrounding community is moderate.
- **Minor non-conformance** – A partial violation of the requirement. The finding can be regarded as an isolated case or a random incident. The impact on employee safety, employee rights or the surrounding community is low. Minor non-conformances may occur due to inattention or lack of oversight.

- **Observation** – An observation is not a non-conformance. An observation is used in several situations: 1) when there is insufficient evidence to conclusively determine conformity or nonconformity, 2) potential risk of future non-conformance, 3) improvement opportunities, 4) positive finding



Risk assessment and control of suppliers

Dustin's suppliers are categorised by risk as follows: i) Distributors that do their own manufacturing or direct purchasing through their own selected factories belong to the high-risk category. ii) Distributors that purchase products on the spot market belong to the high-risk category. iii) Distributors that purchasing products from well-known manufacturers belong to the medium-risk category. Manufacturers from whom we purchase directly also belong to this category. The distributor or manufacturer has their own code of conduct, but it does not completely meet Dustin's requirements iv) Distributors that purchase products from well-known manufacturers belong to the medium-risk category. Manufacturers from whom we purchase directly also belong to this category. They have their own satisfactory code of conduct and/or are members of the trade Association EICC (Electronic Industry Citizenship Coalition). iv) Software/licence distributors are placed in the low-risk category.

All of our suppliers were categorised by risk in 2014/15. Of our 350 suppliers, 6 were categorised as high-risk, 269 as medium-risk and 75 as low-risk. In 2015/16 6 suppliers still belonged to the high-risk category. All of our new suppliers were also categorised by risk.

High-risk suppliers perform a self-assessment twice per year. The purpose is to receive better insight into how the distributors engage in sustainability management, provided they have a code of business ethics or code of conduct, and how they ensure that the manufacturers meet the requirements. The investigation encompasses social aspects, environmental considerations, health and safety, conflict minerals and business ethics and anti-corruption.

Medium-risk suppliers are expected to perform a self-assessment once per year. The self-assessment is somewhat less extensive but includes the same areas of responsibility. In 2015/16, 55 suppliers submitted a self-assessment. No actions are currently being taken for low-risk suppliers.

Risk assessment and control of manufacturers

We believe that the best way to improve working conditions for factory workers is to go further down the chain and began cooperating with the manufacturers.

Therefore our long-term addition is to begin working more systematically based on the entire life cycle and integrating corporate responsibility aspects at every stage - from how we select products and manufacturers, how we cooperate with manufacturers of existing products to how we conclude business relationships. We call this our end-to-end engagement model.

In 2016/17 our manufacturers will undergo our Compliance Capability Assessment. The purpose is to give us greater insight into their ongoing activities, commitment and competence in order to safeguard and improve working conditions in their own factories, outsourced production and the manufacturing of components by sub-suppliers. This work will include assessing the manufacturers' ability to fulfil the requirements we set, monitoring compliance and following up any incidents of non-conformance. In the long term the Compliance Capability Assessment will apply to both new and existing active manufacturers. We are beginning our assessment with existing and strategically important manufacturers.

We will also perform factory audits under Dustin's leadership, with a group of external experts.

Business ethics

We strive for integrity and compliance with the principles of business ethics throughout our entire business. Our work in this focus area is intended to create an open and responsible culture. We have zero tolerance for corruption and bribes. Continuous training, interactive discussions and risk assessments help us to increase awareness and to act responsibly.

Business ethics is one of the most important aspects of responsible business for Dustin and our stakeholders. We never accept bribes or other violations of our principles of business ethics. We make clear that violations of these principles could lead to termination of the partnership, as well as to consequences under labour law and criminal law.

The purpose of our business ethics efforts is to create a responsible corporate culture and awareness of risks, thus strengthening trust on the part of our stakeholders.

Guidance

Our business ethics guidelines contain a clear framework for all employees to comply with. The guidelines are available in local languages. We require all employees to read and sign our business ethics guidelines.

We apply the following principles in order to avoid the risk of corruption:

- Our employees may not offer or accept any types of gifts or benefits, directly or indirectly, from a third party if it is not considered to be within the boundaries of generally accepted business practices and laws.
- In case of any doubt our employees are expected to seek the advice of their immediate supervisor, executive management or the company's general counsel.

Training

In 2015/16 we continued to train our employees in business ethics through interactive discussions with new employees, employees of companies that Dustin acquired during the year, and employees within relevant functions in purchasing and sales. The training provides guidance based on real scenarios with a focus on anti-corruption, gifts and business entertainment, as well as conflicts of interest. We want to create a corporate culture where employees can openly discuss ethical dilemmas.

