



# CORPORATE SOCIAL RESPONSIBILITY

Bygma's social engagement in 2018



*Photo: Bygma archive*





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*All photos were taken at Bygma Aalborg C 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 2018 financial year, and is part 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 2018

Bygma's social responsibility has a depth and breadth which is reflected in our many years of initiatives and the last decade of CSR reporting, which currently covers the Nordic region (Denmark, Sweden and Iceland). In line with the latest CSR reporting requirements, we describe our business model and the risks associated with our actions (and how we manage these), and we define policies and report on many of the Group's activities and goals in the areas of Human rights, Social and employee conditions, Anti-corruption and business ethics, and the Environment and climate.

At the same time as Bygma acts in a socially responsible manner, we are aware that we have a responsibility to run a financially sound business. In parallel with our CSR work, we therefore evaluate the Group's strategic development and financial bottom line.

Bygma's employees are the foundation of our business. It is vitally important that they enjoy their work, and have the right competencies, training and challenges - while also engaging with our values and the culture that Bygma stands for. We therefore expend a lot of effort and resources to ensure good career opportunities for the young, diversity among employees, good opportunities for training, and to challenge and develop employees professionally. We focus on the working environment to ensure that employees feel comfortable and safe on the job, and have a safety net if they become seriously ill.

We strive to protect the environment. Our efforts to optimise waste sorting and recycling, and our continual work to reduce our electricity consumption, are examples of this.

Another key area which has major significance for our CSR initiatives and our business strategy - now and in the long term - is Bygma's desire to be involved in advancing sustainable construction. We support innovative, sustainable initiatives, and strive to make it easier for builders, architects and engineers to build using sustainable materials. We are therefore working to promote the use of sustainable products, with special focus on training in relation to PEFC and FSC® certified (FSC C123896) wood. We also offer a wide range of sustainable products to our customers.

We aim, through our reporting, to highlight our goal of being an active and socially responsible player in the areas of Human rights, Social and employee conditions, Anti-corruption and business ethics, and the Environment and climate. We hope that our CSR report provides good insight into how we put this responsibility into practice.

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 practice, 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

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 56 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.

We renovated our store in Frederiksværk in 2018 to create an attractive, modern facility. In November we were thrilled to announce the acquisition of two stores on Bornholm as of 1 January - Bygma Nexø and Bygma Rønne.

The Bygma Group has over 2,300 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.

The company is the largest Danish-owned player in the timber market. We are a leader in the sale and distribution of building materials in the professional and semi-professional markets in Denmark, the Faroe Islands, Iceland and Sweden - we have a significant market share particularly around Stockholm and Norrland in Sweden.

## 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 on parameters such as job satisfaction and loyalty. We must therefore continue to let the world know that Bygma is an attractive workplace, so we can keep attracting new talents. Employer Branding thus plays an important role in Bygma's Strategy 2020.





# Shared values - shared expectations

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

## **Good business practice**

An agreement is an agreement, and a transaction is not completed satisfactorily unless it benefits all parties, and we have together found the solution that provides full satisfaction.

## **Trustworthiness**

A quality that we never compromise on in Bygma. We therefore take pains to protect it, and expect everyone to be open and honest in our communication with the outside world. Trustworthiness also means that we always do what we can to keep our promises.

## **Individual learning**

Bygma will only grow if we all develop and learn new things. Learning and development also take place through new tasks, meeting new people and new forms of management and collaboration. We will only succeed if we all take responsibility. An ambitious leader shows the way and engages in constructive dialogue with employees about tasks and results.

## **Innovative**

Our surroundings are dynamic and constantly changing. This creates new possibilities and opportunities for new solutions, which we are always open to and positive about.

## **Leadership**

A positive, open and dedicated environment provides the foundation for a dynamic organisation where the employees are in focus. Managers must motivate, train and create an environment of trust, where there is freedom, subject to responsibility.

## **Team player**

A strong team demands teamwork, and this only arises when everyone is loyal to each other and to Bygma. We therefore expect that our employees desire to be part of the team, irrespective of their place on the team.

## **Integrated in Bygma - 2018**

### **Good business practice, e.g.**

- Employer branding
- Sustainable Denmark
- Occupational health and safety
- Optimising waste sorting

### **Trustworthiness, e.g.**

- Code of Conduct for our suppliers
- Code of Conduct for our employees
- Employer branding
- Occupational health and safety
- Optimising waste sorting
- PEFC and FSC certification
- Membership of DGBC, SGBC and DGNB
- Respect for personal data (GDPR)
- Compliance manual
- Bygma Fonden
- Bygma scholarship

### **Innovative, e.g.**

- Gender equality certification
- Workplace
- Charging stations

### **Individual learning/leadership, e.g.**

- Training sustainability ambassadors
- Training and careers for the young generation
- Occupational health and safety
- Linguistic integration
- Director training (2014-2018)
- Sales manager training (2017-2019)
- Code of Conduct for our employees

