



CORPORATE SOCIAL RESPONSIBILITY

Bygma's 2019 CSR report





Contents

Preface	p.	3
Who are we?	p.	4
Key figures	p.	5
Business model	p.	6
Company tax	p.	7
Group risks	p.	8
Shared values - shared expectations	p.	9
CSR definition and strategy	p.	10
UN's 17 Sustainable Development Goals	p.	11
UN Global Compact	p.	12
Bygma Fonden	p.	13
Four core CSR policies	p.	14
ENVIRONMENT AND CLIMATE	p.	15
SOCIAL AND EMPLOYEE CONDITIONS	P.	24
HUMAN RIGHTS AND SOCIETY	P.	35
ANTI-CORRUPTION AND BUSINESS ETHICS	p.	41
Appendix		
Overview of CSR initiatives for 2009-2019	p.	45-51
Data	p.	52-57

*All photos were taken by Sondrup_Photography,
unless stated otherwise.*



Preface

The Bygma Group's statutory report on corporate social responsibility, in line with section 99a of the Danish Financial Statements Act. The report follows the 1 January to 31 December 2019 financial year, and is a component of the management's review in the annual report, approved by the Board of Directors and the Executive Board.

Welcome to the Bygma Group's Corporate Social Responsibility (CSR) Report for 2019

The Bygma Group has been reporting on its CSR initiatives and sharing them with the world since 2009. The aim of our reporting is to highlight our goal of playing an active role in our society – in relation to the environment and climate, the well-being and development of our employees through responsible business ethics, and universally in terms of respect for human rights and recognising diversity. At the same time, our primary goal is to run a financially sound business. Our CSR initiatives therefore go hand in hand with our business-driven strategy and financial priorities.

Over the years, we have described many of the Group's CSR initiatives. We have given particular focus to the following areas in 2019:

- The well-being of our employees and job satisfaction are vital to our success. We conduct a well-being survey every two years to test the water among employees throughout the organisation. We are proud of the results of recent years, which show that Bygma has excellent scores for selected parameters. At the same time, we are aware that there are areas where we can and must do even better. In our 2019 CSR report, we have chosen to focus on the development and training of our trainees and employees – two essential factors that help to maintain and advance job satisfaction, commitment and progress.
- We strive to take responsibility for our products supporting sustainable development. Bygma became PEFC certified in Nordic softwood in 2010. Since then, our work with certifications and sustainability has moved from being a concept to becoming a core element at Bygma. In recent years, we have thus put a lot of effort into sustainable materials for the construction industry. We have

primarily turned our gaze inwards to see where and how Bygma can help influence development. In the CSR report's Environment and Climate section, we have included a selection of the exciting initiatives we have worked on in 2019.

- In partnership with Danske Byggecentre member companies, we implemented the BygDok platform in 2019 – the construction industry's portal for sustainable products. We hope that the platform will help give our customers an overview of the sustainable building materials in the Danish market.
- In mid-2019 we decided to highlight our support for the UN's 17 Sustainable Development Goals. We expect to focus on goals 4, 12 and 15 going forward – Quality Education, Responsible Consumption and Production and Life on Land. These three goals flow naturally out of our core business, and characterise the way we have acted since the Bygma Group was founded.

It is therefore with pleasure that we present results, key figures and a selection of our many exciting activities within our four core CSR policies, which cover the entire Group – i.e. Bygma A/S and our other subsidiaries in Denmark, Sweden and Iceland. We hope that the report provides good insight into how we are fulfilling our responsibilities.

Peter H. Christiansen
CEO

Who are we?

The Bygma Group is a strong Nordic company that ranks among the top 100 companies in Denmark. Good business sense, trustworthiness and innovation have been the focal point of the Bygma Group's activities since its foundation. It is our goal to achieve both growth and profitability, while also operating a responsible business and making a positive contribution to society.

A solid foundation

The Bygma Group was originally founded in 1952, when Lars Børge Christiansen started a wood trading agency. The Group has been acquiring and opening hardware stores in Denmark since 1972, and now has a nationwide presence with 58 stores.

Over 25% of the Bygma Group's activities now lie outside Denmark. From 1998 to 2016, we acquired 17 hardware stores in Sweden, and Balslev Tømmerhandel and Byggemarked on the Faroe Islands in 2008. In 2011 we took over the shares in Húsasmiðjan, Iceland, which currently has 21 stores.

On 1 January 2019, we acquired two stores on Bornholm - Bygma Nexø and Bygma Rønne.

In late 2019 we were pleased to announce that we would be taking over a hardware store in Sorø - Bygma Sorø - on 1 February.

The Bygma Group has over 2,350 employees, spread across more than 100 business units in Denmark, Sweden, Iceland and the Faroe Islands.

Mission

Through active ownership of companies in the Nordic and surrounding countries, the Bygma Group manages the sale and distribution of building materials for construction and renovation, and ensures there are management, procurement, IT and financial management synergies in the Group's companies.

Vision

The Bygma Group's vision is to own companies that are among the leading suppliers of building materials and logistic solutions in the Nordic and surrounding countries. We strive to be among the three largest players in the sector in the countries in which the Group is represented.

In all the countries and stores in which the Group is represented, we have the goal of being the best workplace in the sector and constantly improving our business. In addition to the general goals, we have defined specific actions to enable us to achieve our objective.

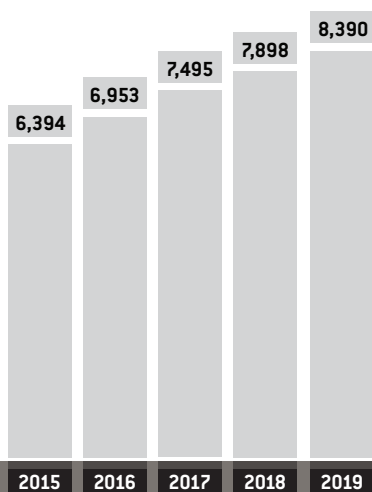
A great place to work

Satisfaction, pride and teamwork are the foundation that strong results are built on. The latest employee survey shows that we are Top in Class (GELx Denmark) again this year on parameters such as job satisfaction and loyalty. We are also very pleased that 92.4% of our employees chose to take part in the survey. We must therefore continue to let the world know that Bygma is an attractive workplace, so we can keep attracting new talents.

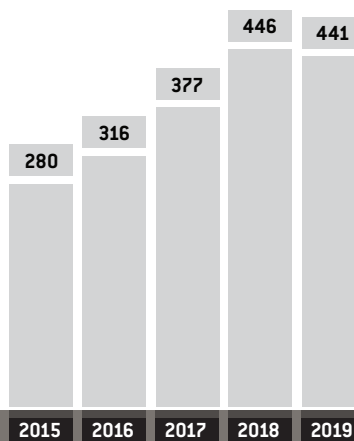


Key figures for the **Bygma** Group A/S

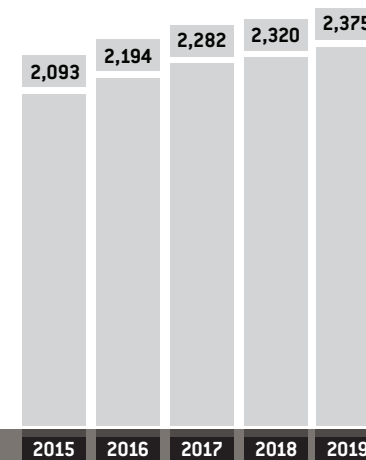
Revenue in DKK millions



Operating profit before tax in DKK millions



Number of employees



Business model

Since its inception, the Group has expanded through organic growth and acquisitions. It is currently the largest Danish-owned supplier of timber and building materials in Denmark in the area of sales and distribution to the professional and semi-professional market. In addition to its own hardware stores, the Group runs agencies and trading companies that supply hardware stores and industrial customers with timber and building materials. The Bygma Group has considerable market share in Denmark, the Faroe Islands, Iceland and Sweden – particularly around Stockholm and Norrland.

Bygma is 'not for amateurs', and it is our aim to be the obvious choice for professional tradesmen and semi-professional customers. This impacts on our procurement, marketing, customer service, store layout, product range and logistics.

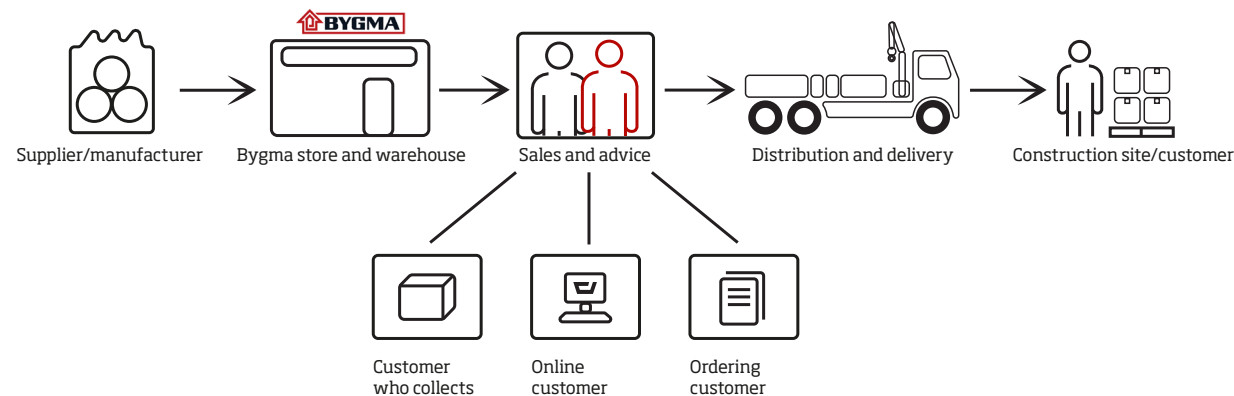
We have agreements with a large number of suppliers and manufacturers. The Bygma Group spent over DKK 6 million on products in 2019, distributed across more than 100 business sites. Our high volume means we can ensure our customers receive quality products at competitive prices, and certified products for sustainable construction.

The Bygma Group's highly qualified employees have extensive knowledge about construction and building materials. Personal service and insight into customer needs mean that our employees can add value through competent advice and service, thereby contributing to our customers' businesses and projects.

We provide our customers with wood and building materials. They can collect these from one of our stores, or we can deliver to their premises or to a construction site. Our stores are designed to make purchasing fast and easy.

We have extensive stocks and a broad product range, so customers can get everything they need for their construction project from us, and only need to shop in one place. Products that are not in stock will be quickly obtained.

We create value for customers and society through our employees and stores.

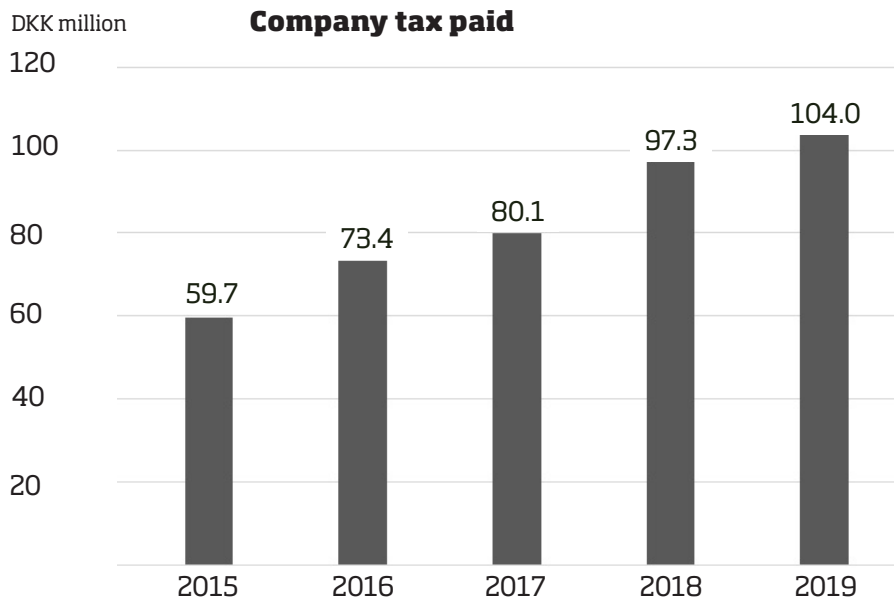


Company tax

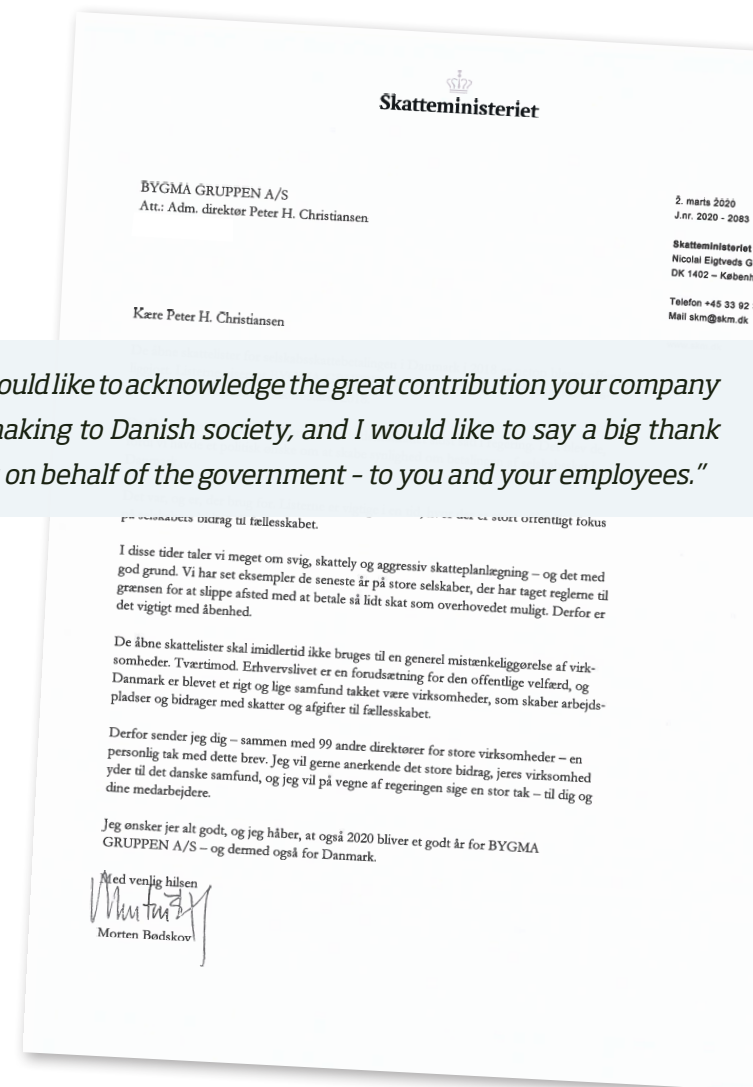
The Bygma Group achieved profit before tax of DKK 440.6 million in FY 2019, and expects to pay DKK 104.0 million in company tax for the 2019 fiscal year. The Group also contributes to wider society through duties and other indirect taxes.

