As sustainable as IT gets

Corporate Sustainability Report 2021

KIMBRER COMPUTER
Your professional hardware partner

Contents

About this report
This is Kimbrer Computer's first annual report on corporate sustainability. The report, which is inspired by the Danish Financial Statement Act § 99a, addresses the initiatives taken and the impact made by Kimbrer Computer in the entire value chain. The report covers the Kimbrer Computer Group, and unless stated otherwise all data and activities mentioned in the report covers the fiscal year 2021.

Letter from our CEO

We are very pleased to present Kimbrer Computer's report on corporate sustainability 2021.

Although this annual report is our first, sustainability is by no means new to us at Kimbrer. In fact, sustainability has always been at the very heart of our business.

As we emphasize throughout the report, our core business, selling used and refurbished hardware, is simply as sustainable as IT gets. That is, our products and our way of doing things can be an important key for our customers to markedly reduce the negative climate impact of their digital infrastructure.

As a supplier of hardware solutions, we play an important role in our customers' value chain. By embracing the circular economy and recycling preowned hardware, we help our 10,000 customers in their efforts to become more sustainable.

So as part of an industry that traditionally leaves a substantial carbon and waste footprint, we have a unique potential to be part of the solution.

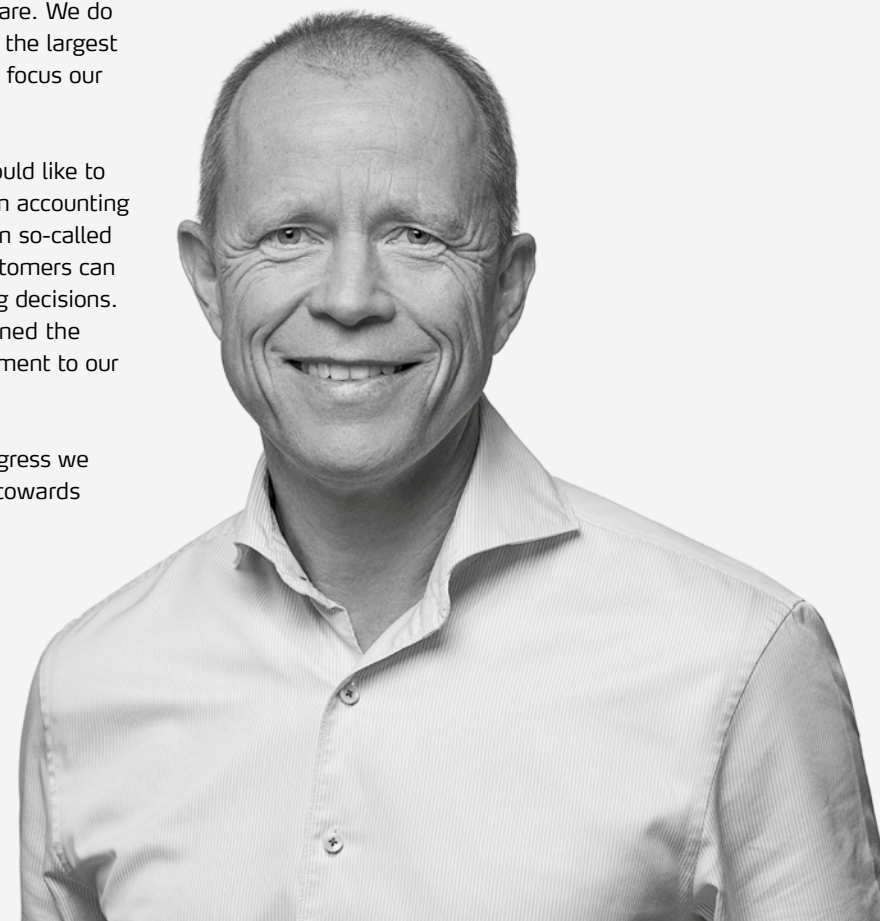And just that, serving our customers and being a catalyst for their business success, is the very reason for our existence. Which in the world of today involves saving both money and CO_2.

In this report, we focus on climate & environment and people & culture – what we do and who we are. We do so, because it is in these two areas, we find the largest impact of our operations and hence here we focus our attention and resources.

Among our many initiatives from 2021, I would like to highlight our very first comprehensive carbon accounting report. And our new CO_2 calculator, based on so-called lifecycle assessment, where we and our customers can get an idea of the climate impact of sourcing decisions. Thirdly, 2021 was the year where we obtained the reputable ISO 14001 certification as a testament to our work in the area.

All in all, we are quite satisfied with the progress we have made in 2021. And still, the journey towards sustainability has just begun.