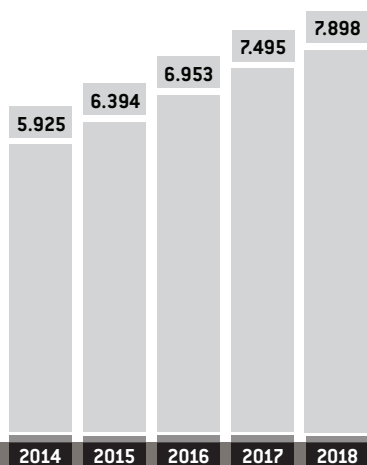
### **Team player, e.g.**

- Handball party
- Employer branding
- Information screens
- Health in the workplace
- Workplace

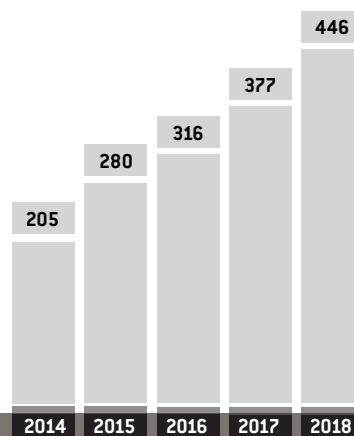


# Key figures for the **Bygma** Group A/S

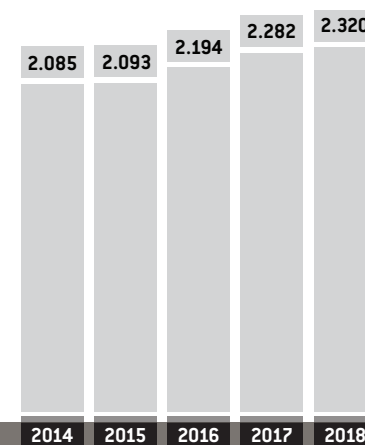
Revenue in DKK millions



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 timber stores, the Group runs agencies and trading companies that supply timber stores and industry 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 5,500 million on products in 2018, 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 means 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.





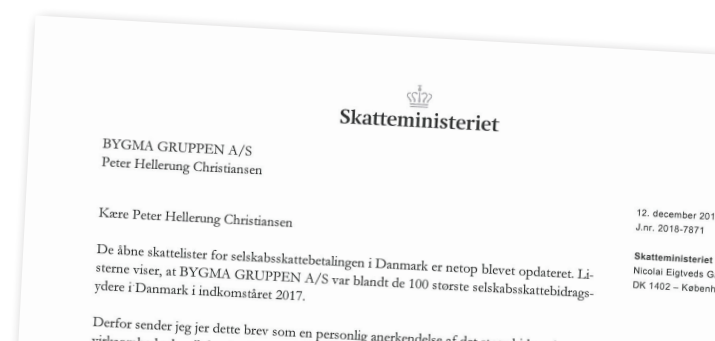
# Company tax

The Bygma Group achieved profit before tax of DKK 445.9 million in FY 2018, and expects to pay DKK 97.3 million in company tax for the 2018 fiscal year. The Group also contributes to wider society through duties and other indirect taxes.

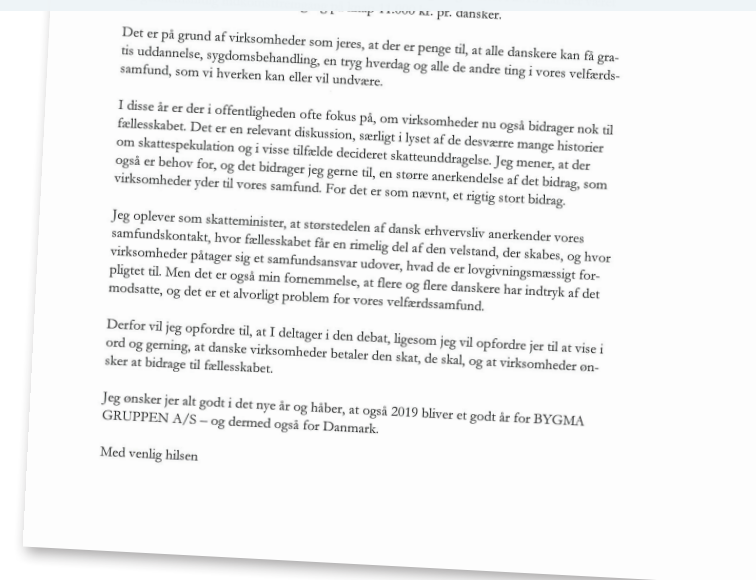
The Bygma Group pays taxes in the countries where we operate. The Bygma Group has no companies in countries other than

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 have therefore sent you this letter as personal acknowledgement of the great contribution your company is making to Danish society ..."*





# 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 factors like changes in 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 70.2%, 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 basic 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. 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 basic CSR policies - to avoid business and financial losses, but also to avoid injury to people and society and loss of reputation and goodwill.







# 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.

We consider it good business practice, when we both generate something for society and improve our bottom line in the same process.

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).



# UN Global Compact

## 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.

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.