In 2016/17, we will launch an updated training programme to intensify the focus on this area. The programme will consist of general business ethics via e-learning and

practical guidance in terms of business ethics through discussions about ethical issues. The general business ethics aspect will be targeted at all employees. We consider e-learning an important step for us in terms to systematically improve the general skills level and include all units in the training.

Compliance

All employees are encouraged and expected to report suspected violations to their immediate supervisor, executive management or the company's general counsel.

There is also a whistleblower system that provides employees with access to the chairman of the audit committee. The system can provide anonymity. The whistleblower function is a secure web-based reporting system. The function is managed by the chairman of the audit committee.

A total of three reports were recorded in 2015/16. All cases were processed, investigated and reported to the chairman of the audit committee. One of the reports was also brought to the attention of the audit committee to be addressed. The most common categories were personnel cases and conflicts of interest. One case of suspected corruption was reported, but was dismissed after investigation.





Diversity and equality

Dustin views diversity as a success factor. To us this means that our employees have different backgrounds, experiences, genders and ages. In our view this leads to a more innovative and creative environment and helps us achieve higher efficiency and job satisfaction.

Diversity and equality

The purpose of our diversity efforts is to take advantage of a variety of perspectives within the company and to create an inclusive corporate culture. We want to be a workplace where we hire and respect one another based on our qualities, experiences, knowledge, expertise, values and skills regardless of factors such as gender, religion, ethnic background, age, race or sexual orientation. We disassociate ourselves from all forms of discrimination. Our annual employee survey contains questions that discuss whether anyone feels harassed or discriminated against. Our recruitment process is a matter of putting together the best and most dedicated team.

To us, diversity partly means demographic diversity such as age, ethnicity, gender, place of residence and civil status. It also means the knowledge-related diversity such as education, professional experience in position, as well as value-related diversity such as lifestyle, work approach and outlook on life.

Dustin promotes a balanced gender distribution at all levels of the organisation. Our corporate responsibility goal for 2020 is for each gender be represented by at least 40 per cent and no more than 60 per cent.

We consider the following aspects to be decisive to our efforts:

1. When we recruit managers, we endeavour to have at least one man and one woman with equal competence among those considered the foremost candidates. In 2016/17 we plan to establish KPIs and to follow up the recruitment process more systematically.
2. Train both recruiting managers within the company and external recruitment partners in diversity and equality. In 2015/16 Dustin provided instruction to its managers, and in 2016/17 we are focusing on external partners.
3. Career pages on the website that attract a wider diversity of candidates. Dustin launched its new career site in 2015/16.
4. Equalize the variation in results that we see between countries. While Sweden has come a long way towards its equality objective, the gender distribution in Denmark, Finland and Norway remains unequal. This will be a priority area in 2016/17.
5. Support initiatives to increase the number of women in the IT industry. In Sweden, we are driving the Women in Business and are involved in Womentor, which is intended to help companies in the IT and telecom industry that want to work systematically to increase the proportion of female managers. In 2015/16 Dustin organised two Women in Business networking meetings, and in 2016/17 we are planning similar events in Denmark, Finland and Norway.

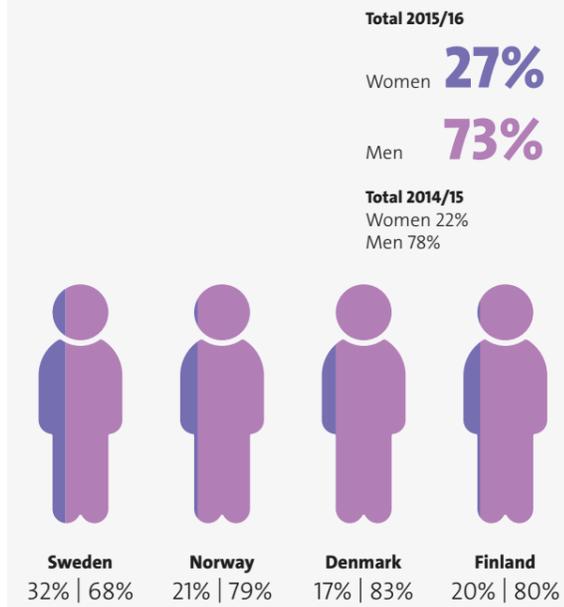
In order to come even further in our efforts to achieve greater diversity and equality, we began our Nordic "Diversity & Equality" team to plan activities in every country and to inspire and guide managers and employees. An "Diversity & Equality" ambassador has been designated in every country to increase the focus on the area.

