

# BYGGMAX 2017 ENVIRONMENTAL REPORT

## Introduction

As part of Byggmax's sustainability efforts, an environmental policy with environmental objectives was created in 2009. Every year since then, an environmental report has been produced and efforts at continual improvement have been conducted to reduce the organization's negative impact on the environment.

Skånska Byggvaror is also included in this year's environmental report.

Buildor's share of sales and its part in transportation operations are small in comparison to the whole. Nor does Buildor distribute printed material, and it has negligible energy consumption, which is why its impact can be considered marginal and is not covered in the report. Byggmax's main impact on the environment is defined in its environmental policy as follows:

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

Byggmax's environmental policy stipulates annual measurement of the status and trends in the aforementioned items, in the form of measures implemented and quantitative measurement where possible. The ambition is to improve every year in the areas specified above. The goal is a 25-percent reduction, per ton transported, in emissions of carbon dioxide and other greenhouse gases between 2009 and 2020.

## Transportation

Since late 2015, Buildor, which is a purely online retailer with relatively small goods volumes, and Skånska Byggvaror also formed part of the Byggmax Group. Skånska Byggvaror requires incoming transportation of materials for fitting sun rooms, incoming transportation of goods to distribution centers and outgoing transportation to end customers. Goods purchased from suppliers, including transportation, is not included as part of Byggmax's transport work, as this is to be reported by the supplier.

For the seventh year in a row, a positive trend in reduced CO<sub>2</sub> emissions per ton of goods transported can be observed. We can also see that the amount of goods transported has decreased for the first time since these measurements began to be taken. An increase in boat transportation can be seen in comparison with last year, which is a result of the warehouse in Gävle being able to deliver at full capacity in 2017 and that more flows of goods are being transported by boat. This has resulted in increased transportation routes of bulk goods by boat and decreased transportation by truck, since the stores in northern Sweden and Finland can be supplied from a warehouse located closer to the stores. Additionally, we can see increased purchases of products from Asia, which can be seen to originate from purchasing cycles as regards articles that are purchased infrequently, in large quantities. Byggmax's aim of reducing the measurement figure for CO<sub>2</sub> emissions per ton transported by 2020 can thus already be regarded as having been met. We intend to update our objectives during 2018.

Emissions of other greenhouse gases and environmentally hazardous substances, per ton transported and in absolute figures, are presented in table 2 below. This category includes nitrogen oxides (NO<sub>x</sub>), hydrocarbons (HC), carbon monoxide (CO) and small particles. The table below shows that emissions of the substances below have decreased in the number of grams per ton. The fact that total emissions of greenhouse gases and environmentally hazardous substances have increased since 2009 was attributable to the number of stores increasing to 147 and to the stores' geographic spread now being substantially larger than it was previously. Skånska Byggvaror has also been acquired since the first calculations were carried out, which also resulted in an increase in total emissions.

The emissions calculations did not include online goods deliveries and home deliveries from stores. At present, such freight comprises a relatively small portion of the Group's total transportation of goods.

	2017	2016	2015	Trend 2016–2017	Trend 2009–2016*
Transported goods [thousand tons]	676.14	695.9	661.9	-3%	71%
Transport work [million ton-kilometers]	402	417.6	397.4	-4%	48%
Of which marine [million ton-kilometers]	105.26	79.8	84.1	32%	124%
Share marine	26%	19%	21%	37%	51%
Of which rail [million ton-kilometers]	0	0.0	0.0	0%	0%
Share rail	0%	0%	0%	0%	0%
Of which road [million ton-kilometers]	297.2	337.8	315.1	-8%	32%
Share road	74%	81%	79%	-5%	-11%
Transport work per ton [ton-kilometers/ton]	595	600	600	-1%	-13%
CO <sub>2</sub> emissions per ton of goods transported [kg]	25.2	28.1	28.4	-10%	-28%
CO <sub>2</sub> per krona of sales [kg/TSEK]	3.6	3.8	4.0	-6%	-36%
Absolute carbon emissions CO <sub>2</sub> [ton]	18,196	19,652	18,935	-6%	32%

Table 1, compilation of key freight ratios for the Byggmax Group. Emissions per ton-kilometer are based on emission data from ntmcalc.se. \*The basis for comparison for 2009 is not pro forma for Skånska Byggvaror, rather it only includes data from Byggmax.

