

Environmental, Social and Governance Report 2025



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GROW SMARTER

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◀ Letter from the CEO

The year 2025 marked a clear shift for ELKO Group from defining sustainability ambitions to their structured execution. In line with the CSRD and ESRS requirements, we significantly strengthened the coverage and quality of our ESG data, with particular focus on our supply chain and Scope 3 emissions. This progress reflects a deliberate approach to sustainability—concentrating on areas where our impact is material, measurable, and closely linked to ELKO's business model. That being said, we carefully monitor changes in legislation as we see sustained compliance with reporting requirements increasingly complex and resource intensive and would welcome further relief to ensure that compliance itself and the cost of compliance remain balanced in the future.

One of the most important milestones during the year was the acquisition of Renewed AB, which represents a new phase in the development of ELKO's circular economy offering. The refurbished devices segment not only expands our product portfolio but also demonstrates how sustainability can be embedded into a commercially viable and scalable business line. 2025 has been a year of adaptation and transformation for this segment, and we look forward to significant growth in 2026. At the same time, we continued to advance our LEAN initiative

and digital improvements, including AI training and specific AI pilots on selected processes, further enhancing operational efficiency, transparency, and data governance across the Group.

As global ESG expectations continue to evolve, the emphasis is increasingly placed on verifiable outcomes, comparability, and readiness for independent assurance. We recognise that sustainability is not a static target but a continuous improvement journey. Our priority going forward remains a strong focus on high-quality data, responsible partnerships, and disciplined progress toward long-term objectives—reinforcing ELKO's position as a reliable and sustainable partner throughout our entire value chain.

Svens Dinsdorfs
The CEO of ELKO Group



Key 2025 non-financial indicators



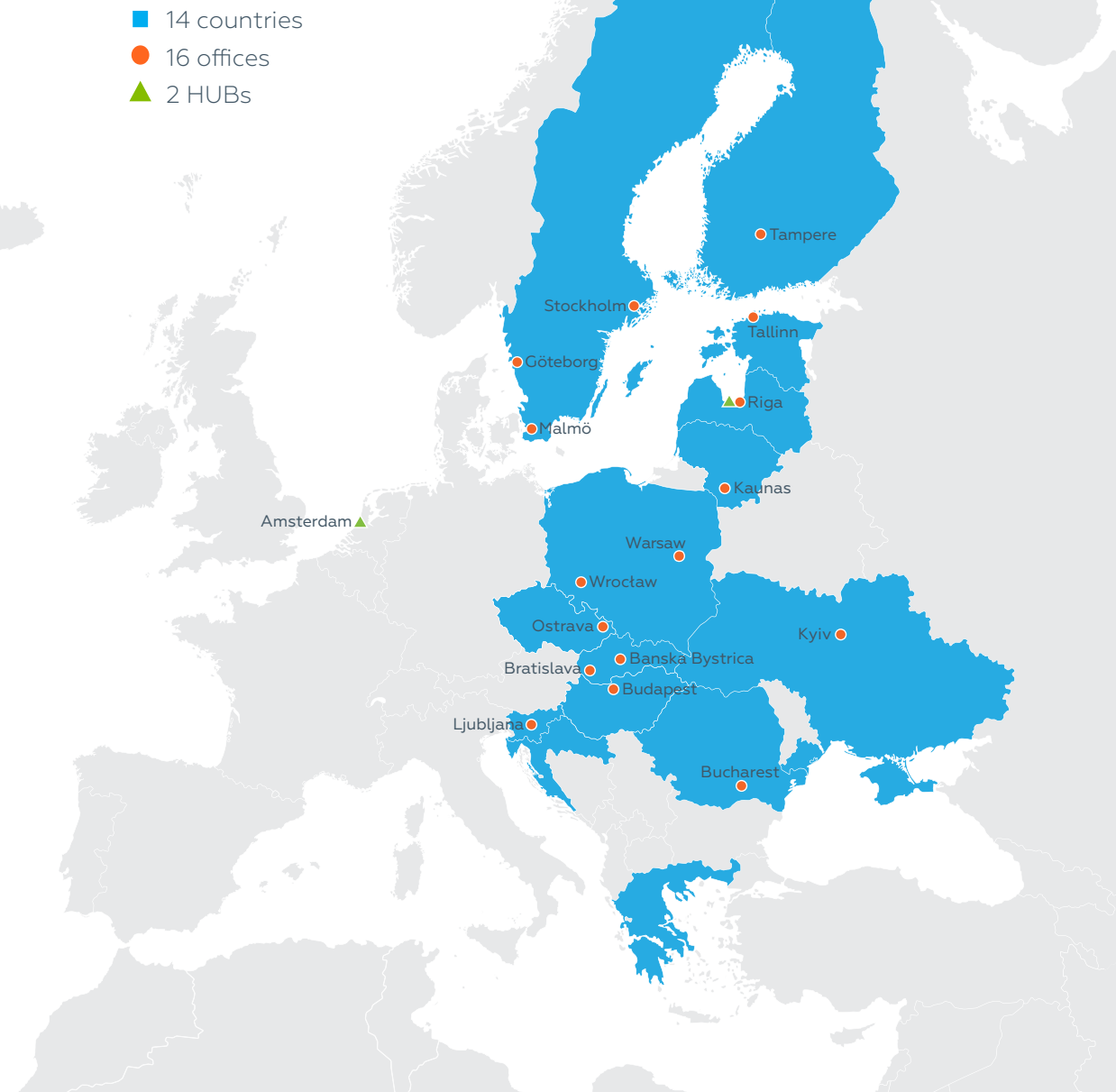
Awards & rankings

Distributor of the Year 2025 in the Baltics
Best Retail Distributor in the Baltics
by [Context](#), [ChannelWatch 2025](#)

Family-Friendly Workplace status
by the [Latvian Society Integration Foundation](#),
since 2023

The 2nd biggest holding in Latvia
by [db.lv TOP 500 companies in Latvia, 2025](#)

309th position in the TOP 500 largest companies in CEE
by [Coface, 2025](#)



UN sustainable development goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

At ELKO we have acknowledged the importance of working towards helping to achieve these goals and have identified several areas where our operations and sustainability priorities align with the aforementioned SDGs.