2015/16 results

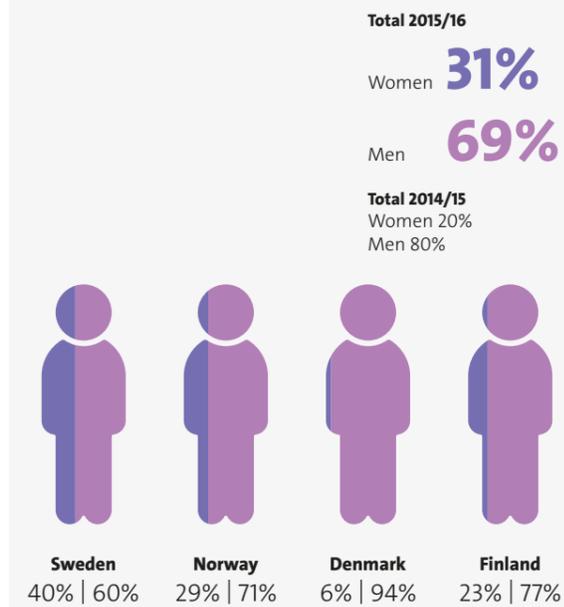
In 2015/16, we made progress in terms of our equality target at every level of the organisation. The largest increase in female employees was seen at managerial level, where the proportion increased by 11 per cent, and on the Board of Directors where it increased by 12 per cent. We also achieved our intermediate goals at all levels, except the

proportion of women in executive management where the increased was only 2 per cent. Our acquisitions IT-Hantverkarna, Idenet and Commsec are not included in the calculations. They constitute about 20 per cent of Dustin's total employees.

Gender balance at Dustin, total



Gender balance at management level, total



Gender balance in the executive management and the Board

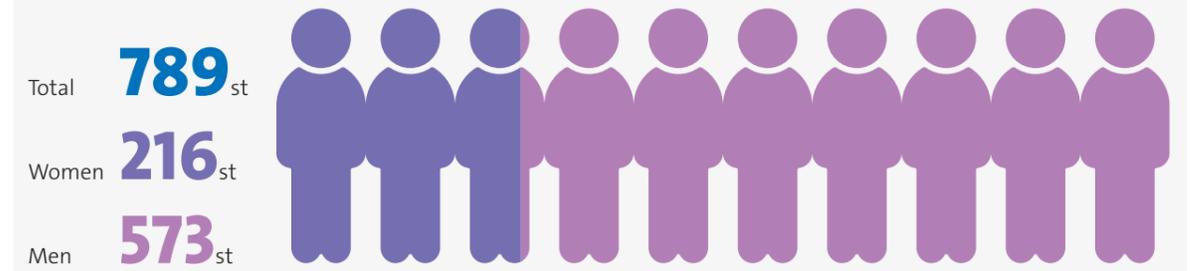


Age breakdown at Dustin 2015/16



The gender balance at Dustin can be considered comparable with the gender balance at medium-sized companies in the IT industry

Employees at Dustin



Full-time employees 2015/16



Part-time employees 2015/16



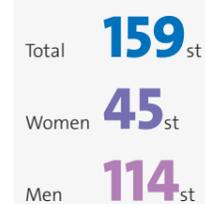
Dustin as a company has few part-time employees. The same proportion of men and women chose to work part-time.

Breakdown by country

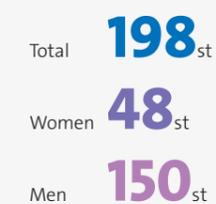
	Women	Men
Dustin Sweden	157	327
Dustin Norway	21	79
Dustin Denmark	19	92
Dustin Finland	19	75

Staff turnover

Number of new employees 2015/16



Number of leavers 2015/16



Age	Total	Per cent
<29	87	55%
30-49	61	38%
50+	11	7%

Age	Total	Per cent
<29	65	33%
30-49	111	56%
50+	22	11%

Country	Total	Per cent
Sweden	121	76%
Norway	11	7%
Denmark	17	11%
Finland	10	6%

Country	Total	Per cent
Sweden	124	63%
Norway	39	20%
Denmark	22	11%
Finland	13	6%

The relatively high number of leavers during the financial year was partly due to efficiency measures in Sweden and Norway, which led to a lower rate of recruitment to replace leavers.