	2017	2016	2015	Trend 2016–2017	Trend 2009–2017*
NO <sub>x</sub> [g/ton transported]	225	241	246	-6%	-24%
CO [g/ton transported]	57	63.1	63.9	10%	-25%
HC [g/ton transported]	9.9	10.6	10.8	-6%	-23%
Particles [g/ton transported]	5.7	5.9	6.0	-2%	-19%
NO <sub>x</sub> total [ton]	152.1	168.6	163.3	-9%	29%
CO total [ton]	38.4	43.9	42.2	-12%	28%
HC total [ton]	6.7	7.4	7.1	-9%	31%
Particles total [ton]	3.9	4.1	4.0	-7%	39%

Table 2, emissions of greenhouse gases and environmentally hazardous substances per ton of goods transported and in absolute measures for the Byggmax Group. Emissions per ton-kilometer are based on emission data from ntmcalc.se. \*The basis for comparison for 2009 is not pro forma for Skånska Byggvaror, but includes only data from Byggmax.

## Products and packaging

Products and packaging affect 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 at the end of their service life.

Skånska Byggvaror carries out fitting and packing of sun room and wardrobe parts as well as packaging of accessories for produced goods in Bjuv, outside Helsingborg. Thanks to our choice of input materials and production sub-suppliers, we are able to change our environmental impact. Currently no guidance or monitoring aimed at promoting increased use of renewable raw materials is in place. Production involves the fitting of components and no input raw materials are used in the form of primary natural resources such as ore or timber. In addition to the materials used in the table below, a small amount of oil is used to lubricate machinery in the amount of 25 liters per year.

Material	Weight (tons)	Proportion of recycled/reused material
Glass	2,044	0%
Aluminum	1,471	60%
Rubber	62	0%
Wood	867	0%
Other material	99.5	n/a

Table 3, input material used in Skånska Byggvaror's production in 2017, with the percentage of material that comes from renewable sources.

All materials used in the manufacturing come from external suppliers and none are byproducts of internal processes. Information on the total weight per type of material comes from the business system and the proportion of materials from renewable sources comes from the material suppliers.

Manufactured modules are pre-packaged in corrugated board and plastic.

Packaging material	Weight (tons)	Proportion of recycled/reused material
Corrugated board	119	66%
Plastic	4.7	0%

Table 4, packaging material used in Skånska Byggvaror's production in 2017, with the percentage of material that comes from renewable sources.

Product and service labeling is important. Environmental labeling and other similar labeling makes it possible for our

customers to make a personal choice about how much they want to affect the environment, for example.

Legislation requires that chemical products have safety data sheets. This comprises about 15 percent of all products in the stores' range.

The table below applies in cases where it is of use. Our agreements also require suppliers and/or producers to comply with national and EU laws regarding product content and labeling.

Product labeling	Yes	No
Components in product	X	
Contents, in particular substances which have environmental impact	X	
Safe usage of the product	X	
Disposal of products and environmental impact	X	

Table 5, product labeling

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 lumber that complies with the environmental goals set by the Swedish Wood Preserving Association and the Nordic Wood Preservation Council. Lumber is purchased from Nordic suppliers who produce in the Nordic region and in full loads directly from sawmills to minimize environmental impact.

Of the lumber purchased in 2017, 50 percent was FSC or PEFC-labeled and came from sustainably managed forests. The Forest Stewardship Council organization is an independent, international member organization that uses its FSC certification system to strive for environmentally sound, economically robust and socially responsible management of the world's forests. PEFC is a similar certification that is more adapted to North European forest management.

Certified producers, regardless of whether they are FSC or PEFC, comply with established rules regarding forest management and product traceability. The labeling helps consumers and companies choose lumber-based products that are produced by responsible forest management — forest management that takes people and the environment into consideration.

