Climate Transition Plan

First Release

Metrics and targets

Road to net-zero

Scenario analysis

Risks and opportunities

Governance mechanisms

ATEA

Contents

This Document 4

About Atea 5

1 Metrics and targets 5

1.1 Our emissions 6

2 Road to net-zero 7

2.1 Operational model 7

2.2 Value chain model 8

2.3 Carbon Credits 10

3 Climate-related scenario analysis 10

3.1 Transition scenarios: IEA NZE 11

3.2 Physical climate scenarios: SSP5-8.5 12

4 Risks and opportunities 13

4.1 Business areas influenced by climate-related risks and opportunities 18

5 Governance mechanisms 19

5.1 General governance 20

5.2 Enterprise Risk Management structure 20

5.3 Risk management 21

5.4 Internal control environment 21

5.5 Risk evaluation 21

5.6 Control activities, including monitoring 21

Foreword

Atea, a market leader in IT infrastructure across the Nordic and Baltic regions, is proud to present its first release of the Climate Transition Plan (CTP) in 2024. This plan is a testament to our unwavering commitment to environmental sustainability and our pledge to align with the Paris Agreement's ambitious goal of limiting global temperature rise to 1.5°C.

Our CTP outlines a comprehensive strategy to reduce our CO_2 emissions by 90% from 2019 levels, while offsetting the remaining 10% through strategic investments. We are dedicated to maintaining transparency in our climate governance and ensuring strategic implementation by adhering to globally recognized standards such as IFRS S2, SBTi Net-Zero standard, GHG Protocol, and EU Taxonomy.

In line with our FY2024 reporting timeline, we will be developing more detailed actions for our Climate Transition Plan. The insights and data gathered from our FY2024 report will serve as a foundation for these actions. This approach ensures that our strategies are based on the most recent and relevant data, allowing us to make informed decisions and set realistic, achievable goals. By aligning our actions with our reporting timeline, we can ensure a seamless integration of our sustainability efforts with our overall business operations.

Additionally, these updates will be designed to align with our next business strategy for 2025-2027. We eagerly look forward to sharing these updates in the forthcoming version of this document.

Through our CTP, we aim to demonstrate our proactive and strategic approach to climate change, and our unwavering dedication to contributing to global sustainability efforts.

Published June 2024

This Document

As the global climate crisis intensifies, businesses around the world are acknowledging the pressing need to shift towards a low-carbon economy. In 2024, Atea made a significant stride in this direction by introducing its Climate Transition Plan (CTP). This comprehensive plan not only highlights Atea's dedication to environmental sustainability but also aligns with the global objective of the Paris Agreement to restrict the rise in global average temperature to 1.5°C above pre-industrial levels.

The CTP serves as a strategic guide, detailing Atea's strategy for achieving its short-term targets as set out in its 2022-2024 business plan, and its long-term aspiration of reaching net-zero emissions by 2040. This commitment underscores Atea's resolve to minimize its carbon footprint and contribute to global efforts to mitigate climate change.

Atea's proactive approach to addressing climate change is evident in its commitment to reduce absolute CO_2 emissions by 90% from its 2019 baseline and invest in initiatives to offset the remaining 10%. The CTP, expressed through specific climate metrics and targets, offers a clear and transparent view of Atea's climate governance structure and the strategic levers for implementation.

The launch of the CTP is a landmark event in Atea's climate journey, reinforcing its ambition in accordance with the updated Science Based Targets initiative (SBTi) and its newly established net-zero target. This initiative sends a powerful message about Atea's commitment to environmental sustainability and its role in the global battle against climate change. It's not just about achieving targets; it's about driving substantial change and making a positive impact on the world.

Methodologies and Frameworks

This document adheres to the IFRS S2 Climate-related Disclosures requirements, providing comprehensive information about the Atea's climate-related risks and opportunities that could reasonably impact the Atea's cash flows, access to finance, or cost of capital in the short, medium, or long term.

Furthermore, it aligns with the Science Based Targets initiative (SBTi) Net-Zero standard. This standard outline and encourages best practices for setting and achieving net-zero emissions targets, ensuring that companies' net-zero commitments align with the goals of the Paris Agreement and the latest climate science.

Emissions disclosed in this document comply with the Greenhouse Gas (GHG) Protocol, an internationally recognized tool for measuring and managing GHG emissions. The GHG Protocol provides standards and guidance for estimating and reporting emissions from a range of sources and activities.

In accordance with the EU Taxonomy, we provide a transparent account of our Capital Expenditure (Capex), Operational Expenditure (Opex), and Turnover. This transparency extends to our economic activities, particularly their eligibility and alignment with sustainable business practices. This encompasses investments directed towards sustainable infrastructure, operational costs incurred in upholding sustainable practices, and revenue accrued from eco-conscious products and services.

By ensuring our financial disclosures align with these recognized standards and initiatives, we strive to present a lucid and comprehensive picture of our dedication to sustainability and climate action. This strategy not only guarantees adherence to regulatory stipulations but also fosters trust among our stakeholders, thereby underscoring our commitment to transparency and sustainable growth.

Revision

Atea will provide annual updates on the progress of this plan through its Annual Report, which will include a progress report on its near-term and long-term SBTi targets. In addition, Atea will disclose its progress in the annual CDP questionnaire, a tool used to assess the environmental performance of companies worldwide.

This plan is grounded in the best available data and assumptions at the time of its creation. Atea recognizes that the scientific and regulatory landscapes for climate action are rapidly evolving, which may necessitate future adjustments. As a result, Atea will routinely review this plan to incorporate changes in these landscapes and updates from its business plan.

Atea will also engage with relevant stakeholders, including customers, suppliers, employees, investors, and policymakers, to share its vision and seek feedback on its journey towards net-zero emissions. Through this engagement, Atea aims to ensure that its plan remains aligned with the latest developments and best practices in climate action.

About Atea

Atea is the market leader in IT infrastructure and related services for businesses and public-sector organizations in the Nordic and Baltic regions, with head office located in Oslo, Norway. Our mission is to build the future with IT, in collaboration with our customers. We believe that information technology, when combined with knowledge and creativity, has the potential to enhance productivity and elevate living standards for people everywhere.

With a strong team of over 8,000 employees across 88 cities in seven European countries (Norway, Sweden, Denmark, Finland, Lithuania, Latvia, and Estonia), Atea boasts a formidable local presence in each market we serve. Atea is consistently recognized by third parties as a leader in corporate sustainability on a global scale.

To fully realize our mission and capitalize on our market position, it is not sufficient for Atea to merely offer world-class IT solutions. We must also devise and execute a strategy that ensures the long-term sustainability of our business. This is why customers can depend on Atea as a comprehensive IT partner to facilitate their digital transformation. We are experts in the entire IT lifecycle, encompassing requirement analysis, solution design, sustainable procurement, implementation, and the responsible retirement of infrastructure assets.

Long-Term Commitment

Atea acknowledges climate change as a significant global issue. Our Climate Policy, in alignment with the 1.5°C scenario of the Paris Agreement, emphasizes our dedication to reducing emissions, improving energy efficiency, and advocating for low-carbon solutions across our operations and value chain. This commitment is applicable to all Atea companies, with employees required to comply with the Group Climate Policy.

In 2023, we expanded our reporting scope by finalizing the calculation of the Scope 3 category, a crucial step for evaluating and diminishing indirect emissions throughout the value chain. We also updated our SBTi target from well below 2°C (previously set in 2018) to 1.5°C and set a net-zero target in 2024. To fulfill our commitments, we have developed a Climate Transition Plan that addresses various focus areas, particularly Scope 3, which is intricate and demanding. This plan includes specific initiatives and measures to further reduce our environmental impact, facilitating a smooth transition towards a more sustainable and resilient future.

Embracing Digital Transformation

Amidst global adversities such as an energy crisis and material scarcity, Atea's commitment to digitalization and connectivity remains unwavering. Our take-back services, a proven solution for over a decade, responsibly manage unused IT devices by collecting, refurbishing, or recycling them.

These services play a crucial role in the circular economy by addressing material shortages, reducing electronic waste, and minimizing environmental impact. To support this, we have set a 1:1 goal in our Vision 2030 initiative, aiming to recover more unused IT units than we put on the market. As a key player in digital transformation, we leverage our expertise to lower customer emissions and promote sustainable technology practices. In line with Vision 2030, we have also set a 100:1 goal to significantly amplify our positive impact on the sustainability of IT.