Occupational health and safety

A good and safe working environment is a fundamental issue for Dustin. We continuously evaluate our efforts in this area in order to make continuous improvements. Our objective is to create a working environment where employees are motivated and thriving - physically, psychologically and socially. This is achieved by integrating health and safety into everything we do, and encouraging leadership that promote safety and professional growth at all levels. We also want to help employees understand that it's possible to prevent accidents with the right behaviour.

Our activities in Sweden are governed by a health and safety management system according to the requirements of the OHSAS 18001 standard, and from now on of the ISO 45001, as well as the AFS 2001:1 provision. The line organisation bears the responsibility. Managers coordinate and drive ongoing health and safety efforts, and create a good working environment through participation and joint responsibility on the part of employees. All Dustin employees have at least one professional development meeting with their manager every year.

We have implemented comprehensive leadership programmes in Sweden, Denmark and Norway in order to further strengthen leadership. Through this programme, our managers have come to understand the value of trust, how to coach and provide feedback, how our brains work and how to create-performing teams.

All employees in Finland are covered by a collective bargaining agreement. 15 per cent of Dustin's employees in Sweden are covered by collective bargaining agreements, while the employment conditions of the rest resemble a collective bargaining agreement. None of Dustin's employees in Denmark and Norway are covered by collective bargaining agreements.

2015/16 results

The number of work-related injuries declined in 2015/16. Injuries due to workplace accidents, other injurious effects of work and accidents on the way to and from work are all categorized as work-related injuries. Work-related injuries that do not require medical treatment also fall into this category. These are minor injuries (first aid level).

Work-related injuries related to Dustin's business have always been light and few in number. Examples of typical work-related injuries are cuts, crushing injuries, lifting injuries and falling products. The trucks in the central warehouse constitute one of the larger work-related risks. However, we have succeeded in reducing the risks related to the trucks and avoiding injuries thanks to active preventive actions.

The preventive action we are currently taking:

- In addition to a truck driving licence requirement, the driver must demonstrate the ability to drive properly and safely.
- The importance of driving cautiously is emphasised that all department and safety meetings.
- We avoid piece rates, i.e. giving the truck drivers a certain time to perform a certain amount of work.

Total absenteeism rose from 2014/15 to 2015/16. However, the proportion of work-related absenteeism declined. We define absenteeism as the proportion of total working hours that employees are absent from work due to illness. We define work-related absenteeism as the proportion of total working hours that employees are absent from work due to illness caused by work.

Absenteeism	Total		Work-related	
	2014/15	2015/16	2014/15	2015/16
Sweden	4,01 %	4,7%	-	0,05%
Norway	2,86%	2,42%	0,19%	0%
Denmark	3,51%	3,55%	1,32%	0,09%
Finland	1,60%	2,61%	0%	0%

Total work-related injuries	2014/15	2015/16
Sweden	2	3
Norway	0	0
Denmark	1	1
Finland	4	0
Total	7	4





Reduced climate impact

Dustin's greatest environmental impact is caused by energy consumption, use of materials, waste and greenhouse gas emissions. Viewed over the products' entire life cycle, the greatest environmental impact occurs during manufacturing and usage. By viewing environmental aspects as a tool for continuous improvement, we continue to challenge ourselves, our customers and our suppliers to reduce our impact on the environment.

One of Dustin's focus areas for corporate responsibility is the climate, and reducing our business's effect on the environment. Aspects that have been identified as important are energy consumption, emission of greenhouse gases, resource usage, recovery, reuse and recycling. The environmental aspects related to Dustin's own operation are evaluated on a regular basis. Examples of these aspects are warehouse space and properties (offices and store), as well as operations directly linked to Dustin such as customer deliveries.

The company's group-wide corporate responsibility target for the environment is to achieve a 40 per cent reduction in greenhouse gas emissions by 2020. This target helps us contribute to the UN global climate action goal, (goal 13).

We consider the following aspects to be critical to our success with our climate goal:

1. **A life cycle perspective** – we are establishing direct targets for our own operations, while simultaneously working to obtain an overall view of the environmental consequences caused by products during different stages of their life cycle. We are also expanding our commitment, together with our customers and suppliers, to reduce this impact.
2. **Focus on continuous improvement** – we work on environmental issues based on a management system approach: structured, systematically, preventative and with a focus on continuous improvement. Our operations in Sweden, the central warehouse and the head office, are ISO 14001-certified.
3. **Trustworthy and transparent reporting** – Dustin's climate impact is reported in accordance with the Greenhouse Gas (GHG) Protocol. This method takes the six most important greenhouse gases into account: carbon dioxide (CO₂), methane (CH₄), nitrous oxide or laughing gas (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF₆). We annually report our progress as part of our Corporate Responsibility Report, which complies with the independent international Global Reporting Initiative (GRI) standard.