1. Health insurance for all our employees, which also includes mental health coverage.
2. Active promotion of a healthy lifestyle by organizing internal events related to such promotion.
3. Regular blood donation and vaccination drives at the workplace.



1. Provide fair wages and promote safe and secure working environments for all employees.
2. Operations in 14 countries where we promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation.



1. Perpetually introducing the newest solutions and products that can help improve the IT infrastructure.
2. Introduce the newest technologies and solutions in our supply chain for more sustainable and efficient group operations.



1. Continuously improving our carbon footprint data and working on policy development to reduce it.
2. Continuously improve our product portfolio by introducing eco-friendlier solutions.
3. Introduce new services and improve operating methods to reduce waste generation.
4. We closely monitor the ESG activities of our suppliers, thus helping our product portfolio to become more sustainable.



◀ General disclosures

ESRS 2 GENERAL DISCLOSURES

BP-1 General basis for the preparation of sustainability statements

Disclosure of the general basis for the preparation of the sustainability statement

Akciju Sabiedrība ELKO Grupa (hereafter ELKO), has established its foundational framework for the 2024 report in line with the Corporate Sustainability Reporting Directive (CSRD) and the relevant European sustainability reporting standards (ESRS).

By continuing to implement this approach for the 2025 report, ELKO has been able to present information in a structured and compliant manner, adhering to the stipulations of the updated reporting standards.

BP-2 Disclosures in relation to specific circumstances

In 2025, we prioritized enhancing the quality of our greenhouse gas (GHG) emission data, particularly in Scope 3. In collaboration with our Data Warehouse team, we are continuously transferring and translating our internally available data to Power BI. Additionally, we broadened the scope of our report to include more comprehensive Scope 3 reporting.

GOV-3 Integration of sustainability-related performance in incentive schemes

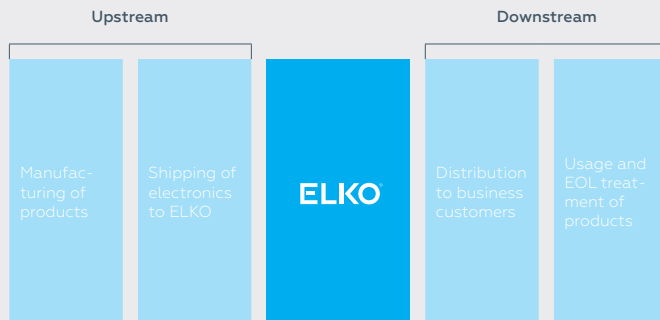
Currently, ELKO has not established direct sustainability-related performance incentive schemes, however for some employees sustainability-related quarterly targets are set. Our qualitative targets in sustainability encompass a wide range of non-numeric objectives aimed at indirectly improving our environmental impact, social responsibility, and corporate governance practices. We integrate our qualitative sustainability targets into our strategic planning processes, performance evaluations, reporting mechanisms, and stakeholder communications to ensure that they are embedded in our day-to-day operations and decision-making.

GOV-5 Risk management and internal controls over sustainability reporting

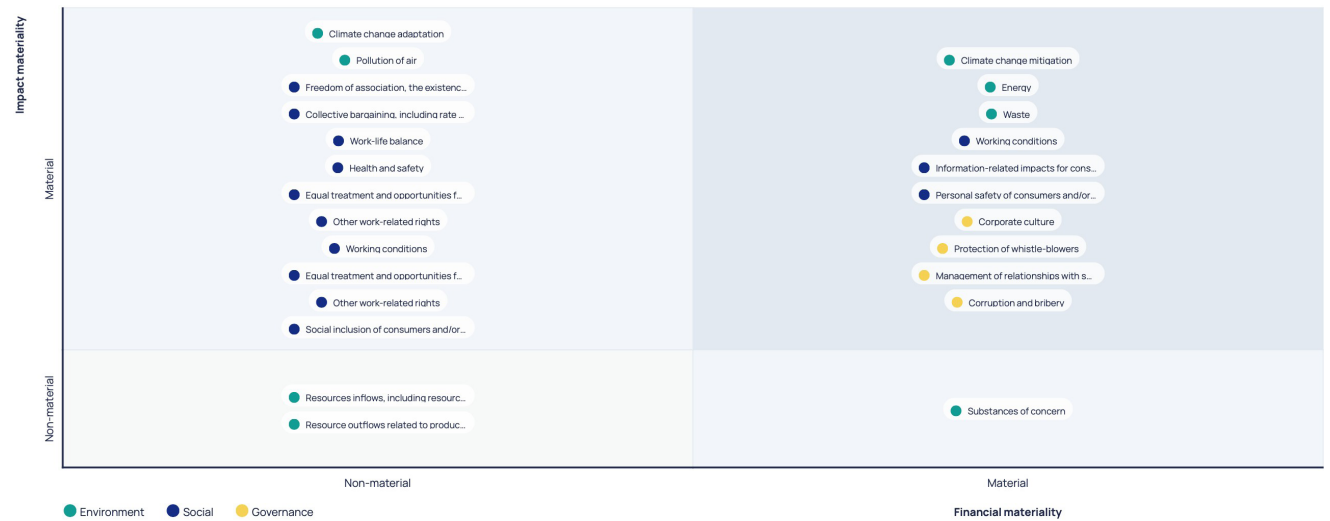
As of 2022 ELKO has a dedicated employee responsible for overseeing sustainability matters. This individual's role aligns closely with that of an international project manager, ensuring that sustainability initiatives are effectively coordinated and implemented across all subsidiaries and that our sustainability efforts are comprehensive and aligned with international requirements.