Digitalization is not just a trend, but a vital tool in driving change. By harnessing its power, we can navigate challenges and pave the way towards a resilient, environmentally conscious future. Together, we can make a significant difference.

1 Metrics and targets

Successful implementation of the United Nations Sustainable Development Goal 13 (Climate Action) is crucial for taking urgent action to combat climate change and its impacts. Atea strongly believes in the pivotal role of technology in addressing this challenge and supports public policies that capitalize on this potential. Atea's Climate Policy is aligned with the 1.5°C scenario of the Paris Agreement, the United Nations Sustainable Development Goals, and the Science-Based Targets initiative (SBTi). This alignment steers our efforts to reduce emissions, improve energy efficiency, and advance low-carbon solutions throughout our operations and value chain.

In 2018, Atea had its emissions reduction target approved by the SBTi, committing to keep the global temperature rise well below 2°C. In 2023, Atea reaffirmed its dedication to environmental sustainability by submitting an updated SBTi target to align with a 1.5°C scenario, alongside a net-zero emissions target for validation. In 2024, Atea's targets were approved by the SBTi, reinforcing our commitment to the net-zero transition.

The table on this page presents Atea's performance against the defined targets and illustrates how the Group is advancing towards meeting them within the set timelines.

Table 1. Progress against base year 2019.

SBTi validated targets	2020	2021	2022	2023
Near-term (by 2030)				
Transition to 100% renewable electricity by 2025	48.1%	78.0%	86.9%	88.9%
80% reduction in Scope 1 and 2 emissions	6.0%	42.8%	46.1%	52.8%
50% reduction in Scope 3 emissions	18.7%	0.1%	7.5%	36.6%
Long-term (by 2040)				
Achieve a 90% reduction across all Scopes	18.6%	0.4%	7.7%	36.7%
Atea's Vision 2030 targets				
Near-term (by 2030)				
1:1 ratio between IT units sold vs. recovered	n/a	n/a	n/a	n/a
50% reduction in Scope 1 and 2 emissions	6.0%	42.8%	46.1%	52.8%
50% reduction in Scope 3 emissions	18.7%	0.1%	7.5%	36.6%
Transition to 100% renewable energy sources	34.6%	50.8%	57.7%	62.2%
Make our carbon handprint 100 times larger than our carbon footprint	n/a	n/a	n/a	n/a

n/a – Measurement is currently unavailable due to data discrepancies and consolidation. It will be included in the next version.

1.1 Our emissions

Atea conducts annual calculations of its reported GHG (Greenhouse Gas) emissions, following industry guidelines outlined by the World Resources Institute GHG Protocol. Emissions from Scope 1, 2, and 3 emissions are evaluated for all sites within Atea's operational control, divided by country: Norway (Atea Norway and Atea ASA), Sweden (Atea Sweden and Atea Logistics), Denmark (Atea Denmark), Finland (Atea Finland), Lithuania (Atea Lithuania), Latvia (Atea Latvia and Atea Global Services), and Estonia (Atea Estonia). The Baltic region is further subdivided into Lithuania, Latvia, and Estonia for a thorough analysis of Atea's emissions. Atea integrates principles derived from financial accounting and reporting standards, emphasizing relevance, accuracy, completeness, consistency, and transparency in their GHG accounting and reporting practices.

To ensure the completeness of the calculation process and enhance the credibility and transparency of the reported data, the emissions inventory is verified by an independent third party.

For more detailed information, refer to the Carbon Footprint Accounting, accessible on Atea's website.

Table 2. Atea's reported emissions for 2023 in tCO_2e.

Scope 1 **4,151.6**	Atea has three categories of Scope 1 emission sources—stationary combustion, mobile combustion, and fugitive. Stationary combustion emissions at Atea are produced by the combustion of diesel, natural gas, and LPG (Liquefied Petroleum Gas), primarily used for facility heating or as backup electricity generation. Atea's mobile combustion emissions stem from the operation of owned or leased cars. Fugitive emissions at Atea result from refrigerant leakage in air conditioning units.
Scope 2 (market-based) **959.3**	Atea's Scope 2 emissions arise from the consumption of purchased electricity, district cooling, and heating. We calculate both location-based and market-based Scope 2 emissions to provide comprehensive data. In our market-based calculations, we account for Atea's voluntary renewable energy purchases. These include Guarantees of Origins obtained from power purchase agreements, unbundled Renewable Energy Certificates, purchases of renewable energy (primarily sourced from wind), and low-carbon electricity (primarily sourced from large hydro).

Scope 3 **1,200,077.4**	Atea calculates its Scope 3 emissions following the guidelines outlined in the GHG Protocol, which outlines fifteen specific categories of Scope 3 emissions, offering a structured framework to analyze, comprehend, and report on Scope 3 activities within the company's value chain. Atea is focusing its reporting efforts on 11 out of 15 Scope 3 categories that have a material impact on their operations. To estimate emissions, Atea utilizes a diverse set of product carbon footprints representative of the products they sell, ensuring comprehensive coverage across their portfolio.

2 Road to net-zero

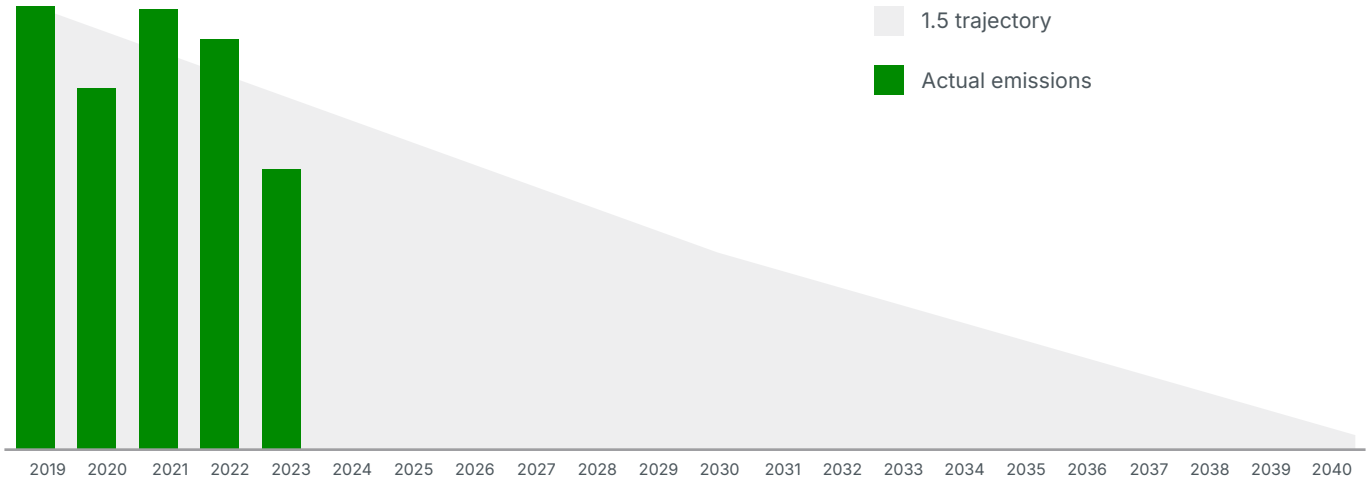
Atea sees IT as a powerful contributor to the United Nations Sustainable Development Goals (SDGs). Its sustainability strategy, based on transparency, accountability, and continuous improvement, addresses environmental, social, and economic impacts while aligning with Vision 2030. This proactive approach positions Atea as a leader in sustainable practices within the IT services sector.

The primary ambition is to eliminate emissions from operations, which constitute a small share of the value chain emissions. Opportunities also exist to reduce emissions from the current product portfolio through targeted interventions, such as encouraging suppliers to set science-based targets and collaborating with logistics partners to transition to lower emission transport options.

Given that the majority of the value chain emissions fall outside of Atea's direct control, societal change is crucial. Therefore, influencing broader society is an integral part 1M+ goal of Vision 2030.

The entire Climate Transition plan is underpinned by a commitment to transparent governance and reporting at a Group level, with subsequent sections providing details of the planned actions.

Table 3. Net-zero.



2.1 Operational model

At the forefront of our mission is a steadfast commitment to environmental stewardship, aiming to eradicate emissions from our operations. To accomplish this, we've set ambitious short-term and medium-term targets.

In the short term, by 2025, our aim is to transition to 100% renewable electricity, a substantial increase from the 39% achieved in 2019. This transition is projected to result in an annual reduction of approximately 6000 tCO_2 in our carbon footprint, marking a significant stride towards our environmental objectives. Our medium-term target by 2030 is to achieve an 80% reduction in Scope 1 and 2 emissions while transitioning to 100% renewable energy sources, which is a notable increase from the 30% recorded in 2019.