	2017
Sweden	55%
Norway	33%
Finland	93%
<b>Total</b>	<b>50%</b>

Table 6, proportion of purchases that are FSC or PEFC labeled lumber per country to Byggmax in m<sup>3</sup>. Total volume is not displayed for strategic business reasons.

The total share has decreased since 2016, which is due to difficulties for the producers in producing sufficient volumes.

The majority of parquet flooring sold is Forest Stewardship Council (FSC) labeled.

Byggmax handles goods with a low proportion of packaging. Only a low proportion of articles sold in stores have consumer packaging, meaning packaging that is sold together with the goods and taken home by the customer. Otherwise, products have varying types of transport packaging for protection.

Transport packaging is recycled in partnership with recycling centers and pallets are reused in the pallet exchange system of the major freight forwarders and in the building pallet exchange system.

Through membership in FTI, the Packaging and Newspaper Collection Service in Sweden and Grønt Punkt in Norway, Byggmax shoulders its responsibility as a producer for packaging on all brought-in and imported goods. For goods manufactured in Sweden, it is the producer that bears the producer responsibility, meaning that Byggmax indirectly defrays the costs for the handling of these products.

In Sweden, Byggmax has a broad collaboration with Ragn-Sells to ensure that as much of the stores' waste as possible is recovered and recycled as energy or new materials. The aim is to minimize the amount of waste that goes to landfill and achieve zero mixed waste. Total waste volumes are increasing per store, which is attributable to many of the items that have been included in the range being of the type that has more transport packaging than heavy building materials. The average store produced 54.2 tons of waste in 2011, compared with 61.4 tons today. The proportion of landfill waste is falling slightly, but mixed waste is unfortunately at higher levels than at the time of the company's listing.

Waste category	2017	2016	2015	Diff. 2016–2017	Diff. 2009–2017
Mixed waste	10%	8.1%	4.8%	2.29%	2.2%
Landfill, unsorted	6.1%	6.2%	8.0%	-0.15%	0.2%
Sorted	83.6%	85.7%	87.2%	-2.14%	2.0%

Table 7, division of waste by category 2015–2017 for Byggmax stores in Sweden.

Waste category	2017	2016	2015	Diff. 2016–2017	Diff. 2009–2017
Mixed waste (tons)	6.4	4.9	2.9	2.2%	2.0%
Landfill, unsorted (tons)	3.7	3.8	4.9	1.3%	15.2%
Sorted (tons)	51.3	52.0	53.4	1.3%	15.2%
Total [tons]	61.4	60.7	61.3	1.2%	14.9%

Table 8, waste volumes by Byggmax store in Sweden, 2015–2017

## Printed matter

The printed matter produced and distributed by the Group is an important part of its environmental impact. Over a nine-year period – from 2009 to 2017 – Byggmax has reduced the volume of printed materials per store by about 77 percent and around 49 percent overall. This change was attributable to new stores being established in existing distribution areas, which has significantly cut the average volume of advertisements distributed per store, but also to different distribution patterns and alterations to the types of paper in combination with moving marketing operations to the internet.

Printed matter Byggmax	2017	2016	2015	Trend 2016–2017*	Trend 2009–2017*
Printed matter	564	834	853	-32.3%	-48.7%
Printer matter per store (tons)	4.24	6.51	7.17	-34.9%	-76.5%

Table 9, total printed matter and per average Byggmax store for 2015–2017.

Printed matter Skånska Byggvaror	2017	2016	Trend 2016–2017*
Printed matter	363	377	-3.6%
Printer matter per store (tons)	25.95	34.27	-24.3%

Table 10, total printed matter and per average Skånska Byggvaror store 2016–2017.

The printing firms are certified in accordance with PEFC and FSC, and in the case of the advertising printing firm, in accordance with the Nordic Ecolabel and EU Ecolabel. The store material printing firm produces on material other than paper and cannot therefore be covered by the Nordic Ecolabel. The printing firms take care of the destruction of excess ink, work to minimize use of toxic chemicals in printing ink and carry out regular health checks on their employees.