Dustin's distribution process and logistics system

Dustin's distribution process and logistics system are based on a central warehouse in Sweden that handles about 20,000 products per day. The warehouse in Sweden is complemented by a smaller warehouse in Finland and third-party logistics solutions in Norway, as well as direct deliveries from suppliers to end customers. In the 2015/16 financial year, about 65 per cent of net sales went through Dustin's central warehouse, and the equivalent of about 10 per cent of net sales passed through the warehouse in Finland. The remainder was sent directly from suppliers.

Energy consumption and greenhouse gas emissions

Dustin's energy consumption is attributable to electricity consumption, heating and cooling. Our consumption is reported in kilowatt hours (kWh). We take into account all of our properties (offices and store) in the Nordic countries, as well as our central warehouse, our smaller warehouse in Finland and leased warehouse space in Norway. We strive to reduce our consumption and related emissions of greenhouse gases by optimising our use of space and choosing green electricity. At present 43 per cent of our properties have a green electricity contract, and 80 per cent of the properties have a green heating contract. Our focus for 2016/17 is to increase the proportion of green contracts.

Our central warehouse is Green Building-certified. Dustin's office in Norway and the Dustin Concept Store in Stockholm are located in environmentally certified buildings.

Our climate impact is reported in accordance with the Greenhouse Gas (GHG) Protocol. The calculations take Scope 1, Scope 2 and Scope 3 into account.

- **Scope 1** - Direct emissions of greenhouse gases from company-owned vehicles.
- **Scope 2** - Indirect emissions of greenhouse gases from electricity consumption, heating and cooling.
- **Scope 3** - other indirect sources of greenhouse gas emissions related to the company's operations. This includes outbound transports, business travel, off-premises data centres, leasing vehicles, recycling of waste and reuse of old devices.

2015/16 results

Total greenhouse gas emissions amounted to 2 215 tons of CO2 equivalents. The total includes Scope 1, Scope 2 and Scope 3 emissions. The largest amount of greenhouse gas emissions (70 per cent of the total) depends on transports, followed by electricity consumption, heating and cooling of properties. During the year we and our logistics partners performed efficiency projects to address issues such as the filling factor of trucks and a decrease in the number of pallets. The project contributed to a 16 per cent reduction in greenhouse gas emissions per kilogram of transported products. Our choice of green electricity helped us to reduce emissions within our properties by 8 per cent, even though we opened our Dustin Concept Store in 2015/16. These two measures also affected the total quantity of emissions, which declined by 6 per cent. If emissions prevented thanks to recycling of waste, reuse of sold devices and offsets are taken into account, Dustin's total greenhouse gas emissions declined by 11 per cent.

In order to reach our target of a 40 per cent reduction by 2020, we need to reduce our CO2e emissions by about 8 per cent per year. We are extremely satisfied with our results for the year, since we experienced a 4.4 per cent increase in growth at the same time.



GHG Emissions	2014/15	2015/16
GHG Scope 1 - direct emissions from company-owned vehicles (kg CO2e)	14 216	18 805
GHG Scope 2 - indirect emissions from purchased electricity, heating and cooling (kg CO2e)		
GHG Scope 2 – 'market-based'	511 711	470 897
GHG Scope 3 (other indirect emissions)		
Emissions from outbound transports (kgCO2e)	1 720 593	1 558 357
Offset emissions from transports (kg CO2e)	-40 996	-43 620
Emissions from business travel, by air and by train (kg CO2e)	37,479	85 648
Emissions prevented through reuse of old devices (kg CO2e)	-33 035	-122 891
Emissions prevented through recycling of waste (kg CO2e)	-36 660	-42 260
Emissions from off-premises data centres (kg CO2e)	0	0
Emissions from leasing vehicles (kg CO2e)	72 616	81 400
Total (Scope 1, Scope 2, Scope 3, kg CO2e)	2 356 615	2 215 107
Total including offsets, recycling and recovery (kg CO2e)	2 245 924	2 006 336

Energy consumption for the 2015/16 financial year amounted to 3 800 MWh. Over 80 per cent of our energy consumption comes from renewable energy sources. Our 20 000 sqm central warehouse is the largest single source. Despite our efficiency measures, our total consumption

rose by 1.4 per cent compared with 2014/15. The cause of the increase was primarily because we opened the Dustin Concept Store, which is included in the energy consumption calculations for 2015/16.