To achieve these targets, we will continue to acquire Guarantees of Origin certifications for low-carbon energy procurement and, where possible, increase the production of renewable electricity for self-consumption. We are also electrifying our company-owned car fleet where it suits business needs and exploring opportunities to do so for service cars. Additionally, we are committed to improving energy efficiency in our operations.

While recognizing that even business travel and employee commuting collectively contribute less than 0.5% to our Scope

3 emissions, we remain committed to encouraging Atea employees to adopt environmentally responsible practices during these activities. This proactive approach empowers individuals to align with the company's climate objectives through their daily decisions and actions.

2.1.1 Data centers: a key focus area

In our pursuit of energy efficiency, our data centers are pivotal to our operations. We are actively enhancing the energy efficiency of these facilities, which we own or have operational control over. Our approach includes adopting advanced cooling technologies, implementing server virtualization to reduce the number of physical servers required, and transitioning to energy-efficient hardware. These measures not only contribute to our sustainability goals but also optimize our operational performance, ensuring that our data centers are environmentally friendly, cost-effective, and resilient.

Various regulatory frameworks such as the EU Taxonomy, the EU Code of Conduct for data centers, and the Energy Efficiency Directive play a significant role in guiding sustainable and efficient operations within the European Union.

- **EU Taxonomy:** The EU Taxonomy Regulation provides a classification system for sustainable economic activities. Under this framework, activities related to data processing, hosting, and related services may qualify as environmentally sustainable if they meet specific criteria related to resource efficiency, carbon emissions, and other environmental impacts.
- **EU Code of Conduct for Data Centers:** The EU Code of Conduct for Data Centers is a voluntary initiative aimed at improving the energy efficiency of data centers. It provides best practices and guidelines for data center operators to optimize energy use and reduce environmental impact.
- **Energy Efficiency Directive:** The Energy Efficiency Directive sets out binding measures to promote energy efficiency and reduce energy consumption across various sectors, including data centers. Data centers are significant energy consumers, and improving their energy efficiency is crucial for achieving the EU's energy efficiency targets.

By adhering to these frameworks, we ensure that our data centers not only comply with regulatory requirements but also set industry benchmarks for sustainable IT infrastructure.

2.2 Value chain model

Atea prioritizes a responsible value chain, recognizing the importance of minimizing adverse impacts on people and the planet from the extraction of raw materials to the end-use of technology solutions. Our position in the value chain, while not as manufacturers, grants us the capacity to effect positive change. We advocate for ethical labor practices, sustainable sourcing, and the responsible use of natural resources, alongside responsible business conduct throughout the supply chain.

In collaboration with industry partners, Atea is dedicated to fostering a sustainable IT industry that respects human and labor rights, reduces environmental impact, and adheres to ethical and governance standards. We understand the complexities associated with Scope 3 emissions as outlined by the SBTi and are committed to addressing these challenges through our influence and actions within the supply chain.

2.2.1 Collaboration with Responsible Business Alliance

Atea's dedication to corporate social responsibility is exemplified by its collaboration with the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI). As a Regular member of the RBA, Atea is part of the world's largest industry coalition committed to improving supply chain conditions. The Supplier Code of Conduct Atea adheres to is based on the RBA's Code of Conduct, which is applied to all suppliers, emphasizing the importance of tracking, documenting, and publicly reporting energy consumption and greenhouse gas emissions across all Scopes 1, 2, and significant categories of Scope 3. Suppliers are encouraged to enhance energy efficiency and reduce their energy consumption and greenhouse gas emissions.

Atea's involvement with the RMI since 2016 further demonstrates its commitment to responsible sourcing, particularly in conflict-affected and high-risk areas. By aligning with the RMI and adhering to the OECD guidelines for conflict minerals, Atea promotes transparency and responsible management systems within the supply chain. This approach supports the livelihoods of millions and fosters a sustainable IT industry that respects human and labor rights, reduces environmental impact, and adheres to ethical and governance standards. Atea's proactive stance in these initiatives reflects its dedication to environmental stewardship and responsible supply chain management.

2.2.2 Supplier Engagement Program

As a value-added reseller, a significant portion of Atea's Scope 3 emissions is tied to our supply chain and the associated manufacturing processes. Specifically, emissions from purchased goods and services, based on the reporting year, range between 54% and 75% of Scope 3 emissions. Consequently, our strategic focus centers on understanding the

sustainability efforts of our prioritized suppliers, given their substantial environmental impact. Supplier selection is based on specific criteria, including procurement spend, operational impact, and leverage through individual and industry-wide initiatives. These selected suppliers collectively represent 80% of our total procurement spend.

This information is crucial for assessing the current climate ambition within our supply chain and identifying areas for improvement. Such insights are fundamental to our engagement and incentivization strategies. To ensure the accuracy and impartiality of the collected supplier sustainability data, we rely on various third-party solutions rigorously tested for suitability within our supply chain structure.

In our commitment to climate action within our supply chain, we collaborate closely with prioritized suppliers to evaluate their dedication to the RBA Code, both within their operations and throughout their supply chain. Our assessment considers the maturity of their management systems, alignment with the climate goals of the Paris Agreement, and transparency of sustainability efforts. To maintain credibility and accuracy in the data collection on supplier sustainability, we use a range of solutions that have undergone rigorous testing within our supply chain framework.

For climate-related assessments, the measure of success is based on the fulfilment of at least one of the following parameters by our prioritized suppliers:

- Verification of a 1.5°C target by SBTi.
- Public reporting on progress toward climate targets.
- Achieving net-zero emissions across the supply chain.
- Verification of net-zero emissions by SBTi.

This rigorous approach underscores our commitment to driving climate action throughout our supply chain, ensuring suppliers align with ambitious climate goals and contribute to a sustainable, low-carbon future.

2.2.3 Atea Sustainability Focus

Atea Sustainability Focus (ASF) leverages the power of the Nordic IT buyers to drive change globally. Featuring a report produced annually, ASF provides the Responsible Business Alliance (RBA) and fellow members with an annual focus and a set of recommendations. The focus and recommendations are assembled by an advisory board that collects examples of sustainability and IT excellence from across the region. The specific recommendations provide a balance between deep ambition and what's achievable. This annual approach helps industry to focus its resources and progress faster to close that gap.

ASF provides multiple platforms for organizations and individuals to become part of the solution:

- Atea Sustainability Forum: a Nordic event that gathers IT buyers and representatives from the global IT industry to collaborate and find paths to a more sustainable production and use of IT.
- Leadership for change: The ASF Leadership for Change group is a network of major Nordic IT buyers who are committed to promoting sustainable IT through their procurement and consumption choices. The network aims to establish and share best practices in IT procurement and consumption.
- ASF Roadmap: The ASF roadmap was initiated by the buyers in the ASF Advisory Board in order to speed up the transformation to a circular and net-zero IT sector. In collaboration with the IT industry, the roadmap outlines a number of actions that will be undertaken by Nordic IT buyers, evaluated and scaled if successful.

2.2.4 Enhancing IT sustainability through circular solutions

Circularity poses a significant material concern for Atea, given its direct impact on our core operations within the IT services industry. Since the technology sector is resource-intensive, transitioning towards a circular economy is not just important but necessary. Embracing circular practices not only reduces waste, but also boosts resource efficiency, lessens environmental footprints, and spurs innovation. Prioritizing circularity aligns us with changing consumer preferences, regulatory demands, and global sustainability objectives. By integrating circular principles into our operations, we not only achieve cost savings but also fortify our competitive advantage, while simultaneously contributing to a more sustainable future: thereby generating value for both our business and the environment.

We have been offering take-back services to our customers since 2008, enabling them to return their used IT equipment for reuse or recycling.

2.2.5 Sustainable lifecycle management

More people today are expressing a desire to take responsibility for the sustainable management of their IT products throughout its entire life cycle. At Atea, we recognize sustainable lifecycle management (LCM) not merely as a service or a solution, but as a strategic approach wherein a business establishes conditions and guidelines for planning, valuing, and prioritizing all aspects of digital device lifecycle management. We assist our customers in accelerating and sustaining

their digital transformation by enhancing the affordability and environmental sustainability of IT. The frameworks inherent within LCM facilitate clear IT governance, provide a solid budget foundation, and promote a circular business model aimed at minimizing the environmental footprint of IT operations.

