

SUSTAINABILITY REPORT

Byggmax Group is part of the community, and it is of the utmost importance that we contribute to a long-term sustainable trend. This is why we work systematically to enhance the positive impact we have and diminish/reduce our negative impact. Our business model is to sell a carefully selected range of the most important DIY products at the lowest possible price.

This Sustainability Report¹ covers the two segments Byggmax and Skånska Byggvaror.

The Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and appears on pages 20–29. The business model and sustainability framework are presented on pages 11–12 and 20–21, Environment on page 25, Social Relations and Staff on page 22, Human Rights and Anti-Corruption on page 21. Risk descriptions are on page 33.

We set up sustainability goals, which we measure on a regular basis, and ensure that the business lives up to them. What we measure is determined by what our stakeholders deem to be significant areas. We establish these by maintaining a continual dialogue with our stakeholders.

STAKEHOLDERS AND STAKEHOLDER ENGAGEMENT

The Group maintains contact with a number of stakeholder groups. These include customers, suppliers, employees, politicians, property owners, neighbours, and shareholders to name but a few. A description follows of how we communicate with key stakeholders.

Customers

We communicate with our customers by means of advertising and our website, as well as the employees providing customer service and working in stores. This communication is conducted on a daily basis. We also conduct a customer satisfaction survey every year in Sweden, Norway, and Finland. This year's customer satisfaction survey gave a rating of 82 in Norway and 81 in Sweden, and last year the comparative figures were 83 and 82.

Suppliers

The company buys its products from some 400 carefully selected suppliers. Discussions with them occur on a daily basis via the central purchasing function. In addition to that, we arrange what are known as suppliers' weeks annually, where we meet most of our suppliers. On these occasions we discuss sustainability, for the most part, with regard to product features and collaboration agreements. In all our agreements, suppliers undertake to comply with our Code of Conduct for Suppliers. In 2020, 98 percent of all our suppliers had signed up to the code.

Employees

We communicate with our employees via an intranet, through the company's management structure and through training. This communication is conducted on a daily basis. Furthermore, since 2011 we have carried

out regular employee surveys, which produces an engagement index – of enormous importance to us – that is stable at around 80 out of a maximum of 100. However, no employee survey was conducted in 2020.

Politicians

The company has relatively limited contact with political organisations and spokespeople. The company is a member of a European collaboration, EDRA, which has a number of contacts at EU level. EDRA has meetings two to four times per year in which Byggmax Group participates.

Owners

We communicate with our owners through quarterly reports, an annual report and press releases. In addition, we meet with investors in conjunction with the quarterly reports and invite shareholders to annual general meetings.

BYGGMAX GROUP'S STAKEHOLDERS SIGNIFICANT ISSUES

Issues that are significant to the Group's stakeholders have been defined as follows.

- Customers: products' quality, price, and environmental impact. Our employment conditions and terms of employment, and those of our suppliers, as well as our environmental impact.
- Suppliers: Our stability as a customer and financial impact.
- Employees: Our stability and attractiveness as an employer. Employment conditions and terms of employment, and our financial impact.
- Politicians: Our stability as an employer and our contribution to society as a whole together with our environmental impact.
- Owners: Future dividends from the Group and a sustainable enterprise. Our employment conditions and terms of employment, and those of our suppliers.

WHAT WE STRIVE FOR: FIVE FOCUS AREAS

In 2019, the Group produced a sustainability strategy, which aims to integrate our sustainability efforts into our customer promise, that is, how we want to be perceived by our customers.

The strategy complements our ambition to advance our brand position so that our customers will feel they are getting value for money when they shop with us. This is based on an analysis of Byggmax Group's impact on all the UN's Sustainability Development Goals (SDGs).

¹) This statutory Sustainability Report is submitted by the Board of Directors of Byggmax Group and is not part of the formal annual report documentation.

We decided to focus on five areas, based on both external and internal considerations. These are:

- Social Aspects
- Climate
- Purchasing
- Circular Approach
- Sustainable Construction

This year we reported on the Social Aspects, Climate and Purchasing areas since we had defined KPIs for them. We are continuing this exercise by reporting on two further areas in 2021 with the ambition of having defined measurable key performance indicators for these as well.

