

## BYGGMAX ENVIRONMENTAL REPORT 2010

### Introduction

During 2009, Byggmax initiated its environmental program through creation of an environmental policy with environmental goals. As a consequence of this policy, an environmental report has been produced and efforts to continuously achieve improvements commenced to reduce Byggmax's negative impact on the environment.

Byggmax's main impact on the environment is defined in the environmental policy as follows

- transports of products from manufacturer to store or warehouse and from store to customer
- the products' contents of environmentally hazardous substances and the products' packaging
- printing and distribution of brochures
- energy consumption in business activities.

Byggmax's environmental policy stipulates yearly measurement of the status and trends in the aforementioned items, in the form of measures implemented and quantitative measurement. The aim is to achieve improvement in the above specified areas every year.

The calculation methods utilized and the format of the report is checked by an external environmental and logistics consultant.

### Transports

In 2010, the supply line was shortened in a number of categories, which led to shorter transports and greater consolidation of goods delivered. Purchasing

was moved to geographically advantageous loading areas, local suppliers used to a greater extent in Norway and marine freight increased and used more, even in the Nordic region.

Between 2009 and 2010, the total tonnage of goods transported by suppliers to the stores increased by 18.7%. During the same period, transports increased by 19%. Transports per ton of freight increased slightly, due to Byggmax opening the majority of new stores in areas with no existing stores – for example Vestlandet in Norway and central Finland. Carbon emissions per ton of goods carried declined by 11.4%.

The relative reduction in carbon emissions is primarily due to marine transports doubling from 2009 to 2010. Tests of rail freight have commenced and accounted for 1% of all transports in 2010. Evaluation of rail freight will be performed in 2011. Road freight comprises the majority of Byggmax's goods transports, but the number of ton-kilometers of road freight has only increased marginally and not in pace with the company's expansion.

	2010	2009	Difference (%)
Transported goods (thousand tons)	470.0	396.0	18.7%
Transports (million ton-kilometers)	323.7	271.9	19.0%
Of which marine (million ton-kilometers)	93.5	47.0	98.9%
Share marine	29%	17%	67.1%
Of which rail (million ton-kilometers)	2.9	0	NM*
Share rail	1%	0%	NM*
Of which road (million ton-kilometers)	227.3	224.9	1.1%
Share road	70%	83%	-15.1%
Transports per ton (ton-kilometers/ton)	689	687	0.3%
Carbon emissions per ton of goods transported (kg)	31	35	-11.4%

\* Not measurable

Table 1, compilation of key transport ratios. Other calculation methods have been used in the 2010 report and are thus impossible to compare with the preceding year's report. The outcome for 2009 has been recalculated using the new calculation method.





Emission of other greenhouse gases and environmentally hazardous substances was reduced per ton transported according to Table 2 below. Levels of particles, hydrocarbons and nitrogen oxides were not reduced to the same extent as carbon as marine vessels are not subject to the same cleaning requirements as trucks.

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	2010	2009	Difference (%)
Nitrogen oxides per ton of goods transported (g/ton)	275	297	-7.3%
Carbon per ton of goods transported (g/ton)	66	76	-13.3%
Hydrocarbons per ton of goods transported (g/ton)	12	13	-7.1%
Particles per ton of goods transported (g/ton)	7	7	-0.1%

Table 2, emissions of greenhouse gases and environmentally hazardous substances per ton of goods transported.

The emissions calculations did not include transports of online goods and home deliveries. At present, these transports comprise a relatively small portion of the company's total goods transports. An increasing element of online goods and home deliveries reduces transports and emissions, in part through optimizing freight to end customers, and in part through customers ordering online and not utilizing their vehicles to go shopping.

### Products and packaging

Products and packaging affect the environment directly and indirectly, through the raw materials they contain, the energy they consumed in their manufacture and in use, and to the extent to which they are recycled or reused at the end of their service life.

With regard to the problems arising from the spread of chemicals, Byggmax has changed to water-based paints in compliance with the EU directive in this area and to insulation with natural bonding agents.

All parquet flooring sold is labeled FSC, Forest Stewardship Council, the international environmental labeling that aims to promote sustainable forestry. Waste from the manufacture of parquet flooring is used as fuel in district heating plants for heating dwellings in the vicinity.

Byggmax works actively to promote the use of wood and thus reduce the use of less environmentally friendly material including concrete, cement and hard plastic. Byggmax only retails NTR labeled pressure-treated wood that complies with the environmental goals set by the Swedish Wood Preserving Association and the Nordic Wood Preservation Council<sup>1</sup>. Lumber is procured from local suppliers and full loads directly from sawmills to minimize environmental impact.

Through membership in REPA, the producer part of the Packaging and Newspaper Collection Service, FTI, which is tasked with ensuring that packaging and newspapers in Sweden are collected and recycled, Byggmax shoulders its responsibility as a producer for packaging on all brought-in and imported goods.

<sup>1</sup>www.traskydd.com

Byggmax handles goods with a small percentage of packaging. Only 10% of the number of articles sold come in consumer packaging. In other respects the products have various types of packaging for transport to protect the goods. Transport packaging is recycled in collaboration with recycling centers and pallets reused in the pallet transfer system with the large freight companies and in the building pallet system.

In Sweden, Byggmax has a broad collaboration with Ragn-Sells in respect of energy and material recovery of as much of the stores' waste as possible. The aim is to minimize the amount of waste that goes to dumps and achieve a zero degree of mixed waste. No improvement was made in these areas between 2009 and 2010. In 2010, work was initiated to increase waste sorting and bale presses for plastics and corrugated cardboard were installed on an ongoing basis at all Byggmax facilities.

Waste type	2010	2009	Difference (%-point)
Mixed waste	10.9%	11.3%	-0.4%
Dump unsorted	6.2%	5.9%	0.4%
Sorted	82.8%	82.8%	0.0%
Total	100.0%	100.0%	

Table 3, division of waste by type 2010 and 2009

#### Printed matter

An important and often ignored part of our environmental impact is the printed matter we produce and distribute.

The total amount of printed advertising has gone from 1,100 tons in 2009 to 1,212 tons in 2010, an increase of 10.18%. During the same period of time, the number of stores increased 20% resulting in a relative reduction of 8% in printed advertising per store. In many cases, the new stores established are located in existing distribution areas and work is ongoing with optimizing distribution.

The printers that Byggmax uses for direct mail have been awarded the Nordic ecolabel, which means their printing process uses low amounts of environmentally hazardous and health impairing chemicals in paper and printing ink.

#### Energy consumption

Byggmax endeavors to achieve energy efficiency and the new stores that are constructed surpass building regulations. Sandwich elements in facades and thermopane glass in the buildings' windows contribute to high levels of insulation. Newly built stores have heat recycling in the ventilation system and do not just rely on direct heating. Additionally, some older stores have changed to a combination of heating systems.

All new fork-lift trucks that are procured are of environmental class III in accordance with the European Parliament directive 97/68/EU and electric/diesel hybrids. The possibility of changing to biodiesel has been examined but the volumes of diesel that Byggmax buys are too small for such a change to be financially viable at present.