Best Regards,
Bjarne Aarup, CEO

Highlights from 2021

400,000+
Used and refurbished units sold in 2021

<2%
orders returned

7,000
Tons of CO_2 saved for customers

11,000+
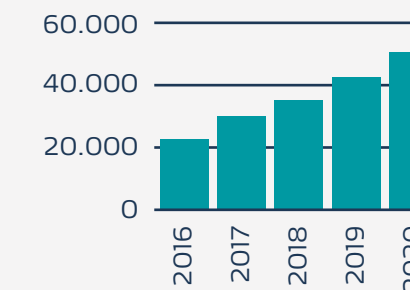Customers served
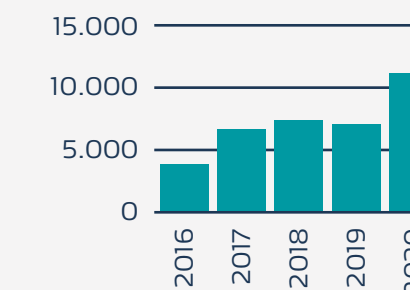
100%
Of business ISO14001 and ISO9001 certified
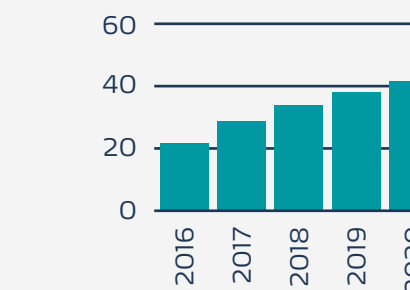
4.9 / 5
Customers' rating on Trustpilot

Gross profit

Profit

People

Business model and strategic ambition

Best quality	Largest selection of parts	Fast response and shipping	Best price	Sustainability		World´s best
✓	+	+	+	+	=	

Business model
Our core business is buying and selling used and refurbished IT hardware. Products (servers, memory devices etc.) are bought, dismantled, and picked up from enterprises and professional sellers. Upon the hardware's arrival at the Kimbrer Computer warehouse, all data is securely deleted from devices, tests conducted, and individual parts prepared for recycling/refurbishment. On average, 96% of parts are reused and resold on the global market.

Value proposition
Our value proposition is to offer customers the best quality in hardware, the largest selection of parts, and the fastest response and shipping on the market. We aim to create long lasting customer relations by offering second-to-none product knowledge, staying humble and always keeping our promises.

In addition to this, our value proposition has to do with the role we play in the circular economy. Since used and refurbished hardware is a more sustainable solution than buying new hardware, Kimbrer Computers' products and offering can be an important key for customers to markedly reduce the negative climate impact of their digital infrastructure.

Strategic ambition
It is our strategic ambition to become the world's best warehouse for used and refurbished hardware. Not the world's biggest, but the world's best measured in terms of quality, customer satisfaction, employee satisfaction, and financial performance.

Customers, products and markets

For more than two decades, Kimbrer Computer has helped customers all over the world fulfil their need for fast, scalable and cost-efficient IT infrastructure.

Kimbrer Computer offers a broad range of used and refurbished servers, storage systems and network products from a number of leading brands.

Kimbrer Computer focuses on

- *End-users:* Large and small companies all over the world
- *Service providers:* Companies helping end-users run their IT-operations
- *Business partners:* Companies that deliver infrastructure solutions to end-users
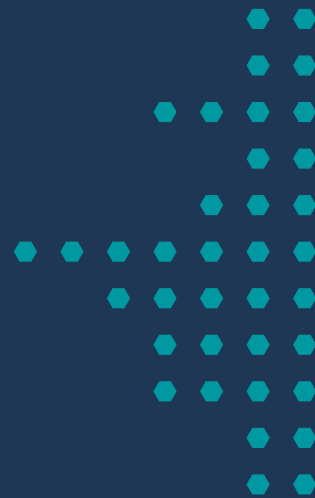
Across the three segments, Kimbrer Computer serves more than 10,000 customers.

Kimbrer Computer is active in more than 80 countries. Core markets are Denmark, Germany, the Netherlands, France, Italy, and Spain.

Kimbrer Computer is active in more than 80 countries

Netherlands

Denmark

Germany
France
Spain

Italy

● Core markets

Potential sustainability risks related to business model

	Risk	Mitigation
Waste management	Irresponsible processing of IT waste.	Kimbrer buys and sells products with long lifetime. When and if we procure hardware that is not useable, this hardware is collected by Stena Recycling for responsible handling. 100 % of Kimbrer's business is certified according to ISO 14001.
Circular economy	Kimbrer Computer acknowledges that we may cause, contribute to or be linked to adverse impacts on the environment and human rights in our value chain. Both regarding upstream activities, i.e. manufacturing of new products and 3TGs, and downstream regarding proper handling at the products' end-of-life.	In 2022, Kimbrer will undertake work to further address the risks.
Working Environment	Kimbrer Computer is going through a period marked by extreme growth and high customer activity. This entails the risk of stress and deterioration of working environment.	Kimbrer Computer has always focused on being a great place to work and a company, where all employees are heard. In spite the extremely high activity level, not a single employee has quit the job during the last two years.
Transportation	As a refurbished hardware warehouse, Kimbrer Computer's business involves a substantial amount of transportation and thus potentially a substantial CO_2 emssion.	Work is in progress to increase use of road transportation (over air) and cardboard packaging (over wood).
Data security	Kimbrer Computer receives hardware (servers, memory devices etc.) potentially containing sensitive data. If these devises are not handled correctly, data leads can occur.	All data-bearing media that leave the Kimbrer warehouse are deleted and certified according to international standards.
Purchasing	Unethical behavior toward sellers of hardware.	Zero-tolerance policy. No cases detected. Anti-corruption policy on 2022 roadmap.
Customer relations	Unethical behavior toward enterprise customers.	Zero-tolerance policy. No cases detected. Anti-corruption policy on 2022 roadmap.