Below we describe in brief what we have in mind for each focus area.

Social Aspects

We have an impact on the communities where we operate by creating local jobs and encouraging inclusion in the form of local engagement and diversity. As we are geographically spread around Sweden, Norway, and Finland, we also contribute to creating jobs in areas where jobs are scarce.

As a large proportion of our purchasing is done locally in the markets where we operate, we contribute to creating vibrant communities.

We also add tax revenue to society and have a positive impact on the environment by helping our customers create fantastic homes!

We collaborate with Samhall by offering work training to people who have difficulty obtaining work, which sometimes concludes with employment. Read more about the Social Aspects focus area on page 22.

Climate

The Group works constantly to achieve a better understanding of our direct and indirect impact on climate so as to be able to reduce it. The Group's environmental impact is divided into three parts:

- the transportation of products from manufacturer to store or warehouse and from store to customer;
- the production and waste of environmentally hazardous materials;
- energy consumption in business activities, excluding transportation.

Read more about the Climate focus area on page 25.

Purchasing

We strive to ensure a sustainable value chain from origin to store. We do this in part by means of our Code of Conduct, which our suppliers comply with. Read more about the Purchasing focus area on page 29.

Circular Approach

We strive to improve our operations by establishing a more circular business model with our partners to have a positive impact on people and nature. We do this by increasing our recycling, for example, by reducing the quantity of damaged goods, or by giving away damaged goods instead of throwing them away.

Sustainable Construction

We make a sustainable lifestyle possible by inspiring and educating in the sphere of DIY work and by offering

products and services that are better for the environment and the climate. One such initiative is that we recommend and facilitate construction in wood.

Our products and services contribute towards everyone in society refurbishing and maintaining our homes so that they last longer. We are also a contributing agent to enable climate-friendly construction using wood based products. As wood captures carbon dioxide, from a sustainability perspective it is better for society.

We also offer an ecological range of products and strive to provide information as to how people can build and renovate sustainably. Generally speaking, if we maintain, renovate and make improvements, we create a home with a long lifespan.

“In 2020, we started hiring out tools. We also extended our returns policy conditions so that customers could return goods they had purchased but did not need – to reduce waste.”

GOVERNANCE

The Board of Directors establishes group-wide policies on an annual basis and has ultimate responsibility for sustainability efforts. The Group has several governing documents set out as policies and guidelines. These are to provide guidance to operations, support an efficient way of working, and enable the Group to identify risks in the business by means of ongoing monitoring. The policies that govern our sustainability efforts are the Environmental Policy, Code of Conduct for Suppliers, Ethical Guidelines, Work Environment Policy and Policy for Diversity and Equal Opportunities.

HUMAN RIGHTS AND ANTI-CORRUPTION

Byggmax Group has, for the most part, relationships with our suppliers going back several years, and less than 5 percent of purchasing is from countries outside the EU/EFTA. In order to take further steps to ensure that human rights are respected, we require all our suppliers to follow our Code of Conduct where we specify that they must respect human rights. 98 percent of our suppliers have signed up to our Code of Conduct. Read more about how the Group manages human rights on page 29.

By training our employees in what our policies involve, we lay the ground for operations that are free from corruption. Read more about how the Group manages anti-corruption on page 23.

The policy document in its entirety is available at Byggmax.se.

SOCIAL ASPECTS

At Byggmax Group, we are proud of our strong corporate culture and see ourselves as a company driven by its core values. One of the five focus areas in our sustainability strategy is Social Aspects. They include how we work to ensure our employees feel job satisfaction, are safe from injury at work and are provided with good healthcare, how we benefit the communities in which we operate by providing jobs and buying goods locally, and how we contribute tax revenue to the municipalities where we operate.

BYGGMAX GROUP IN THE LOCAL COMMUNITY

The Group provides jobs in our stores and most of our jobs are located outside metropolitan areas. We are delighted to be able to contribute to creating jobs around the whole country.