Energy	2014/15	2015/16
Electricity consumption, total (kWh)	2 431 460	2 513 687
Heating, total (kWh)	1 234 280	1 212 204
Cooling, total (kWh)	91 608	82 850
Total energy (kWh)	3 757 348	3 808 741

Responsible use of resources

Resource efficiency

Efficient use of resources is a high-priority issue for Dustin. We strive to reduce the total amount of waste we create, while at the same time increasing the quantity of products we recycle. Reduced use of materials accomplishes both cost savings and lower climate and environmental impact. Our focus is on reviewing how we can reduce waste management in our own business, while increasing recovery of products.

Dustin's business creates waste of various types. We segregate the waste into multiple categories in order to maximise opportunities for recycling.

- **Non-hazardous waste** – The total amount of non-hazardous waste generated. This includes wood, cardboard, waste paper, plastic, combustible household waste, coloured and non-coloured glass, metal and aluminium cans.
- **Hazardous waste** – Hazardous waste is waste that is explosive, inflammable, corrosive, infectious or toxic to humans and the environment. Hazardous waste is segregated in accordance with local legislation. This waste includes batteries and fluorescent lamps, as well as electronics. We recover waste consisting of electrical and electronic products as part of our producer responsibility.

2015/16 results

In 2015/16 we generated 449 tons of non-hazardous waste at our central warehouse and head office. This was a decline of nearly 10 per cent compared with 2014/15. The reduction in non-hazardous waste was primarily due to more efficient use of materials at the warehouse. At the same time, the quantity of hazardous waste declined from nearly 257 tons to 123 tons. The total quantity of hazardous waste includes hazardous waste from our own operation at the central warehouse, such as fluorescent lamps, batteries and old electronics equipment, as well as electronics waste that we as a producer are responsible to take back. Also included are products we recovered that could not be reused, and were sent for recycling instead. Our reporting system does not currently allow us to measure the proportion of hazardous waste that comes from each source, and thus what is the primary cause of the reduction. However, no hazardous waste was sent to the landfill. All of it was reused or recycled or the energy was recovered.

Non-hazardous waste	2014/15	2015/16
Recycling (kg)	121 307	88 720
Energy recovery (kg)	373 650	359 980
Landfill (kg)	1 000	0
Total amount of waste (kg)	495 957	448 700

Hazardous waste	2014/15	2015/16
Recycling (kg)	207 348	101 225
Energy recovery (kg)	49 417	21 868
Landfill (kg)	0	0
Total amount of hazardous waste (kg)	256 765	123 093

Product recovery

At Dustin, we endeavour to extend product lifetimes by encouraging our customers to return them to us when they no longer need them. Firstly, we ensure products are reused as second-hand products. Secondly, we ensure they are recycled. By 2020, we aim to have recovered 140 000 sold products.

2015/16 results

In 2015/16 4 592 sold products were recovered. 3 984 of these products could be reused, and the remaining 608 were recycled. The total quantity of recoveries more than tripled compared with last year, 2014/15. However, we are far from our target of 140 000 products. Therefore, in the next year recoveries will be an important focus area for us.

Recovery of electronic products	2014/15	2015/16
Products reused (quantity)	1 138	3 984
Products recycled (quantity)	235	608
Total GHG emissions savings (kg CO2e)	33 035	122 891

The quantity of products reused or recycled includes desktop computers, laptops, tablets, mobile phones, monitors, servers, networking equipment and printers. Examples of products not included in these figures include mice, keybo-

ards, cables, laptop docking stations, external hard drives, removable hard drives, CDs, backup tapes and removable computer components.

Our offering

Dustin's customer offering is based on a broad range of products and their associated services and solutions.

Altogether, Dustin offers its customers about 200 000 hardware and software products from more than 1 200 brands. Our hardware offerings include computers, smartphones, tablets, servers, networking products, printers, cables, keyboards, televisions and cameras. The types of software we offer are operating systems, Office suites, security software, and software as a service (SaaS), such as Office 365.

It's simpler to choose the eco-label

As part of our corporate responsibility efforts, we want to make it easier for customers to find products that are a bit better for the climate. This is why we launched a new category in the web shop in 2015/16 that allows customers to filter their search down to a number of internationally

recognised eco-labels. Dustin currently offers its customers 1 600 eco-labelled products.