SBM-1 Strategy, business model, and value chain

At ELKO, we recognize the importance of sustainability in our business model. As one of our core values, fostering long-term relationships across the entire value chain is paramount to our success. As recent value chain surveys have demonstrated, sustainability has become an integral part in partnership decision making and thus we are committed to ensuring that our partners throughout the supply chain can trust in our reputation, rely on our proven business practices, and continuously improve sustainability aspects in our day to day working practices. This commitment to sustainability is not only a reflection of our values but also a strategic imperative that guides our decision-making and operations.



SBM-3 Double Materiality assessment - Material impacts, risks, and opportunities and their interaction with strategy and business model



In 2024, we conducted a more comprehensive double materiality assessment that expanded the scope from solely internal shareholder evaluations to include input from a broader range of supply chain partners. This assessment incorporated evaluations from vendors, clients, logistics, and local management across all our geographic areas, providing a more holistic view of significant material topics. Please refer to the material topics above. The material topics identified are strongly linked to ELKO Group business model and its upstream and downstream value chain.

Our 2024 report was prepared in alignment with these findings, identifying key aspects and topics that will remain a focus for further improving data quality.

Notably, the 2025 report is based on the same materiality assessment as no major business and value chain changes have occurred. The intention is to carry out a comprehensive materiality assessment every two years.

E1 CLIMATE CHANGE

E1-1 Transition plan for climate change mitigation

In 2024 our organization joined the Science Based Targets initiative (SBTi) as part of our commitment to addressing climate change and setting ambitious sustainability goals. The specific targets and their approval are still in the development process with the deadline coming in mid-2026.

The Science Based Targets initiative provides a rigorous and credible framework for companies to set emissions reduction targets that are in line with the latest climate science and the goals of the Paris Agreement. By participating in this initiative, we are demonstrating our willingness to take concrete actions to mitigate climate change and transition to a more sustainable business model.

Additionally, we have established several soft ESG initiatives; please see more details on next page.



Initiatives framework

	Initiative	Objective	Timeframe 2024	2025 update
Environment	SBT	To pledge and join SBT initiative by setting specific goals. Science-based targets provide companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals.	Joined early 2024; targets to be developed by mid-2026.	Target development is in process.
	Vendor management	Increase activity in circular economy initiatives provided by vendors.	M&A initiatives that include refurbished business segment	Acquisition of Renewed AB.
	Supply Chain improvement	Supply Chain mapping and Routing optimization in order optimize and reduce Scope 3 emissions.	Improved data quantity and quality for Scope 3 emissions, more complete upstream and downstream T&D data across all offices.	Pilot project launched on Power BI regarding T&D Data.
	Scope 2 GHG reduction	Improve energy efficiency in the office and warehouse.	Ongoing	Ongoing
	Procurement	Onboard 3rd-party data certifications.	GTDC database still in development; looking into potential EPEAT and other ecolabel certifications	The project is currently on hold by GTDC.
	Data quality and management	Improve data quality and versatility especially in the Scope 3 section; Introduce ESG data management system and software. Iccat: Ensure complete product listing on online stores with timely and qualitative content, compliant with EU regulations.	In pipeline to develop a more efficient data management system using Mitigate ESG platform.	Power BI pilot project launched in the Baltics office. Integration with Iccat started, 75% of the data base migrated.
Social	HR Data	HR data warehouse development with the whole Group as a scope.	Introduced HR data in PowerBI.	Ongoing
	Equality	Remuneration equality improvement.	Ongoing	Expected to be launched by mid-2026.
	Training and Education	Continuous development of employee education programs.	Emphasis on AI training for all employees.	Emphasis on process efficiency, leadership academy and financial welfare.
Governance	Compliance	Continuous development of documents and procedures associated with the applicable rules of regulations.	Up to date with current CSRD and ESRS requirements.	Preparation for the upcoming audit of ESG report.
	IT	Security improvements: • Cybersecurity measures • Data Security initiatives	Ongoing	Ongoing

E1-5 Energy consumption and mix

Total energy consumption from renewable sources

Total energy consumption from renewable sources is determined using the latest available data from Eurostat. This data provides insights into the proportion of our energy that is sourced from renewable resources such as wind, solar, hydroelectric, and biomass. While we actively monitor these figures to track our sustainability progress, our ability to directly influence and increase our consumption of renewable energy is limited. Despite these challenges, we remain committed to exploring innovative opportunities and partnerships that could enhance our utilization of renewable energy and contribute to our overall sustainability goals.

Please see the overall renewable energy share in the following table:

Overall share of energy from renewable sources, 2017-2024
(% of gross final energy consumption)

	2017	2018	2019	2020	2021	2022	2023	2024
EU	18	19	20	22	22	23	24.5	25.2
Estonia	30	30	32	30	37	38	40.9	42.2
Latvia	39	40	41	42	42	43	43.2	45.5
Lithuania	26	25	25	27	28	30	31.9	35.4
Poland	11	15	15	16	16	17	16.5	17.7
Romania	24	24	24	24	24	24	25.7	25.4
Slovenia	22	21	22	25	25	23	25	25
Slovakia	11	12	17	17	17	18	16.9	18.1
Sweden	53	54	56	60	63	66	66.3	62.8



E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Gross Scopes 1, 2, 3 and Total GHG emissions - GHG emissions per scope

General disclosure: We are continuously improving and refining our Scope 3 data quality and boundary definitions. Variations between offices are primarily due to differences in data availability, local accounting systems, and vendor reporting practices. We are addressing these gaps by standardizing data collection templates, aligning calculation methodologies with recognized guidance (e.g., GHG Protocol), engaging suppliers for better upstream data, and implementing centralized data validation and reconciliation processes. As these measures are rolled out, we expect greater consistency and transparency in our Scope 3 reporting.