In order to reduce our environmental impact, we largely buy in goods locally in the immediate region. We thus also contribute to creating indirect jobs. We buy in goods amounting to approximately SEK 4.5 billion annually. Of these, an estimated SEK 3.5 billion relates to purchases made locally within the country, which may be assumed to generate several thousand jobs. Typically, the areas where we buy our goods are not located in big cities – they are often smaller and spread out across the country.

We often provide employment to people who need to get into the job market. We have many young employees who obtained their first job with us. We also collaborate locally with Samhall and offer work training to people who are excluded from the job market.

CONTRIBUTION TO THE TAX BASE

The Group contributes to tax revenue to the state and also the municipalities where we operate – indirectly through the taxes and contributions that are paid by our employees.

STRONG CORE VALUES

Our strong corporate culture and values are prerequisites for the successful application and development of the company's business model. We have a flat organisational structure that is characterised by a distinct entrepreneurial spirit and an efficient and cost conscious way of working. A streamlined decision-making process gives us flexibility and helps employees and managers make quick decisions and take responsibility.

Our seven core value words were produced jointly and provide guidance on an everyday basis and when difficult decisions have to be taken. The core values are implemented at the recruitment stage for new employees and are also included in management training. We constantly refer to these core value words in our daily work in the course of activities and discussions throughout our operations – in stores, in the service office and in management. They help us to continually improve, to achieve our objectives and to create a pleasant work environment for our employees.

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FUNCTION-CONTROLLED ORGANISATIONAL STRUCTURE

We have a resource-efficient organisational structure with most business activities centrally managed. Aside from the sales force, which is based primarily in stores, most business processes including online shopping are managed by the service office in Solna and customer service in Lund. This is conducted cross-functionally across all stores, which contributes to the efficiency and economies of scale that characterise Byggmax Group.

Store operations are organised around two main areas of responsibility: regional and store management. Regional managers are responsible for the manage-

BYGGMAX GROUP'S CORE VALUES

RESPONSIBILITY

I am responsible for what I think, say, and do. I keep my promises and always act based on what is best for Byggmax.

RESPECT

I see, listen, and try to understand everyone around me. By treating everyone else the way I would like to be treated we build strong, good relationships.

FUN

To me, everyone is special – I greet everyone with an open mind, a smile, and a generous and friendly approach. That way we can all have fun together!

POSITIVE ATTITUDE

I choose to always see opportunities and solutions. My positive approach enables me to contribute

energy to the situation and our customers. Anything is possible!

COMMITMENT

I keep an open mind, have a generous and friendly outlook, and go the extra mile. I am an active participant and show a genuine interest in both colleagues and customers.

HUNDRED PERCENT

I always do my best and am fully present. We aim to be the best in the world for home improvement projects!

TOGETHER

I prioritise the big picture and address my colleagues directly.



Clear areas of responsibility and a high degree of freedom of action for our employees have created a motivated organisation



ment, operation, and financial performance of a number of stores in a specific region and for identifying new locations for additional outlets. In this, they are also supported by our establishment team.

In 2020, there were 13 regional managers in Sweden, Norway, and Finland, and three country managers who support the regional managers and work strategically on development issues. Skånska Byggvaror's store operations are organised by eight store managers, who take care of day-to-day operations, and a customer centre manager responsible for management, operations, and results.

GOVERNANCE, ETHICS, AND ANTI-CORRUPTION

Governing documents for the social aspects of the Group's activities include the Work Environment Policy, the Diversity and Equality Policy and the Ethical Guidelines.

The Ethical Guidelines stipulate that our employees must fulfil their undertakings in a manner that does not abuse the company's confidence. This means, for example, that employees must not abuse corporate information, act in matters in which they have a conflict of interest or permit their personal undertakings to take precedence over their duty and responsibility to Byggmax Group.

In their capacity as employees of the company, staff must not offer, request, or accept inappropriate gifts, payments, or trips either for themselves or for relatives. Under no circumstances are our employees to participate in any cartel or act in a manner that improperly curtails free competition.