In order to eco-label a product, the manufacturer must minimise the product's environmental impact during its entire life cycle: during manufacturing, usage and after it is discarded. In practice this means that the environmental requirements that eco-labelled products meet may concern issues such as recycling, using recycled materials in the manufacturing, the product's lifetime, packaging size and materials, and restriction on hazardous substances in the product. Other issues include energy savings functions and other steps that reduce the product's climate impact. Different eco-labels fulfil one or more requirements to varying degrees.

Dustin has chosen to use several recognised Nordic, European and international labels: Svanen, Blå Ängeln, TCO Certified, Epeat, Energy Star and EU Ecolabel.

Product category (draft)	Number of eco-labelled products available	% eco-labelled products in product category
PC (laptops)	320	48%
Printers (only multifunction & laser)	223	57%
Monitors	178	42%
TV	13	10%

Active memberships



THE CONFEDERATION OF SWEDISH ENTERPRISE

Dustin is a member of the employers' organisation Almega, which is part of the Confederation of Swedish Enterprise. The Confederation of Swedish Enterprise is the representative of companies in Sweden. Its long-term goal is for Sweden to regain its pole position in the international prosperity league. Its mission is to heighten awareness of the importance of Swedish enterprise, and to work to ensure that all companies in Sweden have the best possible prospects to operate and grow. It lobbies decision-makers on issues ranging from tax legislation to companies' long-term needs for qualified staff and procurement issues. In 2010 Dustin became a member of the employers' organisation Almega and its industry group Tjänsteföretagen.



WOMENTOR

A leadership and mentoring programme that supports companies in the IT and telecom industry that want to work systematically to increase the proportion of female managers. Dustin became a programme participant in 2015.



WWF

Since 2014, Dustin has had an active partnership with WWF in a series of priority areas such as reducing greenhouse gas emissions, efficient resource management throughout the life cycle of products and responsible recycling. Dustin also supports WWF's Climate Solvers project, an initiative to identify technological solutions that can combat climate change.



UN GLOBAL COMPACT

Dustin signed the UN Global Compact in 2015. The company works strategically with the 10 principles of sustainable business in the areas of human rights, working conditions, environmental protection and anti-corruption.

Reporting principles and scope

This is Dustin Group AB's second corporate responsibility report. It encompasses the group's corporate responsibility efforts during the financial year from 1 September 2015 to 31 August 2016.

Dustin's overall ambition for this corporate responsibility report is for it to be relevant, comparable and transparent. The corporate responsibility report has been prepared in accordance with the international Global Reporting Initiative, (GRI) standard. Its reporting is in accordance with G4 guidelines, and at the "Core" level. The report showcases our corporate responsibility efforts within the framework of the five focus areas. We have identified the aspects that are important to Dustin and our stakeholders based on the five focus areas and our materiality analysis. The aspects are considered to be important to the entire organisation and our external stakeholders. All general standard

indicators are reported. As far as specific standard indicators are concerned, the reporting is based on at least one indicator per important aspect.

The indicators are stated in the GRI Index in this report on pages 42-44. The reporting principles for data collection, boundaries and measurement are described in the paragraph below. The reporting content has not been assured by third party.

If you have any questions please contact:
Georgi Ganev, President and CEO
georgi.ganev@dustin.se

The reporting is performed in accordance with the GHG Protocol, and includes Scope 1, Scope 2 and Scope 3 emissions. We chose the "operational control" approach for consolidating greenhouse gas emissions. This means that we calculate units based on whether we can introduce policies and operating measures, rather than on the basis of financial control and economic interest. For this reason, the following emission sources are used:

- Trips with vehicles owned by Dustin (Scope 1)
- Electricity consumption, heating and cooling of Dustin's offices in Sweden, Norway, Denmark and Finland, the Dustin Concept Store in Sweden, Dustin's central warehouse in Sweden and smaller warehouse in Finland, and Dustin's leased warehouse space in Norway (Scope 2)
- Outbound transports from warehouses to customers. This includes transports from Dustin's own warehouses in Sweden and Finland, from its leased warehouse space and Norway and drop shipment direct deliveries from distributors to customers (Scope 3)
- Dustin's off-premises data centres (Scope 3)
- Leasing vehicles for staff (Scope 3)
- Business travel by train and air (Scope 3)
- Recycling and energy recovery of waste from the head office and central warehouse (Scope 3)
- Reuse of recovered sold units (Scope 3)

Data collection and measurement

Environmental data is collected through the group's environmental reporting process. Group-wide definitions are used for all environmental parameters in order to increase quality.