Climate & environment

Lifecycle Assessment & Carbon Footprint Calculator

At Kimbrer Computer, we have an ambition to be at the forefront of the implementation of circular economy in the IT business. Hence, attention to climate and environment in every stage of our value chain is an integral part of our work.

We continually strive to provide our customers with the best refurbished IT solutions available on the market. This effort is vital both to our business and to the environment, as electrical and electronic equipment generates more than 50 million tons of waste annually.

Today, only 20% of electronic waste is estimated to be either collected or recovered, while the other 80% is disposed of either through the traditional residual waste stream, or on landfill.

Furthermore, both production, transportation, and use of IT equipment leaves a substantial carbon footprint.

This presents us with a huge opportunity, as a significant part of the equipment that cause the emissions and later ends up as waste can in fact be recycled and reused. Refurbishing pre-owned hardware saves energy and finite resources that would otherwise be consumed in the manufacturing of new products, which carries considerable negative impacts on the environment.

Therefore, Kimbrer Computer and the industry as a whole have an ever-increasing incentive to promote refurbishment and prolonging the life of already manufactured products as a means to utilizing products in an environmentally optimized way.
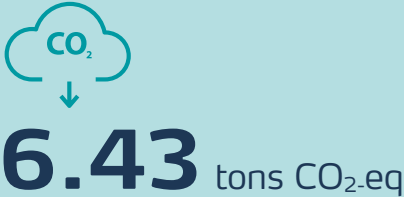
To illustrate the potential of refurbishment, we have conducted a series of life cycle assessments (LCA) that seek to inform our customers of the environmental benefits of buying refurbished hardware solutions, compared to newly manufactured ones. In these analyses, we compare the total environmental impact of a newly manufactured product, to its refurbished counterpart.

We are still refining the calculator, e.g. to involve ever more products, but we are already very comfortable with the quality of calculations. In general, we have applied a conservative approach.

Our analyses show that on a typical refurbished unit such as a server*, customers can save 643 kilograms of CO_2 emission – compared to buying a similar new product. Added together, this means that Kimbrer Computer helps customers save more than 7,000 tons of CO_2 emissions per year.

"In 2021, Kimbrer Computer will help customers save more than 7,000 tons of CO_2"

By purchasing 10 refurbished Lenovo ThinkSystem,* you will save a total of:
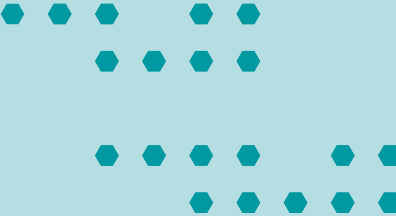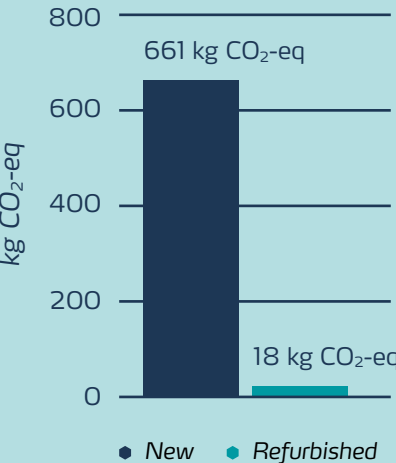
6.43 tons CO_2.eq

This is equivalent to:

Driving
Round the globe
with a newly registered car

* High-end configuration 1U server 7X02CTO1WW

Environmental impact of Lenovo ThinkSystem

661 kg CO_2-eq

18 kg CO_2-eq

kg CO_2-eq

- New
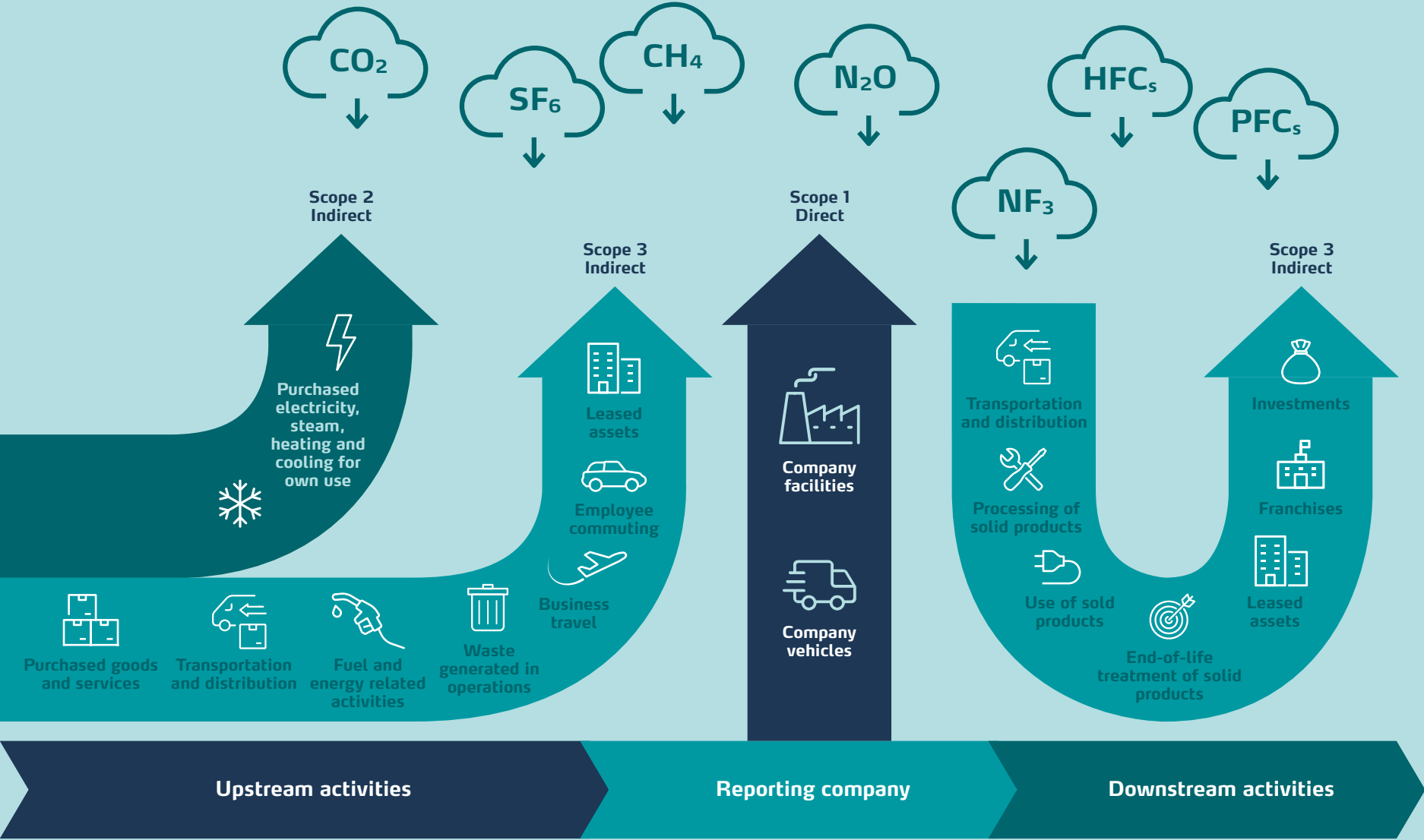- Refurbished

Carbon Accounting Report

At Kimbrer Computer, we take our corporate responsibility very seriously, and we are aware of the impact our business activities potentially have on the world around us.

As an important part of our sustainability efforts, we map and report our emissions of climate gasses. In 2021, we publish our first comprehensive carbon accounting, in which we show all relevant emissions from our business activities.

In our carbon accounting, we focus on three areas:

- **Scope 1:** Direct emissions from sources owned or controlled by the company, e.g. production facilities and transportation in company-owned vehicles.

- **Scope 2:** Indirect emissions from external sourcing of energy, e.g. electricity and heating,

- **Scope 3:** Other indirect emissions caused by the company's business activities, but stemming from sources that the company doesn't control, e.g. business travel, activities carried out by suppliers, transportation of goods, outsourced activities etc.

Given the nature of Kimbrer Computer's business, special emphasis is on electricity, downstream transportation (road and air) and materials used for packaging.