The LCM Track framework is an Atea method created as a part of our LCM offering to help our customers align their IT strategy, business processes, and employee experience with the best lifecycle management practices. It's a comprehensive deep dive for customers who are either exploring their needs or aiming to maximize lifecycle management benefits. By using LCM Track, our customers will be able to unlock the power of a truly circular consumption of IT resources and gain insights into their current state and future potential.

Lifecycle Management is about:

- Managing the earth's resources responsibly.
- Rewarding quality and ensuring that products have prolonged lives.
- Recovering and circulating back valuable metals and components.

2.3 Carbon Credits

Atea discloses its annual details of project-based carbon credits canceled through the CDP questionnaire. These carbon credits are procured to meet specific customer requirements and are considered a complementary action. Importantly, Atea does not account for these purchased carbon credits as reductions in its own emissions.

Additionally, Atea is following the guidelines set by the Science Based Targets initiative (SBTi) Net-Zero Standard and keeps up with recent developments to ensure its sustainability practices are aligned with the latest standards and best practices. This practice ensures transparency and aligns with Atea's commitment to environmental responsibility by providing detailed disclosures without inflating its emission reduction achievements.

Table 4. Carbon credits.

	2019	2020	2021	2022	2023
Emission reduction offsets	0.0	0.0	800.0	652.0	0.0
Carbon removal offsets	1824.0	3500.0	2000.0	1130.0	307.0
Share of total emissions	0.1%	0.2%	0.1%	0.1%	0.0%

3 Climate-related scenario analysis

For the physical scenario, the focal question posed was about the effects and impacts of a high-emission scenario on the resilience of Atea's data centers and offices. As an IT infrastructure company, Atea operates offices, logistics centers, and data centers within the Nordic and Baltic markets. With 88 offices in seven different countries, climate change could potentially pose a risk to Atea's day-to-day operations.

Climate change is a pressing global issue with far-reaching consequences. Rising temperatures, extreme weather events, melting ice caps, and rising sea levels are just a few of its effects. Rising temperatures, coupled with shifting precipitation patterns, entail various consequences for maintaining optimal conditions. Expected increases in temperatures could potentially impact both Atea's offices and data centers, in terms of higher demand for cooling.

Cooling systems may need to work harder to maintain optimal operating temperatures, potentially resulting in increased energy consumption. When the outside temperature reaches 12°C, this is the threshold when cooling equipment needs to start operating to keep the data centers functioning. Moreover, shifts in precipitation patterns could disrupt Atea's operations, increasing the chances of severe flooding incidents.

Coastal offices and data centers may be vulnerable to the risks associated with coastal flooding. Additionally, various weather phenomena could be influenced. Elevated temperatures, combined with shifts in rainfall patterns, may result in more frequent and severe drought events. Therefore, we examined how weather events are forecasted to evolve under SSP1-2.6 and SSP5-8.5 scenarios, and the potential impact they could have on Atea's operations.

For the transition risk scenario, one of the focal questions we used in our analysis was about how Atea might be affected by the pricing shifts in Guarantees of Origin (GOs) and the European Union Emissions Trading System (EU ETS) as part of the transition to net-zero by 2050. To mitigate global warming, numerous developed and developing nations have committed to achieving net-zero emissions by 2050, which could have both a direct and indirect impact on companies.

Achieving net-zero involves phasing out fossil fuels and transitioning to renewable energy sources, along with implementing strong and ambitious climate policies and regulations. Both mandatory and voluntary market mechanisms, such as carbon pricing and GOs, will be essential in advancing the transition to a more sustainable economy.

Regulations such as carbon pricing are essential for enabling companies and society to transition to cleaner energy sources, impacting operational costs through higher energy and product prices. Additionally, GOs are instrumental in promoting the shift to net-zero emissions by ensuring transparency and accountability in the renewable energy market. The heightened demand for GOs has led to increased prices, a trend anticipated to persist, particularly under an International Energy Agency (IEA) Net Zero by 2050 (NZT) scenario.

With a presence in seven European countries, Atea combines a unique breadth of competence in IT infrastructure with a local presence nationwide. The company provides a full range of hardware and software from the world's top technology companies. Atea operates offices, logistics centers, and data centers, all of which contribute to significant energy consumption. Among these, data centers stand out for their substantial energy usage, driven by the cooling systems, continuous operation of servers, and other essential infrastructure. We will therefore analyze in this scenario how GOs and carbon prices will impact Atea under the IEA NZE scenario.

One of the focal questions we used in our analysis was about the risks and opportunities from changes in policy and regulatory framework in Norway and the Nordics to cut emissions, and how this will affect Atea's overall sustainability strategy and climate target. This resulted in illustrating potential gaps in achieving our science-based target and aligning with a 1.5 world.

Our focal question relates to emission reductions and how to stay ahead of changes in policy and regulatory framework. The Norwegian government has committed to reduce GHG emissions by 50% by 2030 at the latest and become a low-emission society by 2050. This has a direct impact on our operations, and we have also noticed a high awareness of climate-related risk among investors and other stakeholders.

The effect of not addressing the risks associated with changes in policy and regulation can lead to increased carbon dioxide emission prices, hence increased operating costs, and not being able to respond to political changes and new, stricter environmental and climate requirements which can have an impact on both our short-, medium- and long-term perspective. This has been taken into consideration when developing Atea's climate-risk assessment.

The results of the focal questions conducted in the scenario analysis illustrated potential gaps in achieving our climate target, especially since large parts of the emissions in the IT sector are from Scope 3. Atea believes the IT sector must take a leadership role and address social, environmental, and ethical challenges. Therefore, in 2021, Atea launched 2030 Vision which covers all our operations in the Nordic and Baltic regions.

The Vision includes five overarching targets and will allow us to lead the change in building a sustainable tomorrow. One target is 1:1, the aim is to achieve a 1:1 ratio between IT units sold vs recovered. For each one we put on the market, we'll take back at least one unit. It extends the IT lifespan and preserves resources. In 2022, this concept saved 58,937 tCO_2e emissions by giving IT products a second life.

The results also amplified the importance of the IT sector to take responsibility for emissions in the supply chain. We have therefore also set a 100:1 target which aims to make our handprint a hundred times larger than our carbon footprint by 2030. We will do this by leveraging the exponential power and compounding effect of IT. While accelerating our efforts to spearhead the digitalization of society, we will also make it our job to help customers reduce their emissions from their IT infrastructure and help them harness the potential of IT to avoid emissions in their business.

Another example of a transition activity Atea has implemented is to achieve a minimum of 50% emission reduction and hence emissions in accordance with the Paris Agreement. This includes phasing out fossil fuel, reducing air travel, halving transport emissions, and using 100% renewable energy. Since 2019, we have reduced our emissions in Scope 1 and Scope 2 by 46% and business travel by 41%.

Sustainability and climate-related issues are being integrated into all our operations and overall business strategy at Atea. We actively manage climate risks by adopting a proactive approach.

3.1 Transition scenarios: IEA NZE

Scenario analysis coverage: Company-wide
Temperature alignment of scenario: 1.5°C

The IEA NZE scenario is built on the assumption that society transitions towards meeting the goals of the Paris Agreement, ultimately limiting global warming to 1.5°C as compared to pre-industrial levels. In this scenario analysis we have focused on how carbon prices mechanisms and Guarantees of Origin could potentially impact Atea in the short-, medium- and long-term.

The Guarantees of Origin (GOs) market, vital for tracking and certifying renewable energy sources in the energy sector, has

experienced significant shifts since 2021. Rising corporate demand, fueled by ambitious climate targets, has propelled GO prices upward, with European prices doubling from 2022 to 2023. This trend is expected to persist under the examined scenario IEA NZE, which encourages stringent regulatory practices towards achieving net-zero emissions.

Atea is today heavily dependent on the market mechanisms of GOs to reach their public commitment of 100% renewable electricity procurement by 2025. As the demand for GOs surges, driven by both voluntary commitments and regulatory mandates such as the EU's Corporate Sustainability Reporting Directive (CSRD), potential supply shortages loom. Weather-related risks, particularly affecting hydroelectric generation, pose additional challenges. Regulatory uncertainties, exemplified by Norway's past proposal to exit the EU GO scheme, threaten supply stability.

The IEA NZE scenario underscores the urgency for transitioning towards renewable energy sources, potentially leading to a compliance market where both suppliers and consumers are mandated to ensure a renewable energy percentage. Moreover, political and regulatory factors, including EU-wide regulations and country-specific subsidy schemes, influence the dynamics of the GO market, which as a result can suggest increased prices and volatility.