The Bygma Group pays taxes in the countries where we operate. The Bygma Group has no companies in countries other than the Nordic countries (Denmark, Iceland, the Faroe Islands and Sweden) and does not participate in extraordinary activities aimed at reducing or avoiding tax payments.

The Bygma Group is among the 100 companies that pay most company tax in Denmark.



"I would like to acknowledge the great contribution your company is making to Danish society, and I would like to say a big thank you on behalf of the government - to you and your employees."



Business risks

The Bygma Group's primary activities related to trading building materials entail certain business and economic risks. Risk assessment is regularly performed in relation to financial gain and development of the Group. Diversifying the Group's activities across several countries and more than 100 business sites has helped to reduce the risks to business operations.

The construction industry and trade in building materials are sensitive to changes in economic conditions. This primarily applies to new buildings, but also to repair and maintenance. The construction industry is impacted by changes in public and private sector demand, financing options and interest rates, and periodic support schemes and subsidies.

The Bygma Group plans its business operations and development so as to exploit opportunities that arise and avoid threats and losses as far as possible.

The Bygma Group's insurance policies cover losses caused by sudden or unforeseen events. Insurance has been taken out against professional and product liability, as well as statutory and other insurance policies that are normal in relation to the company's activities and size. Interest rate and currency risks are partially hedged, and insurance is held against bad debts.

With a solvency ratio of 69%, Bygma Group has a strong financial position, and the resources to continue to develop the Group and to withstand unidentified risks and losses, including changes in market conditions or other unforeseen events.

Policies and initiatives - risks and impacts

The Bygma Group strives to always treat customers, employees, other stakeholders and the local community with consideration and respect. The four core CSR policies together comprise the cornerstone of our work, but there is also a risk of our intentions being breached associated with each one.

Human rights and society

- Respect for human rights. Prevent child labour and poor social conditions in accordance with the Code of Conduct for contracted suppliers.
- Human rights violations. Failure to monitor foreign suppliers. Breaches of the Code of Conduct can lead to suspension of cooperation.

Social and employee conditions

- A good working environment and safe working conditions. Equal treatment of employees and no discrimination against them.
- Poor psychological working environment and stress. Work-related accidents or injuries. Discrimination against employees and minority groups. Breaches may result in warnings or dismissals.

Anti-corruption and business ethics

- Compliance with Danish and international legislation. Prevent corruption and bribery in line with the Code of Conduct for contracted suppliers.
- Breaches of legislation or guidelines. Annual inspection of contracted suppliers. Non-compliance may result in a fine or loss of reputation or goodwill.

Environment and climate

- Promote training and support sustainable construction, for example through our FSC® or PEFC™ certified wood. Reduce energy consumption, such as electricity and heat. Reduce fuel consumption and emissions, for example from trucks, through better driver scheduling.
- Higher energy and fuel costs. Contamination or damage to the near environment and society. Will result in corrective action in relation to the environment and finances.

The Bygma Group strives to always act proactively to ensure compliance with the four core CSR policies - to avoid business and financial losses, but also to avoid injury to people and society and loss of reputation and goodwill.



Miljømærket for ansvarligt skovbrug



Bygma's values

Our CSR work is based on six core values, which all work together and are mutually dependent:

Good business sense

We are passionate about doing good business

Personal learning

It is also the responsibility of employees to be equipped for their duties

Trustworthiness

We keep our promises

HR management

We invest in good leadership

Team player

Only together can we win

Innovative

We dare to think outside the box and consider alternatives



Bygma's **CSR** definition **and** strategy

CSR - definition

In the Bygma Group, we define CSR as the way we integrate and work with social and environmental factors in the company's business, beyond what is laid down by the law.

If the Bygma Group does something for society, and improves the bottom line in the same process, we have always considered this to be good business and common sense.

It is therefore quite legitimate and acceptable in the Bygma Group to say 'CSR' and 'bottom line' in the same sentence. The general aim and challenge for the Bygma Group is to get both - CSR and the bottom line - to go hand-in-hand as far as possible.

CSR - strategy

The Bygma Group's strategy aims to ensure that:

- Our work with social responsibility goes beyond the regulatory requirements, in order to improve conditions for our employees, the environment and society as a whole.
- We maximise the business value of our CSR commitment, as the general rule is that CSR initiatives must lead to a positive financial return when implemented.
- We work in accordance with the 10 basic principles defined by the UN Global Compact, but remain independent of the UN Global Compact (and other CSR organisations).
- We have a dedicated focus on three of the UN's 17 Sustainable Development Goals: (4) Quality education, (12) Responsible consumption and production and (15) Life on land.

UN's 17 Sustainable Development Goals

4, 12 and 15

With 100 hardware stores across the Nordic region, the Bygma Group is the largest Danish-owned supplier to the construction industry. This gives us a big responsibility.

As part of the global trend where environment and climate considerations are playing a greater and more central role in all respects, the Group's business-oriented focus today also includes sustainable development. Our highly trained employees can inspire and guide our customers to purchase certified wood and sustainable products for their construction projects.

In 2019, the management of Bygma Group decided to adopt and work closely towards the UN's Sustainable Development Goals. Through our business activities and professional knowledge, we are helping set the agenda within three of the 17 global goals in particular:

4 Quality education: We take responsibility for attracting and training our trainees and we give our employees opportunities for development, so that they are well equipped for present and future challenges. In response to the major climate challenges, we have also chosen to include sustainability as a key training focus area - both at vocational schools and in our own Group.

12 Responsible consumption and production: We set sustainable production and social responsibility requirements for our suppliers. In order to do business with Bygma, suppliers must sign our Code of Conduct. This ensures that our partners comply with standards and conventions. We also encourage our suppliers to register their sustainable products and documentation in BygDok.

15 Life on land: We buy and sell certified Nordic wood to our customers. This comes from sustainable forestry, with consideration for local flora, fauna and people. All Bygma wood can be supplied and documented as FSC or PEFC certified.

Many of the initiatives described in the following chapters illustrate our work towards the three global goals. The Group also works with a range of areas within the UN's 14 other global goals.

4 QUALITY
EDUCATION



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



15 LIFE
ON LAND



UN Global Compact

The Bygma Group plays an active role in our society, helping to further develop the work with social responsibility. We want to maintain high aims, without compromising our credibility.

We continue to work independently of the UN Global Compact (and other CSR organisations), but strive to observe the ten principles the Global Compact has defined, so that we can meet the social and environmental challenges we face as a company.

The ten UN Global Compact principles, which Bygma aims to support:

Human rights

1. Support and respect the protection of internationally proclaimed human rights
2. Not contribute to violating human rights

Worker rights

3. Uphold the freedom of association and effective recognition of the right to collective bargaining
4. Support the elimination of all forms of forced and compulsory labour,
5. Support the effective abolition of child labour
6. Eliminate discrimination in respect of employment and occupation

Environment

7. Support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

10. Work against corruption in all its forms, including extortion and bribery.

Integrated into Bygma

Human rights, e.g.

- Bygma Fonden in Cambodia
- Respect for personal data (GDPR)
- Code of Conduct for our suppliers
- Code of Conduct for our employees
- Diversity in the workplace

Worker rights, e.g.

- Code of Conduct for our employees
- Working environment, health and safety
- Development and training
- Employer branding
- Dialogue and communication
- Equality

Environment, e.g.

- Code of Conduct for our suppliers
- Focus on sustainability
- Training frontrunners
- Training sustainability ambassadors
- Documentation for sustainable material
- PEFC and FSC certifications
- Optimising waste management
- Optimising recycled plastic
- Reporting on our energy consumption
- Charging stations for employees' electric vehicles

Anti-corruption, e.g.

- Code of Conduct for our suppliers
- Code of Conduct for our employees
- Compliance manual

Bygma Fonden

Bygma Fonden was established in 2007 by Bygma's founder, Lars Børge Christiansen. The aim of the foundation is to distribute aid to Danish and foreign humanitarian aid organisations - in line with the Group's business ethics and CSR policy.

The foundation supports the UN global goals

For more than 12 years, Bygma Fonden has donated millions to crisis-hit communities and countries, thereby contributing to the UN's efforts to combat poverty and hunger, and promote good health and equal access to education, water and sanitation. Through its donations to humanitarian aid organisations, Bygma Fonden specifically supports the following six UN Global Goals: 1, 2, 3, 4, 5 and 6

New foundation website

Bygma Fonden got its own website in 2019. The aim of the website is to make information about Bygma Fonden widely available, and to make the application process for aid organisations of all sizes simpler and easier. We have also improved security, so that payments are now made directly into the recipient organisation's Nemkonto (Easy Account).

Bygma Fonden supports Danmarks Indsamling

A representative of Bygma Fonden took part when Danmarks Indsamling (a united Danish humanitarian appeal) visited DanChurchAid's partner organisations in Cambodia.

Many poor families in Cambodia have borrowed money to make ends meet. In order to pay off the debt, many families therefore have to migrate to the cities to work in brick factories and the like, where children also have to perform dangerous work. There are frequent workplace accidents which are a tragedy in themselves, but can also have devastating consequences on

a family's finances. Workers are often ignorant of their rights to seek compensation and benefits. This is one of the things DanChurchAid's partner organisations provide assistance with.

In addition to legal help and guidance, the organisations help prevent problems by creating new jobs in the local areas, so that families do not have to migrate to find work. The initiatives often focus on creating earning opportunities for women, such that they can look after their children at the same time, or are able to send them to school (e.g. operating poultry and duck farms). This changes the living conditions for the whole family.

The aid also involves education in sustainability and climate-friendly agriculture, as it can be difficult to grow crops due to water shortages, caused by increasing climate changes. Project participants pass on the new methods to other villagers, with the result that as many people as possible benefit from the assistance.

Bygma Fonden's visit to Cambodia gave us unique insight into how the humanitarian aid organisations specifically contribute to giving children and their families hope and new opportunities.

Bygma Fonden is donating DKK 800,000 to Danmarks Indsamling in 2020.

*Bygma Fonden in Cambodia
Photo: Bygma archive*



Four core CSR policies

- **Environment and climate policy**
- **Social and employee conditions policy**
- **Human rights policy**
- **Anti-corruption and business ethics policy**

The Bygma Group has four core CSR policies that generally describe our policy towards human rights and our local communities, social and employee conditions, anti-corruption and business ethics and the environment and climate.

These policies set common standards for all companies in the Group, and provide direction for employees in their work in the relevant business areas.

The policies describe our approach to each area, and our vision for what we hope to achieve. We also describe how we want to develop each area.

The CSR policies are communicated regularly to employees via our internal news screens, located in store canteens. Employees can also obtain detailed information about our policies from our intranet, employee handbook, employee magazine, department meetings, etc.



Environment and **climate**

The Bygma Group strives to contribute to sustainable development in relation to the environment and climate, while also meeting our business goals. We comply with environment legislation, and work to protect the environment by continually reducing our climate impact.



Policy for the environment and **climate**

Sustainability is a complex concept, and sustainable development is a long process, the benefits of which are not necessarily visible within a short time horizon. Instead, they gradually appear over the long term and multiply the benefits. Sustainable building design has environmental, social and economic aspects. The Bygma Group aims to contribute to the development of sustainable construction. We are therefore focusing on new initiatives and projects that support sustainable products and construction projects in Denmark and the Nordic region.

From attitude to action

Sustainability

For sustainability to succeed, it must be incorporated effectively in all areas and layers of the business. Knowledge sharing and communication are two crucial factors in order to reach every corner of the organisation.

Sustainability has become a core business principle in the Bygma Group. The development of sustainable building materials, in particular, has become a priority area in recent years. As a serious partner and inspirator for our customers - tradesmen, builders, architects and contractors - we have to be able to perform and document that we have materials, processes, definitions, documentation and certifications under control and can guide our customers at a professional level.

Over the last few years, we have therefore undertaken many initiatives to improve our strategic focus on sustainable construction - both internally and externally. Training employees, optimising certification processes and working with certified suppliers, in particular, have been key factors. We are FSC and PEFC certified, and a member of the Green Building Council Denmark and Green Building Council Sweden.

In Denmark

Certified wood

FSC and PEFC certified Nordic softwood has been part of Bygma's product portfolio since 2010.

It was a slow start, with limited interest from both private and public customers. It therefore required extra resources, persistence, a large inventory of certified wood with low turnover and, not least, strong exposure in the market as well as knowledge sharing with customers.

Over the past few years - as global and local interest in the climate has grown significantly - we have seen a major increase in demand for our certified wood. In step with the rising global and local interest in sustainable products, our customers are becoming more interested in more professional knowledge about sustainable construction and renovation. We are seeing this especially among our professional customers and in relation to public sector construction.

*"There is growing recognition that construction needs to be more sustainable - in terms of processes, materials and usage. Working with sustainability in construction requires insight and understanding. Ideally this should be shared between those involved, at all stages of the process"**

**Quote: White paper on sustainability in construction*

From policy to action

PEFC and FSC

All Nordic softwood sold at Bygma is now at least 70% PEFC certified. As a consequence, Hjalmar Wennerth (a subsidiary of the Group) now only accepts certified sawmill contracts from their partners. From 2020, all hardwood bought and sold will also be either PEFC or FSC certified, as Wennerth Wood Trading (a subsidiary of the Group), which supplies woodsheet products to Bygma, will also purchase only certified goods from its suppliers.