CO_2

SF_6

CH_4

N_2O

HFC_s

PFC_s

NF_3

Scope 2
Indirect

Scope 3
Indirect

Scope 1
Direct

Scope 3
Indirect

Purchased electricity, steam, heating and cooling for own use

Leased assets

Employee commuting

Business travel

Company facilities

Company vehicles

Transportation and distribution

Processing of solid products

Use of sold products

Investments

Franchises

Leased assets

End-of-life treatment of solid products

Purchased goods and services

Transportation and distribution

Fuel and energy related activities

Waste generated in operations

Upstream activities
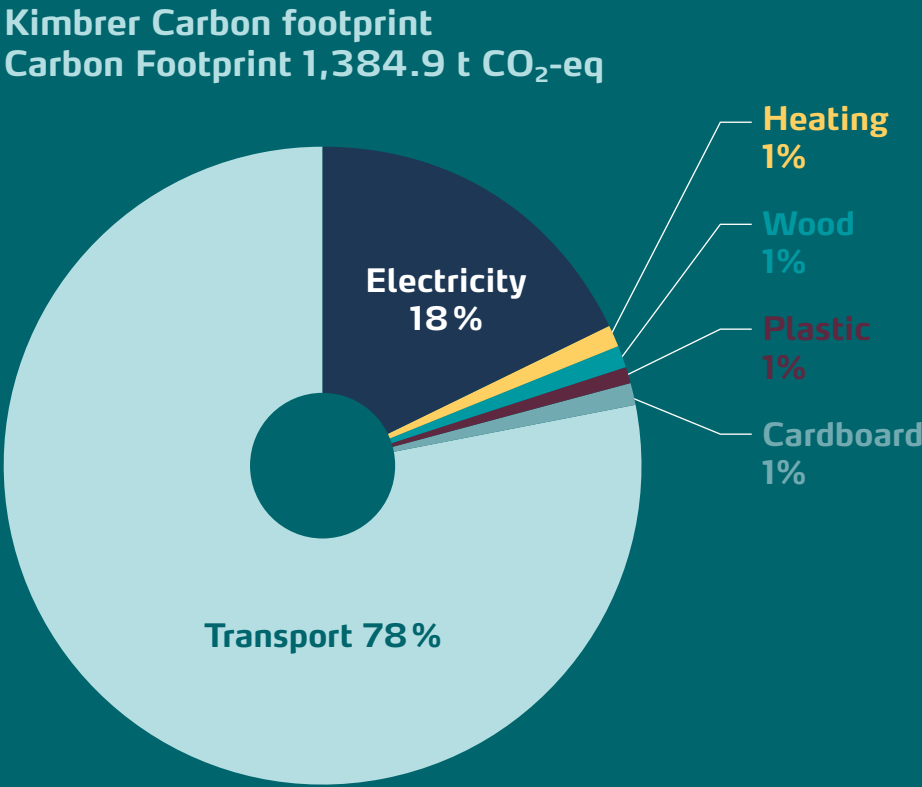
Reporting company

Downstream activities

Carbon Accounting Report

This carbon accounting report, which is an integrated part of our climate strategy, provides an overview of Kimbrer Computer's greenhouse gas (GHG) emissions. The report is a fundamental tool in identifying tangible measures to reduce GHG emissions – and, in years to come, to benchmark performance indicators and evaluate progress.

In terms of reporting principle, we have chosen the operational approach, meaning that we report on all operations over which Kimbrer Computer has operational control.

The data shown in the report is based on consumption data from internal and external sources, which are converted into tons of CO_2-equivalents (tCO_2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognized international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

Kimbrer Carbon footprint
Carbon Footprint 1,384.9 t CO_2-eq

- Heating 1%
- Wood 1%
- Plastic 1%
- Cardboard 1%
- Electricity 18%
- Transport 78%

Reporting Year Energy and GHG Emissions

Emission source	Consumption	Unit	Energy (MWh)	Emissions tCO_2e	% share
Electricity total			1,668.0	255.2	18.4 %
Electricity Denmark 125	1,668.000.0	kWh	1,668.0	255.2	18.4 %
DH Nordic locations total			78.0	8.8	0.6 %
District heating Denmark mix	78,000.0	kWh	78.0	8.8	0.6 %
Scope 2 total			1,746.0	264.0	19.1 %
Downstream transportation and distribution total			-	**1,081.8**	**78.1 %**
Truck with trailer 33t+	59,261.4	tkm	-	4.6	0.3 %
Air Continental freight, RF	288,019.6	tkm	-	636.4	46.0 %
Air Intercontinental freight, RF	388,800.0	tkm	-	440.8	31.8 %
Waste total			-	**0.4**	-
EE waste, recycled	21,000.0	kg	-	0.4	-
Purchased goods and services total			-	**38.6**	**2.8 %**
Water supply, municipal	426.0	m³	-	0.1	-
Paper, virgin	3,839.0	kg	-	3.5	0.3 %
Plastic (PE)	302.6	kg	-	0.5	-
Wood material, virgin	54,240.0	kg	-	17.0	1.2 %
Plastic avg. (virgin)	3,618.0	kg	-	11.3	0.8 %
Cardboard, virgin	8,262.2	kg	-	6.2	0.4 %
Scope 3 total			-	1,120.8	80.9 %
Total			1,746.0	1,384.9	100.0 %
KJ		6,285,600,000.0			