Initiatives like RE100's commissioning date limit aim to incentivize investments in recent renewable energy projects, fostering technological advancements and diversifying the energy mix. Analysts project solar and wind EU GO prices to range between 5-8 EUR/MWh from 2023-2030, reflecting growing market dynamics.

While escalating GO prices present financial risks, they also signify progress toward renewable energy adoption. Elevated prices are expected to drive larger investments in renewable energy infrastructure, facilitating the transition towards a sustainable energy future. Balancing regulatory frameworks, supply dynamics, and weather-related risks will be critical for ensuring the stability and growth of the EU GO market in the coming years.

Atea's business includes the operation of offices, logistics centers, and data centers, and contributes to high electricity consumption. Atea has committed to increasing the share of renewable electricity to 100% by 2025 and intends to continue doing so thereafter.

Monitoring the development of the EU GO scheme is crucial for Atea from a financial perspective, as is considering other cost-effective ways of acquiring 100% renewable electricity if future prices keep rising.

In response to the net zero ambitions, nations worldwide are committing to ambitious targets. To achieve these, they're employing various strategies, including governmental regulations, promoting electric transportation, and implementing carbon pricing mechanisms. Currently, around 40 countries and over 20 cities have adopted carbon pricing, covering roughly half of global emissions. The EU ETS, the largest emissions trading scheme globally, plays a crucial role in this effort. Its prices have been rising significantly, reaching historic highs due to increased emission reduction ambitions and growing investor interest in sustainability. However, these price increases pose risks for Atea, leading to higher operational expenses and electricity bills. Carbon prices are projected to reach 140 USD by 2030, 205 USD by 2040 and 250 USD by 2050, which will have an indirect risk on Atea's operation due rising electricity prices until it becomes possible to cover most of the demand with renewable and nuclear energies. According to the IEA NZ scenario, a shift towards greater demand for low-emissions sources is forecasted to occur between 2030 and 2040, meaning the EU ETS are most likely to pose a risk in the short-and medium- term before the company and society transition to a low-carbon solutions. Prices on electricity by 2030 are expected to increase by 13.17%.

The upcoming EU ETS 2, expected to be introduced in 2027, including road transport, could further impact Atea's transportation costs, and raise the price of upstream transportation. Additionally, Atea may face indirect costs through its supply chain due to higher production costs for hardware components. Presently, this average stands at 0.17%, which may seem negligible. The rising costs of carbon are projected to continue, especially to meet the net-zero targets of the Paris Agreement, and projections indicate a substantial surge by 2030. Under the IEA NZE scenario, the average increases to 4.94%, signifying a noteworthy escalation.

New carbon pricing mechanisms, including carbon tariffs, are emerging. These tariffs aim to ensure a level playing field between domestic and imported carbon-intensive goods. The EU Carbon Border Adjustment Mechanism (CBAM) is the first of its kind, set to take effect in 2026. However, such measures could significantly increase the hidden cost of carbon for many goods, by a factor of five or more, which would have a direct impact on Atea's expenditures.

Market mechanisms, such as GOs and carbon pricing create incentives for companies to invest in energy -efficient technologies and renewable energy sources. Atea could capitalize on this by offering green IT solutions, such as energy - efficient hardware, data center optimization services, not only to provide green alternatives in the market but also to reduce their own financial risk of increased energy - and supply chain cost under the IEA NZE scenario.

3.2 Physical climate scenarios: SSP5-8.5

Scenario analysis coverage: Company-wide

The analysis compares the same climate variables for all selected regions. The regions selected cover all of Atea's data centers, logistics & recycling centers. It also includes the two biggest offices within each operating country and additional offices that fall within the borders of the chosen regions. All climate variables span the time period of 2020-2060. The climate variables examined in this scenario analysis include projections of the maximum air surface temperature anomaly

and the projections of cooling degree days (CDD). For precipitation, we examined the projected percent change measured against the reference period of 1995-2014. Atea operates in the Nordic and Baltics countries. These locations have low risk when it comes to severe storms and tropical cyclones. However, the regions will be exposed to risks of increasing temperatures, changing precipitation patterns, flooding and drought events.

Analyzing these datasets underscores the importance of considering different socioeconomic and emissions scenarios when assessing future climate related risks. The differences between SSP1-2.6 and SSP5-8.5 scenarios highlight how mitigation efforts can influence the magnitude and variability of projected precipitation changes. Understanding these variations is crucial for adaptation and resilience planning for companies operating offices and data centers, especially concerning potential impacts on infrastructure related to water needs and HVAC systems to keep a stable operating temperature within the data centers in particular.

From our quantitative analysis, temperatures and the frequency of long-term heatwaves are expected to increase across all examined regions in both the medium and long term. Changes in precipitation patterns are also likely to pose risks for Atea, increasing the likelihood of flooding, especially in locations near lakes or coastlines. To further analyze the potential impacts on Atea's data centers, logistic centers, recycling hubs, and offices, the CDD values were used. For CDD, annual historical data from 2011-2020 was utilized to formulate a baseline. The average CDD per decade under each scenario for each individual location was then calculated. This approach allowed for estimated percentage changes in CDD across each region per decade.

The CDD data under both time horizons project substantial increases in cooling needs for buildings, presenting a financial risk if proactive measures are not taken. Rogaland (Norway) shows the most significant percentage change, with a 698% increase by 2060, followed by a 504% increase in Soer-Trøndelag (Norway), and a 410% increase in Jämtland (Sweden). However, in terms of the number of cooling degree days, Vilnius (Lithuania) poses the highest risk, with 411.7 days in 2060, followed by 391.31 days in Riga (Latvia) and 240.54 days in South Finland. This is particularly concerning for Atea's data centers, as cooling equipment must start operating when outside temperatures reach 12°C to maintain functionality.

Offices: The outcomes of the analysis showed that while some offices exhibited large percentage increase in cooling degree days, the overall impact of these increases will not pose a significant impact compared to the data centers due to the overall lower demand in consumption. The two offices where the highest increases are projected under the SSP1-2.6 scenario is Vilnius and Riga (2060), and the same locations is projected under the SSP5-8.5 scenario in the long-term. However, looking at the medium term (SSP5-8.5 scenario), Stockholm is expected to have the second highest increase in number of days in this decade.

Data Centers: Under the SSP5-8.5 scenario, the most significant impact is projected for the data center in Vilnius, Lithuania. Between 2051 and 2060, the expected Cooling Degree Days (CDD) are projected to increase to 411.7 days, a substantial rise compared to the 2021-2030 decade, which had 210.7 days. Similarly, Southern Finland (Helsinki) is expected to see an increase to 240.54 CDD by 2060, followed by an increase to 210.85 days in the capital of Denmark. However, even though the Rogaland region, where the Stavanger data center is located, shows the highest percentage change at 698% by 2060, this is not expected to have the highest financial or strategic impact on Atea's business. This is due to the relatively small absolute increase in CDD for Rogaland, which is projected to rise by just 19.05 days during this period.

4 Risks and opportunities

We conducted a transition scenario analysis based on IFRS S2 requirements to identify and assess climate-related risks and opportunities that could have a significant financial and/or strategic impact on our business. This section aims to provide additional insights into the risks and opportunities we identified, and outlines our process for addressing climate-related risks and maximizing climate-related opportunities.

In the context of climate risk, risk preparedness, risk management, and risk mitigation represent distinct but interconnected approaches to addressing the challenges posed by climate change. Risk preparedness involves understanding the potential impacts of climate-related events and developing strategies and contingency plans to respond effectively when such events occur, with an emphasis on readiness and resilience.

Risk management, on the other hand, encompasses a broader and ongoing process that identifies, assesses, and prioritizes climate risks, followed by the implementation of measures to reduce these risks. It includes risk preparedness and mitigation but extends to continuously monitoring and adapting strategies as climate risks evolve. Lastly, risk mitigation focuses explicitly on actions taken to plan for climate-related events and minimize the severity of their adverse effects. It involves initiatives such as reducing GHG emissions, fortifying infrastructure against extreme weather, or diversifying supply chains to mitigate climate-related vulnerabilities. While risk preparedness enables readiness, risk management encompasses a comprehensive strategy, and risk mitigation focuses on direct actions to address climate risks.

Table 5. Risk management process.

Utilizing the IFRS S2 requirements, Atea has identified a variety of risks and opportunities with potential financial implications. These will be evaluated through the Double Materiality Assessment and presented in the FY2024 report.