	Group	Baltics	Sweden	Romania	Slovenia	Slovakia
Scope 1	324	-	-	-	32	292
Scope 2	499	263	18	57	3	158
Scope 3	17 267	4 568	3 402	1 072	1 566	6 659
<i>Purchased Goods and Services</i>	1 888	1 888	-	-	-	-
<i>Capital Goods</i>	-	-	-	-	-	-
<i>Fuel and Energy Related Activities</i>	-	-	-	-	-	-
<i>Upstream T&D</i>	11 307	2 144	3 181	-	1 499	4 483
<i>Waste Generated in Operations</i>	255	24	14	150	14	53
<i>Business Travel</i>	1 217	99	30	922	-	166
<i>Employee Commuting</i>	123	-	83	-	-	40
<i>Upstream Leased Assets</i>	-	-	-	-	-	-
<i>Downstream T&D</i>	2 477	413	94	-	53	1 917
<i>Processing of Sold Products</i>	-	-	-	-	-	-
<i>Use of Sold Products</i>	-	-	-	-	-	-
<i>EOL Treatment of Sold Products</i>	-	-	-	-	-	-
<i>Downstream Leased Assets</i>	-	-	-	-	-	-
<i>Franchises</i>	-	-	-	-	-	-
<i>Investments</i>	-	-	-	-	-	-
Total tCO₂	18 090	4 831	3 420	1 129	1 601	7 109

Scope 1

As a service provider company, our Scope 1 emissions are relatively limited compared to companies with significant direct emissions from sources like combustion of fossil fuels or industrial processes. In our case, the main component contributing to Scope 1 emissions is the leasing of company vehicles which includes only few geographies.

Scope 2

Our Scope 2 emissions encompass the indirect emissions associated with the consumption of purchased electricity, heat, and steam that power our offices and warehouses. This data is provided by energy utility companies and reflects the environmental impact of the electricity and energy we use in our day-to-day operations.

By monitoring and reporting on our Scope 2 emissions, we are taking a proactive approach to understanding our carbon footprint while facing limitations in our reduction opportunities.

Scope 3

We are continuously working to improve the quality of our Scope 3 data, which encompasses indirect emissions associated with our value chain, including those resulting from our suppliers, logistics, and product use. However, we face challenges related to data availability and comparability across our various geographic regions. This inconsistency in data can hinder our ability to make accurate assessments and informed decisions, and we view it as both a significant concern and a valuable opportunity for improvement.

Scope 3 - 1: SG&A costs for 2025 have been recalculated using spend-based publicly available conversion factors from Climatiq database.

Scope 3 - 2: Currently no calculations are being made, however we are intending to use general databases (e.g. Iccat) for future calculations.

Scope 3 - 3: No calculations made. Company leased cars are reported in Scope 1

Scope 3 - 4: For upstream transportation and distribution ELKO used its estimates for tonne.km travelled by various modes of transportation (road, sea, air and rail) from suppliers to warehouses. Each entity is providing data available however it is not fully comparable as data availability varies across geographies.

Scope 3 - 5: Data provided by each entity and mainly based on information provided by waste collection companies. Data details vary across geographies

Scope 3 - 6: Business travel emissions have been estimated based on kilometers travelled by various means of transportation, i.e. rail, bus, car and air.

Scope 3 - 7: Employee commuting data have been gathered based on a survey of kilometers travelled including mode of transportation, type of car (large, medium, small) and fuel type. Data available in only some geographies.

Scope 3 - 8: No calculation at this time

Scope 3 - 9: For downstream transportation and distribution ELKO used its estimates for tonne.km travelled by various modes of transportation (road, sea, air and rail) from suppliers to warehouses. Each entity is providing data available however it is not fully comparable as data availability varies across geographies.

Scope 3 - 10: No calculation at this time

Scope 3 - 11: No calculation at this time

Scope 3 - 12: No calculation at this time

Scope 3 - 13: No calculation at this time

Scope 3 - 14: No franchises

Scope 3 - 15: No calculation at this time





E5 CIRCULAR ECONOMY

E5-1 Policies related to resource use and circular economy

Our strategy involves a mergers and acquisitions (M&A) approach, allowing us to partner with or acquire companies that align with our vision of sustainability and circular practices.

In 2025 ELKO Group acquired Renewed AB, a Stockholm-based Swedish company specializing in affordable used and refurbished mobile phones, smartwatches, laptops and tablets. With more than 30 years of combined industry experience, Renewed aims to deliver high-quality, budget-friendly devices while reducing electronic waste and supporting a more sustainable economy.

During 2025 Renewed AB has set a foundation to further expand the circular business segments within ELKO Group geography. Pilot projects have been launched in Baltics and Romania in cooperation with selected vendors and customers confirming high interest of the market to address this segment. These initiatives are anticipated to demonstrate strong growth during 2026.

S1 OWN WORKFORCE

Employee data are reported per person and cover the parent company together with all consolidated subsidiaries.

S1-1 Policies related to own workforce

At ELKO, we are fully committed to upholding the laws and regulations of the geographical territories in which we operate. As all our locations are situated within the European Union, we strictly adhere to EU laws and directives that govern various aspects of business operations, including human rights, child labor, freedom from discrimination, and other fundamental rights.

By integrating EU laws and human rights principles into our workforce policies, we aim to create a culture of integrity, respect, and equality for all employees. ELKO is dedicated to promoting a work environment that upholds the highest standards of ethical conduct and values the well-being and rights of every individual within our organization.

Some of the major additional workforce policies are listed below:

- **Personal Data Protection Policy**
Outlines how the organization collects, processes, stores, and disposes of personal data; defines lawful bases for processing, data minimization, access controls, retention periods, subject rights (access, correction, deletion), breach reporting, and responsibilities of staff to protect privacy and comply with applicable data protection laws.



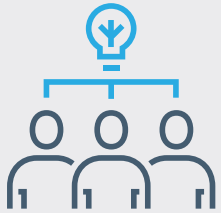
- **Data Breach response and Notification Procedure**
Describes steps to detect, contain, assess, and remediate security incidents; roles and escalation paths; evidence preservation and root-cause analysis; internal and external notification timelines and content (including regulators and affected individuals as required); communication templates and post-incident review actions.
- **Fair Competition Rules**
Sets standards to prevent anti-competitive behavior, including prohibitions on price-fixing, market allocation, bid-rigging, abuse of dominant position, and improper information exchange with competitors; guidance on competitive intelligence gathered legally and ethically; reporting and compliance obligations.
- **Working Procedure Regulations**
Defines operational processes and standard workflows for day-to-day tasks, including responsibilities, approval authorities, documentation standards, quality controls, change management, and measures to ensure consistent, efficient and auditable execution of business activities.