Bygma's aim is thus for all wood products being sold from 2020 to be either PEFC or FSC certified.

Tool for our employees

At the same time as Bygma made the transition to all coniferous wood having to be at least 70% certified, a user-friendly new FSC and PEFC manual was launched for internal use. With the new procedures described in the manual, the sales process and documentation for the certified wood have become simpler and easier.

Tool for our customers

Sustainability is an important parameter in the choice of materials for many architects, builders and developers, and CLT is an obvious choice as it reduces the climate impact by up to 50% compared to steel and concrete. CLT (cross-laminated timber) is used widely in the construction of multi-storey buildings, especially abroad. CLT is often seen as the wooden equivalent of concrete, because it is strong in all directions. It is perfect for building both large and high structures, and enables a rapid building process.

The Danish construction industry is more reticent about using CLT in construction than our neighbours. However, the wood is slowly gaining ground in Denmark. Bygma's subsidiary, Profile A/S, has therefore published a handbook called 'CLT in practice'. This aims to help customers, partners and other industry players start building using CLT, and to ensure professional structures. The handbook contains practical advice and guidance on CLT, including installation and logistics and how to store CLT elements on the construction site.

ByggeBasen and BygDok

Bygma has worked with Danske Byggecentre member companies to make environmental certifications and documentation in ByggeBasen available in BygDok.

BygDok is a database for all parties involved in construction, and anyone who wants to build sustainably.

Documentation is an important part of any building process. ByggeBasen contains detailed documentation for PEFC and FSC certified products and products bearing the Nordic Swan ecolabel or indoor climate or energy labels, and the legally required construction documents. Bygma has provided direct integration between BygDok and our bygma.dk/proff online platform. Tradesmen therefore no longer need to contact different suppliers to obtain documentation showing that individual products are certified. Everything is gathered in Bygma's proff portal, whether customers buy in stores or online.

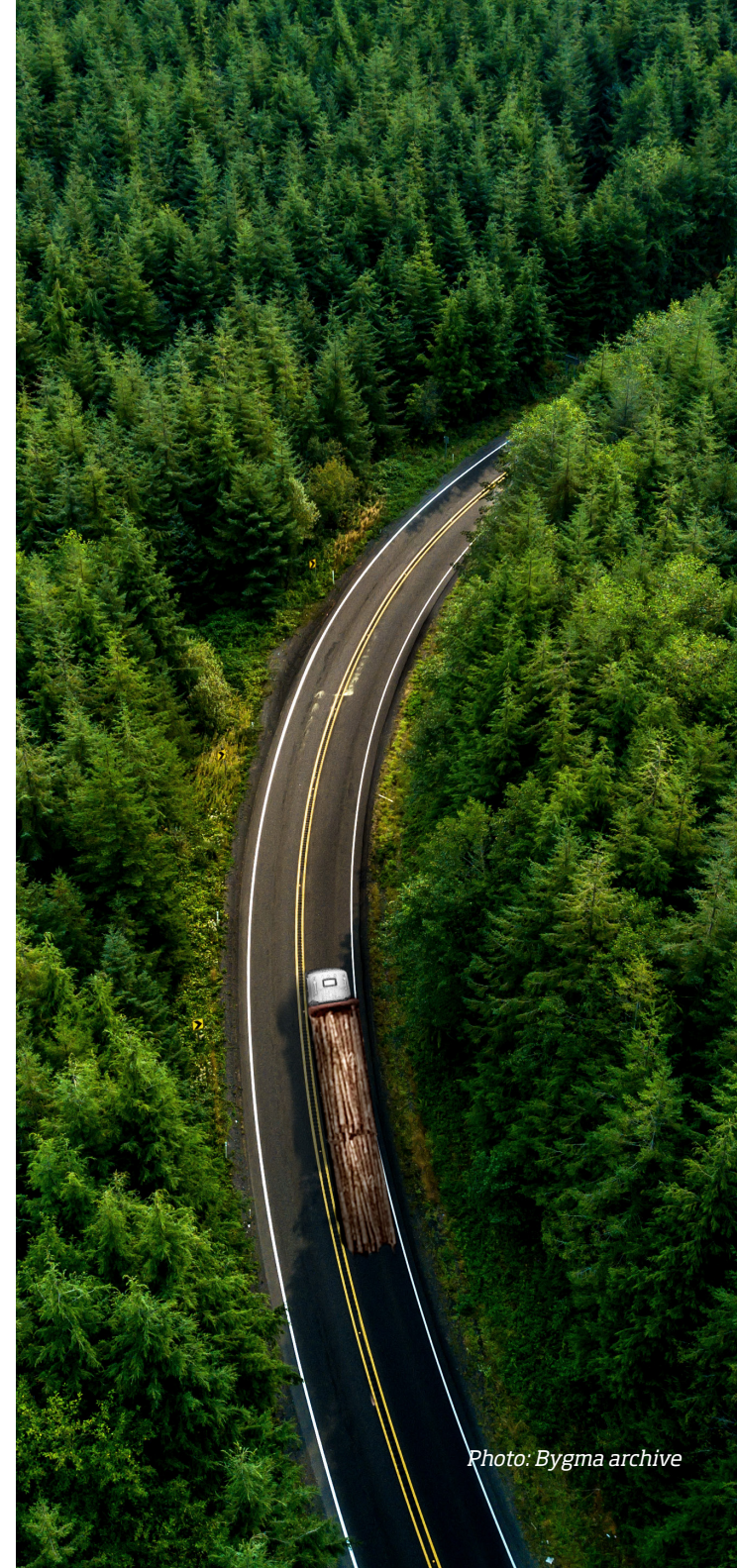


Photo: Bygma archive

Professional sustainable construction



What is PEFC?

- PEFC stands for Programme for the Endorsement of Forest Certification
- An ecolabel which sets the standard for sustainable forestry
- Global alliance, non-profit association
- The world's largest forest certification system
- 60% of the world's certified forest areas are PEFC certified
- Protects biologically important forest areas and ensures socially beneficial and economically viable forest management.



What is FSC?

- FSC stands for Forest Stewardship Council
- An international non-profit labelling scheme
- The FSC label is your guarantee that you can purchase wood and paper with a clear conscience
- In an FSC forest, no more trees are felled than the forest can reproduce
- FSC provides assurance that the flora and fauna are protected
- It ensures that the people working in the forest receive training, safety equipment and a decent wage.



What is Green Building Council?

- A member organisation that works to promote sustainability in buildings and the built environment
- The organisation consists of a network of players (companies/organisations/people), spanning the entire value chain
- With a focus on environmental, economic and social factors, the organisation seeks to promote a holistic approach to construction and urban areas - both nationally and internationally
- Manages the DGNB certification scheme.



What is DGNB?

- DGNB stands for 'Deutsche Gesellschaft für Nachhaltiges Bauen', and is the German sustainability certification for buildings
- The first Danish version of the DGNB certification was launched in 2012, and is managed by Green Building Council
- The scheme has been adapted to Danish legislation and standards
- Criteria and sub-criteria are grouped under five main areas: environmental, economic, sociocultural, technical and process.



What is the Nordic Swan ecolabel and the EU ecolabel?

- The Swan label is the official Nordic ecolabel
- The Swan was launched by the Nordic Council of Ministers, and Denmark joined in 1997
- The EU ecolabel is the official European ecolabel. This label was launched in 1992 by the European Commission, and Denmark has been involved from the outset
- When you choose a product bearing the Swan or EU ecolabel, you are helping to reduce environmental impact. No matter which product you choose, you can be sure that it is among the best in its category in terms of the environment.



What is the Danish Indoor Climate Label?

- The Danish Indoor Climate Label is a voluntary labelling scheme for products and materials that have documentation for properties such as degasification - and hence degasification time and unpleasant odours. The Indoor Climate Label is the scheme's logo. This is the visible sign that the product complies with the requirements
- If you choose indoor climate labelled products, it is more likely that the air quality in the finished building will fulfil the requirement in DGNB.

From policy to action

Optimising recycled plastic

The EU consumes around 50 million tonnes of plastic each year, 40% of which is used in packaging. Better re-design, collection and technology development are therefore required in order to increase recycling.*

Storage bags

Sales of Bygma's plastic bags have fallen from 46,000 in 2018 to 26,000 in 2019.

Even though sales of Bygma's white plastic carry bags have been declining over the past year, we want to use a more sustainable material going forward. We are therefore working to replace our existing plastic bags with carry and reusable bags made of highly recycled plastic (about 80%). The new bags will be rolled out in our stores over the next few years. We have a goal of selling only strong carry bags made of recycled material by the end of 2021.

The new storage bags will be sold in two sizes. The larger bag is expected to partially replace our moving boxes. These are currently less degradable and have a significantly shorter life span than the strong new eco-friendly storage bags.

**Source: The Confederation of Danish Industries (DI)*

Film

A project group was appointed in Bygma in mid-2019, tasked with re-designing Bygma's current packaging film. The aim is to use a type of packaging that contains as much recycled plastic as possible in the future - without compromising the safety of the product or the quality of the film.

In cooperation with relevant partners, the project team has developed and tested various re-designs in selected Bygma stores over the past six months. There were certain very specific challenges that the group had to address. The test process had not been completed at the end of 2019, but the project team had found solutions to several of the challenges. It expects a new and more sustainable packaging film will have been developed and rolled out to all our stores by the end of Q2 2020. The goal is to have a film made 100% of recycled plastic.

Implementation of this initiative is also expected to significantly streamline deliveries to our many stores in Denmark, thus reducing our carbon emissions. Calculations for this are expected to be available once the sustainable packaging film has been fully implemented in our stores.



80%

of this bag is made from
recycled PET bottles

The bag is designed
for reuse

From policy to action

Eco-friendly transport

To reduce energy consumption and carbon emissions, Bygma uses Euro norm 6 trucks and passenger vehicles. Passenger vehicles made available to staff must also be in energy class A or B.

Through ongoing training for Bygma's truck drivers and continual renewal of the fleet, Bygma has successfully increased fuel efficiency by 6% over the past three years. This is equivalent to a CO₂ reduction in 2019 of 268 tonnes.

In 2019, the Bygma Group evaluated which types of freight transport could be effectively converted to electric operation. The conclusion was that the market for electric-powered freight transport is at an early stage, and the vehicles capable of meeting the Bygma Group's transport requirements are expected to come onto the market later.

Transport of goods and personnel in Denmark using our own vehicles emitted 5,738 tonnes of CO₂ in 2019.

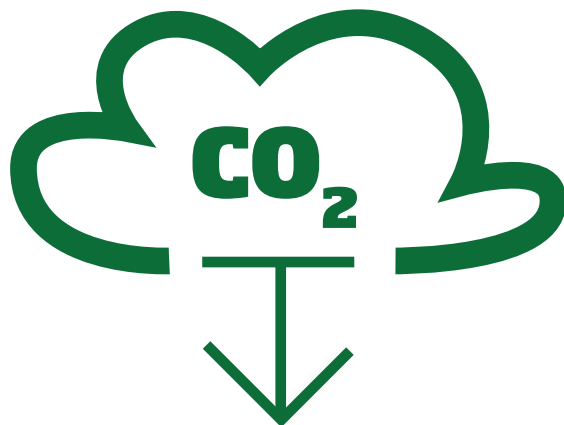
Eco-friendly electricity consumption

Reducing our carbon emissions is a process that is constantly receiving management attention and requires continuous follow-up to optimise the initiatives.

In recent years, we have carried out a number of energy screening projects in relation to electricity and heat in our stores in Denmark, implemented optimisation initiatives, and purchased modern new fixtures, day/night switches, motion sensors, new heating systems etc.

An energy survey will be carried out in 2020. This will give us an up-to-date picture of where we can make additional savings on our energy consumption. Management will then assess the various focus areas and act based on economic and environmental considerations.

The electricity consumption in the Danish part of the Bygma Group emitted a total of 1,288 tonnes of CO₂ in 2019 (see appendix).



Case: Cooperation on CLT for an apartment block

Rebslagersgården in Næstved is a complex of three new buildings containing attractive apartments. They were built using elements made of cross-laminated timber (CLT). Bygma supplied CLT and all other building materials for Rebslagersgården.

A. Brandelev Ejendomme was the developer behind the project. "It was an exciting challenge to build these homes," says Anders Brandelev Paulsen, Director of A. Brandelev Ejendomme. "We had to take into consideration the historical townhouses around us, there were level differences on the site, and this was the first time we built at height using wood."

When A. Brandelev Ejendomme chose to be the first in Denmark to build this type of building solely using CLT, sustainability was a key parameter. CLT is wood that offers more favourable CO₂ accounts than steel and concrete. But speed and a rapid construction process were just as important. "The CLT elements were delivered on a Tuesday morning, and just eight days later we had fitted out an entire apartment block with CLT elements, laminated wood, attic windows, shower cabins and steel girders," says Anders Brandelev Paulsen.

"CLT is delivered in prefabricated elements, based on the engineer's drawings," explains Jan Klöcker from Profile A/S (a subsidiary of the Bygma Group), which supplied the elements via Bygma Haslev. "They can be installed immediately, and require no drying time - unlike concrete elements, where construction comes to a halt." Profile A/S coordinated and provided advice on the CLT delivery.

Thomas Sjøstein, Director of Bygma Haslev and Bygma Sorø, has worked with the Anker Damgaard Paulsen carpentry firm for many years. "A pioneer building like this requires in-depth knowledge of the customer's needs and a strong relationship and trust," he notes. We supplied the wood and all other building materials for Rebslagersgården, and were chosen based on quality, advice and delivery reliability. It has been a pleasure to see how the customer has transformed a district in Næstved city centre into an attractive residential area with beautiful buildings made of sustainable wood."

*Cross section of a CLT element
Photo: Bygma archive*



In Iceland

Eco-friendly products are now more visible in stores and online

Húsasmiðjan offers a wide range of eco-friendly and environmentally certified products. It is vital that we take the lead in relation to sustainable building materials.

We started marketing FSC and PEFC certified wood in all of our marketing materials and on our website in 2019. Last autumn we introduced a new 'green products' concept, to make customers aware of the eco-friendly building materials in Húsasmiðjan's stores and webshop.

