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SUSTAINABLE DEVELOPMENT

Sustainable development and CSR (Corporate Social Responsibility) are fundamental for DistIT business activities and operations. This is partly due to demand from customers, employees and other third parties and partly because CSR and sustainability issues create new business opportunities for us.

Everything we do affects our immediate surroundings in some way. We are responsible for our business activities and for the impact we have on the environment and on human beings. Our customers have demanding standards and we know that these also include assuming our responsibility as a company. Therefore we have a deliberate environmental policy.

We work purposefully to integrate CSR (Corporate Social Responsibility – or Corporate Responsibility) within our business and as part of our daily activities. This includes responsibility both from an economic, environmental and social perspective, such as work for improved working conditions in supplier factories, ethical issues, the approach to human rights and regarding the environment. These issues are fundamental to all DistIT activities. Companies within the DistIT Group shall be responsible business partners and operate sustainable business based on business ethics, anti-corruption, human rights, working conditions, equality and ethnic diversity as well as use of resources. The ambition is that all companies within the DistIT Group will adapt their operations to this policy wherever possible.

CSR manager at DistIT AB (publ.) is Mehrdad Motazed - mehrdad@distit.se

ENVIRONMENTAL RESPONSIBILITY

Introduction

Our environmental impact is primarily due to freight transportation, energy consumption and waste and packaging. We are actively working to minimize our environmental impact in each of these areas. Even in the choice of personal transport and electricity suppliers we take into account the environmental impact.

OUR ENVIRONMENTAL POLICY

DistIT AB (publ) and its subsidiaries strive to conduct business with as little environmental impact as possible. We all have a considerable responsibility for our common environment both as a company and also as individuals. Therefore, we are constantly striving to improve our routines and processes within the environment and quality.

We shall therefore

- increase knowledge and awareness of environmental issues among all staff and employees
- influence, place demands and cooperate with other companies, suppliers, agencies and organizations
- view measures that improve the environment as investments
- constantly strive to improve the utilization of our resources within the company itself

Environmental organization

Since 2008, environmental issues are performed by environmental manager Mehrdad Motazed. The coordination and integration of our company activities and with our suppliers are improved via the environmental manager. Our environmental work includes projects and activities related to all activities within the Group and its subsidiary companies. There is ongoing integration in connection with our business development. In order to eventually achieve harmonization and standardization of our quality assurance work.

Action plan

We have established an action plan based on our objective. This action plan includes the following:

Waste separation

We sort and separate our waste returning paper for recycling

Energy saving measures

One defined goal is to increase the use of computers and suitable computer software in order to reduce the use of paper to spread information to staff, customers and suppliers. The company uses low-energy lightbulbs in light fixtures wherever possible.

Environmentally-friendly purchases

One defined goal is to always consider environmental aspects when purchasing products used in business activities and operations, ranging from vehicles and fuels to the photocopy paper and pens. This has resulted in a shift to more environmentally-friendly products. Compliance with these requirements is mandatory and is something which is discussed at staff meetings.

Environmental demands on our products and services

The products and services which we market must be made of materials that can be recycled or using previously recycled materials wherever possible. One of the company objectives is removing products from the business that are not manufactured in an environmentally-friendly manner or which contain hazardous substances. We are affiliated with REPA (REPA is the industry solution for manufacturer responsibility regarding plastics, metal, paper/cardboard and corrugated cardboard) which is the industry solution for manufacturer responsibility regarding packaging made of plastic, metal, paper/cardboard and corrugated cardboard. REPA's mission is to provide all companies with access to the nationwide recycling system for packaging. By joining REPA we fully fulfill the demands made on us in the Packaging Ordinance (SFS 2006:1273). Reparegistret AB was previously a wholly-owned subsidiary of the Packaging and Newspaper Collection (FTI). Due to the merger on April 1, 2013 the subsidiary ceased to exist and the manufacturing companies which were affiliated with REPA therefore became FTI customers and affiliated.

Electrical and electronic equipment contain health and environmentally-hazardous substances. They may pose a risk to human health and also the environment, especially during waste management.