Atea's assessment of climate-related risks and opportunities spans short (0-3 years), medium (3-5 years), and long-term (5-30 years) horizons. This assessment is integrated within the Enterprise Risk Management (ERM) process, which is reviewed annually. A dedicated team within Atea evaluates these risks based on their potential impact on the Group's operating profit.

The ERM process also identifies climate-related opportunities that could benefit Atea, its customers, and society at large. The Group's risk management and internal control guidelines, which include climate risks, are reviewed annually by the Board of Directors.

Any risk that exceeds the defined threshold is reported to both the senior management and the Board of Directors. If the aggregated financial impact surpasses the materiality threshold, which is set at 2% of operating profits, the impact is deemed significant and communicated accordingly.

Following the assessment, a summary table is provided. This table details each identified risk and opportunity, its potential impact, and the measures Atea has taken to mitigate or capitalize on it. This comprehensive approach equips Atea to effectively manage potential disruptions and seize emerging opportunities.

Table 6. Identified risks.

Risk category	Description of risk
Policy & Legal Increased carbon prices Likelihood: High Time horizon: Long-term	Regulations are set to introduce carbon pricing, impacting Atea's expenditures. The global rise in carbon prices has multifaceted implications for Atea, especially since all countries where Atea operates are subject to the European Union Emissions Trading System (EU ETS). This could affect data centers and facilities that rely on fossil fuels, potentially leading to increased compliance costs. Carbon pricing schemes will likely influence various segments of Atea's value chain, resulting in higher Cost of Goods Sold (COGS) and elevated carbon tolls and taxes. These changes could exert upward pressure on the prices of Atea's products and services. Additionally, policies aimed at monetizing emissions to internalize the negative externalities of greenhouse gas emissions will induce shifts in competitive and market dynamics. A carbon tax on purchased goods and services could also impact Atea's Opex and Capex. Climate change introduces further complexities, influencing the availability and cost of raw materials essential to IT hardware manufacturing, such as metals, minerals, and rare earth elements. This escalation in manufacturing costs will directly affect Atea, driving up procurement expenses.

Risk category	Description of risk
Emerging regulations **E-waste management regulations** Likelihood: Low Time horizon: Medium-term	Currently, Atea faces only a small financial impact from E-waste management regulations. However, as the adoption of circular business models progresses, the risks associated with E-waste management are likely to increase. This trend towards circularity represents a significant shift in E-waste strategies, bringing about new complexities and challenges for Atea. Given Atea's strategic emphasis on circularity, as demonstrated by its Life Cycle Management (LCM) strategy and the 1:1 recycling goal, tackling these challenges is a top priority. The company's strong commitment to circular principles means that the changing regulatory frameworks are especially relevant, providing Atea with a dynamic set of compliance requirements and environmental responsibilities. The company is poised to face: more stringent adherence measures, possible operational adjustments and a greater need for sustainable E-waste management practices. As the circular economy becomes more prominent, these risks highlight the critical need for Atea to proactively assess and adapt its strategies. Atea's dedication to its LCM strategy and 1:1 goal underscores the imperative to lead in sustainable practices and to navigate the evolving E-waste management landscape effectively.
Technology **Increased demand for low carbon solutions** Likelihood: High Time horizon: Long-term	There's a growing global demand for low-carbon goods and services, spurred by environmental policies and the goal of limiting global warming to 1.5°C. External stakeholders are actively looking for low-carbon solutions. Information and Communication Technology (ICT) products that produce fewer emissions are set to become increasingly important. Likewise, digital solutions such as cloud computing and AI are expected to play a pivotal role in the low-carbon transition. Companies that specialize in sustainable technology are likely to excel in the marketplace. Atea faces a risk if it doesn't embrace technologies that could make it a leader in low-carbon products, services, and the broader climate change movement. Not keeping pace could lead to substantial replacement costs and the loss of customers who prefer low-emission solutions. To mitigate these risks, Atea must invest in developing low-carbon products and solutions. Strategic communication is also essential to highlight Atea's dedication to sustainability. Ignoring these challenges could lead to financial repercussions and a weaker market position as the industry evolves.
Current regulations **EU Energy Efficiency Directive** Likelihood: Very high Time horizon: Short-term	The 2023 revised EU Energy Efficiency Directive (EED) plays a pivotal role in promoting sustainable practices within the data center industry across the European Union. It introduces stringent guidelines for energy efficiency, focusing on metrics such as Power Usage Effectiveness (PUE), Data Center Water Usage (DCWU), Data Center Carbon Emissions (DCCE), Data Center Economic Efficiency (DCEE), and Data Center Social Impact (DCSI). The updated directive sets an ambitious goal, requiring EU countries to collectively achieve an additional 11.7% reduction in energy consumption by 2030, relative to the 2020 reference scenario projections. From 2024 onwards, data center owners and operators with an installed IT power demand of 500kW or more are mandated to publish an EED report that is accessible to the public. For Atea, the EED signifies a substantial regulatory change with immediate effects. Given Atea's significant role in the management and operation of data centers, adherence to the new EED mandates is imperative. It is essential for Atea to ensure that its data centers meet the updated energy efficiency targets and comply with the reporting requirements. Non-compliance could lead to regulatory fines and potentially tarnish Atea's reputation as a leader in sustainable IT services. Moreover, aligning with the EED may require investments in cutting-edge technologies and methodologies to fulfill the rigorous efficiency and reporting standards, which could affect both operational procedures and financial strategies.

Risk category	Description of risk
Market Increased prices for Guarantees of Origin Likelihood: High Time horizon: Long-term	The demand for renewable energy instruments, such as Guarantees of Origin, is projected to increase in the coming years. European Guarantees of Origin prices have doubled in the past year, and this upward trend is expected to persist. Contributing factors include corporate demand, inflationary pressures, diminished hydro generation, and a shortage in supply. The scarcity in supply is attributed to physical climate challenges such as droughts and floods, along with delays in expanding the renewable grid. These factors are expected to result in temporary price spikes. Purchased renewable electricity is a key element of the sustainability strategy, and an increase in prices could have a negligible financial impact on the company. The primary risk associated with the increased prices of Guarantees of Origin and market demand is the potential challenge in achieving Atea's climate target. Atea has established an energy target, aiming to achieve 100% renewable electricity by 2025 and 100% renewable energy by 2030.
Market Shift in customer demand Likelihood: High Time horizon: Long-term	Amidst growing environmental concerns, low-carbon solutions are becoming pivotal, not only for their environmental benefits but also for enhancing resource efficiency and promoting enduring sustainability. The CSRD legally obligates companies to diligently oversee their sustainability practices, extending to suppliers and customers. As consumer preferences increasingly lean towards low-carbon products, the demand for such solutions surges, marking a critical juncture in the shift towards sustainable practices. For ICT product and service providers like Atea, the challenge is to align offerings with the societal push for reduced emissions. Failing to adapt could jeopardize Atea's market relevance and revenue streams.
Reputation Stakeholder pressure Likelihood: Low Time horizon: Long-term	In a competitive market, Atea recognizes the significance of reputational risks, particularly in the context of climate change. These risks are integral to our climate-related risk assessments. Leading by example, Atea commits to guiding businesses toward sustainable and efficient IT consumption, employing the same solutions we offer to customers internally. This ensures our competitive edge and solidifies customer trust. Failing to meet climate targets, such as an increase in GHG emissions or not achieving our 100% renewable energy goal by 2030, could tarnish Atea's reputation as a sustainability leader and advocate. With a broad stakeholder base that includes customers, corporations, governments, and investors, Atea's brand and financial health hinge on staying at the forefront of the climate movement and aligning with the shift towards low-carbon technologies. Any perceived lag in these areas could erode brand value, lead to revenue loss, and have adverse financial consequences.
Acute physical Disruptions in the supply chain caused by extreme weather conditions which could affect factories and/or resource extraction facilities Likelihood: Medium Time horizon: Long-term	Atea is dependent on Original Equipment Manufacturers (OEMs), and the financial impacts are likely to be felt on physical assets and throughout the value chain. Landslides triggered by heavy rainfall may affect transportation channels, leading to disruptions in the delivery of purchased goods and services. Flooding events could also result in increased expenditures due to higher prices on imported goods, stemming from elevated costs incurred by suppliers experiencing extreme flooding events or significant shortages of key resources, creating imbalances in supply chain demand. The majority of Atea's manufacturing suppliers are situated in Asian countries, where the RCP8.5 scenario predicts an increase in flooding events in the coming years. This escalation in flooding poses a threat to infrastructure in these countries, potentially limiting product production. Severe flooding events in factory locations are likely to have a significant impact on Atea's business, affecting expenditures and distribution costs.