Products with an environmental certificate are labelled as 'green products', including in our sales systems. This means that employees and customers can easily see which products are eco-friendly and which certificates are behind them. 'Green products' makes it easier for customers to choose eco-friendly products.

Goodbye to plastic bags

In Húsasmiðjan's environment policy, we have made a commitment to reducing our negative impact on the environment, while offering a relevant range of eco-friendly building materials and solutions. This means, for example, that we are working to reduce our plastic consumption where possible.

We therefore decided to find an alternative to plastic carry bags in 2019. We will instead offer an eco-friendly bag made from cornflour, which degrades more easily. The new eco-friendly bags are expected in stock in all our stores in spring 2020. Húsasmiðjan expects to be the first hardware chain in Iceland to do away with plastic bags.

Electronic trading

Electronic invoicing related to operations rose from 43% to 83%, electronic invoicing related to inventory rose from 16% to 25% while printed sales invoices were reduced by 43% in 2019. This has helped reduce our paper consumption.

Húsasmiðjan has developed a new app for employees that was rolled out at the start of the year. The new app standardises a number of processes and makes it quick and easy for employees to scan products using their mobile phone, while receiving a range of useful information, such as descriptions, user instructions, environmental certifications and inventory lists.

Húsasmiðjan has guidelines for all environmental initiatives in operations, and environmental considerations are integrated into all our core activities. Our overall goal is to have a positive effect on the environment, by minimising the negative impacts in all workflows and decisions.

Green initiatives - footprint

Húsasmiðjan is constantly working to minimise our climate and environmental impact - both internally and externally. We do this through the following activities/goals:

- Actively participating in public and specific discussions related to the environment
- Building trust and drawing attention to the company's Corporate Social Responsibility (CSR)
- Holding courses to increase knowledge and understanding of environmental challenges
- Sorting waste
- Streamlining energy initiatives
- Reducing printing on paper
- Encouraging employees to take part in environmental efforts - both at work and in their free time - and supporting them in these
- Choosing eco-friendly products as far as possible
- Using suppliers that offer eco-friendly products, as far as possible
- Using electric and other eco-friendly vehicles as far as possible

Húsasmiðjan publishes an environmental report every year, showing reductions in waste and electricity and fuel consumption per store (see appendix).

In Sweden

Bygma in Sweden continued its active environment initiatives in 2019, not only to comply with environment legislation, but also to improve efforts to reduce our climate impact, together with customers, suppliers, employees and other stakeholders. Economic and environmental resource efficiency is essential in order to achieve good results. Through the dedication of our employees and partners, we are thus helping to place greater focus on the environment and sustainability.

Eco-management system (ISO)

We work systematically with our eco-management system (ISO 14001:2015 certification). This includes central and local environmental procedures and routines, and annual follow-up on our goals:

1. To keep track of the many different environmental certifications, Bygma in Sweden has launched a tool for customers and staff. We have collected data about most of the products we sell - and products that are certified are presented as 'eco-certified products'.
2. We expect to be an active participant in the development of the Swedish Finfo Miljö database (environmental assessments gathered in one place), thereby ensuring that we provide accurate and up-to-date environmental information about our products.
3. The PEFC and FSC certifications apply to all Nordic softwood (70%). All tropical hardwood is 100% certified.

Continual improvements

We strive to make continuous environmental improvements. Many of our challenges are local and need to be addressed locally. We are therefore continuing to review our routines and follow up on any local deviations, to ensure that everything functions in each store and that faults are corrected, so that we can constantly provide the best service to our customers and ensure the optimal well-being of our employees.

Waste reduction

We have been working to reduce our waste since 2017, without achieving our 4% reduction target. However, we can report a 5.2% decrease in waste from our daily operations in 2019 compared to the previous year. We have thus now achieved our target solidly.

The cost of mixed waste has not fallen in step. We therefore need to ensure that some mixed and combustible waste fractions are eliminated from our sites. These fractions are wood, plastic and corrugated cardboard, and should be 100% sorted.

Sustainable materials for the construction industry - SGBC

We continue to promote the choice of sustainable materials, in part through the involvement of the Sweden Green Building Council and the digital logbook - increasing awareness of sustainable buildings among customers and suppliers.

Minimising our climate footprint

We have set new environmental targets for Bygma in Sweden for the next five years, with a key focus on reducing our carbon footprint by 50%. As part of the preparations, energy audits were carried out at all Bygma's Swedish sites in 2019 - to identify any unnecessary energy losses and collect proposals for reducing energy consumption. For example, we invested in LED lighting in Bygma Tyresö in April 2019. We have seen an annual reduction of 68,000 kWh (15% of the total reduction in electricity consumption) as a result of this investment.

New vehicle policy

We launched a new vehicle policy in late 2019, incorporating plug-in hybrid vehicles (PHEVs) to replace conventional diesel and petrol vehicles in the future.



Social and employee conditions

The Bygma Group is a values-driven company that strives to ensure good employment and working conditions for our employees. Our aim is to be a workplace where employees thrive and develop, with open and honest dialogue throughout the organisation. A healthy and motivating environment is a high priority.



Policy for social and employee conditions

We are protective of our ethical values in the Nordic region, and our society reflects this. As does the Bygma Group, which gives high priority to ethics. In the Group, we strive to give our employees safe and equal working conditions, handle and prevent sick leave, and generally conduct our business in a responsible and ethical manner, so that we have proud, secure and satisfied employees.

From policy to action

'Best place to work' is a key element of the Bygma Group's 2020 strategy and this places demands on us.

We have our working environment and safety under control. We are focusing on health and injury prevention initiatives. We have ethical guidelines for ourselves and our suppliers. We are dedicated to being a diverse workplace and recognise diversity as a strength. We aim to be a company with employees and managers of all ages - from youth to seniors. 'Best place to work' also means opportunities to train and make a career in the Group.

These initiatives have played a key role in retaining motivated and committed employees ever since the company was founded.

In Denmark

Education

The following sections describe a selection of the many training options offered to Bygma employees. Training is essential in order to develop and retain employees. We therefore see it as a key element in our work to train the young generation (traineeships) and further train our employees (Bygma Academy).

Education for Logistics Managers

Logistics will be one of the competition parameters of the future. Improving results and earnings will require a systematic approach to future logistics. A common framework and language and a sharp focus on best practices in Bygma.

That is why we are investing in the competencies of our Logistics Managers in 2019-2020 and giving them the tools to become even better managers - in relation to both their employees and logistics operations.

It is an ambitious training programme that places demands on managers - in the classroom and in daily work. The training is being carried out at several levels, and a number of managers will be credited with 20 ECTS points which they can build upon.

A key element of the training is knowledge sharing. All teams therefore contain a mix of people from around the country, to create a strong network among our Logistics Managers that improves best practices throughout the organisation.



In Denmark - continued

Over 200 directors and mid-level managers have completed international training between 2014 and 2020. This has made the entire organisation more dynamic and resulted in a common leadership language throughout the company.

Bachelor of Commerce course

As another initiative in its palette of training opportunities, Bygma is offering Bachelor of Commerce courses to all employees who wish to complete further education in areas relevant to their field of work. Examples include Transport & Logistics, Finance & Resource Management and Management.

In the Personal Development Review (PDR) interviews for 2020, employees will be encouraged to talk to their manager about training opportunities at Bygma, and to assess and discuss the areas within which it might be relevant to complete further training.

Training placements in Sweden and Iceland

In a large Nordic organisation like the Bygma Group, there are good international synergies to be gained by sending trainees on internships between the Nordic countries. The trainees return with new skills, greater professionalism and a broader outlook. As part of their training, four business trainees have been on exchange with Bygma Group's subsidiaries in Sweden and Iceland this year.

The trainees were attached to two different stores in Reykjavik, Iceland, while working at Húsasmiðjan. They had the opportunity to work with a broad range of tasks, giving them insight and tools that they have since been able to use at home in their respective stores. They also visited the Bygma Group's Iceland head office, which is the focal point of the Group's approx. 500 employees in Iceland.

At the Swedish subsidiary, Bygma AB, the trainees were attached to two of the Group's stores in the Stockholm area. In Sweden, the trainees visited customers, suppliers and competitors, as well as construction sites and sawmills. They also visited Bygma AB's head office - the focal point of Bygma's approx. 300 employees in Sweden. The trainees gained a lot of valuable experience and a useful network among their Nordic colleagues.

The traineeships were arranged through Erasmus+. Bygma's trainees attend Business College Syd, where they complete their business studies, and the programme was arranged by Bygma in cooperation with the college.



Andreas Fyhn Smidt from Bygma Haslev and Ida Terkelsen Vangsgaard from Bygma Hjørring went on exchange in Iceland.



Louise Andersen from Bygma Hillerød and Laurits Højlund Jensen from Bygma Risskov went on exchange in Sweden

Photo: Bygma archive

In Denmark - continued

Sustainability

Sustainability is here to stay! Bygma is also seeing an increasing interest in and demand for sustainable building materials. It is therefore important that our employees are equipped to service the customers who want to build sustainably, and to guide those who would like to further explore what it entails.

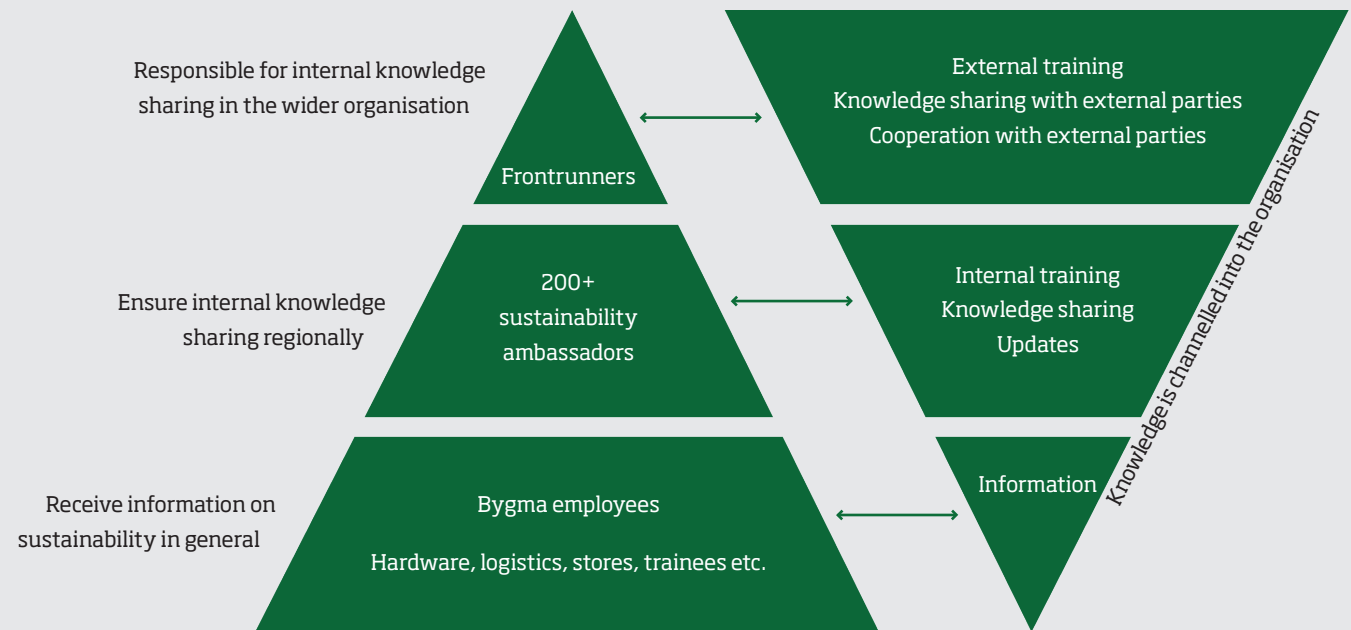
Training ambassadors

Bygma is continuing to train sustainability ambassadors. At the end of 2019, another 150 employees had completed thorough training that goes beyond the knowledge required to become PEFC and FSC certified (see appendix). So far, Bygma has trained up to 200 sustainability ambassadors around the country, to ensure internal knowledge sharing in every store, in every region. And we will not stop there. In 2020 we will raise the competency level further by training 20 frontrunners, who will serve as a knowledge bank and trainers for the ambassador level.

Training frontrunners

In January 2020, we will bring together around 20 newly appointed 'frontrunners' charged with putting sustainability on the agenda. Two intensive days of training will lay a common foundation for the ongoing work on sustainability, within the Group and externally among our customers and partners. The frontrunners will be responsible for knowledge sharing, in close cooperation with the ambassadors, so that employees are equipped to understand and guide our customers on the key sustainability certifications. The frontrunners will serve as resource people for sustainability projects, helping customers to make the right material choices and providing the documentation required to build sustainably.

Consolidating our knowledge



In Denmark - continued

Two of Bygma's frontrunners explain below what they expect to gain from the new training in sustainability, and how they will exercise their roles.

Initiative coordinators

"I look forward to gaining greater insight into sustainability, and how to best explain the concept to ambassadors, colleagues and customers," says Torben Jessen from Bygma Aabenraa.

"I look forward to working towards raising the level of knowledge. This could be through activities such as meetings with sales-people, after-work meetings with warehouse staff, and dialogue with customers. We also need to review our displays, so that we know which products are certified."

Putting sustainability on the agenda

Thomas Madsen from Bygma Hjørring expects the frontrunner training to equip him to inspire and guide customers in relation to sustainable building materials. He looks forward to gaining a deeper knowledge of sustainable construction and certified building materials, and to helping to launch initiatives to promote these in stores.

Thomas wants to be visible in his region, so that all ambassadors know where they can ask for help. He also wants to hold an ambassador kick-off. "I will also make sure to put sustainability on the agenda at all sales meetings," he says.



Thomas Madsen from Bygma Hjørring - in his role as a frontrunner



Torben Jessen from Bygma Aabenraa - in his role as a frontrunner



Photo: Bygma archive

‘Green is good’ says our man on the floor!

Sales assistant Marc Langkilde from Scandinova (a subsidiary of the Group) is going ‘all in’ for sustainability on the home front. “We use soap nuts instead of fabric softener, we sort our waste and we wash the floor using green soap,” he says. “I want my descendants to inherit the same earth that I have lived on.