The RoHS (Restriction of Hazardous Substances) directive aims to reduce risks to human health and to the environment by replacing mercury, cadmium, lead, hexavalent chromium and the flame retardant PBB (polybrominated biphenyl) and PBDE (polybrominated diphenyl ethers) in electrical and electronic equipment by using less hazardous alternatives or alternative technology. The RoHS directive restricts the content of these substances in electrical and electronic equipment

Another objective of the directive is to improve opportunities for profitable and sustainable recycling of waste from such equipment.

We abide by the WEEE directive (Waste Electrical and Electronic Equipment) regarding electrical waste and assume our manufacturer responsibility through our membership in the national system for waste management.

We are also a member of El-Kretsen which is the business sector service company and whose assignment it is to fulfill the manufacturer responsibility for electrical and electronic products and batteries. The legislation governing manufacturer responsibility and thus forming the basis for El-Kretsen operations is SFS 2005:209; 2005:210 and 2008:834. The supervisory authority for this and which is responsible for enforcing the legislation is the Swedish Environmental Protection Agency

Supplier environmental demands

One of the company's environmental objectives is to influence our main suppliers encouraging them to always take environmental issues into consideration as part of production and operations.

Using the best possible fuel and reduced fuel consumption

One of the environmental objectives established for the business stipulates the best possible fuels and calls for measures aimed at reducing fuel consumption in the transportation of goods and products.

Environmental information for staff, customers and suppliers

All company employees must be aware of the company's environmental goals. Through oral and written communication our customers are informed about our ongoing environmental work. We have a continual and ongoing dialogue with our suppliers about measures that improve the environment.

CORPORATE RESPONSIBILITY

At DistIT AB (publ.) and its subsidiaries, quality does not just mean that our products meet or exceed customer expectations. It also means that production will take place under good conditions and that our customers will be satisfied with us as a company. Assuming responsibility for how humans and the environment are affected by our activities is also an important prerequisite in order for all of our subsidiaries to be able to grow with continued good profitability. Here we explain how we achieve this.

OUR CODE OF CONDUCT

Objective

The aim or objective of this code of conduct is to create a common set of values to work by in conjunction with our suppliers.

DistIT AB (publ.) is a Swedish parent company that aims to acquire, own and develop niche distributors in IT, mobility, consumer home electronics, networking and data communications primarily within the Nordic and Baltic countries. DistIT Group companies will deliver both B2B and B2C products for the IT market in the Nordic region and the surrounding area.

Our customers have high demands and we know that these also include us as a company assuming our full responsibility.

Long-term relationships with stakeholders, good work methods and practices and high standards of business ethics and morals are key success factors for sustained growth and sustainability

The DistIT Code of Conduct is based on the United Nations declaration on Human Rights of 1948, the UN Convention on Children's Rights, the International Covenant on economic, social and cultural rights of 1966, the ILO (International Labour Organisation) conventions and the other current and relevant international standards concerning human rights and labor.

Factory visits should be carried out on a regular basis by both our staff and also by independent third parties. Suppliers are responsible for ensuring that this Code of Conduct is implemented in their business activities. Our suppliers are also required to ensure that all their suppliers, subcontractors, manufacturers and business partners involved in the production of goods and services on behalf of companies in the DistIT Group fully comply with this policy. In addition to the DistIT Code of Conduct, suppliers must comply with national laws and regulations.

Our supplier requirements:

1. Forced labor

Suppliers are not permitted to participate in or benefit from any form of forced labor as penalty labor, slave labor and human trafficking. Workers must enjoy full freedom of movement during their employment. The employer is not permitted to demand workers to deposit their identity documents or provide any form of security.

2. Child labor and young workers

Suppliers are not permitted to participate in or benefit from child labor. No employee should be under 15 years of age (or 14 years where so permitted by national laws).

When allocating work tasks, special consideration shall be given to the age of the employee to not risk causing injuries, risk safety or morals.

3. Non-discrimination

Suppliers shall not participate in or support discrimination based on race, color, gender, language, religion, political opinion, caste, sexual orientation or any other characteristic features.