Risk category	Description of risk
Chronical physical Changing temperatures and precipitation patterns Likelihood: High Time horizon: Long-term	Climate change is a critical global issue with extensive implications, including rising temperatures, extreme weather events, melting ice caps, and rising sea levels. These phenomena have far-reaching consequences, particularly for companies operating within climate-sensitive regions. Atea, with its 88 offices, logistic centers, and data centers across the Nordic and Baltic regions, is potentially at risk from climate change impacts. The expected rise in temperatures and shifting precipitation patterns may affect Atea's day-to-day operations. Specifically, increased temperatures could lead to higher cooling demands for offices and data centers, requiring cooling systems to operate more intensively to maintain optimal temperatures. This increased demand for cooling could result in higher energy consumption, leading to increased operational costs and a greater carbon footprint. Effective mitigation strategies and energy-efficient solutions will be essential to manage these risks and sustain Atea's operational resilience.

Table 7. Identified opportunities.

Resilience Low-carbon products and services Likelihood: High Time horizon: Long-term	Atea's holistic approach addresses the dual challenges of energy consumption and environmental impact. By offering solutions that optimize energy use in both Atea's and customers' data centers, Atea is not just responding to the present but is shaping a sustainable future. Compliance with the EU's stringent directives, such as the Energy Efficiency Directive (EED) and Corporate Sustainability Reporting Directive (CSRD), is seamlessly woven into Atea's services. This ensures that Atea's partners are not only aligned with but are also active participants in the green economy. The trajectory of demand for low-carbon products is unmistakably upward. Atea's commitment to innovation and continuous improvement of sustainable solutions places it at the forefront of this burgeoning market. By 2030, Atea envisions its positive environmental impact – its 'handprint' – to dwarf its carbon footprint by a factor of 100. This ambitious goal is rooted in the transformative potential of IT across Digital Workplace, Hybrid Cloud, and Information Management domains. Atea is dedicated to aiding its customers in reducing emissions and leveraging IT to circumvent emissions altogether. Electronic devices are often overlooked as significant contributors to carbon emissions, primarily during their manufacturing phase. Atea recognizes that prolonging the life of these devices is a potent strategy to curb emissions and minimize waste. This philosophy is encapsulated in Atea's 1:1 goal, a cornerstone of its Vision 2030, aiming for parity between the sale and recovery of IT units. Atea's operations are a testament to the principles of resource efficiency and the circular economy. Its extensive electronic reuse-and-recycle programs in the Nordic and Baltic regions exemplify its commitment to sustainability. The 100% Club initiative and Atea's take-back services underscore the company's dedication to the full lifecycle management of IT equipment. With the innovative Goitloop service, Atea is on a mission to recover every piece of equipment sold by 2030. In 2023 alone, Atea's take-back services reclaimed over 760,000 units, translating to a remarkable saving of 88,812 tCO_2e, thereby granting IT products an extended lease on life and contributing to a healthier planet.

Energy source

Transition to low carbon energy sources

Likelihood: High

Time horizon: Medium-term

Atea is actively pursuing Guarantees of Origin certifications to ensure low-carbon energy procurement. We aim to expand the production of renewable electricity for our own use wherever feasible. In line with our business requirements, we are transitioning our company-owned car fleet to electric vehicles and evaluating similar opportunities for our service vehicles.

We are dedicated to enhancing energy efficiency across all operations. Atea is undertaking multiple initiatives to significantly reduce emissions from our activities, targeting a minimum 80% reduction in CO_2e emissions by 2030. Transitioning from fossil fuels to renewable energy sources presents a significant opportunity for Atea. We have committed to sourcing 100% renewable electricity by 2025 and aim to use 100% renewable energy by 2030.

A key step in this direction has been the installation of solar panels at Atea's logistics center in Växjö, which now partially runs on solar power. Concurrently, we are electrifying our vehicle fleet, which is a crucial strategy to achieve our ambitious goal of an 80% reduction in CO_2 emissions by 2030. Additionally, we are focusing on improving energy efficiency in our data centers, which is a simultaneous effort alongside our other initiatives. We conduct regular energy audits to identify and capitalize on opportunities for reducing energy consumption. The insights gained from these audits guide our efforts in optimizing energy usage in our data centers and throughout our facilities, ensuring that we are at the forefront of environmental stewardship.

4.1 Business areas influenced by climate-related risks and opportunities

Products and services

Atea has identified several risks and opportunities that relate to its products and services. One example of this is the demand for low-carbon products that will continue to increase and the risk for Atea to not remain in a competitive position. There is also an increased focus on environmental and climate-friendly products from society and customers, which means that an important opportunity is to develop products and services that help customers drastically reduce their emissions. Atea will continuously develop new sustainable technology to meet these opportunities, which they do through its 2030 vision and implementing sustainability-focused solutions.rm

Strategic decision made: Atea has established two principal targets to guide its strategy. The first is the 100:1 target, which aims to amplify the positive impact of its innovations—referred to as its 'innovation handprint'—to be 100 times greater than its carbon footprint. The second is the 1:1 target, which strives for a balanced ratio of one IT unit sold to one IT unit recovered.

Sustainable lifecycle management (LCM) at Atea transcends the conventional view of a service or solution; it is an integral strategic pillar. This comprehensive approach entails the establishment of a robust framework that governs the planning, assessment, and prioritization of all aspects of digital device lifecycle management. Atea's strategy is not just comprehensive; it's transformative, addressing the dual challenges of energy consumption and environmental impact head-on. By delivering solutions that optimize energy efficiency across Atea's own operations and those of its customers, Atea is not just adapting to a sustainable future—it is actively engineering it.

Supply chain and/or value chain

Atea sells IT products which are developed and manufactured by international technology companies. Atea does not manufacture its own products, and distribution is mainly outsourced to logistics partners. This also of course means that the value chains are complex, though many aspects are out of the Group's operational control. A climate-related risk in this context would be the disruption of deliveries from their supply chain partners, due to extreme weather events. This will likely lead to customer dissatisfaction, potentially decreased customer loyalty and eventually loss of revenue. This risk can translate to short-term, medium-term, or long-term, depending on the severity and/or frequency of the extreme weather occurrences.

Strategic decision made: One way that Atea can use its strategy to mitigate climate-related supply chain risks is to create accountability and put climate on the agenda throughout its value chain. Working within the Responsible Business Alliance (RBA), Atea joined forces with others to implement a major change in its member Code of Conduct which was updated in January 2024 and is included in Atea's Supplier Code of Conduct. This change means all members and their suppliers must set reduction targets for greenhouse gas emissions at both corporate and factory level and to be accountable for them.

Operations

Changes in energy prices can be seen as a climate-related risk that may affect Atea's direct operations. Further forecasts indicate higher electricity prices in the coming years, as well as prices to purchase GOs. This will increase Atea's direct costs, which is a risk in the operations. Atea has set ambitious targets to reduce its own operational emissions by 80% by 2030 and achieve net-zero emissions by 2040. One of the reduction targets to achieve a net-zero future is to use 100% renewable electricity by 2025, through GOs. Increased energy- and GOs prices are influencing Atea's financial planning. To mitigate the impact of energy price fluctuations and increased pricing of GOs, Atea will invest in energy-saving activities to reduce its dependencies on the grid and related pricing mechanisms. Energy saving activities are prioritized in Atea's strategy based on saving effect, internal rate, and payback.

Examples of strategic decisions include Atea's investments in new smart buildings, both in Oslo and Stavanger. These building function in practice as "living labs", where Atea tests its own and its partners' products. The buildings are carbon-zero and energy-neutral, and Atea uses them to help its customers visualize how the office buildings of tomorrow will look and operate. An example of the energy-saving measures that Atea has implemented in smart buildings is having them function on a single network. This consumes considerably less energy than running multiple separate systems. The installation of solar panels to partially power Atea's logistic center in Växjö. Through more investments in solar panels, Atea will limit future climate-related risks, both to be resilient to increased cost as well achieve the target of using 100% renewable energy.

5 Governance mechanisms

The heightened frequency and severity of extreme events can significantly impact various economic sectors, particularly affecting organizations ill-prepared for the threats posed by climate change to their business models, assets, and infrastructure.