Employees are informed of the ethical guidelines in their employment contract and in our staff handbook. Inductions of new employees include going through the guidelines and policies in our staff handbook.

MOTIVATED AND COMMITTED EMPLOYEES

During 2020, the Group had an average of 1,212 (1,103) full-time employees, with store staff accounting for

most of the workforce. Due to significant seasonal variations, our operations require flexible store staffing, which is achieved by having a substantial proportion of part-time employees.

The relatively high degree of personal freedom of action for employees in combination with clearly defined areas of responsibility have created a highly motivated organisation, as shown by the high commitment rating of 80 the last time it was measured in 2019. Work attendance relative to normal working hours was 93 percent (96) during the year for Byggmax and 97 percent (97) for Skånska Byggvaror.

No written rules are in place as regards employing locally. However, established practice and the nature of business activities with operations in many smaller communities means the store staff, including the manager, are recruited locally.

Of Group management, 90 percent (80) reside in Sweden. Of other individuals in senior positions in the remainder of the organisation (regional managers), 13 of 13 are locally employed. At the next management level down, 100 percent (100) of store managers in Sweden, Norway and Finland are locally employed. The Group receives subsidies for the employment of certain members of staff who are participating in various state funded employment measures to promote employment in the community. The total amount received for such subsidies totalled SEK 8.6 M (8.8).

SYSTEMATIC WORK ENVIRONMENT PROGRAM

Since 2008, Byggmax Group has had an extensive systematic work environment program, in which all accidents and incidents ("near misses") are reported pursuant to a unified standard and followed up.

In the 2020 financial year, the distribution of reported work accidents was as shown in the table on the right. Out of 34 (39) personal injuries, 9 (12) were to women and 25 (27) were to men.

Since 2019, we have made clear the importance of reporting near misses and accidents in the systematic

work environment program. This has provided us with a better overview in 2020, enabled us to be proactive and meant that we have registered fewer such incidents. We have also had a clearer training program as regards the work environment for our store managers. Some of the injuries we had during 2020 have resulted in longer sickness absence than last year, but the injury ratio has gone down as we have more employees than in 2019.

TRAINING

We train store staff on an ongoing basis through regular internal training courses in product knowledge, sales, and customer service.

The table on the right specifies the estimated number of hours' training for each staff category per year. The variation in the number of hours is attributable to the person's previous experience and knowledge. The lower number of hours is specified for people with substantial previous experience, for example of the company and similar positions.

EQUAL TREATMENT

The company distances itself strongly from any form of discrimination. There are written policies and procedures in the form of a Diversity and Equality Policy, Ethical Guidelines, and compliance with action plans. All employees have access to these via Byggmax's or Skånska Byggvaror's staff handbook. The Diversity and Equality Policy is also published on Byggmax Group's website. No known incidents of discrimination occurred in 2020 (0). Equal pay regardless of gender and background is an essential element of our organisation and forms a part of our core values as it is included in the core value word "Respect."

Work-related injuries	2020	2019
Number of personal injuries, employees	34	39
Women	9	12
Total	25	27
Fatalities	–	–
No. of lost time injuries (LTIs)	11	4
Total number of days absent (calendar days) due to work-related injuries	270	76
Injury ratio	2.9	4.1
Lost workdays	22.8	8.01

Gender	Staff turnover %	
	2020	2019
Total	22	31
Women	26	40

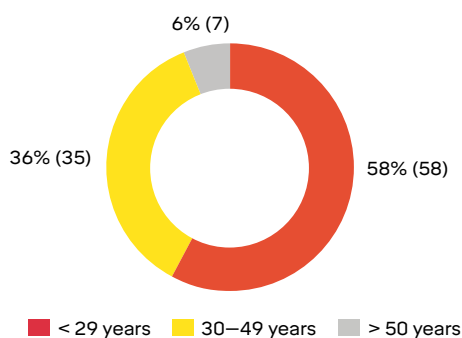
Age	Staff turnover %	
	2020	2019
<30	30	45
30–40	19	27
40–50	17	23
50+	14	21
Total	23	34

The above table illustrates staff turnover by age group and gender for permanent employees.