## Integrated in Bygma - 2018

### Human rights, e.g.

- Bygma Fonden in Ethiopia
- 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
- Non-discrimination

### Environment, e.g.

- Code of Conduct for our suppliers
- Focus on sustainability
- Training sustainability ambassadors
- Documentation for sustainable materials
- PEFC and FSC certifications
- Optimising our waste sorting
- 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 founded in 2007 by Bygma's founder, Børge Christiansen. The aim of the foundation is to distribute funding to Danish and foreign humanitarian aid organisations - in line with Bygma's business ethics and CSR policy. Over a period of more than 10 years, Bygma Fonden has donated millions of Danish kroner to communities and countries in crisis, including support for Danmarks Indsamling charity event over the last 9 years.*

## Danmarks Indsamling

A representative for Bygma Fonden went to Ethiopia with Danmarks Indsamling to visit the SOS Børnebyerne project for Danmarks Indsamling 2019. This year's theme was 'Empower the girls of the world'.

Girls in the poorest countries belong to a vulnerable group in society. In Denmark, we take many things for granted, but in the poorest countries, hardships such as abuse and assault are common for many girls. Our donation aims to support Danmarks Indsamling in its efforts to empower vulnerable girls of the world, helping to give them hope and new opportunities.

Bygma employees and customers are also supporting Danmarks Indsamling through the sale of chocolate bars in all our stores. For Bygma employees, the donation is linked to great pride and commitment. In 2019 we expect to present Danmarks Indsamling with a cheque for approx. DKK 950,000 from Bygma Fonden and Bygma customers and employees.

## Christmas allowances for the Joint Council for Child Issues

One of the organisations that benefited from a donation from Bygma Fonden in 2018 was the Joint Council for Child Issues.

The donation went towards Christmas allowances. These are paid out to single parents with very poor finances who receive some form of limited social benefit.

Many poor families live in isolation because they cannot afford to participate in normal everyday social life, such as inviting friends and family to visit or taking the bus or train to visit others. These families often do everything they can to hide their financial situation from the outside world. And both children and adults feel the isolation and loneliness more intensely during the Christmas season.

The Joint Council for Child Issues reports that the allowances make a huge difference to the families who receive them.



*'Empower the girls of the world' photo: Bygma archive*



*A card from the Joint Council for Child Issues*

# Four core CSR policies

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

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.





# Human rights

The Bygma Group respects the human rights laid out in the UN's declaration of human rights and the ILO (International Labour Organization) 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 Bygma's Code of Conduct (suppliers).*

## From policy to action

### General Data Protection Regulation (GDPR)

*We have chosen to include implementation of the General Data Protection Regulation in our CSR reporting for 2018, as this EU regulation has had – and will continue to have – a major impact on our daily work in the Bygma Group.*

In 2016, the European Parliament adopted a set of rules aimed at protecting individuals in relation to the processing of personal data. The General Data Protection Regulation covers information regarding employees and private customers, among other things. The regulation contains rules governing how personal information may be processed, including its collection, storage and deletion. The GDPR rules entered into force on 25 May 2018.

In regards to implementing the GDPR rules, a Bygma personal data manual was prepared and issued in March 2018, containing guidelines for how the Bygma Group will comply with the GDPR and for handling access and deletion demands, security breaches and inspections by the Danish Data Protection Agency. Deletion guidelines have been prepared for employees and information letters regarding data processing have been sent to all relevant customers.

The local store managers are responsible for implementing the guidelines in the manual, and ensuring they are observed in each department. All employees must comply with the guidelines relating to the processing of personal data. Deliberate and gross breaches of the guidelines may result in dismissal.





## From policy to action

*In the Bygma Group, we expect our suppliers to comply with national legislation and internationally recognised standards and conventions. Bygma's ethical rules were integrated in our agreement with suppliers in 2011.*

### Code of **Conduct** for suppliers

Our Code of Conduct for our contracted suppliers aims to ensure that our partners comply with standards and conventions for the environment, human rights, social conditions and anti-corruption. Our Code of Conduct covers 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.

About 98% of our contracted suppliers have made a commitment to our Code of Conduct as of 2018, which we see as satisfactory (see the annex on p. 50).

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. We have a goal of inspecting 1.5 to 2% of Bygma's contracted suppliers with their own production annually. We inspected four contracted suppliers in 2018, and determined that all are fulfilling the Bygma Group's Code of Conduct. Bygma's contracted suppliers account for approx. 94% of all purchased goods.

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, related to the local setting, but lays out the same ethical requirements for suppliers.

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# 98%

of contracted suppliers have committed  
to Bygma's Code of Conduct

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**In Denmark**

## **From policy to action**

### **Room for diversity**

*The Bygma Group needs talented employees, irrespective of their gender, age, ethnicity and functional capacity. We strive to nurture a diverse workplace with room for all types of employees.*

**The under-represented gender:** We operate in a male-dominated industry, resulting in an understandable basic imbalance between the sexes. We therefore have a focus on attracting female trainees, managers and board members – always conditional on them having the right skills.

In 2018, the proportion of female trainees employed was 24% (see the annex on p. 50), and we are striving to maintain this level as a minimum. The proportion of female managers was 5.7% in 2018, and our goal is to increase this to 10% in the coming years. Women also make up 28% of our board composition, which we currently see as satisfactory.