Given the irreversible effects of climate change, companies are now evaluating the risks and opportunities it presents to their operations. Atea conducts a thorough analysis of climate change risks and opportunities in accordance with IFRS S2 requirements. This analysis aids in incorporating climate change considerations into long-term business decisions, aiming to minimize risks and maximize opportunities.

In accordance with the requirements of the IFRS S2, the Board of Directors of Atea is the highest body responsible for the approval of the Climate Transition Plan, its annual and specific supervision as well as the orientation and control of the strategy, policies, objectives, risks and results related to climate action.

In 2020, the Board established a Sustainability Committee to further integrate sustainability into Atea's business. Its functions include the mission of informing, supervising and reporting the Climate Transition Plan as well as ensuring the progress of the actions and the fulfilment of the established objectives.

Table 8. Governance structure.

Approval

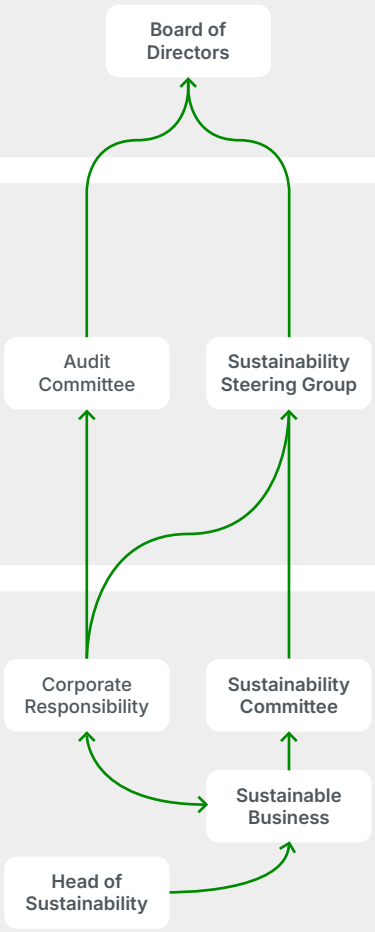
- The **Board of Directors** plays a pivotal role in Atea's Sustainability Governance. The Board is responsible for reviewing and overseeing the Group's Environmental, Social, and Governance (ESG) practices. This includes monitoring progress against set targets, ensuring compliance with regulations, approval of Climate Transition Plan and scrutinizing annual non-financial data. In 2020, the Board established the **Sustainability Committee**, a central component in this structure.

Oversight

- The **Audit Committee** is entrusted with the task of reviewing and overseeing the Group's ESG practices. This encompasses monitoring progress against set targets, ensuring adherence to key regulations and requirements, and addressing climate-related issues. The committee also provides annual recommendations to the Board regarding alterations to key policies and practices.
- The **Sustainability Steering Group** oversees the company's overall performance in sustainability, assessing risks and identifying opportunities for sustainable development. Working closely with the Sustainability Committee, the Steering Group sets and reviews Atea's Sustainability Strategy and policies, with the Chief Financial Officer and Chief Operating Officer playing a pivotal role in steering the company toward sustainability objectives.

Implementation

- The **Sustainability Committee** is tasked with formulating the strategic priorities to be included in the company's strategic plan, with a specific focus on circular economy, climate, and human rights.
- The **Corporate Responsibility Department** is essential for matching stakeholder needs, following new developments, and evaluating ESG topics. The **Sustainable Business Unit** works on developing and managing the company's sustainability strategy, making sure that Atea stays ahead of sustainable business practices.
- The **Head of Sustainability** in each country ensures that the overarching strategy is implemented, and that progress is being made in accordance with the set strategy, working with relevant process owners. This role is crucial in ensuring that Atea's sustainability goals are met across all regions.



5.1 General governance

Atea ASA's Board of Directors are ultimately responsible for the Group's risk management and internal control environment in relation to financial and non-financial reporting, including compliance with relevant legislation and other regulations in relation to financial and sustainability reporting. The Audit Committee assists the Board of Directors in its responsibilities in this respect by researching and preparing various matters which are then presented to the Board of Directors for information and decision.

5.2 Enterprise Risk Management structure

The Enterprise Risk Management (ERM) structure below the Board of Director level is organised as three lines of defense.

First line: Compliance Officers representing business operations

Comprises Group and Subsidiary business representatives, ensuring a balanced and complete bottom-up process. Subsidiary management and Group functional heads conduct an annual risk review, in which all identified key risks are described, discussed, and evaluated. They are individually and collectively responsible for ensuring that mitigating actions are implemented to reduce the identified risks to an appropriate level as well as assessing the effectiveness of implemented mitigating actions.

Second line: Compliance Committee

Comprises Group management-team members and is responsible for communicating and ensuring risk compliance as well as evaluating the ERM processes. The Committee develops the overall risk strategies and scope for the ERM processes and reviews their effectiveness. The Committee also reports on assessed risks, effectiveness, and mitigating actions to the Audit Committee.

Third line: Audit Committee

Oversees the development of the ERM system, the ongoing reporting on assessed risks, and the mitigating actions taken. Responsible for monitoring the overall status of ERM governance (i.e., its performance and relevance).

5.3 Risk management

The Board of Directors continuously evaluates the risk management processes. This ensures that the risk profile, processes, and awareness align with the company's needs. Responsibility for the ERM effectiveness has been delegated to the Chief Financial Officer.

The ERM processes in Atea ensure a dynamic process, involving the identification of risks, an assessment of probability and the potential impact on business performance, reputation, and people. The aim is to mitigate identified key risks to an acceptable level through appropriate ERM processes, but also to take advantage of identified opportunities.

ERM considerations are integrated into the Group strategy and regional strategies to help safeguard the long-term targets of Atea.

5.4 Internal control environment

The Board of Directors and the Audit Committee assess Atea's organizational structure and staffing in key areas at least once a year. The aim is a well-defined organizational structure, unambiguous reporting lines, delegated authorities and documentation, and appropriate segregation of duties ("the four-eye principle"). The Audit Committee and ultimately the Board of Directors consider whether there is a need for an internal audit function at least once a year. Given that Atea's existing internal control procedures and the regular reporting on control activities to the Audit Committee are deemed satisfactory, neither the Audit Committee nor the Board of Directors currently sees any need to set up an internal audit function at Atea.

The Board of Directors or Audit Committee establishes and approves group-wide policies, procedures and controls in relation to the financial and sustainability reporting process. The Audit Committee has entrusted Group Risk and Compliance (GRC) team with the responsibility of acting as the central controlling function for the Group, and in this role GRC monitors and checks compliance with group policies, procedures etc. in the regions on a continuous basis. GRC regularly reports to the Audit Committee and/or the Board of Directors on any material findings.

5.5 Risk evaluation

The Audit Committee carries out an overall assessment of the risks related to the reporting processes at least once a year. As part of their risk assessment, the Board of Directors and the Audit Committee continuously consider the risks and the measures that need to be taken with a view to mitigating or eliminating such risks. Based on the outcome of the risk assessment, revisions to the relevant policies and manuals are considered and implemented.

5.6 Control activities, including monitoring

The definition of the specific control activities is based on the risk assessment at any given time. GRC ensures that the reporting processes etc. set out in the various Atea policies are implemented and monitored. This ensures a uniform make-up and structure of the Group's internal controls.

The aim of Atea's control activities is to ensure that the policies, manuals and other procedures defined by the Board of Directors are adhered to. These activities also help ensure that any errors, deviations and omissions are prevented, detected and corrected. Atea regularly implements new reporting processes as well as controls intended to assist in further mitigating the risks.

The control activities are carried out pursuant to certain set requirements in respect of frequency and documentation, obtaining assurance of e.g., the existence of the assets claimed in the reporting, reconciliation and the financial analysis to be performed. The scope and frequency of the control measures applied with respect to each region depend on the risk assessment and the subsequent risk rating made on an ongoing basis in respect of each region.

Any weaknesses, lack of control, breach of group policies etc. or other material deviations identified during the control activities are reported by GRC to the Audit Committee. GRC prepares a report describing the findings made for each control visit in a region, and the material findings are comprised in a report discussed with the Audit Committee. Depending on whether the findings are critical or touch on matters of principle, the findings are ultimately conveyed to the Board of Directors for their information and consideration. In addition to GRC's reports for each control visit, Atea ASA's external auditor reports in the audit book to the Board of Directors on any material weaknesses identified in the Group's internal control systems in relation to the financial reporting process. When weaknesses or faults in the control system are detected, the Audit Committee oversees whether the GRC reacts effectively and whether agreed actions to strengthen risk management and internal controls in relation to the reporting process are implemented according to plan.