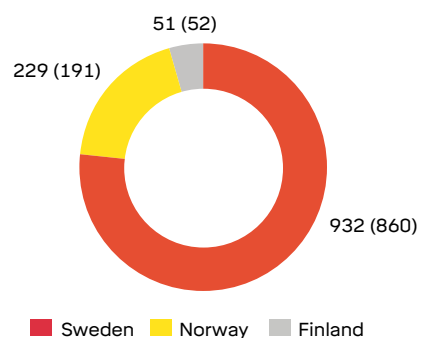
TRAINING	Introduction, number of hours	Annual repetition, number of hours
Store employees	80	10
Site managers	120	40
Regional managers	160	100

Portion of external training between 25–35 percent

AGE DISTRIBUTION OF WORKFORCE



1,212 EMPLOYEES IN THREE COUNTRIES



CLIMATE

An environmental policy was drawn up in 2009 with defined environmental objectives as a part of Byggmax Group’s sustainability efforts. Every year since then, an environmental report has been produced and continual efforts have been made to reduce the organisation’s negative impact on the environment while also enhancing our positive impact. Climate is one of our five focus areas, which is where we believe we can have the greatest impact.

The Environmental Policy concludes that Byggmax Group should promote sustainable social development using active environmental programs. The company takes environmental considerations into account in all decisions and at all levels of operations and endeavours to comply with applicable legislation and other environmental requirements.

We summarise our environmental impact in three main groups, which are presented on the following pages:

- the transportation of products to store or warehouse and from store to customer;
- environmentally hazardous materials;
- energy consumption on our premises.

The Group measures the status and trend of the above parameters annually – we note both measures that have been taken and possible quantitative amounts. Our ambition is to make improvements every year.

The company maintains a continuous dialogue on environmental issues with suppliers and partners and imposes relevant requirements. We also seek to raise employee awareness of environmental issues and encourage participation in environmental work. In addition, the share of environmentally friendly products should increase, supplemented by improvements in environmental information for customers. The Environmental Policy includes tangible objectives and measures for priority areas.

In 2020, the Group focused on undertaking an analysis of our environmental impact in line with the GHG Protocol, scope 1, 2 and 3. This involves tracking where the Group’s material impact is located in our own operations, in the supply chain and on the customer side. This is the basis for determining the targets Byggmax Group should aim to achieve. There remains a lot of work to be done, but we believe that it is the right way to go.

In 2020, we continued to develop flows of goods with



a view to reducing our climate impact. By buying important categories locally we reduce transportation, and by transporting imported goods by boat we reduce our environmental impact. We have also launched new environmentally profiled ranges and started rolling out communications concepts in the stores to guide customers towards more environmentally friendly choices when they shop in store. The quantity of eco-labelled products has increased during the year and currently constitutes 247 items compared with 128 a year ago. In addition to this, about half of all the timber we buy is FSC/PEFC-certified.

MEASURING METHODS

We specify various metrics applicable to the Group’s impact on society. The measuring methods used are primarily the aggregate of actual outcomes at individual stores. When it is impractical to track outcomes per store, tracking is sometimes performed at an aggregate level.

THE IMPACT OF TRANSPORTATION ON THE ENVIRONMENT

We see efficient logistics solutions as a key factor in reducing our climate impact. This is part of the reason we have distribution centres in the port of Lysekil. This enabled us to replace thousands of instances of road transportation with maritime transportation in 2020, which both reduces the impact on the environment and facilitates deliveries out to our stores.

Measuring methods for the environmental impact of transportation

In the emissions calculations below, certain exceptions have been made for such streams as comprise a relatively small portion of the Group’s total transportation of goods. Skånska Byggvaror’s goods are not included

in the calculation since they are purchased by the supplier inclusive of transportation and are reported and accounted for by the supplier.