**The young generation:** At Bygma, we feel we have a basic responsibility to invest in the future of the younger generation, and we offer programmes for business, logistics and office trainees. In addition to basic business training, Bygma's trainee programme includes a compulsory commerce subject worth 10 ECTS credits, which trainees can build on in their future education. In addition to the mandatory exam certificate, they thus receive an exam certificate for sales and sales psychology.

We strive to maintain a level of 3% of our workforce comprising trainees, and we have up to 100 trainees in the programme each year. We aim to retain the most talented young people in Bygma when they complete their trainee programme, and we offer good jobs in B2B sales, management and specialist roles.

We are also increasingly offering training to unskilled workers – outside the established trainee groups – following separate programmes tailored to the individual.

**Age distribution:** Bygma is a workplace made up of employees and managers of all ages – from the young generation with aspirations for the future, to the senior generation with experience and knowledge from a long working life, which they can share with their younger colleagues and inspire them (see the annex on p. 50).

**Internships/'flex jobs':** As a natural part of our social responsibility, we offer internship positions and 'flex jobs' (subsidised employment) to disadvantaged and unemployed persons – in dialogue with local government agencies – to prepare them to get established in the labour market or to get a job for the first time.

**Integration:** We get involved in local integration projects and employ refugees in relevant roles where this is mutually beneficial. This is done in cooperation with local government agencies, and often at their initiative.

As part of the company's strategy plan, a working group was appointed in 2018 to ensure that we effectively measure demographics, absence due to sick leave and employee turnover.





# **Training and career opportunities for the younger generation**





## Case: Making room

*At Bygma, we treat each other with dignity and respect, and acknowledge diversity as a strength. We get involved in local integration projects and employ refugees where this is mutually beneficial.*

### Riad from Syria - a dedicated employee at Bygma Esbjerg

Riad Al Hamdan, a refugee from Syria, is currently employed at Bygma Esbjerg. Riad is one of the positive examples of refugees who enter the labour market, provide for themselves, and become a part of the Danish community. After an 18-month internship, Riad was given permanent employment in the craftsman department in Bygma Esbjerg. He now has responsibility for a wide range of tasks, from receiving goods, to IT and customer contact.

Riad speaks Danish, and has completed extra training in addition to the compulsory language course to improve his Danish language skills. It is also a great help, both in terms of language and social integration, to spend his working days surrounded by friendly colleagues and customers.

Riad's top-level manager, Michael Bertelsen, reports that Riad, who was ceramicist in Syria, is a very conscientious employee. He shows great dedication in everything he does. When asked how he spends his spare time, Riad quickly answers with a smile, "spare time, what's that?", revealing that he has also acquired a roguish Danish sense of humour.

Inger Støjberg, the Danish Minister for Immigration, Integration and Housing, has visited Bygma to discuss the integration of refugees in Danish companies with Bygma's Executive Board. The minister also had a good chat with Riad about the advantages and disadvantages of being a refugee in Denmark.



*The Danish Minister for Immigration, Integration and Housing, Inger Støjberg, talking to Bygma employee Riad Al Hamdan.*  
Photo: Bygma archive





## From policy to action

### Linguistic integration

The Icelandic language is not easy for foreigners to understand. UNESCO rates it as the fourth most difficult language in the world!

In collaboration with a training company in Iceland, Húsasmiðjan is working to help foreign employees integrate the Icelandic language into daily life – both at work and in leisure. The aim is to improve the quality of communication with other employees and customers, and to help foreign employees to better understand Icelandic culture. An effective and inspiring training course has therefore been developed for Húsasmiðjan's foreign employees, to help them adapt to the language in the workplace and in Icelandic society as quickly as possible.

The evaluation following the first training seminar showed that all participants are very positive about the initiative and want to continue learning Icelandic through the training.

### Equality

Húsasmiðjan gives high priority to equality. It is important that employees are not discriminated against on the basis of attributes such as gender, age, ethnicity, skin colour or functional capacity.

To help ensure Húsasmiðjan is an attractive workplace, an equality and procedure plan has been formulated covering all employees. It aims to ensure equal rights in relation to salary, career development etc., and stresses that bullying, sexual harassment, violence etc. will not be tolerated in the workplace.

### Equal Pay Certification

A new law on equal pay in Iceland entered into force on 1 January 2018. The main aim of Equal Pay Certification is to reduce the gender pay gap and improve equality in the labour market. With the implementation of Equal Pay Certification, Húsasmiðjan has established a management system which ensures that procedures and decisions related to salary do not contain any distinctions based on gender etc.

Authorised certification bodies assess whether all the requirements have been met in order for a given company to be granted Equal Pay Certification. Although the deadline for certification has been extended by one year, Húsasmiðjan has already qualified for it, making it the first company in the local construction material market to have received the certification.



Árni Stefánsson (CEO), Guðjón Kristinnsson (BSI Iceland), Edda Björk Kristjánsdóttir (HR Manager) and Birna Sæmundsdóttir (Payroll Specialist). Photo: Bygma archive







**In Sweden**

## **From policy to action**

Bygma Sweden has the goal of doing business responsibly in every way, taking into account the individual, the society we are part of, and our environment.