## Energy consumption

Byggmax strives for energy efficiency, and all new stores constructed meet or surpass the building regulations imposed in the respective countries. New and renovated stores have LED lighting installed as the light source.

The direct energy of a non-renewable nature used by Byggmax's stores largely comprises fuel in the form of diesel and gasoline used by the diesel forklifts and company vehicles in service. The fleet of forklifts is gradually being renewed and all new forklifts procured in 2017 are of environmental class III, in accordance with the European Parliament directive 97/68/EU, and electric-diesel hybrids.

Over the year, a new forklift procurement was carried out, with the result that all new forklifts will be electric forklifts. A one-time effort will also be made to phase out all diesel forklifts that are older than ten years.

The electricity used to charge the forklifts has not been

separated from the total energy consumption of the stores and is instead included under indirect energy consumption below in table 13. This has resulted in total energy consumption increasing.

Energy source	2017	2016	2015	Diff 2016–2017	Diff 2009–2017
Diesel (GJ)	10,380	10,061	11,631	3.2%	3.5%
Gasoline (GJ)	0	0	0	0%	-100%
<b>Total (GJ)</b>	<b>10,380</b>	<b>10,061</b>	<b>11,631</b>	<b>3.2%</b>	<b>1.5%</b>
Energy/store (GJ)	75	79	98	-5.1%	-54.2%
Energy/received order (GJ)	0.091	0.093	0.119	-1.7%	-60%

Table 11, direct energy consumption per non-renewable energy source, 2015–2017 for Byggmax stores

Included in the Byggmax Group's total direct energy consumption is fuel for trucks and forklifts and the electricity consumed by the production and warehouse operations, machinery and forklifts at Skånska Byggvaror. Fuel is not reported separately at Skånska Byggvaror and cannot therefore be included in this year's reporting.

The indirect energy used by Byggmax per primary energy source mainly comprises electricity and heat. Most of our stores are heated using electricity. In 2017, the electricity agreements were renegotiated in Sweden for the Byggmax stores that do not have electricity included in lease agreements and the choice fell to continue purchasing guarantee-of-origin hydroelectricity. In addition, 100 percent of the energy for the stores in Norway is derived from renewable sources. In Finland, the stores have a residual mix with electricity. Work is being carried out with the electricity provider to identify and eliminate unnecessary grid loads in Byggmax stores in Sweden. Electricity consumption has increased, owing to the increase in the number of stores.

	Of which, renewable energy	Of which, nuclear power	Of which, fossil fuel
Sweden	100%	0%	0%
Norway	100%	0%	0%
Finland*	9.1%	47.1%	43.5%

Table 12, indirect energy consumption per primary energy source in 2017, for stores where indirect use is possible to influence. \*Residual mix data for Finland is for 2017.

Energy consumption (TJ)	2017	2016	2015	Diff 2016–2017	Diff 2012–2017
Sweden	30	28.78	28.06	4.2%	33.6%
Norway	21.74	17.12	19.79	27%	6.6%
Finland	3.9	4.01	3.67	-2.7%	4.1%*
Per store SE	0.34	0.35	0.37	-2.9%	6.7%
Per store NO	0.6	0.52	0.66	15.4%	-25%
Per store FI	0.3	0.31	0.28	-3.2%	3.5%*

Table 13, indirect energy, 2015–2017, for stores where indirect use is possible to influence. \*Finland is compared for 2014–2017 as data up to 2013 was incomplete.

## Responsible establishment

A review is performed annually of Byggmax's newly established stores and their locations in relation to protected or valuable areas of nature, in accordance with the GRI indicator G4-EN11 on biodiversity. Each of Byggmax's stores has a surface area of approximately 0.01 km<sup>2</sup>. In total, nine stores are mentioned under this item, and their total surface area is approximately 0.09 km<sup>2</sup>. The establishments potentially affect biodiversity through the actual construction of the premises and the transportation to and from stores.