The same consolidation principles have been used for environmental data and personal data, and they include all majority-owned companies within the group with the exception of IT-Hantverkarna, Commsec and Idenet. All data have been collected in accordance with Dustin's reporting period 1 September to 31 August for both 2014/15 and 2015/16.

Personal data have been collected separately from countries where the group operates and have been consolidated at the group level. Certain GRI indicators concerning our employees have not been broken down by age group and country, when the difference between the ages was not considered material. The number of consultants working at Dustin is small, and they are not included in the reporting of employee data.

Greenhouse gas emissions

The total amount of greenhouse gas emissions is reported in kg CO2 equivalents, and primarily includes CO2 greenhouse gases. Biogenic emissions are insignificant and have not been reported.

Specific emission factors have been used to calculate all Scope 1, Scope 2 and Scope 3 emissions.

Energy

The total quantity of energy consumed is reported in kilowatt hours and includes electricity consumption, heating and cooling. The calculations encompass all of Dustin's office properties, the central warehouse, the warehouse in Finland, the Dustin Concept Store and leased warehouse space in Norway. The reporting boundary is in accordance with the calculations of Scope 2 emissions. Consumption furthermore includes electricity and cooling at off-premises data centres.

The office properties in Sweden, Norway, Denmark and Finland are used only partly by Dustin, and their energy consumption is allocated based on space. The same applies to the warehouse in Norway as well as the Dustin Concept Store. For the data centres, consumption is allocated using PUE (Power Usage Effectiveness) values.

Non-hazardous waste

The total reported quantity of non-hazardous waste represents Dustin's non-hazardous waste from its head office and central warehouse. Other properties or warehouse space are not included.

Hazardous waste

The total reported quantity of hazardous waste only represents hazardous waste from the central warehouse and electronics waste that we as a producer are responsible to take back. Dustin does not currently have an accepted method to measure the quantity of hazardous waste from our other properties that is sent for recycling.

Recovery of electronics products

The total number of recovered products represents our recovery service in Sweden. Dustin does not currently have any existing recovery channels for the other countries. Instead, the products are sent to Sweden. The quantity of recovered products includes desktop computers, laptops, tablets, mobile phones, monitors, servers, networking equipment and printers. Examples of products not included in these figures include mice, keyboards, cables, laptop docking stations, external hard drives, removable hard drives, CDs, backup tapes and removable computer components. CO2 savings are only calculated for products that can be reused.

Absenteeism and work-related injuries

The consolidation principles for absenteeism and work-related injuries are the same as those used for environmental data and personal data, and they include all majority-owned companies within the group with the exception of IT-Hantverkarna, Commsec and Idenet.

Absenteeism and work-related injuries have not been broken down by gender when the difference between the genders was not considered material. The number of consultants working at Dustin is small, and they are not included in the reporting of absenteeism and work-related injuries.

Effects of any restatements of information provided in previous corporate responsibility report

As a result of the correction of historical data, new calculation methods and changes to the scope of the report, the environmental report for energy, greenhouse gas emissions (Scope 1, Scope 2 and Scope 3) and waste has been recalculated for 2014/15. This has made it possible to calculate the results for 2014/15 and 2015/16 in a uniform manner concerning boundaries and allocation, so that they are comparable.

As a result of the recalculations, net greenhouse gas emissions for 2014/15 declined from 2 811 tons CO2e to 2 357 tons CO2e. This was due to factors including the use of heating and electricity location-based emission factors for properties and warehouse space, and partly because a miscalculation/decimal point error for business travel was found in the 2014/15 reporting.

A small adjustment to the number of recovered products for 2014/15 was also made due to a miscalculation in last year's corporate responsibility report. The number rose from 1 272 to 1 373.

Significant changes from previous reporting period

The Dustin Concept Store property began operating in October 2015, and it is included in the measurements for 2015/16.

In October 2015 the company acquired Commsec, and in April 2016 it acquired Idenet. These acquisitions are not included in the corporate responsibility report. These companies have a total of about 60 employees.

The precautionary approach

The precautionary approach is one of the fundamental principles for sound accounting standards applied by Dustin. The precautionary approach is currently being applied to corporate responsibility as needed, for issues such as the purchasing of chemical products for warehouses and offices. However, the principle is not defined in detail in the company's general policies and guidelines

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STEP BY STEP | 
FOR SUSTAINABLE IT