This means that we constantly strive to comply with the laws and requirements related to the environment, equality and employees, while also ensuring that the company's partners also observe Swedish legislation and their obligations in these areas. This is due to our routines and policies regarding taking a proactive lead in our efforts to be an attractive workplace, partner and supplier, and our values must ensure that we live up to this.

All Bygma Sweden's policies and routines have been gathered in a service centre, so everyone can take part in what matters.

Annual internal and external inspections ensure that we comply with laws, agreements and routines to ensure a good work environment.



# **Social and employee conditions**

We are a value-driven company that strives to ensure good employment and working conditions for our employees. Our aim is for the Bygma Group 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

### Occupational health and safety in the Group

The number of accidents can be significantly reduced when rules are followed and initiatives are implemented.

The Bygma Group generally has a strong focus on the physical and psychological working environment, not only because this is a legal requirement, but because it makes a big difference that our employees feel safe and secure while at work, and have a safety net if they become seriously ill.

### In Denmark

We give high priority to work safety at Bygma, and regularly optimise our management systems to prevent and reduce workplace accidents, sick leave, strain etc. We also have occupational health and safety (OHS) representatives in all our stores, to promote dialogue between management and employees about our working environment.

The OHS representatives consult with the OHS consultant, and meet throughout the year to discuss current issues, initiatives, possible solutions and training.

We appointed a new OHS consultant at Bygma A/S in 2018. With over 40 years of operations experience from a timber store, and a strong commitment to a safe work environment, our consultant has a clear understanding of the risks and challenges the various work situations in the stores represent.

The OHS consultant's job is essentially to ensure that Bygma fulfils all legal requirements, and that the rules and initiatives are followed in the stores. The consultant also serves as a sparring partner for Bygma's approx. 60 OHS representatives, and has to be proactive and put relevant issues and training on the agenda in cooperation with the representatives, who meet with the consultant more than 20 times a year at seven different locations in Denmark.

It demands a structured approach to the tasks and extensive preparation prior to the many meetings.





# From policy to action

## Occupational health and safety in the Group (cont.)

- In 2018, at the request of Bygma's OHS representatives, Bygma installed a system on our trucks' cranes that allows drivers to stand safely on the ground and attach the pallet fork for loading and unloading using the crane's remote control. This means that drivers no longer have to climb onto the truck tray to attach the pallet fork to the crane, reducing the risk of falls significantly, especially in the winter season when ice is a major hazard.
- In 2018, at the request of Bygma's OHS representatives, we gave our OHS representatives statutory training about chemicals, to ensure they have the necessary knowledge of requirements in relation to the hazard-labelled products we store at Bygma.
- In addition to our focus on the physical and psychological working environment, Bygma has launched several health and injury prevention initiatives for employees, including proactive injury prevention, first aid courses, stop-smoking courses, sporting events, running clubs, etc.
- As a supplement to the many first-aid courses held at Bygma in recent years, we invested in 70 defibrillators for our Bygma Group stores in Denmark in 2018. A defibrillator provides emergency aid for the first critical minutes, until professional help arrives.

All employees have been informed about the location and use of the defibrillators, which have been installed in clear sight of both employees and customers. All defibrillators have been registered with 'hjertestarter.dk' - a register linked to the emergency services that records exactly where the defibrillator is located. We hope that no-one will need to use the defibrillators, but it gives employees and customers extra security to know that there is a defibrillator within easy reach at Bygma.

- In the event of long-term sick leave, Bygma has well-defined policies designed to help employees back to work, while also ensuring that colleagues - and Bygma - have clarity about the situation and work duties. Bygma holds regular sick leave interviews as part of our OHS initiatives.

### Jonna's role on the team:

*"I've been an OHS representative since 2017. I am constantly monitoring the physical and mental well-being of my colleagues. If they show signs of stress, harassment or other negative impacts, I take action.*

*I also ensure that they are using the correct safety equipment on the job, such as safety glasses when cutting keys. When my colleagues have questions or suggestions for improving the working environment, it is my job to listen to them and to be their voice.*

*I sometimes contact our OHS consultant for advice and input. It's always very motivating to return to my colleagues with complete answers after having investigated a matter thoroughly."*



*Jonna Vestergaard Haxgart, sales consultant (professional painting department) and OHS representative at Bygma Roskilde.*

*Photo: Bygma archive*



## From policy to action

### Focus on **training** sustainability ambassadors

*The demand for sustainable construction is increasing rapidly. It is therefore vitally important that Bygma employees are equipped to service the customers who want to build sustainably, and to advise customers who have not yet made a decision but want to know more about what sustainable construction entails.*

#### Sustainability ambassadors - nationwide

Bygma has appointed a nationwide corps of sustainability ambassadors, who undergo training that goes beyond the mandatory training required to be PEFC and FSC certified. The training takes our ambassadors on a sustainability journey - from forest origins, to certification requirements and DGNB, to documentation of the sustainable wood Bygma sells.