The county administrative boards' and Swedish Environmental Protection Agency's GIS databases were used to provide basic data for the review, including the layers of data available that applied to areas of valuable and protected nature. The supporting data differs between the various counties, but the most common types of nature protection are the same for all counties: areas of national interest and Natura 2000, nature reserves and national parks. In Norway, basic data has been collected from the Norwegian government site [www.environment.no](http://www.environment.no).

Nine new stores opened in 2017, of which six were in Sweden and three in Norway. This report only comments on these new stores. None of the Swedish stores are located in the immediate vicinity of areas of highly valuable biodiversity.

The Norwegian store in Bryne is located approximately 200 meters from a nature reserve. The reserve is wetlands and a protected biotope, and a breeding ground for birds.

The establishment is located in a long-established industrial and commercial zone directly adjacent to other similar businesses and do not therefore constitute use of unexploited land.

## Risks and opportunities attributable to climate change

Senior management has taken climate change and the risks and opportunities this entails for the organization into consideration. The major risks to operations comprise physical changes (seasonal variations, flooding) as well as regulatory changes. The opportunities include better communication of Byggmax's environmental initiatives to create an environmental profile toward customers and to launch new products that are more environmentally-friendly than existing products. In 2017, peat-free soil was launched in the product range as a more climate-friendly alternative to other soil types.

# BYGGMAX MAKES A DIFFERENCE

THROUGH ITS COLLABORATION WITH FUTEBOL DÂ FORÇA AND ACTIONAID, BYGGMAX WORKS CONTINUALLY FOR SUSTAINABLE DEVELOPMENT AND SOCIAL RESPONSIBILITY.

## FUTEBOL DÂ FORÇA

Futebol dâ força (FDF) means “football gives strength” in Portuguese, and is the name of an organization that supports young girls using volunteer coaches. Alongside football training, FDF’s goal is to reinforce the self-confidence and self-image of young girls. They also actively work to give young girls concrete tools to improve their future prospects themselves.



FDF runs football leagues in both Mozambique and Zambia. In this league, young girls get the chance to play football matches every weekend. Before the matches, they are educated about human rights, sexual and reproductive health and how violence and sexual exploitation can be prevented.

“Through football the leaders can reach out to a large



group of young people and society as a whole, without being frightening or provocative. During the matches, we educate the crowds in the same topics as the girls. This year alone we expect to reach out to about 300,000 people in Mozambique,” explains founder Cecilia Andrén Nyström.

The teams that win the cup in their respective countries get the chance to travel to Sweden to take part in the Gothia Cup. For several years, Byggmax has sponsored airline tickets so that the girls have the opportunity to travel.

“The work that Cecilia and all of the leaders are doing through Futebol dâ força is unbelievably important and we obviously want to be a part of it and ensure the girls are able to come to Sweden,” says Emelie Gessner, Marketing Manager at Byggmax Group.

## BYGGMAX FRIENDSHIP VILLAGE

Byggmax Friendship Village is a project whereby Byggmax supports ethnic minorities in the town of Nam Chua, Vietnam, in collaboration with ActionAid. We also participate in projects in line with our core operation — construction. In total, the project will contribute to a better school environment for 400 students. 428 households will be given better living standards. Nam Chua is currently characterized by extensive poverty and a lack of educational opportunities.

In addition to financial support, Byggmax has twice sent groups of employees there to help on location. The first such trip took place in March 2016. Five enthusiastic Byggmax employees from Norway, Finland and Sweden were able to help build an entirely new school building. In close collaboration with local craftsmen, the Byggmax employees were able to get stuck in and work for a whole week — with good results. Furthermore, they took the opportunity to give lessons on the Nordic region to the students and travel around the area to visit the local population. “Sustainability issues have long been a natural part of our operations. ActionAid is an organization that works side by side with people in the countries in which they work. We believe this is a key factor for bringing about long-term change and is in line with our values concerning social responsibility. The fact that we also get the chance to travel there, help out and see what needs people have adds extra value to the entire collaboration,” says Emelie Gessner, Marketing Manager of Byggmax Group.

In January 2017, the second trip kicked off, and employees worked with local construction workers to lay the foundation for a wall that now protects the smallest children from a nearby highway.