At work, I do what I can to sell linoleum when it suits the application, as it is a sustainable product. We often suggest that people renovate their floor instead of replacing it, and clean and treat it using PUR varnish if the surface is worn. We also encourage recycling.

Customers in the floor sector are very aware of sustainability and stipulate requirements. For example, it is important to end customers that a floor does not contain phthalates (a group of chemical substances) if they have children who will be crawling on it. And among young people, the attitude is often: ‘green is good’. An attitude I agree with.

We meet our customers at eye level, and do a lot to inform them - together with our suppliers - about all the sustainable options that are available. My experience is that the more information you provide, the more you sell.”

Case: Meteoric rise in Bygma

From trainee to director of two stores

Bygma offers many career paths for talented employees. For example, we give our managers a solid foundation and good management training. We also strive to fill vacant leadership positions with internal candidates who have completed Bygma's management training.

One example of a great career path at Bygma is that of Klaus Machmüller, who was appointed director of Bygma Tønder and Bygma Skærbæk in early January. Klaus started as a warehouse and logistics trainee at Bygma Aabenraa in 1996. Having completed his studies, Klaus set off to experience the world. First to Australia, and later to work as a ski instructor in Austria. He then returned to logistics and goods reception with more life experience.

But the young Klaus Machmüller wanted more work challenges, and soon took the initiative to become a salesperson. There was a vacancy in Bygma Esbjerg, where his aspiration to become a sales representative was fulfilled. It was also his career ambition that led Klaus to a position with a competitor in Ribe after a few years. "But I have always been very happy at Bygma, and I was pleased when I was able to return to my roots in 2016. The prospect of a store manager position in Bygma Skærbæk attracted me. And I also dreamed of adding Bygma Tønder to the portfolio when the time was right. There are opportunities for excellent synergies between the two stores."

According to Klaus, the recipe for career success is personal drive, the desire to sell and provide service, and a constant focus on employee development. "Bygma's sales management training has helped me develop into who I am today," he concludes.

Klaus Machmüller started out as a trainee at Bygma and is now managing two stores in South Jutland.



From policy to action

Employer branding

Employer Branding is a key strategy element of our efforts to be the best workplace in the sector. We describe a range of projects below that we have either completed or expect to implement in 2020.

2019 well-being survey

The employee survey conducted at the end of 2019 shows that Bygma is 'top in class'* in relation to job satisfaction and loyalty. Over 92% of employees participated in the survey.

The Bygma Group's 2017 employee survey was very positive, but the latest survey in 2019 shows even better results, driven by job satisfaction and loyalty. We can see that we have motivated and committed employees, and a large number of people who are passionate about their work. Responses are collected online, and the response rate was 92.4%. This is extraordinarily high considering that we have many warehouse workers and drivers who do not have easy access to a computer.

Very high job satisfaction

One of the reasons for the high employee satisfaction is our greater focus on management training and internal information:

- We have given all our directors, store managers and sales managers training, ending with examinations. We are providing similar training for all our logistics managers. With our special focus on ongoing development and training, we see constant confirmation that we are also investing in job satisfaction and dedication.
- We have also significantly improved the internal level of information. For example, we go to great lengths to ensure that communication from the management is passed on to everyone - via our Nordic employee magazine, news screens in all canteens and cascading messages from the Executive Board down through all layers of management.

** Compared to the analysis company's other customers of Bygma's size*

- The company's reputation also affects the results of the employee survey. With Bygma's 'not for amateurs' slogan, we have created a market that employees can identify with and that leads to internal pride. Bygma's head sponsorship of the Danish men's handball team has also helped to give the company exposure as a strong workplace - and this also plays a role internally.
- Processes and tools have been improved as part of the current strategic plan. This is also reflected in the employee survey as a source of greater job satisfaction.

We must now work to maintain the high level of employee satisfaction. We will do so by further improving the dissemination of information about what is happening in the company, continuing to train our managers and employees, optimising our processes and systems, and maintaining our goal of being first movers in the sector in key areas.

Preboarding & Onboarding - two new tools at Bygma

At Bygma, we want to introduce our new employees to the workplace as early as possible. We therefore launched a brand new preboarding programme in mid-2019, which new employees receive on their mobile phone immediately after signing their contract. This gives new colleagues the opportunity to get to know Bygma a little better well before they start. The preboarding programme consists of a welcome greeting on their mobile phone, along with a number of introduction modules. A module can consist of images, text, video or a link, e.g. to the CSR report.

As part of the strategy plan - and in extension to the preboarding programme - Bygma will implement a new onboarding programme in 2020. This will help ensure that new employees get to know their workplace and understand the company's culture, behaviour and values, and generally get off to a good start by being well equipped, professionally and culturally. From a business perspective, a successful onboarding process is expected to be reflected in better retention, more experience and greater knowledge and skills.



Example of a module from Bygma's preboarding programme

Service & Quality, version 2020

We implemented an exciting and comprehensive Service & Quality concept in Bygma A/S in 2015. Well over 1,600 employees - from youth employees to management - were introduced to and trained in our new concept, and our new internal identity - the BygMakker (BygMate). The S&Q training helps to ensure that all employees at Bygma have a common understanding of how we behave as we work together, and how we service and serve each other and our customers.

The concept has had a noticeably positive effect, as the internal identity has improved team spirit over the last 4-5 years - both within and between stores. The team player mentality has also indirectly impacted the results from our well-being surveys. In recent years, our scores for job satisfaction and loyalty have been above the average levels in the general labour market (trade and service sector).

In late 2019, an updated version ('S&Q 2020') was presented to all employees of Bygma A/S at large meetings. We are now further focusing on how we can together become even better BygMates towards each other and our customers, via new instruction videos, articles, information and dialogue, posters and roll-ups. This will also be a set topic in the 2020 Personal Development Review (PDR) interviews.

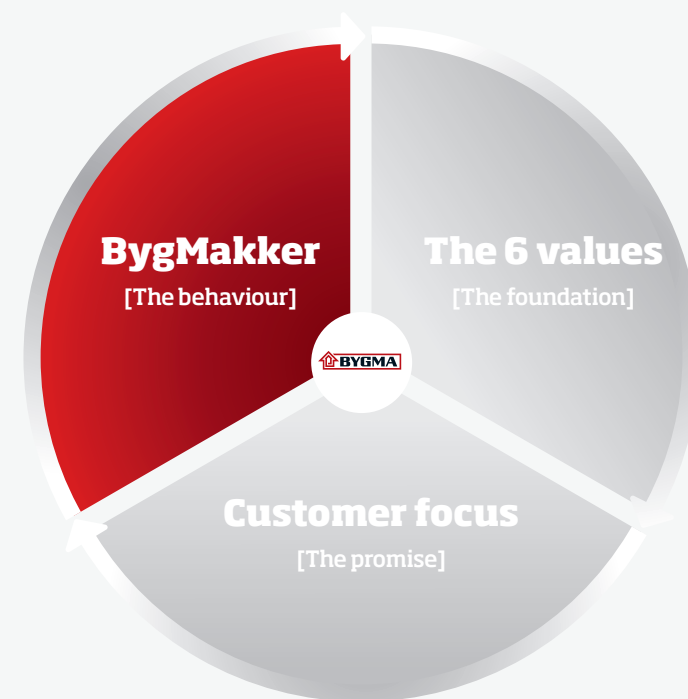
Documentation for reduction in sick leave etc.

In addition to our efforts in relation to physical and mental well-being and general health, we have a sick leave policy that outlines the assistance we offer as a company in the event of longer-term sick leave among employees. In 2019, we expected to document a reduction in sick leave over a given period. This documentation, along with documentation for employee turnover, demographics, etc. has been delayed until 2020.

Seniors policy at the Bygma Group

The Bygma Group makes an extra effort to retain seniors for as long as possible, as their extensive experience and professional expertise adds extra value. We are therefore working to identify various possible senior initiatives. Due to the ongoing political/societal debate in Denmark about conditions for seniors, we will await the outcome of the collective bargaining process in spring 2020, in order to draw further inspiration for a seniors policy for the Bygma Group.

That you should be a good BygMakker is not just an idle wish



It is a requirement and a shared responsibility!

New recruitment and onboarding system

Húsasmiðjan implemented a new recruitment and onboarding system, offering many advantages, in late 2019. The new system saves time and reduces the risk of errors, as it can incorporate the new data into our other systems (HR, time sheets, Workplace etc.).

The new system keeps track of all the information needed to complete the appointment process, after which the employment contract is sent for digital signature. Using the new system, we can also send emails to new employees and welcome them to their new workplace. The welcome message is accompanied by a presentation of the company, culture, values, vision, etc. We also inform new employees about where they must go on their first working day and at what time, what actions are planned, etc. These are all initiatives that contribute to a more efficient and professional integration for new colleagues.

Employee training

Húsasmiðjan also sees training and knowledge as essential to the success of employees on the job. We therefore focus on developing our employees' professional and personal skills and know-how.

We regularly offer a range of courses and hold information and education meetings. We adapt the training to the given group of employees. For example:

Manager training

In 2019, we focused on leadership training for all managers at Húsasmiðjan. The aim was to improve and coordinate management, so that each manager motivates his employee team, increases job satisfaction using modern professional management methods, and is able to fulfil the company's requirements and values.

The training ran over a seven-month period, covering a range of topics. There was a focus on roles and responsibilities, communication and dialogue, goals and leadership skills, gaining the confidence of employees, effort and commitment, and practical ways of dealing with peak periods.

Business course

Húsasmiðjan took part in the development of a new business course for retail employees. The course is divided into a theoretical component, offered as distance learning at a business college, and vocational training that takes place at the employee's workplace. The course was jointly developed by retail companies, senior high schools, higher education institutions, trade unions and education centres.

The aim of the new business course is to raise the general interest in and respect for retail trade, improve training and promote skills in retail trade through active traineeships. A further aim is to equip retailers to adapt to changes over the next few years, resulting from digital advances and international competition. We must prepare for these changes through training that targets the new types of jobs expected in retail. This will make it attractive for young people to train in retail, and create further innovation and renewal.

Húsasmiðjan's employees have shown great interest in the new initiative, and six employees started on the business course in early 2020.

New service policy

Preparations for a new service policy started in Húsasmiðjan in 2019. To raise awareness of the new policy, a comprehensive study of internal and external service aspects was carried out among Húsasmiðjan's employees and customers. This study led to many important improvement projects. The aim was to define a clear policy and vision for how we can optimise our services together and achieve our goals.

We expect to present a new service policy and four core promises for all employees at Húsasmiðjan in early 2020. The presentations will be followed up with seminars in each store, to ensure that each employee gains in-depth knowledge of Húsasmiðjan's service policy and the four promises. The initiative will also be given a lot of exposure among customers and employees via posters in all the stores. A service manual is being written, and we expect live discussions in dedicated service groups via our Workplace system. We hope to be able to measure success in several ways - and will of course celebrate our victories.

New attendance policy

Húsasmiðjan strives to promote a healthy and positive working environment. This is tackled in several different ways. For example, employees are encouraged to participate in projects that promote good health, and we offer sports scholarships and vaccinations.

Absences have a major impact in the workplace - both on job satisfaction and earnings. Húsasmiðjan recently implemented an attendance policy. The aim of the policy is to give all employees and managers clear guidelines and procedures for attendance, and new employees will be introduced to the policy when they commence work. We believe that clear and well-defined guidelines will help to strengthen Húsasmiðjan's position as a sought-after workplace.

In Iceland - continued

Digital forms of information

Húsasmiðjan has established several digital systems for disseminating knowledge, training and information in recent years for the benefit of all employees, and we have successfully rolled these out in all our stores around the country. Digital systems are used for applications such as:

- Training new employees (who complete a basic digital course)
- A modern teleconferencing system. This makes it easier for employees to actively participate in seminars held in the Greater Copenhagen area, improving the quality of teleconferences and presentations
- 'Workplace' – an effective communication system via which employees can ask and answer questions and watch video clips from meetings, seminars, presentations, etc.

Good stories - on the website

To help brand our workplace and promote our professional image, we have set up a special area on Húsasmiðjan's website where we present ourselves in the workplace and explain what we can offer as a company. We believe this initiative has a positive effect on job applicants and others who visit our website. It is very important to us that Húsasmiðjan is a pleasant place to work, where employees are taken care of and there are good opportunities for professional development, a strong team spirit and high job satisfaction – and where everyone knows their role in the team.

Húsasmiðjan supports local communities

Húsasmiðjan seeks good relationships with organisations and companies that support good local projects. Húsasmiðjan has responsibly supported sports clubs in communities where Húsasmiðjan is located, and also supports several NGOs, such as rescue teams. We have a good partnership with Iceland Technical College (ITC). This includes donating materials and gifts at ITC graduation events.

Preparing for retirement

It is important to us to help employees who wish to retire. As an employee approaches retirement age, there can be many things they have to deal with. It requires careful preparation – including financial preparation.

We offer a seminar to all employees over 65, which goes through the financial changes associated with retirement. Twelve employees participated in the seminar in 2019, and the majority found it very helpful.



In Sweden

Onboarding and offboarding

These two processes were upgraded in 2019, to ensure that we welcome new employees in a professional and well-planned way, and that employees who leave us do so with all tasks completed.

Training

Given our strategic goal of being the best workplace in the sector, we have to continually develop the training opportunities we offer, to ensure that we meet our employees' expectations and the statutory physical and social working environment requirements.

Over 40 of our employees completed management and sales training in 2019. We have also completed a new course in Business Administration and Logistics Tools for over 110 employees, to make daily work easier and raise the competence level throughout the company.

Occupational health and safety (OHS)

The health and safety of our employees is a high priority. The organisational, physical and social working environment is inspected each year. Responsibility for the working environment lies with the CEO, who delegates OHS tasks to the managers. Managers and OHS representatives undergo training to ensure they have the right expertise to work systematically and proactively with the working environment.

AFS 2015:4 on the organisational and social working environment, describes the responsibility employers have to ensure there is a good working environment. Bygma's leaders know the importance of this legislation. As part of status reporting on occupational health and safety, potential improvements and risks have been in focus in 2019. The number of reported accidents fell from 23 to 12 compared to the previous year. These accidents

involved damage to equipment and injury to persons. Two of the accidents were reported to the Danish Working Environment Authority. Since there have presumably been a number of unreported cases in previous years, we do not only view the reduction in injuries from 2018 from a positive perspective. A new system for handling irregularities has made it clearer what needs to be reported and how.