The training is followed up with a number of learning initiatives on Bygma's intranet, which can be accessed by everyone in the company. We are also highlighting the sustainability initiatives internally at Bygma among the employees who are not directly involved. The next step will be to partner with our sustainable suppliers in relation to further training for Bygma's employees. This will allow us to further develop sustainability competencies, and ensure a common foundation for giving our customers the best possible advice when they buy sustainable products.

Bygma trained 90 sustainability ambassadors in 2018. A further 150 employees are expected to complete the training in 2019. The annex on p. 51 shows how many sustainability ambassadors have been and are planned to be trained at Bygma for 2017-2021.

#### **Ellen Back Tegen, Market Manager, trained Sustainability Manager Bygma A/S**

Bygma has had a focus on sustainability for many years, but we are now increasing this significantly. We have appointed a nationwide corps of sustainability ambassadors, who undergo training that goes beyond the mandatory knowledge required to be PEFC and FSC certified.



#### **Jesper Nielsen, Sales Director Bygma Roskilde**

Our customers are demanding sustainability on future construction projects. We want sustainability to be part of our DNA, so that we can advise based on a broad knowledge of the construction requirements of our customers and of developers. Providing information and training for employees is therefore important.



#### **Morten Kvist, Director Bygma Hjørring**

A growing number of developers are setting sustainability requirements in construction, which we see as a positive development. Bygma is participating in a broad range of innovative projects, where we are supplying sustainable materials to low-energy and architecturally attractive homes of the future.



Photo: Bygma archive



# From policy to action

## Employer branding

*At the Bygma Group, we believe that motivated employees make a real difference. We therefore aim to be the best workplace in the sector. 'Best place to work' is thus a central element of the Group's 2020 strategy, in which we translate words into action.*

We conducted an employee survey in all of the Bygma Group's Danish subsidiaries in 2017. 89% of employees (1,332 people) chose to answer a number of questions on issues such as reputation, management, cooperation and job content. The survey showed high scores for job satisfaction and loyalty, which is very positive. It also identified areas where we need to improve - particularly in relation to processes and tools to work more efficiently.

Following up on the 2017 employee survey and as part of the 2020 strategy, we have therefore had a special focus in 2018 on two key themes of the strategy - 'Best place to work' and 'Performance'. At the beginning of the year, all employees in the Bygma Group in Denmark were presented the results of the survey at employee meetings across the country. They were also given the opportunity to discuss job satisfaction and potential improvements in the various stores. This year's PDR interviews also focused on each employee's experience of Bygma as a workplace, and how it could be even better. Based on this input from employees, each manager was asked to define three initiatives in relation to 'Best place to work' and 'Performance', to be used in the ongoing work with the strategy.

## Greater awareness

At Bygma, we strive to attract and retain the most talented employees in the sector, and we invest heavily in recruitment and training. An analysis conducted by JobIndex in 2017 showed that Bygma was relatively unknown as a workplace and training centre, so we are working systematically to change this.

Bygma is working to increase general awareness of the company in targeted ways. Becoming a primary sponsor of the Danish men's national handball team is one of the initiatives that has boosted awareness of the company. We are also continually launching new initiatives targeted at current and future employees.

Our career site disseminates positive stories about our workplace, with specific examples and photos from our daily work. The content on the career site stems in part from input from a staff competition, where we asked Bygma employees what it is like to work at Bygma. This also resulted in a book, which more than anything else describes the culture that inspired a comprehensive Employer Branding campaign, launched in 2018. The campaign has been presented on social media and all relevant recruitment media, and has had a positive effect on both awareness and the number of applicants.

## Retention through communication

Internal communication is also a priority area, in which we still need to improve in order to better retain employees. Everyone at Bygma must be informed of strategies and goals, and local news from daily work in our stores. We launched a Nordic employee magazine in 2017, which is issued in three languages and distributed to all employees in Denmark, Sweden, Iceland and the Faroe Islands. The magazine aims to help promote a common identity across the Group, by supporting the strategic goals and communicating our values.

Info screens were also installed in all our canteens in Denmark in 2018, allowing employees to keep up with the latest news and positive stories in Bygma. The info screens aim to ensure that all categories of employees have daily access to the company's news flow, and to improve the general information level among employees.

We are adding even more focus to internal information in 2019. The Executive Board will therefore be giving employees a fully up-to-date briefing on the Group's latest news via a PowerPoint presentation, two or three times a year. The news is to be communicated to employees by the store manager at after-work meetings.





## From policy to action

### Seniors policy at the Bygma Group

*A joint Nordic seniors policy is being planned, which will be effected when an analysis of possible senior initiatives in each country has been completed. The seniors policy strives to meet the needs employees have in their late career.*

Bygma wants to retain competent, motivated and flexible employees across the entire Group. This also applies to employees in the senior phase of working life, whose extensive experience and expertise contribute extra value.

We are currently considering possible initiatives, such as a seniors interview, that will focus on the employee's wishes and expectations of work and working conditions, at an early stage - including how long the employee wishes to continue in their job, and whether changes will be needed as the employee gets older.