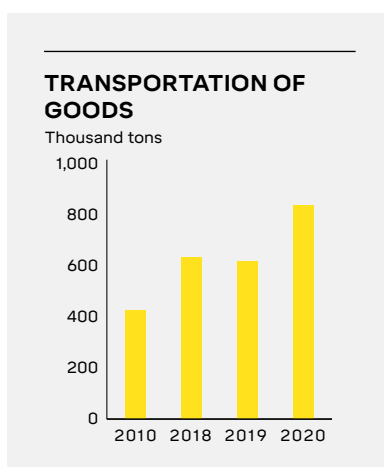
Skånska Byggvaror has incoming transportation of materials for fitting sunrooms, incoming transportation of goods to distribution centres and outgoing transportation to end customers. The emissions calculations for the Byggmax segment did not include online goods deliveries and home deliveries from stores. However, all incoming transportation to stores and distribution centres is included as well as outgoing transportation from distribution centres to stores.

The year’s CO₂ emissions

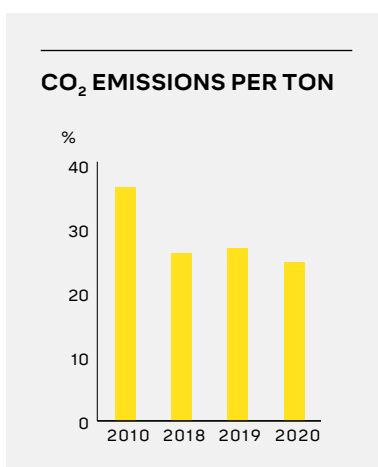
We reduced our emissions by 8 percent per transported ton of goods. This improvement is partly due to the fact that we chose to buy in more from local producers at the same time as our weighted sales from these increased. We also believe that a contributory factor to this change is our proactive efforts to highlight that we only sell local wood, as well as our customers making more conscious and active choices. In addition to this, a larger proportion (6 percent) of our goods were transported by boat, which made a positive contribution to reducing our CO₂ emissions per transported ton of goods.

Absolute emissions increased by 25 percent, which is connected to our strong increase in sales.

The goal set in 2009 was to reduce emissions of carbon dioxide and other greenhouses gases per transported ton by 25 percent by 2020. This goal had already been met in 2017. Byggmax Group’s new goals, which are in line with Sweden’s goals for domestic freight, are to reduce carbon emissions per transported ton of goods by 70 percent by 2030 at the latest compared with 2010. Since 2010 we have reduced emissions by 32 percent. The year’s reduction finished up at 8 percent.



The quantity of goods transported increases alongside growth in sales.



Emissions per ton of transported goods has decreased since 2010. The trend has continued during 2020.



CO₂ relative to transported ton of goods 2010–2020. Our goal is to reach a 70 percent reduction per transported ton of goods by 2030.

ENVIRONMENTALLY HAZARDOUS MATERIALS

We include products and packaging as environmentally hazardous materials, as well as the amount of printed matter we currently produce.

Products and packaging

Products and packaging have an impact on the environment directly and indirectly, for example, through the raw materials they contain, the energy required in their manufacture and use, and through the extent to which they are recycled or reused once they have served their purpose.

Only a small proportion of the many articles Byggmax sells in stores have consumer packaging, meaning packaging that is sold together with the goods and is taken home by the customer. Otherwise, products have varying types of transport packaging for protection. Transport packaging is recycled in partnership with recycling centres and pallets are reused in the pallet exchange system of the major freight forwarders and in the building pallet exchange system.

Printed matter

Over the period from 2009 to 2020, the Group reduced the volume of printed materials by nearly 90 percent per store and around 65 percent overall. This is primarily due to marketing having become digitalised to a great extent, in combination with changed distribution patterns and a change in the types of paper used. As our use of paper has decreased dramatically, we no longer consider it to be significant.

Producer responsibility

Through membership of FTI, the Packaging and Newspaper Collection Service in Sweden, and Grønt Punkt in Norway, we shoulder our responsibility as a producer for packaging on all imported goods.