Focus on internal communication

Information and dialogue are areas we are constantly working to improve, and we conduct an employee survey every two years. The results of the last survey in 2018 were not totally satisfactory, and improvements have subsequently been made in several areas. The next employee survey will be carried out in August 2020.

To improve the flow of information, an intranet site was launched in 2019 to gather and disseminate all important information to employees. Orientation meetings are now also held for all employees twice a year to disseminate information from Group Management and the management in Bygma Sweden, and local information.

Improvements have also been made in other areas that are helping to strengthen employee cooperation - both locally and across locations. It is essential that employees experience that Bygma has common values and expectations in relation to cooperation, leadership and employers.

We have implemented a new model for Personal Development Review (PDR) interviews, and a process for setting goals and follow-up on personal development was introduced in late 2019 and will be fully rolled out in 2020.

Service and quality

The first version of our service and quality (S&Q) concept was introduced in Sweden in 2019 in cooperation with all store directors. The aim is for us to work in a more uniform way, to the benefit of both employees and customers.

Bygma's annual scholarship

The Bygma scholarship, which is awarded annually to selected students in the construction industry, is creating positive attention for our company brand. In 2019, 12 scholarships were awarded at 12 senior high schools in cities where Bygma is located.

Christmas gift

This year's Christmas gift to our employees was a donation to the Save the Children and Børnecancerfonden (children's cancer foundation) charities.

Human rights

The Bygma Group respects the human rights laid out in the UN's declaration of human rights and the ILO (International Labour Organisation) conventions and recommendations.

In the Bygma Group, we strive to treat each other with dignity and respect, and acknowledge diversity as a strength. We do not discriminate against people on the basis of gender, skin colour, sexual orientation, religion or political orientation. And we do not tolerate discrimination or harassment.



Policy for human rights and local communities

We have a particular understanding of what 'human rights' means in the West. These are attitudes that are an integral part of our culture and that seem completely natural and universal to us. But that does not mean that people in the rest of the world share these views. Human rights are being violated all over the world. It is therefore vitally important that large Western companies like the Bygma Group take a critical approach to these violations, and condemn any action that violates human rights, as defined in the Bygma Code of Conduct.

From policy to action

Ethical guidelines for our suppliers

Our Code of Conduct became a fully integrated part of the Bygma Group's contractual basis with our suppliers in 2012. Since 2017, approx. 99% of our contracted suppliers have agreed to our Code of Conduct (see appendix). We see this as a satisfactory result, as our goal is at least 98%.

We expect our suppliers to comply with national legislation and internationally recognised standards and conventions. We have a Code of Conduct in all countries where the Bygma Group operates, which is signed by both parties at the commencement of cooperation.

The Bygma Group's Code of Conduct aims to ensure that our partners comply with standards and conventions - in relation to the environment, human rights, social conditions and anti-corruption. It applies to all contracted suppliers to Bygma and any subcontractors, business partners, etc. they engage, as well as suppliers of individual products, with the exception of certain one-off deliveries.

To ensure compliance with the Bygma Group's Code of Conduct, we conduct unannounced inspections. If a supplier is not fulfilling the requirements, we engage in constructive dialogue on how we can find a solution.

Contracted suppliers account for approx. 94% of all our purchased goods. We have a goal of inspecting 1.5-2% of Bygma's contracted suppliers with their own production annually. We inspected four contracted suppliers in 2019, and determined that all are fulfilling the Bygma Group's Code of Conduct.

The Bygma Group Code of Conduct has been implemented in Denmark, Sweden and the Faroe Islands. The Code of Conduct for Iceland has slightly different wording, reflecting local conditions.





In Denmark

Ethical guidelines for our employees

Like our suppliers, we also expect our employees to comply with applicable laws, regulations and internationally recognised standards and conventions, and the Group's values.

The Code of Conduct for employees was incorporated into the employee handbook in Denmark in 2019, and communicated on the intranet and internal news screens. A similar Code of Conduct has been included in the employee handbooks of our Icelandic and Swedish subsidiaries.

The Code of Conduct covers:

- Employee's ethical behaviour
- Anti-corruption and bribery
- Compliance with competition rules
- Confidential information

Employees are also subject to a confidentiality clause. This has been signed by all new employees together with the employment contract since 2019.

Diversity in the workplace

Research shows that diversity among colleagues contributes to social cohesion and well-being in teams. Bygma is a company that has many types of tasks at many different levels. We strive to make room for diversity among employees, regardless of gender, age, ethnicity, functional capacity, etc.

Internships

As part of our social responsibility, we seek to offer internship positions to disadvantaged and/or unemployed persons - in dialogue with local government agencies - to help them get established in the labour market or get a job for the first time.

Integration and inclusion

We get involved locally in various integration and inclusion projects - often on the initiative of and in cooperation with local authorities, where it makes sense for all parties.

Age distribution

We have a wide age distribution at Bygma - from the young generation, with ambitions for the future, to the senior generation with experience and knowledge from a long working life. As part of our strategic plan, a working group was appointed in 2018 to ensure that we measure our age distribution and actively maintain it. Documentation, targets and action requirements are expected to be presented in 2020.

Gender distribution

Even though we operate in a male-dominated sector, we have decided to focus on a more equal gender distribution, and in particular on the potential to increase the proportion of female managers in the Group. At the top level, the proportion of female members on the Group's Board of Directors is 28%. We are working to increase the proportion of female managers at other levels. Initiatives include implementing individual career plans and ensuring equal recruitment opportunities for both sexes. But we also recognise that this is a difficult task. In 2019, female managers accounted for 5.4% of the total number. The target remains 10% over the next few years.

Youth

The goal of a more equal distribution between the sexes has also been incorporated into our trainee recruitment. In 2019, female trainees accounted for 24.5% of the group - a level we aim to maintain as a minimum. Trainees represented 4.5% of our workforce in 2019, above our 3% target. We are also seeing our investment in the young generation multiply, for example when one of our trainees receives the Foreningen for Trælast- og Byggemarkedsfolk (FUT) final assignment prize, or when Business College Syd gives one of Bygma's stores the Apprenticeship of the Year award.

Case: Starting something great at Bygma!

The purpose of the FUT final assignment prize is to inspire trainees in the sector to make an extra effort when completing their final assignment.

2019 final assignment prize

Steffen Lehmann Nielsen from Bygma Aars took out first place when FUT awarded its 2019 final assignment prize. Steffen was nominated in the hardware store category. Steffen chose a completely new approach to his final assignment. His topic was: How do we create relationships with our customers? As part of his sales training, Steffen went on exchange placements in several Bygma stores in Sweden. Many of the impressions he gained during this period helped to shape his response to his final assignment.

Third place went to another Bygma employee. Ida Abildgaard from Bygma Amager was recognised for her final assignment on Veg Tech. Ida focused on a new and non-traditional product for the sector – green roofs.

Business College Syd nominated Bygma's candidates for the final assignment prize, and the award ceremony was held in connection with FUT's annual general meeting.

Apprenticeship of the Year 2019

Danske Erhvervsskoler og Gymnasier issues the Apprenticeship of the Year award once a year. Trainees and apprentices have the opportunity to nominate their apprenticeship for this special honour, and each educational institute chooses the best nomination.

Business College Syd chose Bygma Hillerød. The nomination came from the store's sales trainee, Louise Andersen, who has high praise for her workplace. A very happy Director, Peter Pedersen, received the diploma for the 2019 Apprenticeship of the Year.

There were actually four Bygma nominations among Business College Syd's candidates. In addition to Louise's nomination, trainees from Bygma Bellinge, Bygma Haslev and Bygma Galten chose – on their own initiative – to nominate their workplace for the award.





Case: Starting something great at Bygma!

In 2019, we smashed all records and hired 50 new trainees – the largest number ever. This was the result of years of efforts to attract young people.

Bygma primarily offers trainee positions in trade and logistics, and has up to 100 young people in training at any given time (see appendix). We strive to take responsibility for investing in the future of the next generation, and have set a target that new trainees at Bygma should account for at least 3% of our workforce.

In recent years, Bygma has offered a better and broader traineeship, at a higher level than the sector generally offers, and this can be a good alternative to medium-length higher education courses. In 2020, we expect to add training in sustainable building materials – both at Bygma and as part of the education the young people receive at vocational college.

The recruitment of Bygma's 50 new trainees, at a time when these young people are in high demand, is the result of a sustained effort. The recruitment involves extensive sales and qualification work. Bygma has an HR consultant employed exclusively to recruit for traineeships and provide quality assurance, and to spread awareness of Bygma as an attractive place to train.

In 2019, we made use of Facebook, Instagram and LinkedIn, in particular using videos produced for the occasion with our trainees. Our trainee site describes the educational opportunities Bygma offers – as experienced and related by current trainees. We have also developed strategic partnerships with vocational colleges in recent years.

When we hire trainees, we also open the door to a career at Bygma. We provide excellent training, and have a goal of retaining at least 50% of graduates, and more if possible. The final assignment and a qualifying exam in an extra economics subject help to develop talented sales people, and we hope to see them develop into leaders of the future.

We also have career paths for warehouse and logistics operator trainees, who can advance to become warehouse and logistics managers, with a wide area of responsibility.

Case: Starting something great at Bygma!

Bygma offers excellent traineeships for sales trainees and warehouse and logistics operators:



In Iceland

Gender equality project

Húsasmiðjan has implemented a gender equality plan that covers all employees. The plan aims to ensure equal rights in terms of wages, careers, promotion and work-life balance, and to ensure that bullying, sexual harassment and violence are not tolerated in the workplace.

Equal pay certification

The Icelandic Parliament passed an Equal Pay Certification Act in 2017, which entered into force in Iceland on 1 January 2018. The aim of the equal pay certification is to combat the gender pay gap and improve gender equality. A management system has been put in place to ensure compliance with procedures and decisions. Accredited certification bodies assess whether each company or organisation fulfils all qualifications, and an equal pay certification is then issued. Húsasmiðjan received its equal pay certification in early 2019, and was the first company in the construction materials sector to obtain it. The certification is regularly assessed. Re-certification is required every three years.

Policy to prevent bullying and sexual harassment

Húsasmiðjan is a safe workplace where tolerance, friendliness and respectful communication are our highest priorities. We therefore have a clear policy and procedures on bullying, sexual harassment, gender-based discrimination and violence, which will not be tolerated under any circumstances. Our policy is carefully described in our employee manual, which all new employees receive at the commencement of their employment. It is also available in Húsasmiðjan's quality manual. To ensure that as many people as possible are familiar with the content of the policy and know where they can find it, employees were specifically introduced to the policy in all stores in Iceland last autumn.

Employees with reduced work capacity

Húsasmiðjan strives to support people with reduced work capacity due to mental and/or physical disabilities, and seeks to find suitable jobs in Húsasmiðjan in cooperation with the government employment services. We believe that this project gives everyone involved new and valuable insights. In 2019, seven of Húsasmiðjan's employees had reduced work capacity.

In Sweden

Bygma in Sweden strives to be a responsible partner in relation to each individual, society and our environment.

This means that we constantly strive to observe legislation and requirements related to the environment, equality and employees, while also ensuring that the company's partners also comply with Swedish law and their obligations in these areas.

- We are proactive in our efforts to be an attractive workplace, partner and supplier, and must ensure that we achieve this by observing our values.
- All policies and routines are now gathered in a service centre, accessible to all employees.
- Annual internal and external audits ensure that we comply with laws, agreements and routines to ensure a good working environment.
- We have included personal development in our new PDR model, in order to benefit from each employee's various backgrounds and personal development. Diversity makes us stronger.
- We strive to achieve a good mix of gender and ages in the organisation (see appendix), but we always prioritise skills and abilities over gender and age.
- Our Code of Conduct covers all contracted suppliers in Sweden, with the exception of special 'one-off' deliveries.



Anti-corruption and business ethics

The Bygma Group works against all forms of corruption and bribery, and complies with all laws and regulations on anti-corruption and business ethics. We therefore maintain a high degree of integrity and accountability in all our external relations.

Policy for anti-corruption and **business ethics**

Corruption is the abuse of power and position. In some emerging markets, the business culture and market conditions can be fundamentally different to the Nordic region, with corruption and bribery being a normal part of daily work. Bygma cannot eliminate corruption and bribery alone. But we can help combat the global challenge by having a clear attitude and policy in this area. We do not tolerate corruption or bribery.

From policy to action

Competition law

To ensure that employees in the Bygma Group comply with competition legislation, we have prepared a Compliance Manual containing guidelines for how we observe the competition regulations. The manual is supported by the fact that approx. 98% of our contracted suppliers have agreed to our Code of Conduct (see appendix).

No employee may participate in any way in activities that could limit competition, through coordinated business practices or agreements with competitors, suppliers, distributors or customers. Employees have an obligation to avoid the Bygma Group being involved in illegal anti-competition agreements. Contributing to violation of the competition regulations is grounds for dismissal.

The compliance manual is included as an appendix to the employment contract at director level. Management has a duty to ensure that all employees are informed about and comply with the manual's guidelines. The Compliance Manual is supplemented by the Dawn Raid guidelines. These describe how employees should act if the competition authorities perform an inspection.

The Compliance Manual and Dawn Raid guidelines are available on our intranet, and are included as appendices to the employment contract at management level.

Visit by the Danish Environmental Protection Agency

The Group's Wennerth Wood Trading (WWT) subsidiary, which imports FSC certified tropical hardwood, was visited in 2019 by the Danish EUTR authorities, in the form of the Danish EPA. This was as a result of a major investigation in Brazil, involving possible illegal imports of hardwood into Europe.

The Danish EPA informed WWT at that time that our written instructions on internal workflows were not detailed enough. These have subsequently been corrected. There were no other criticisms flowing out of this comprehensive review. We therefore note with satisfaction that Wennerth Wood Trading has its tropical hardwood supply chain 100% in order.