We will also consider - at the Nordic level - what specific initiatives we can offer the Bygma Group's senior employees.

The seniors policy is expected to be implemented in 2019.



## **From policy to action**

### **Training and information**

There is a major focus on developing employees' competencies. Húsasmiðjan therefore hosts a number of training programmes and information sessions each year for employees, which aim to improve and retain a professionally strong staff team.

### **Digital learning system**

Húsasmiðjan implemented a digital learning system in 2018, so we are ready to proactively offer training to all employees, irrespective of their job function or location on the island. The digital learning system allows us to be in dialogue with all employees across the country in a relatively simple way, thereby ensuring an effective and continuous learning platform for our employees.

Over 100 digital training programmes were completed in 2018.

### **Digital communication media**

In mid-2018, Húsasmiðjan implemented a social medium called 'WORKPLACE'. The aim of the medium is to provide better ways to communicate information simply and directly, and offer a different platform where Húsasmiðjan employees can 'meet' and engage in professional and collegial dialogue - irrespective of their position and location in the country.

The number of registered employees has exceeded expectations. 86% of those who received an invitation to WORKPLACE have activated their account. 93 groups have been established, of which 62% are project groups, 16% are discussion groups, 11% are interest groups and another 11% are review groups. An average of 160 posts are published each week.

### **Employee well-being**

Húsasmiðjan conducts a regular job satisfaction survey for all employees. The survey aims to improve the working environment and job satisfaction, and create and maintain a safe work environment. The latest results showed good team spirit among employees and trust in management.

### **Focus on health**

Húsasmiðjan encourages its employees to focus on health at various levels. Employees are offered an influenza vaccination every year. As a motivation to improve health and inspire physical activity, employees are offered an annual financial health subsidy. 67 employees accepted the offer in 2018.

Húsasmiðjan also encourages all employees to participate in preventive health projects such as Lífshlaupið (a national tournament that encourages Icelanders to do physical activities to promote good health) and Hjóla (cycling to work). Húsasmiðjan achieved fifth place in the competition in 2017 among companies with 400-799 employees. A total of 2,496 km was cycled, roughly equivalent to cycling around Iceland twice.

### **Employees with reduced working capacity**

Húsasmiðjan goes to great lengths to support employees with reduced working function due to mental and/or physical disabilities, and seeks to provide suitable jobs in Húsasmiðjan in collaboration with the government employment services. We believe that these initiatives have a positive impact on the mental well-being of all those involved.

### **Húsasmiðjan supports local initiatives**

Húsasmiðjan strives to have a good working relationship with a number of organisations and companies, which together support a wide range of local activities and projects. For example, Húsasmiðjan supports the local handball and basketball team and various local NGOs, and has a good relationship with Teknisk Kollegium, to which it has provided materials used in teaching.



## **From policy to action**

We must continue to develop what we offer as an employer in order to attract the right colleagues, now and in the future.

Part of the work involves finding activities that will support the strategy's focus areas - Digitisation, Best Place to Work (BPTW), Customer Benefits and Performance - going forward. The focus of BPTW is on having committed employees and attracting the right candidates. During 2018, 45 dedicated employees underwent training in management and sales. We have also completed supplier training and other training required for various functions.

**Bygma scholarships**, which are awarded to selected building and construction students each year, create positive awareness of our brand as a workplace. In 2018, 12 scholarships were awarded at the following upper secondary schools:

- Borlänge - Hushagsgymnasiet
- Spånga - Byggtkniska särgymnasiet
- Eskilstuna - Rekarnegymnasiet
- Luleå - Luleå gymnasieskole
- Lycksele - Tannbergsskolan
- Piteå - Strömbackaskolan
- Skellefteå - Anderstorp gymnasiet
- Sundsvall - Sundsvalls gymnasium
- Tyresö - Tyresö gymnasium
- Umeå - Dragonskolan
- Västerås - Harhska gymnasiet
- Örnsköldsvik - Örnsköldsviks gymnasium

**Occupational health and safety (OHS)** is a high priority in the company. There are annual inspections of the organisational, social and physical working environment. Responsibility for the working environment lies with the CEO, who delegates working environment 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 a good working environment. Our managers at Bygma are trained in the importance of this regulation. We had a strong focus in 2018 on establishing visible reporting of incidents and accidents in our management system. The outcome has been that the number of reported accidents in 2018 was 23. These covered damage to equipment and personal injuries, and five of the accidents were reported to the Working Environment Agency. We see the rise in the number since 2017 as positive, as there have presumably been unreported cases in previous years. A new system for managing irregularities has made it more clear what must be reported and how.

**Information and dialogue** are areas we are constantly working to develop, and every two years we conduct our employee 'Climate study' (see the annex on p. 51). The response rate has dropped compared to the previous survey. Employees feel there is less clarity today about work duties in terms of the level of information and the big picture. One response to this issue could be to introduce monthly information meetings for employees.

In other areas, there have been improvements in relation to the previous survey. In relation to our core values, employees feel that Bygma has shared values and expectations for cooperation, leadership and employer issues.