- **Workplace Safety Procedures**
Covers risk assessment, safety training, personal protective equipment, emergency response (fire, medical, evacuation), incident reporting and investigation, workplace ergonomics, and responsibilities of employees and supervisors to maintain a safe work environment.
- **Employee Onboarding Policy**
Specifies the onboarding process for new hires: pre-boarding steps, orientation schedule, role-specific training, documentation and system access provisioning, introductions to team and culture, probationary goals and performance expectations, and checkpoints for successful integration.
- **Employee Development Guidelines**
Provides framework for continuous learning and career growth: performance reviews, individual development plans, training and mentorship programs, eligibility for promotions and role changes, learning budgets or resources, and metrics to track development progress.

S1-15 Work-life balance metrics

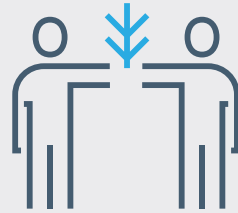
To monitor and compare employees' work-life balance, we conduct an annual employee satisfaction survey. The survey collects feedback from our employees and covers productivity, stress management, management effectiveness, job security, workplace safety, internal communication, and clarity of the company's long-term vision, among other topics. 2025 focus was on engagement, trust and internal communication.

Please see below the insights from 2025 survey below:



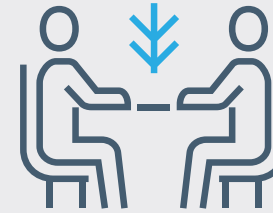
Employee engagement

- 84% enjoy working in their current position.
- 69% see themselves as an ELKO employee in 2 years' time.
- 97% are always looking for ways to solve the problems that they face at work.



Trust

- 69% trust their colleagues from different functions will follow on their promises.
- 60% trust their colleagues from different functions are transparent in their decisions.



Internal communication

- 91% feel comfortable sharing ideas and opinions in workplace.
- 84% feel that manager values their ideas and opinion.

Overall, internal employee satisfaction has declined in some areas, notably trust and transparency. HR has prepared an initiative framework to address these issues and improve engagement.

S1-6 Characteristics of the undertaking's employees

S1-9 Diversity metrics

ELKO fosters an inclusive, supportive workplace that celebrates diverse nationalities, cultures and religions and promotes a strong sense of belonging.

Description of methodologies and assumptions used to compile data (employees)

The statistics for each geographical division are reported individually by the respective representative.

Characteristics of the undertaking's employees

	Group	Baltics & HQ	Sweden	Romania	Slovenia	Slovakia
Male	603	154	64	41	19	325
Female	374	110	30	49	13	172
Total	977	264	94	90	32	497
Top Management	8	7	6	9	2	4
Part-time employees						
Male	3	2	-	-	-	1
Female	11	7	-	-	1	3
Employee Turnover (%)						
	15	15	13	-	10	25
Age Characteristics (%)						
Under 30	30	14	19	8	28	46
Between 30 and 50	53	71	65	63	50	48
Over 50	17	16	16	29	22	6

In 2025, ELKO completed a more comprehensive assessment of age diversity across its workforce, collecting detailed metrics by business unit and location. The dataset breaks employees according to ESRS standards into three age bands—under 30, between 30 and 50, and over 50—and shows the percentage of each group in the sampled segments. Key takeaways from the results include:

The 30–50 age band is the largest cohort across most segments, ranging roughly from the mid-60s down to the low-50s in several areas.

The under-30 cohort varies substantially between segments (about 8% to 46%), indicating meaningful differences in younger employee representation by unit or location.

Employees over 50 represent a smaller share overall (approximately 6% to 29%), with some segments showing notably higher senior representation.



S1-10 Adequate wages

At ELKO we are using data-driven decision-making in setting adequate wages by using quantitative and qualitative data to ensure that pay rates are fair, competitive, and aligned with the organization's strategic goals.

In our salary policy, we strive to ensure that all employees are compensated within a range of -20% to +20% of the market median salary for comparable positions in the local market. Across all geographies, the Group pays at least the statutory minimum wage and does not compensate employees below the legally required level.

During our annual salary review process, all salaries are re-evaluated to ensure fairness and consistency. Generally, employees in the same position receive comparable remuneration; however, individual performance may be considered, allowing for variations in salaries based on merit.

S1-11 Social protection

All employees in our own workforce are covered by social protection through public programs in each of our operational areas. We guarantee that our employees have access to essential benefits and support systems that promote their financial stability, health, and overall well-being. These programs provide a safety net that safeguards our employees offering assistance in areas such as healthcare, unemployment benefits, retirement pensions, and other social services.



S1-13 Training and skills development

Each year, ELKO provides a diverse range of training programs for our employees with the goal of enhancing their performance and ensuring they stay informed about the latest developments in our industry. We recognize that ongoing education is crucial for maintaining a skilled workforce, and our training initiatives are designed to address a variety of needs and promote professional growth.

The training is primarily delivered through live lectures, which offer interactive learning experiences where employees can engage directly with instructors and ask questions in real time. In addition to these live sessions, we utilize the eGrow platform, which hosts a variety of online courses. Many of the courses on eGrow focus on current compliance matters, making it essential for relevant employees to participate in these programs to ensure that everyone is aware of and adheres to the latest regulations and standards in our field.

Below are just some of the highlights regarding our 2025 training programs:

- Internal experience sharing by some members of the management regarding mental challenges and how to overcome them.
- We continue our Artificial Intelligence lecture series, which combines practical demonstrations of AI tools with discussions on the underlying philosophy and future opportunities arising from rapid AI development. Sessions cover hands-on use cases, ethical considerations, strategic implications, and emerging trends to equip participants with both operational skills and broader contextual understanding.