From policy to action

In Iceland

Húsasmiðjan has clear ethical guidelines and a Code of Conduct that is presented to all new employees. The guidelines and Code of Conduct are set out in our employee handbook, and the Code of Conduct is clearly displayed for employees in all our stores. All new employees also sign a contract regarding security and confidentiality, and have to thoroughly familiarise themselves with our competition rules, etc. through our online training system.

In Sweden

All employees of Bygma in Sweden must comply with laws, regulations and policies at all times. Handbooks on compliance and anti-corruption are readily available to all employees. Representatives of Bygma in Sweden must never get into situations where there is a suspicion of bribery. The Bygma Group Code of Conduct applies to all our suppliers, partners, and other business contacts, and we place high demands on integrity and compliance in both internal and external relationships.

Overview - CSR initiatives

Project	Date	Goal	Status
Employee handbook	2010	Implement a modern up-to-date intranet-based handbook	100%
PDR interviews	2010	100% of employees must have completed their PDR interviews by the set deadline	100%
Vehicle (car) fleet	2010	Reduce CO ₂ emissions by approx. 5% in 2010, corresponding to approx. 24.5 tonnes CO ₂ for the fleet	100%
Electricity consumption	2010	Reduce electricity consumption by approx. 5% in 2010, corresponding to approx. 184 tonnes CO ₂	100%
Eco-friendly campaigns	2010	Work with external suppliers and organisations towards eco-friendly campaigns targeting consumers	100%
PEFC certification	2010	Complete the PEFC certification in H1 2010 in relation to Nordic coniferous wood	100%
ISO 14.001 in Sweden	2010	Complete the ISO 14.001 certification process before the end of 2010 for all our Swedish stores	100%
Code of Conduct	2010	98% of our contracted suppliers sign Bygma's Code of Conduct when concluding purchase agreements in 2011	100%
Trainee programmes	2010	Increase focus and initiatives targeting the young generation	100%
Internal CSR communication	2011	Improve internal CSR communication	100%
First aid course	2011	Offer all our employees a basic course in first aid	100%
Waste sorting	2011	Optimise waste sorting at Bygma stores, to achieve a greater recycling effect and reduce waste expenses	100%

Overview - CSR initiatives

Project	Date	Goal	Status
Green initiatives (campaigns, newspapers, newsletters etc.)	2011	Continue to increase awareness of eco-friendly products among professional customers and private consumers	100%
E-invoicing	2011	Transfer 25% of our account card customers to electronic payments in 2011. The long term target is 98%	100%
Extended electricity savings campaign	2011	Reduce our total CO ₂ emissions per kilo produced by 12% in 2014 compared to 2009	100%
New printing method	2011	Begin printing materials for our semi-professional customers on recycled paper	100%
Energy-efficient transport (trucks)	2011	Give our truck drivers advice and hands-on training to reduce CO ₂ emissions through improved driving	100%
Energy ambassadors	2011	Launch common sense campaign via the ambassadors in all stores	100%
Launch eco-friendly product	2011	Launch Protex rainwater drywells - an eco-friendly and recyclable product	100%
Supplier inspections	2011	Annual follow-up inspections at 2-4 of our contracted suppliers	100%
Waste management for our professional customers	2011	Assess the need among our professional customers to purchase a simple waste management system. Promote this if the assessment is positive	100%
Integration project in cooperation with local government	2011	Work with municipalities on a local activation project for socially disadvantaged people	100%
The electronic future	2012	Send newsletters to our professional and private customers electronically	100%
Energy themes for our customers	2012	Focused marketing in relation to energy-efficient initiatives (construction and renovation)	100%
Conference calls	2012	Look at the possibility of investing in video conference equipment in our regions	100%

Overview - CSR initiatives

Project	Date	Goal	Status
Energy renovation training for 150 employees	2012	Three-day training programme focusing on energy renovation for 150 salespeople	100%
HQ internal all-round practices	2012	All HQ employees to complete a two-day all-round practices visit in our stores	100%
Electronic payslips for employees	2012	Approx. 1,600 employees transferred to electronic payslips via e-boks	100%
Work accident prevention	2012	Reduce the number of workplace accidents, documented with valid data	100%
Replace PC screens	2013	Replace 1,000 LCD PC screens with LED screens	100%
CO ₂ -neutral website	2013	Register for a CO ₂ -neutral website in H1 2013	100%
Decommission 48 servers	2013	Reduce CO ₂ emissions by 63,072 kWh by decommissioning 48 servers in Bygma	100%
Electronic waste	2013	Offer our customers free return of electrical and battery-powered devices in specific containers in Bygma	100%
Old bricks	2013	Enter into a supplier agreement with Gamle Mursten, with a view to marketing and selling old bricks, for the benefit of sustainable building solutions	100%
New image	2013	In cooperation with the Confederation of Danish Industries (DI), turn the unappealing image the construction industry currently has around, especially among young people, into an attractive and modern workplace	100%
Bygma Fonden	2013	Donations to humanitarian organisations	100%
Quick jobs	2013	Support DI's agreement and take our share of responsibility for the Akutjob (quick job) initiative	100%
Quality survey	2013	Improve the quality and refine the concept based on anonymous responses	100%

Overview - CSR initiatives

Project	Date	Goal	Status
Human rights and climate impacts	2013	Report on our social responsibility in relation to human rights and climate impacts	100%
Establish idea catalogue/ best practices	2013	Green initiatives	100%
Facts site on the intranet	2013	Raise awareness of the current green savings.	100%
PC automatic shutdowns	2015	Automatically shut down at 8:00 pm, saving 149 tonnes of CO ₂	100%
FSC certified	2015	Bygma became FSC certified on 8 January	100%
Scrap wood-burning stoves	2015	Scrap old wood-burning stoves, sales of Swan labelled stoves	100%
Bygma Fonden	2015	Donations to humanitarian organisations	100%
Management training	2016	Management training programme completed as planned	100%
Communications consultant	2016	Communication consultant employed in response to employee request for internal communication	100%
S & Q learning portal	2016	S & Q learning portal with intro and e-learning	100%
Membership	2016	Membership of Green Building Council Denmark	100%
Code of Conduct	2016	Code of Conduct also applies to new non-contracted suppliers	100%
Windows and doors	2016	Supply composite windows and doors to the Danish market (2020 energy requirements)	100%

Overview - CSR initiatives

Project	Date	Goal	Status
Preventive health measures	2016	Stop-smoking courses: 61% success rate compared to goal of 50%. First aid: follow-up courses	100%
Employer branding	2017	Bygma's new strategic focus area, Employer Branding, to be initiated in 2016-2017	100%
OHS training	2017	OHS training with a focus on the psychological working environment	100%
Service and quality	2017	S&Q concept to be extended through PDR interviews etc.	100%
The young generation	2017	Implement a new training programme. Employ 35-40 new trainees in 2017	100%
Risks	2017	Assess the risks associated with the four core policies	100%
Data validation	2017-	General data validation (originally a 2013 goal)	Pending
Sick leave policy	2017-	Sick leave policy and implementation of Workforce Management (originally a 2010 goal)	Pending
Processes and tools	2018	Better and more efficient processes and tools for daily work	100%
GDPR manual	2018	Prepare and implement a GDPR manual	100%
Equal pay in Iceland	2018	Prepare and implement equal pay certification process	100%
Code of Conduct	2018	Implement internal formalised Code of Conduct	100%
Replace 700 PCs	2018	Replace approx. 700 energy-intensive desktop PCs	100%
Nationwide distribution centres	2018-	Establish regional distribution centres across the country	In progress

Overview - CSR initiatives

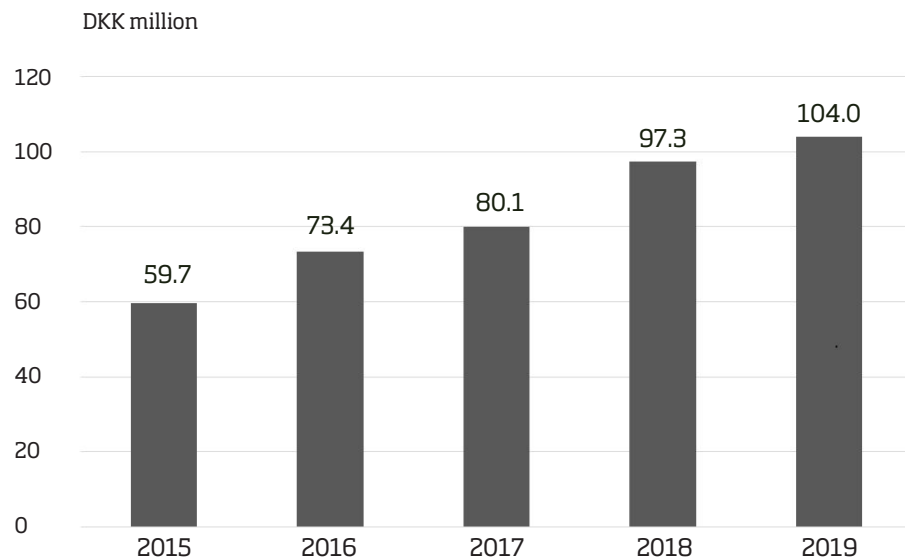
Project	Date	Goal	Status
Info screens in Bygma canteens	2018	Install info screens in all Bygma canteens in Denmark	100%
Waste reduction at Bygma Sweden	2018-	Reduce the amount of unsorted waste by 4% annually.	In progress
Number of female managers	2019-	Increase the number by at least 10% over the coming years	In progress
Number of trainees	2019	It is our goal that 3% of our workforce should comprise trainees	100%
Sustainability ambassadors	2019	Train another 150 employees to be sustainability ambassadors	100%
Seniors policy	2019-	Implement a seniors policy	Pending
Code of Conduct	2019-	Implement a Code of Conduct for employees	100%
70% PEFC certification	2019	All purchases of Nordic coniferous sawn timber must be at least 70% PEFC certified	100%
BygDok	2019	Develop and promote BygDok - an ongoing process	100%
Waste sorting	2019-	Optimise recyclability instead of landfill and incineration	Pending
Preboarding	2019	Implement Preboarding	100%
Certifications	2020-	All wood products sold in Bygma are either PEFC or FSC certified	In progress
Frontrunners	2020-	Establish frontrunners	In progress
Onboarding	2020-	Implement Onboarding	In progress
S&Q version 2020	2020-	Implement S&Q version 2020	In progress

Overview - CSR initiatives

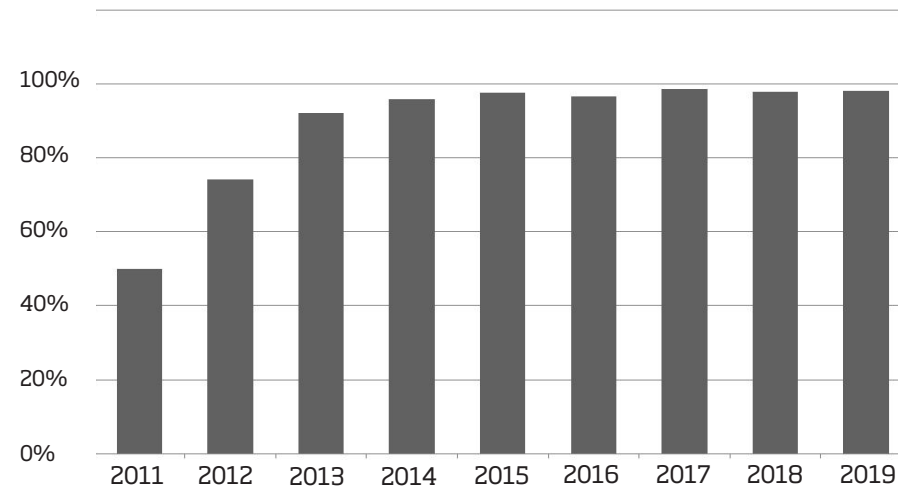
Project	Date	Goal	Status
Film	2020-	Optimising recycled plastic	In progress
Carry bags	2020-	Optimising recycled plastic	In progress
Sustainable Development Goals	2020-	Make our work on three of the UN's 17 Sustainable Development Goals visible	In progress

Note:

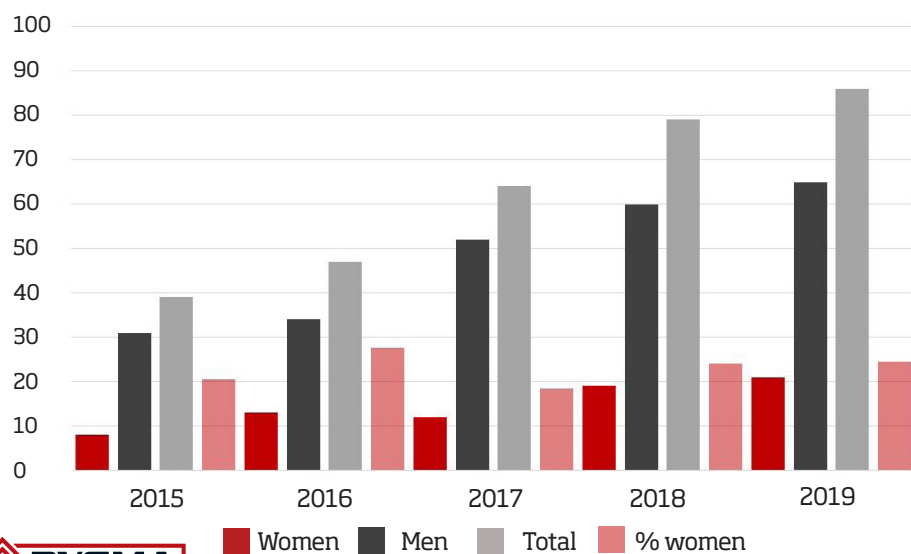
Company tax paid:



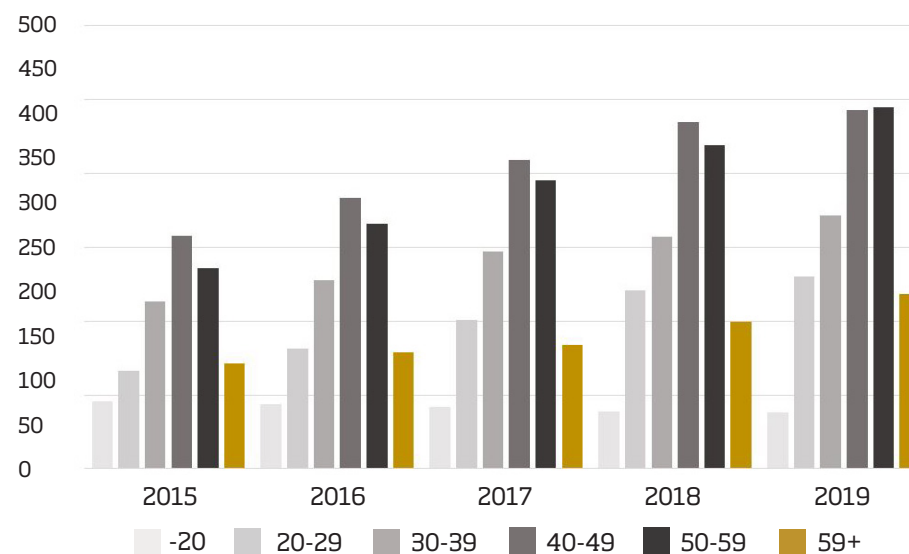
Code of Conduct:



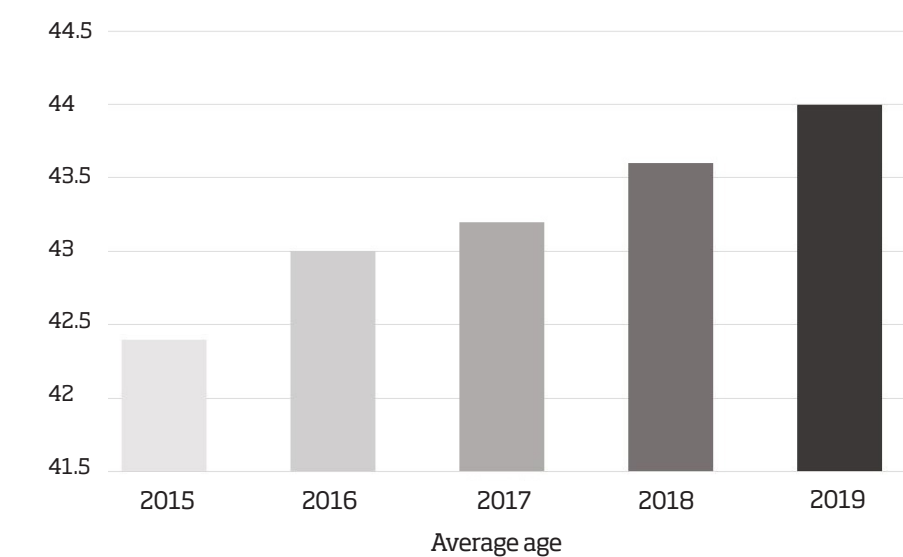
Number of trainees - by gender:



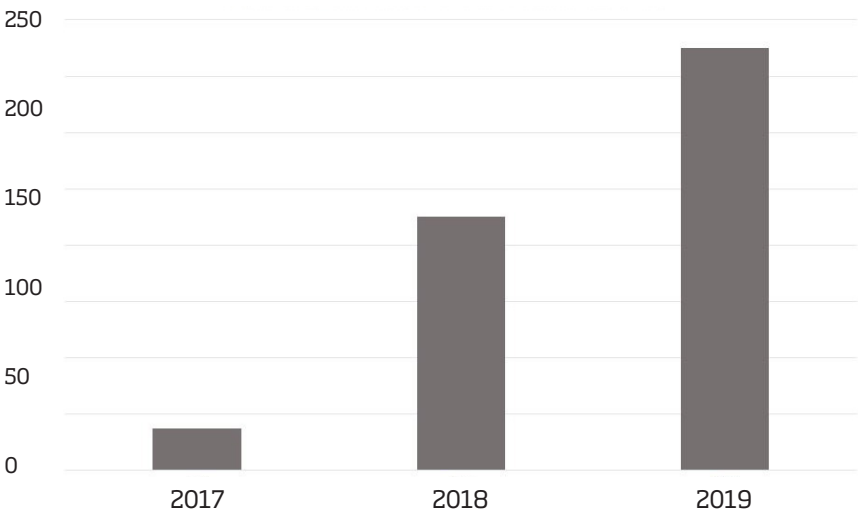
Age distribution - age groups:



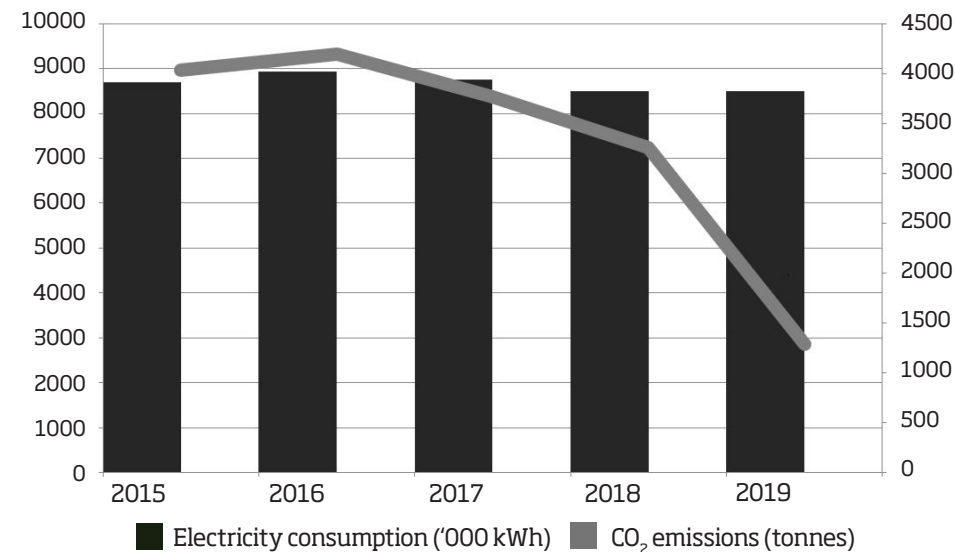
Age distribution - average:



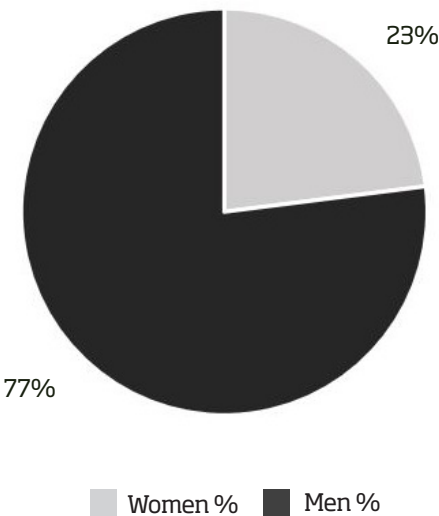
Training sustainability ambassadors:



CO₂ reduction plant:

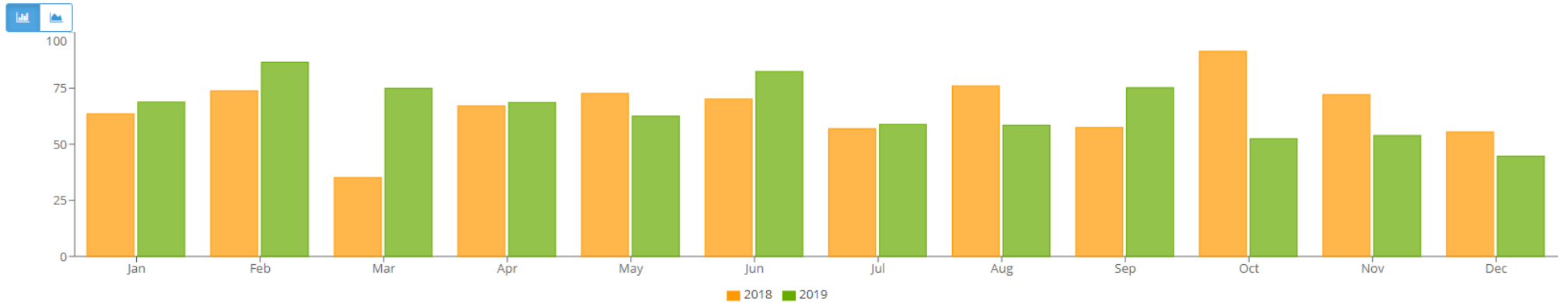


Gender distribution, Sweden:



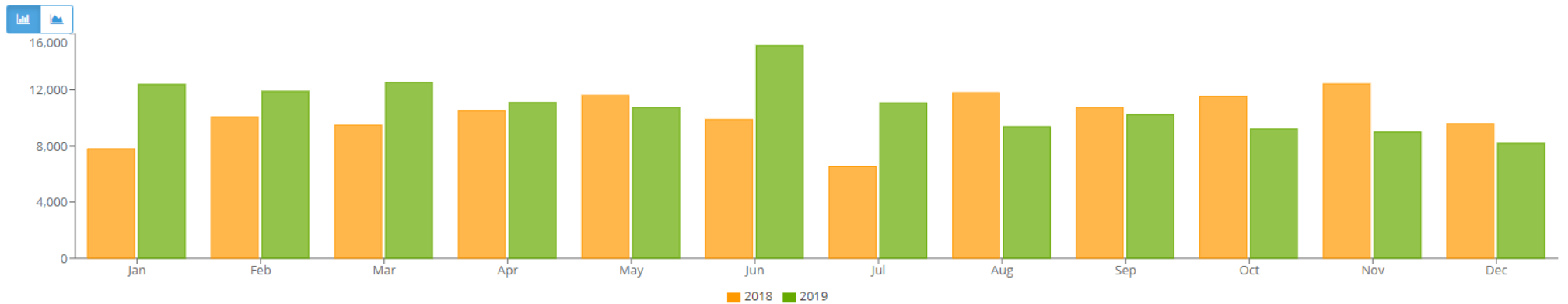
Reduction in CO₂ (tonnes)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
+ 2018	63.54	73.79	35.09	67.09	72.64	70.15	56.88	75.99	57.45	91.42	72.14	55.48	791.67
+ 2019	68.8	86.53	74.92	68.64	62.54	82.38	58.83	58.45	75.21	52.45	53.86	44.62	787.23



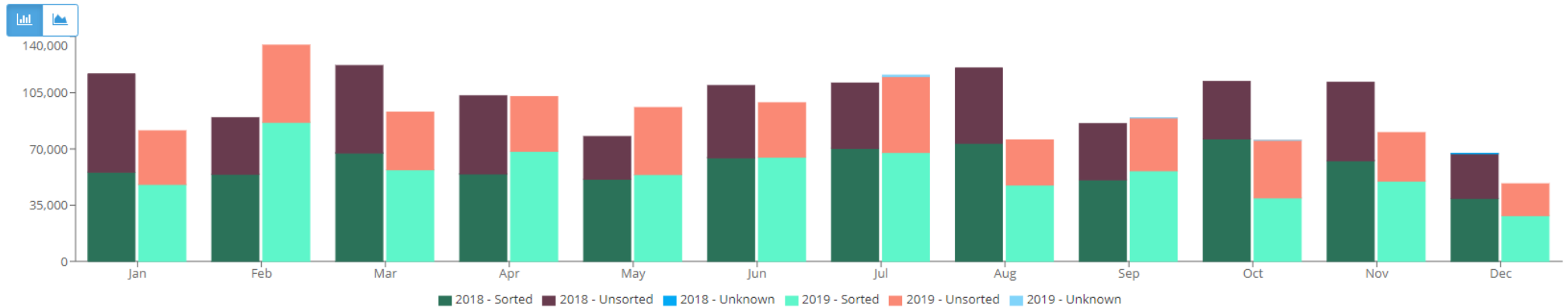
Fuel

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
+ 2018	7,807	10,067	9,484	10,506	11,613	9,894	6,532	11,810	10,758	11,530	12,429	9,588	122,018
+ 2019	12,389	11,900	12,538	11,092	10,759	15,158	11,071	9,372	10,231	9,222	8,985	8,199	130,916



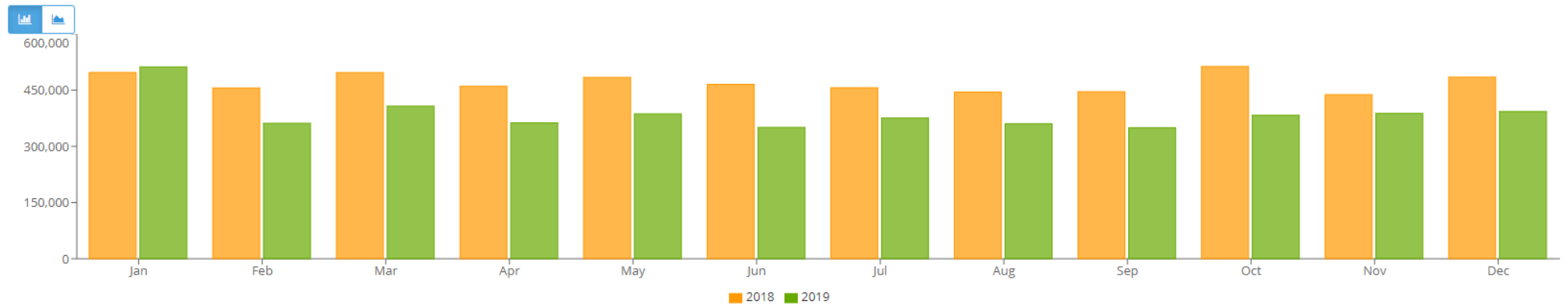
Waste (kg)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
+ 2018	116,803	89,532	121,977	103,099	77,763	109,516	111,063	120,433	85,773	112,087	111,546	67,333	1,226,925
+ 2019	81,333	134,655	92,932	102,548	95,756	98,772	115,982	75,650	89,342	75,390	80,185	48,335	1,090,880



Electricity consumption (kWh)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
+ 2018	497,255	455,750	496,928	460,546	484,223	465,294	456,384	444,953	445,746	513,058	438,069	484,803	5,643,009
+ 2019	512,029	361,524	407,505	362,764	386,793	350,673	375,905	360,430	349,630	382,869	387,850	392,789	4,630,762



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