As no direct emissions through stationary/mobile combustion in company-controlled assets or through chemical processes occurred, no scope 1 emissions can be associated with Kimbrer Computer
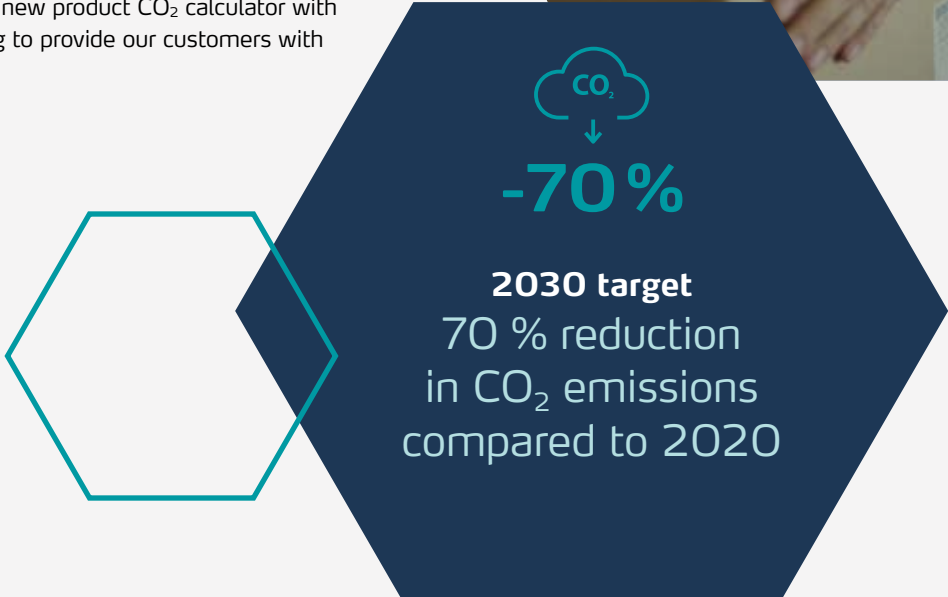
Carbon Accounting Report

In order to further reduce the impact of our business activities on climate and environment, we have already taken a number of actions:

- **Electricity:** In 2021, we have focused on both behavior (e.g. switching off energy consuming servers) and on sourcing (LED lighting, switch to green electricity). Efforts in the area continue in 2022.

- **Heating:** Attempts have been made to reuse heat from the server room elsewhere in the warehouse. Until now, efforts have been unsuccessful, but further exploration will be done.

- **Waste management:** Great focus area in 2021, where the whole waste management system has been redesigned and improved. Cornerstone of the new setup is much more detailed sorting of waste and a collaboration agreement with Stena Recycling, who picks up and documents all types of waste.

- **Packaging:** Work is being done to replace heavier wood packaging with lighter cardboard packaging. Until now, efforts have been successful and should pave the way for substantial reductions in CO_2 emissions upstream in our value chain.

In 2022, the key focus will be transportation. With our initiative to replace wooden packing with cardboard, we have already taken steps to reduce the carbon footprint of our upstream activities. In 2022, we continue by looking into the different shipping and delivery options we give to our customers.

Specifically, we plan to further promote the possibility of land transport over air freight, since this entails a substantial reduction of CO_2 emissions per product shipped. Given that land transport is inevitably slower than air transport, we will continue to offer both options to customers and let them make their choice on a well-informed basis. Further down the line we hope to be able to integrate our new product CO_2 calculator with the focus on shipping to provide our customers with the full picture.

-70%

2030 target
70% reduction
in CO_2 emissions
compared to 2020

ISO 14001 Certification

Kimbrer Computer's environmental management system encompasses all activities in the company. The system is based on environmental and sustainability policies and ISO 14001. It provides guidelines for a continuing cycle of planning, implementation and evaluation, as well as the improvement of processes and activities to meet operational and environmental targets.

In 2021, Kimbrer Computer was certified according to ISO 14001. ISO is a standards organization that works at international level. The aim of the ISO 14001 standard is to map out and reduce the company's environmental impact, and to ensure that there is an efficient management system in place that also includes the business's environmental activities.

REDUCE
REUSE
RECYCLE
REFURBISH

People
& Culture

Health and job satisfaction

At Kimbrer Computer, culture continues to be a significant competitive advantage – it engages our people, drives good customer experiences and thus helps us succeed. Among the areas that receive special focus are health and employee satisfaction.

Health
All employees are offered – and all accept – free health checks and individual health plans. As part of this, everybody has access to physical training, physiotherapy and any other treatment needed to sustain and improve a good health condition. Furthermore, all team members have free health insurance as part of their employment contracts.

Job satisfaction
We care deeply for our people, and we have an ongoing focus on making our workplaces inclusive, safe and motivating for all our colleagues. We believe in empowerment and a non-hierarchical organization, and we want to be an organization where all employees have high influence on their own job.

The annual workplace assessments show that we are generally doing extremely well in this area. As a further testament to this, it can be mentioned that not a single employee has left Kimbrer Computer for more than two years.

Working conditions
Work conditions are the physical, psychical, and social factors that influence employees in relation to their work.

69 Kimbrer Computer	Industry 67
	Overall 67

Well-being and self-reported health
Self-reported health addresses the employee's own assessment of his/her health, while well-being concerns the balance between expectations and resources for the individual employee.