S1-14 Health and safety

Health insurance

As a benefit, ELKO has been providing health insurance for all its employees that covers sufficient range of expenses including dental, diagnostic, ER, ambulatory rehabilitation, surgical and physiotherapy etc. Since 2021, we have also included an insurance cover for our employee mental health.

Other health benefits

ELKO has continuously been aware of the usefulness of employee wellness programs and thus we are trying to cultivate a culture of wellness in the workplace. Since 2014 we are carrying out health weeks in the workplace. The initiative includes lectures on healthy eating, the importance of exercise as well as blood donation and vaccination drives at the workplace.

In addition, ELKO provides on-site free of charge gym access to all employees thus promoting easier path towards physical health improvement.

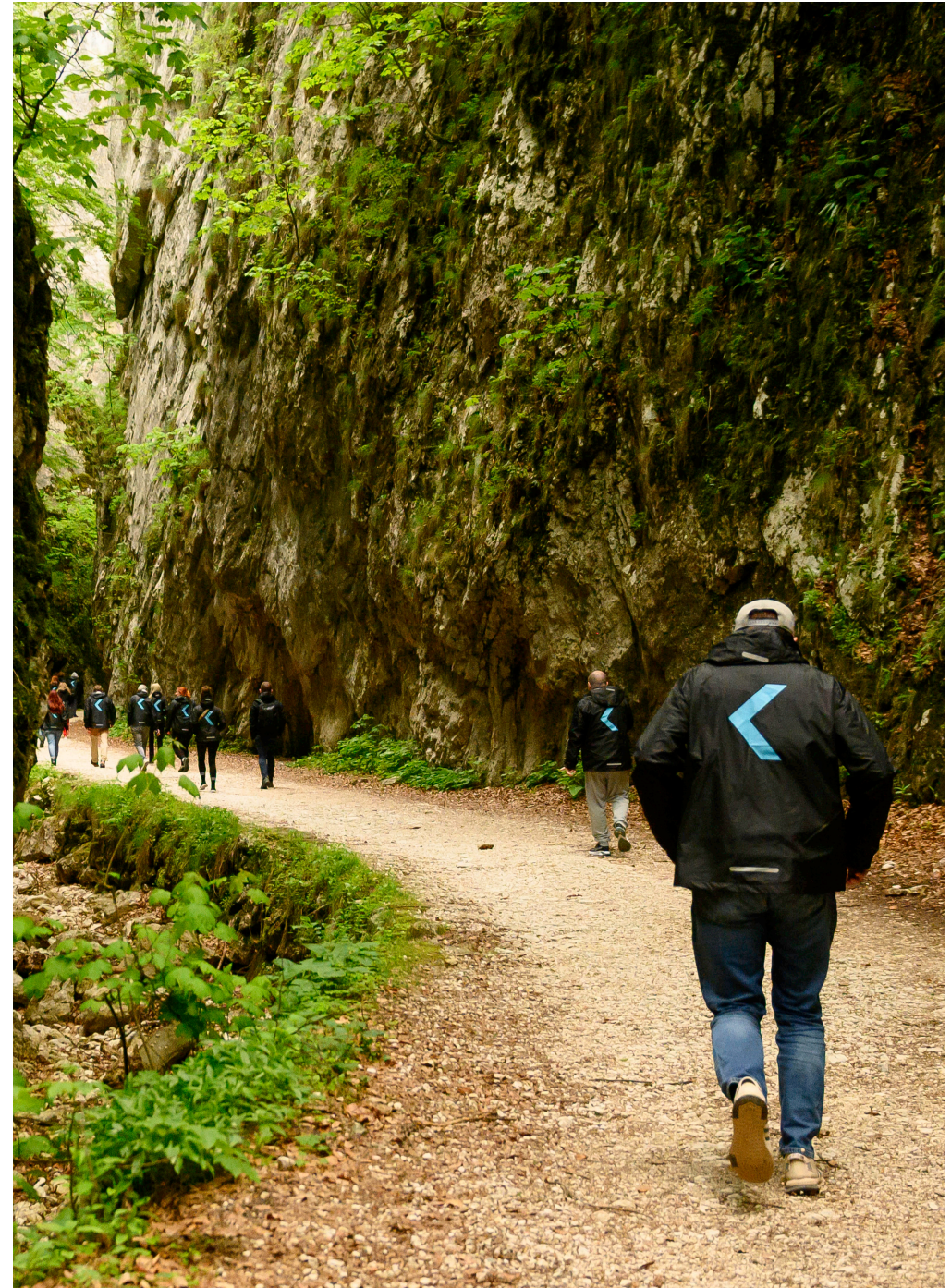
Safety

In order to provide safe working conditions for all ELKO employees we have developed a health and safety management system for our office as well as warehouse employees which complies with labor protection laws. During employees' first week of employment all employees are introduced to job safety and fire safety instructions, furthermore, annually we hold safety trainings and all employees are required to sign confirmation that they have gone through trainings. Fire safety systems are checked and maintained by a certified external company on a monthly basis and a representative of State Fire and Rescue Service checks all of fire safety systems annually. Additionally, at our warehouses work environment risk assessment performed regularly and we provide accident insurance for our employees.

No accidents regarding health and safety metrics were reported in 2025.

S1-16 Compensation metrics

ELKO Group is actively working on implementing the EU Pay Transparency Directive (2023/970); to be implemented by June 7, 2026. These standards focus on gender equality, pay equity, and transparency throughout the employee life-cycle, from job application to career progression. A more thorough review to be published in 2026 report.



G1 BUSINESS CONDUCT

VISION

To be a preferred long-term partner in the market.

MISSION

Our role as a distributor of IT & CE products is to link the knowledge of our partners and make it readily accessible to our customers.

VALUES

Relationships with employees, customers, and partners are our greatest value.

GOV-1 The role of the administrative, supervisory and management bodies

Disclosure of the role of administrative, management and supervisory bodies related to business conduct

For the General governance, ELKO has incorporated Articles of Association as its main framework. The document serves as an essential supporting framework of rules and practices by which the board ensures accountability, fairness and transparency in both how the company runs and how it communicates with its stakeholders.