In Sweden and Norway, Byggmax Group has a broad collaboration with Ragn-Sells to ensure that as much as possible of the stores' waste is recovered and recycled as energy. The aim is to minimise the amount of waste that goes to landfill and achieve zero mixed waste. Waste that cannot be recycled (materials or energy) goes to landfill. Total waste volumes per store decreased over the year as a result of a reduction in the quantities of wood waste and landfill. The average store produced 54.2 tons of waste in 2011, compared with 48.4 tons for 2020. The amount to be sorted also decreased somewhat.

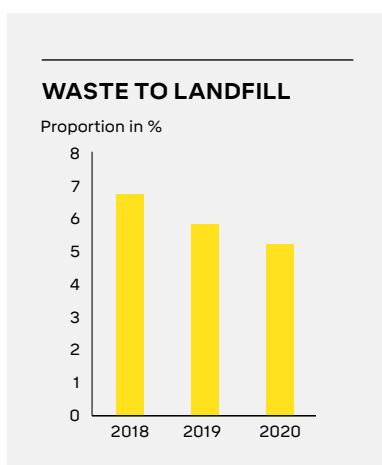
Product labeling

Environmental labeling and other similar labeling are important for our customers to be able to make informed choices in terms of environmental impact. Work started in 2019 on the launch of Nordic Ecolabel chemical products and by the end of 2020 they had reached 34 percent with a total of 157 products.

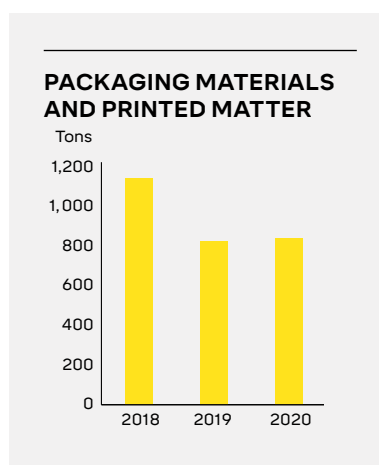
Use of wood

Byggmax Group works actively to increase the use of wood in society and thereby encourage sustainable and climate-positive construction.

Of the wood we bought in during 2020, 52 percent is environmentally labelled and comes from forests that are sustainably managed, i.e. are FSC- or PEFC-certified. Timber is purchased from Nordic suppliers whose production is in the Nordic region and in full loads directly from sawmills to minimise environmental impact. By and large, timber is purchased near the stores where it is sold to minimise the environmental impact of transportation. Byggmax Group only retails NTR-labelled pressure-treated timber that complies with the environmental goals set by the Swedish Wood Preserving Association and the Nordic Wood Preservation Council.



Landfill is waste that cannot be recycled, and the proportion of our waste that is landfill is stated above. The figures are based on the Swedish stores in view of the difficulties in comparing data from different countries.



Cumulative figures for the Group's use of packaging material and printed matter. We have substantially reduced the amount of printed and distributed brochures.



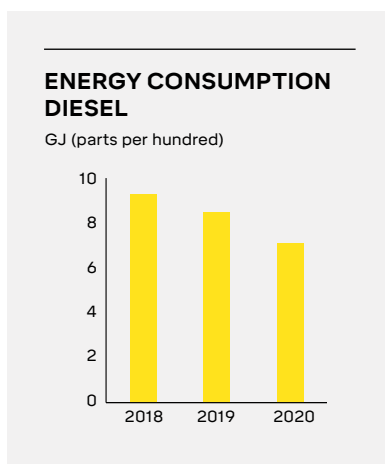
The proportion of material that we have recycled increased by 0.6 percent in 2020, equivalent to 19 percent of our waste. The target is to be able to recycle 10 percent of our waste.