77 Kimbrer Computer	Industry 69
	Overall 70

Mental health
Mental health is a broad concept which is used here to cover stress, anxiety, and depression both in a work-related and private context.

83 Kimbrer Computer	Industry 72
	Overall 73

Diseases and pain
Diseases address parameters such as medicine consumption, diagnosis, and absence from work, while pain is assessed in terms of parameters such as frequency and duration.

89 Kimbrer Computer	Industry 90
	Overall 89

Lifestyle
Lifestyle consists of factors such as nutrition, smoking, alcohol consumption, exercise, and sleep.

63 Kimbrer Computer	Industry 65
	Overall 65

> ## "The journey towards sustainability has just begun"
>
> **Bjarne Aarup**, CEO Kimbrer Computer

Anti-corruption & governance

At Kimbrer Computer, sustainability is deeply ingrained in the way we conduct our business. We want to do well by doing things the right way in every transaction, every interaction.

Anti-corruption

Our core business is to buy and sell hardware, i.e. conduct human interaction. Our basic philosophy is that our customer is always right. We focus on long-term customer and supplier relations, and this calls for honest and ethical behavior in all contexts. Therefore, we take a zero-tolerance approach towards all kinds of dishonest behavior. Kimbrer Computer has never experienced cases of bribery and corruption, and it is our hope and expectation that our flat organization and close management oversight will contribute to keeping it that way in the future.

CSR Governance

On a daily basis, our management system ISO 14001 forms the basis for our continuous improvements and efforts to comply with customer requirements and regulatory requirements regarding environmental issues. Furthermore, our staff handbook provides guidelines for all employees to ensure a sound and safe working environment. Top management has the responsibility and authority to ensure that all current management systems and guidelines are complied with and has the responsibility and authority to maintain and develop the guidelines. We ensure that all employees are acquainted with Kimbrer Computer's guidelines by conducting regular training and awareness activities.

We support the Sustainable Development Goals (SDGs)

Adopted by 193 countries, the 17 SDGs outline the collective impact against the world's most pressing challenges, including those related to poverty, inequality, climate change, environmental degradation, peace, and justice.