Employment, financial compensation, benefits, promotion, etc. shall only be based on relevant and objective criteria.

4. Right to be organized

Workers must be fully entitled to join a trade union or organize themselves in other manners in order to negotiate collectively without any interference from the employer. In cases where trade unions are not permitted, or only state run trade unions are available, the supplier should make it easier for workers to organize themselves to discuss work-related problems and opportunities.

5. Health and safety

Suppliers must ensure that employees work in a safe and healthy environment, including but not limited to, protection from fires, accidents and hazardous chemicals. The employer must provide employees with the necessary safety equipment and training in order to be able to perform their work tasks in a safe manner.

Clean drinking water and toilets should be available to all workers. If the company provides accommodation the above shall also apply to this accommodation.

6. Employment and working terms and conditions

Suppliers shall protect workers from all forms of degrading treatment including physical, sexual or verbal abuse. Suppliers must comply with laws and legislation or industry practice (that which has the highest level) for salaries and benefits. The salary shall be sufficient to enable the worker and his immediate family members to be able to enjoy a decent level of existence.

All employees are entitled to a written contract written in their national language, parental leave, sick leave and paid holidays. National laws are seen as the minimum.

The normal working week shall be limited to 48 hours. Overtime shall be voluntary, rare and never exceed 12 hours per week. The employee is entitled to at least one day off per week and enough breaks and sufficient rest periods between shifts.

7. Working environment

Suppliers should comply with health and safety regulations in accordance with international standards in cases where the domestic legislation is weak or poor. The active cooperation between management and workers and/or their representatives is essential for developing and implementing systems that ensure a safe and healthy working environment. This can be achieved through the implementation of work safety committees.

Suppliers should ensure that there are systems in place to detect, assess, avoid and respond to potential threats to worker health and safety. They shall take effective measures to prevent workers from having work-related accidents, injuries or illnesses. These measures should aim to minimize the causes of workplace hazards.

Suppliers should continually strive to improve worker safety and protection in the event of an accident, including via compulsory insurance coverage systems.

Worker safety is top priority at all times. No dangerous equipment or unsafe buildings will be accepted. Suppliers shall take the appropriate measures to ensure the stability and safety of equipment and buildings that they use and to protect against any foreseeable emergency.

8. Corruption and bribery

Suppliers must refrain from bribing or otherwise improperly influencing government officials, individuals from judiciary or other individuals in positions of power in order to gain an unfair advantage in commercial contexts.

9. Responsibility for the origin of certain minerals

Suppliers shall have a policy to ensure as far as possible that tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that commit serious violations of human rights in the Democratic Republic of the Congo or an adjoining country. Suppliers shall carry out checks on the processing and traceability of these minerals and also make their control measures and checks available to customers upon the request of the customer.

10. Environmental protection

Suppliers shall strive to reduce their negative impact on the environment by controlling, among other things:

- the use of natural resources, water and energy
- air and water emissions

- disturbing sounds and noise, bothersome odors and factory dust emissions
- potential and actual soil contamination
- management of hazardous substances
- management of hazardous and non-hazardous waste materials
- execution and management of products. (design, packaging, transportation, recycling, etc.)

Suppliers shall strive for continuous improvement in their environmental work. National laws are seen as minimum

11. Zero-tolerance rules

DistIT Group companies have no business relationships whatsoever with suppliers who are involved in human rights violations.

We view the following, therefore, as unacceptable:

- exploitation of bonded labor, forced labor, including prison labor and human trafficking.
- all forms of child labor, including forced labor, child prostitution and any other work that could endanger the health, safety and morals of the child.
- harsh, inhuman or degrading treatment or punishment of staff and employees.
- exposing workers to life-threatening work environment where they have not been informed about the risks involved and where no safety measures have been taken.
- intentional contamination of water, air or significant soil pollution.
- participation in violations of international humanitarian law and other crimes against humanity as defined by international law.

If DistIT Group companies have reason to believe that any such violations have been repeatedly committed by suppliers, the company will terminate the business relationship with immediate effect and in the case of more serious crimes, the company may also notify the appropriate national authorities.