Management Board

The Management Board consists of five members elected by the Supervisory Board of the joint-stock company for three years. The chairman of the Management Board who at the same time is the president of the Company, manages the work of the Management Board. The Management Board shall adopt decisions on all issues connected with activity of the Company, except those which are in competence of the General meeting or the Supervisory Board. In accordance with provisions of the Articles of Association, separate decisions of the Management Board require written consent of the Supervisory Board.

Supervisory Board

The Supervisory Board of the Company consists of four members, who are elected for three years. The Supervisory Board shall approve annual and quarter budgets of economic activity of the Company. Additionally, the written consent of the Supervisory

Board is required for the decisions adopted by the Management Board on issues regarding large excesses of annual budget, approval of large loans or credit, any acquisition or alienation of the property rights and other significant measures that can notably affect the general affairs of the company.

The management of the business and the conduct of the affairs of the Company are vested in the directors of departments.

General meeting

The General meeting is entitled to adopt decisions on issues listed below if at least 80% of the paid share capital of the joint-stock company are participating, besides the majority of votes which makes not less than 80% of the total number of votes of all shareholders with the right to vote is required. The main decision-making areas for the General Meeting cover amendments of the Articles of Association of the Company, changes in the share capital, reorganization and emission and conversion of the Company's securities.

G1-1 Corporate culture and Business conduct policies

Data privacy

ELKO has consistently upheld a robust stance on data privacy, demonstrating commitment to safeguarding the personal information of individuals. We have a zero-tolerance policy towards any form of non-compliance with data privacy and security regulations.

In line with our dedication to data protection, we have implemented stringent measures and procedures to ensure the security and privacy of personal information.

To oversee and enforce compliance with these procedures, we have a dedicated GDPR officer within our organization. The role of the GDPR officer is to provide oversight and guidance on data privacy matters, ensuring that our practices remain in full alignment with the requirements set forth by relevant data protection legislation.

Furthermore, we have established a network of Data Guardians across each department, individuals who have undergone specialized training on data privacy protocols. By equipping these Data Guardians with in-depth knowledge and expertise in data privacy best practices, we empower them to serve as advocates for data protection within their respective departments, fostering a culture of awareness and accountability.

AML compliance

Given the expansive global characteristic of ELKO and the inherent complexities associated with operating across multiple jurisdictions, we recognize the heightened exposure to financial and reputational risks. In 2021 we collaborated with external consultants to develop a more extensive Anti-Money Laundering (AML) policy that aligns with both local and international legislation. ELKO Group continuously keeps up to date with legislation demands as well as local office requirements; since the new AML procedure has been introduced we have implemented five more local office adjustments AML procedures.

Our AML policy serves as a comprehensive framework that enables us to ensure compliance to regulatory requirements while effectively mitigating the risks associated with respective sanctions. One of the key functions of this policy is to conduct a thorough risk assessment during the vendor and customer onboarding process, allowing us to determine the risk level associated with each party and tailor our due diligence measures accordingly.

The pivotal responsibility for overseeing and managing our AML initiatives, procedures, and compliance rests with the Compliance Officer. As the primary custodian of our AML framework, the Compliance Officer plays a pivotal role in ensuring that our policies and practices align with regulatory standards, thus safeguarding our organization against financial and reputational risks associated with sanctions.

LEAN initiative

The initiative has matured into an established, management-level program, overseen by a dedicated Operational Excellence Officer and directly sponsored by the CEO. This formal governance structure ensures sustained leadership attention, cross-functional coordination, and clear accountability for progress and results.

Engagement and results:

- **Participation:** Nearly 3 000 improvement ideas have been submitted by employees across all levels and functions, demonstrating strong grassroots engagement and a healthy culture of continuous improvement.
- **Implementation:** Of those ideas, 611 were implemented in 2025 alone, delivering measurable operational gains. Implementation is tracked through a centralized dashboard that records status, impact estimates, owners, and timelines.

The program supports the Group's sustainability agenda across all three ESG pillars: Environment (resource efficiency and waste reduction), Social (a culture of continuous improvement), and Governance (operational excellence). For example, we have fully transitioned to digital documentation, eliminating the paper alternative.



G1-2 Management of relationships with suppliers

Description of approaches in regard to relationships with suppliers, taking account of risks related to the supply chain and impacts on sustainability matters.

Partner Code of Conduct

Partner Code of Conduct is a set of guidelines that outlines the ethical and legal standards that ELKO Group and its subsidiaries expect from their business partners. The code is designed to promote honest and ethical conduct and ensure compliance with all applicable laws, rules and regulations in areas of labor practices, human rights, environmental protection, and anti-corruption measures.

In accordance with this Partner Code of Conduct, everyone associated with ELKO Group must comply with the standards set out in this code.

Partner Code of Conduct addresses a wide range of topics, however, it is not exhaustive. Where the Partner Code of Conduct sets higher or stricter standards than those required by applicable laws or regulations, the provisions of the Partner Code of Conduct shall prevail.

In 2025 a revised version was introduced and approved in early 2026; it includes added items on privacy, product compliance, and compensation issues as well as addresses technical aspects on implementation.

Procurement module

The introduction of the Procurement Module in 2022 marked a significant milestone for our organization, as it became an integral part of our ERP system, enhancing the transparency and efficiency of our core business process of ordering goods from suppliers. The module has played a crucial role in improving

the accuracy of forecasting and planning, enabling us to optimize resource usage more effectively.

We are continuously building upon this success by focusing on further enhancements to the tool not only by investing in IT improvements thus improving user experience, but also making advancements in measuring the effectiveness of it internally. Major steps are expected to be taken in 2025 within the LEAN initiative.

Icecat

Icecat is a global product content management and distribution platform that provides detailed and structured data about various consumer products, particularly in the electronics, home, and personal care sectors. It offers product specifications, images, manuals, and descriptions, which can be utilized by retailers, distributors, and manufacturers to enrich their product listings.