Simply put, the SDGs represent the world's to do list for people and the planet by 2030. Together, these 17 goals are an urgent call for action to combat poverty, mitigate climate change, and secure a more equal and peaceful future.
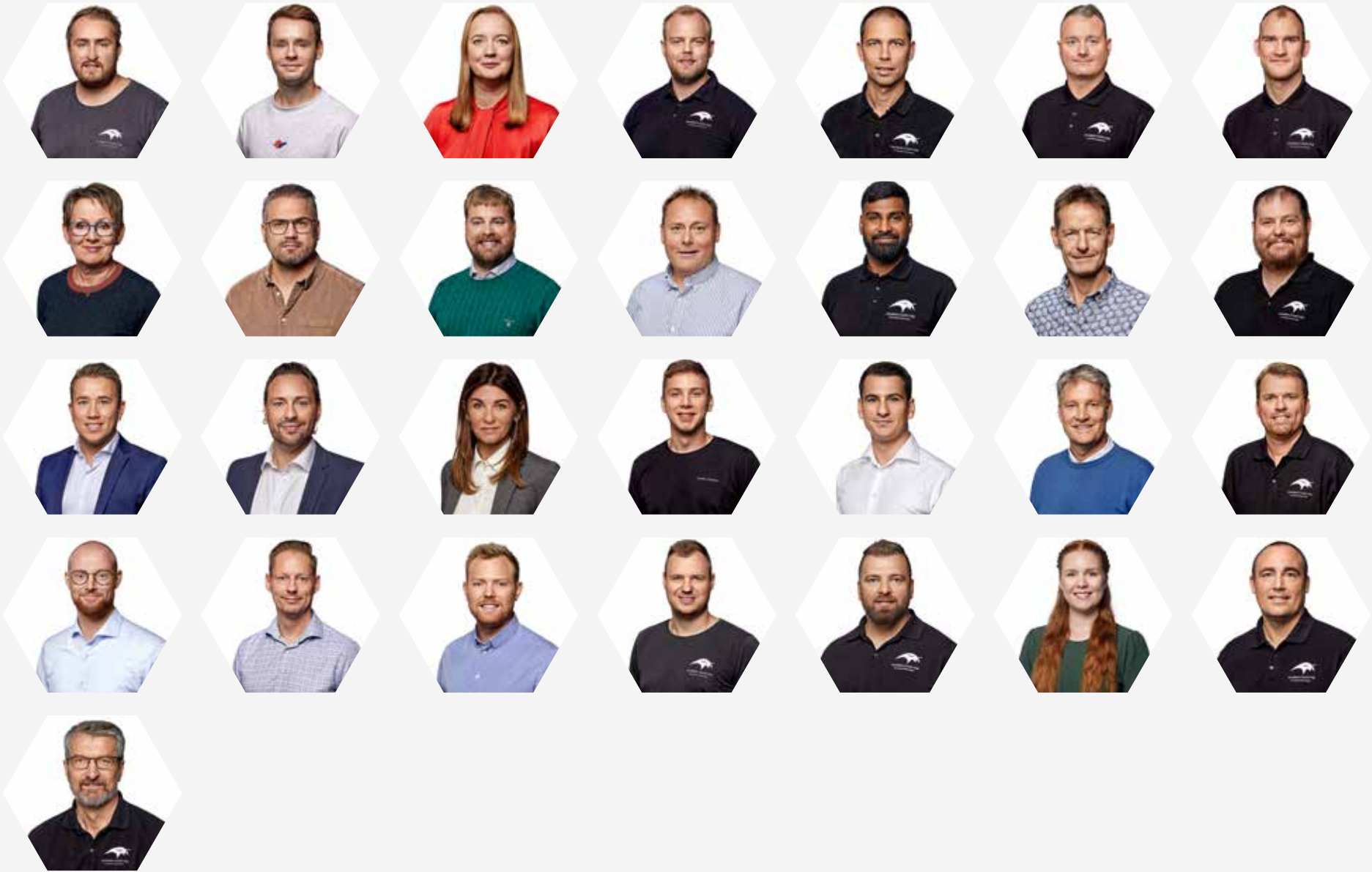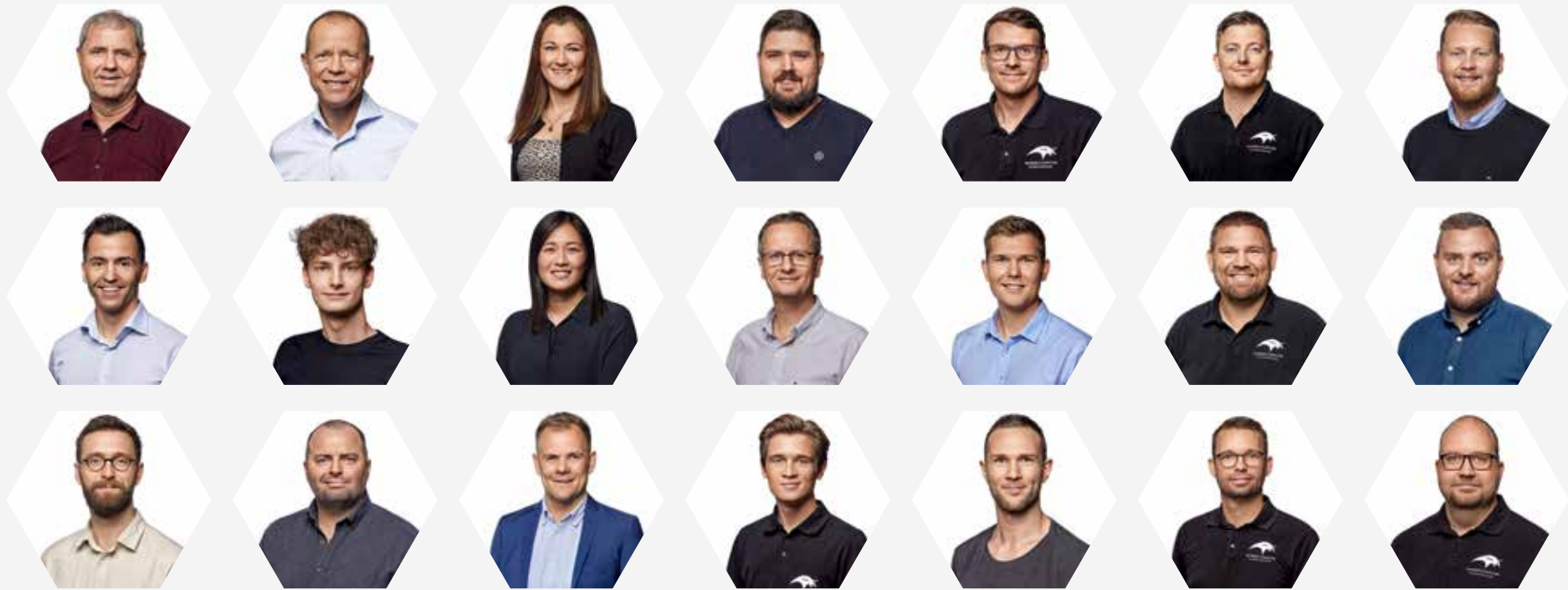
Using the SDGs, the public, private, and social sectors are already demonstrating that it's possible to work together to create a better world.

At Kimbrer Computer, we are committed to leverage our knowledge and business to contribute to the transformations needed to achieve the SDGs. We have identified 4 primary goals where our efforts have the greatest potential for impact. These are based on an assessment of the underlying targets to each SDG and their link to our identified material sustainability topics.

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We are Team Kimbrer

Our multidisciplinary team consists of dynamic, committed and high-performing people who all contribute with their knowledge and skills to ensure the best results for our customers.

KIMBRER COMPUTER

Your professional hardware partner

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