ENERGY CONSUMPTION ON OUR PREMISES

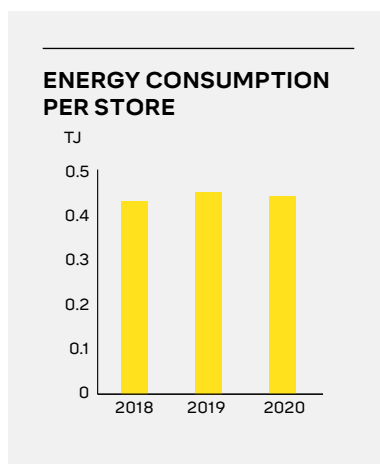
Byggmax Group strives for energy efficiency, and our stores comply with or exceed the building regulations imposed in each country. All new and renovated stores have LED lighting installed as the light source. All new trucks are electric, except for the northernmost stores, where the local climate makes their use impractical. All new stores are built in accordance with the current norms for energy efficiency.

Our total direct energy consumption includes fuel for company vehicles and trucks and the electricity consumed by the production and warehouse operations, as well as trucks and machinery at Skånska Byggvaror. Over time, the change will drastically reduce the company's purchases of fossil fuels.

Fuel is not reported separately at Skånska Byggvaror and cannot therefore be included in this year's reporting. Our indirect energy consumption in terms of primary energy source is mainly electricity and heating. Most of our stores have electric heating. Where stores in Sweden do not have electricity included in their lease agreements, we purchase guarantee-of-origin hydroelectricity. In Norway and Sweden, 100 percent of the energy is derived from renewable sources. In Finland, the stores have a residual mix of electricity. Total electricity consumption has risen owing to the increased number of stores.



Direct energy consumption of diesel per incoming delivery.



The increase in the number of electric trucks has compensated for the energy efficiency programs in store.

ENERGY

100%
RENEWABLE
ELECTRICITY

PURCHASING

Bygghmax Group strives to have a responsible supply chain from source to store. Sustainable purchasing for us is primarily about the range, the suppliers and proximity to them. Purchasing is one of our five focus areas in our sustainability efforts.

There are over 50 certification programs in the world, managing different types of timber. The two most common ones are PEFC¹ and FSC². Wood products with those labels come from responsible forestry, i.e. forestry that takes people and the environment into consideration. Some 52 percent (49) of the wood based products we buy are FSC/PEFC-certified. And over 90 percent of the floors we sell are FSC/PEFC-certified.

A VERY SMALL PROPORTION FROM HIGH-RISK COUNTRIES

Less than five percent of purchases are made from high-risk countries outside the EU/EFTA. In order to take responsibility for our purchasing outside Europe, we are involved in the Brico Alliance purchasing collaboration. We are also involved in EDRA, the European collaborative organisation for DIY retailers. We take part in discussions with politicians at EU level through this organisation.

STRINGENT REQUIREMENTS TO BE MET BY SUPPLIERS

Bygghmax Group sets high standards for our suppliers to meet as regards delivery terms and conditions, product quality, price, procedures, and sustainability efforts. Our suppliers undertake contractually to comply with our Code of Conduct for Suppliers, which covers working conditions and social responsibility. In 2020, 98 percent of our suppliers had signed our Code of Conduct for Suppliers.

In 2018, a process was designed for conducting checks of suppliers' sustainability efforts in cases where we consider there to be a substantial risk linked with the supplier. In 2019 and 2020, two and three in-depth checks were conducted on suppliers where we felt there were particular reasons for doing so. In 2021, we intend to undertake a structured review of the supplier base and expand our work on checking suppliers. Our assessment is that this will lead to more in-depth checks.

WORKING CONDITIONS AND SOCIAL RESPONSIBILITY

98%

percent of our suppliers have signed our Code of Conduct. The target is 100%.

CERTIFICATION TARGETS

approx. **50%**

of all timber we buy is FSC/PEFC-certified. The goal is to reach 75% by 2025.

1) Program for the Endorsement of Forest Certification

2) Forest Stewardship Council

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT



To the Annual General Meeting of Byggmax Group AB (publ), corporate registration number 556656-3531

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory Sustainability Report for the year 2020 on pages 20-29 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory Sustainability Report. This means that our examination of the statutory Sustainability Report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A Sustainability Report statement has been prepared.

Stockholm, March 12, 2021

Öhrlings PricewaterhouseCoopers AB

Cesar Moré

Authorised Public Accountant