In 2024, ELKO commenced the implementation of Icecat solutions to enhance its product specification descriptions.

Following the preparatory phase and completion of IT development, ELKO began the actual import of Icecat content in June 2025. The migration to Icecat-powered product content is being carried out gradually, category by category, to ensure data quality, system stability, and controlled change management across the portfolio.

As of the reporting date, 117 product categories out of a total 362 have been successfully migrated, covering approximately 75% of all items in ELKO's active portfolio. The remaining categories are planned to be migrated progressively through 2026, completing the transition to a unified product content structure.

The implementation of Icecat delivers several tangible operational and ESG-related benefits:

- **High degree of automation** in product content management, significantly reducing manual product description creation and updates
- **Faster time-to-market**, enabling quicker product launches and updates across sales channels
- **More detailed and standardized product cards**, improving transparency and customer decision-making
- **Improved management of regulatory and compliance-related data**, supporting alignment with EU requirements (e.g. energy labels, product regulations, sustainability attributes)

Icecat serves as a benchmark data structure and single reference model for ELKO's product content, enabling consistent, scalable, and comparable product information across categories and markets.

It is important to note that Icecat is not a content creator, but a global product content platform that collects, structures, and distributes official brand-provided product information. This approach ensures that ELKO's product data is based on manufacturer-approved content, improving accuracy, reducing discrepancies, and minimizing the risk of outdated or inconsistent information.

From an ESG perspective, the integration of Icecat contributes to process efficiency, digitalization, and error reduction, while also supporting more transparent communication of product features, including sustainability-related attributes. By replacing manual, repetitive data handling with standardized digital processes, ELKO reduces operational inefficiencies and strengthens its long-term data governance framework.

Internal vendor sustainability scoring

In 2022, ELKO introduced an internal vendor scoring system focused on various aspects of ESG (Environmental, Social, and Governance) matters. This scoring system evaluates vendors based on various criteria such as the presence of a ESG report, the guidelines used in the report (such as GRI, Other, UN Development Goals), major environmental goals defined, RBA Membership status, and Responsible Sourcing and Conflict Minerals Policy. Vendors were then assigned a score ranging from A to D, with A indicating that all major ESG aspects were addressed and only minor issues might be present.

In 2025, the screening process was revised and focused more on CSRD and ESRS compliance. The revision frequency was established to be every 2 years for existing vendors and up-front assessment of new vendors.

The 2025 assessment covered 99% of its turnover with 75% of vendors receiving a score of A or B, indicating a slightly lower overall level of compliance with ESG criteria (mainly due to the new parameters introduced).

75%
Score A or B

Main aspects as value scores

- Presence of ESG report
- ESG report prepared in Accordance to CSDR (ESRS Reporting Standards)
- Double Materiality assesment performed
- Other ESG Guidelines
- Major Environmental Goals
- RBA Membership satus (Partner Code of Conduct)
- Other Responsible Sourcing and Conflict Minerals Policy

Vendor satisfaction survey

The 2025 Vendor Satisfaction NPS improved to 71, with almost 77% of vendors indicating ELKO's overall performance had improved year over year. ESG considerations in selecting a distribution partner rose from 8 in 2024 to 9.2 out of 10 in 2025. The most salient barriers to implementing ESG practices among vendors are limited internal resources (59%) and limited access to ESG data (18%).

71
Vendor
NPS score



Customer satisfaction survey

The NPS declined from 71 in 2024 to 60 in 2025, a drop of 11 points, while the total number of respondents fell from 623 to 511; Slovakia's absence (57 respondents in 2024) partly explains this decrease.

60
Customer
NPS score

On the sentiment and service quality front, 53% of respondents believe ELKO has improved its service over the past 12 months, while overall loyalty satisfaction declined by 0.2 percentage points year over year.

G1-3 Prevention and detection of corruption and bribery

To tackle the possible risks regarding corruption and bribery, ELKO has adopted an anti-bribery and corruption procedure, which defines the mandatory requirements ELKO employees must comply with. Furthermore, it clearly describes the procedure on reporting actual or suspected wrongdoing and following liabilities in case a breach has been detected. ELKO has a definite and unequivocal stance against bribery and corruption and the subsequent negative economic and social effects such actions can provoke.

G1-4 Confirmed incidents of corruption or bribery

In 2025, no incidents were reported.

IT infrastructure and safety

The safety of our IT infrastructure is safeguarded by a comprehensive suite of policies designed to ensure data protection, compliance, and overall security. These policies encompass various aspects of IT safety and are critical in maintaining a secure and resilient technological environment.

Cookie Policy: Our cookie policy outlines how we collect and use cookies on our websites. This policy ensures transparency regarding data collection practices and informs users about their rights and choices regarding cookie management. By adhering to this policy, we prioritize user privacy while also enhancing their experience on our platforms.

Data Breach and Notification Procedure: This policy establishes clear protocols for identifying, managing, and responding to data breaches. It includes steps for assessing the severity of the breach, notifying affected individuals, and complying with regulatory requirements. By having a robust data breach notification procedure in place, we aim to minimize potential harm to individuals and preserve the integrity of our systems.

IT Security Policy: Our IT security policy serves as a foundational document outlining the principles, responsibilities, and procedures for protecting our information systems and data. This policy defines security measures, including access controls, encryption, network security protocols, and regular risk assessments, ensuring that our IT infrastructure remains resilient against potential threats.

Video Surveillance Policy: The video surveillance policy governs the use of cameras and surveillance technologies within our facilities. It outlines the purpose of surveillance, the types of data collected, and the measures in place to secure that data. This policy ensures that surveillance practices respect privacy rights while enhancing the safety and security of our premises.

Collectively, these policies reinforce our commitment to IT and infrastructure safety by providing a structured framework for managing risks, ensuring compliance, and fostering a culture of security awareness among our employees. We regularly review and update these policies to adapt to evolving threats and technological advancements, ensuring that our organization remains proactive in its efforts to protect sensitive information and maintain a secure operational environment.

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