**PDR interviews** between employees and managers are held every year.

**The Christmas gift** to employees in recent years has been a donation to a charity, such as Save the Children or the Children's Cancer Foundation.





## **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 had made a commitment to our Code of Conduct at the end of 2018 (see the annex on p. 50).

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, available on our intranet, is attached to the employment contract at the director level. Management has a duty to ensure that all employees are informed about and comply with the manual's guidelines. The manual was last updated in 2018.

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 are available on our intranet, and are included as annexes to the employment contract at management level.

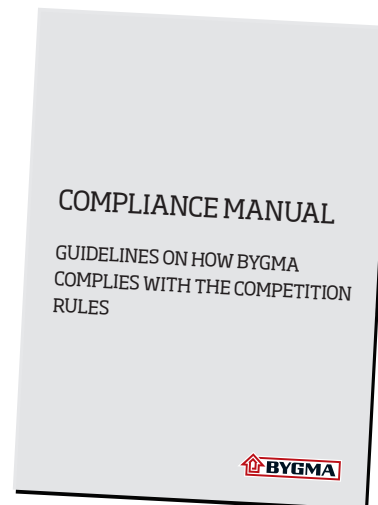


Photo: Bygma archive



## From policy to action

### Code of **Conduct** for employees

*In the Bygma Group, we expect our employees to observe the applicable laws, rules and internationally recognised standards and conventions – as well as the Group's values. The Bygma Group's Code of Conduct for employees will be incorporated into the employee handbook for Bygma A/S in 2019, and the guidelines will be communicated on the intranet and our internal news screens. The Code of Conduct will also be translated and adapted to the Icelandic, Swedish and Faroese settings, and will be incorporated into the employee handbooks in these countries.*

The key points in the Group's Code of Conduct are:

- **Employees' ethical behaviour** – Our employees are expected to show integrity and responsibility in all actions. We also expect employees to act loyally towards the company, colleagues, customers and other partners, and to treat everyone with respect and fairness. The Bygma Group will not accept any form of bullying or harassment, nor any discrimination on the basis of gender, nationality, skin colour, religion, age or sexual orientation.
- **Anti-corruption and bribery** – We set the same requirements for our employees regarding social conditions and anti-corruption as we set for our external partners. We expect the highest level of integrity and honesty in all business activities. This means, for example, that we do not offer or receive gifts of a size or nature that could influence the Group's agreements with suppliers, business connections or other partners.
- **Compliance with competition rules** – We require compliance with all applicable competition rules, and that no agreements be made with competitors regarding prices, services, sales quotas etc. We also expect that no one in the Group discusses competition matters with competing partners. A Compliance Manual has therefore been produced containing guidelines for how the competition rules must be observed within the Group (see the section on this).
- **Confidential information** – All our employees have a duty of confidentiality on matters relating to customers, suppliers and other business partners, and Bygma will respect and protect employees' private information. A confidentiality clause will be incorporated into all future employment contracts and the employee handbook.







## **In Iceland**

### **From policy to action**

Húsasmiðjan has a manual that covers competition matters and legislation. The manual is available online to all employees. The manual's policies define what is permitted in communication with customers, competitors and suppliers.

Húsasmiðjan also undergoes regular internal competition assessments, conducted by the company's lawyer, and employees receive regular training on basic behaviour and compliance with competition rules.

Employees completed online cybersecurity courses in 2018, and IT system security was reviewed by third-party specialists.

## **In Sweden**

### **From policy to action**

Professionalism and trustworthiness – two of our keywords – require that all employees of Bygma AB must comply with laws, regulations and policies at all times. Handbooks on compliance with the rules on bribery and corruption are readily available to all employees. Representatives of Bygma AB must never get into situations where there is a suspicion of bribery.

Our Code of Conduct applies to all our relationships with suppliers and partners. It also applies to our business connections, and we place high demands on integrity and compliance with rules – both internally and in external relations.

# 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 the Nordic region.*

## **Sustainability is a high priority**

Bygma was delivering sustainable materials long before certifications became widely recognised - namely wood from Nordic forests.

Sustainability has since become a priority item on society's agenda. Bygma is also intensifying its focus on sustainability in order to contribute to this trend and inspire our customers and partners to build sustainably, while also taking our own role in the value chain seriously.

We have invested time in understanding certifications at depth. We train our employees in sustainability, so they can serve as our ambassadors, helping customers to make sustainable material choices. We deliver the goods and the sustainable materials, and ensure that the documentation for the appropriate certification is in order.

Bygma is FSC and PEFC certified, and a member of the Green Building Council Denmark and Green Building Council Sweden.

**Sustainability was first introduced in 1987 in the UN's 'Our common future' report, and defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".**





## In Denmark

### From policy to action

#### Nordic coniferous sawn timber is at least 70% PEFC

*There is a mounting focus on sustainable construction, and as a result of the greater interest in traceability, demand for certified wood is increasing among developers, consultants, politicians – and Bygma's customers.*

Bygma has decided to change its certification from the volume method to the percentage-based method, such that all purchases of Nordic coniferous sawn timber must be at least 70% PEFC certified. As a new initiative, all our PEFC certified wood will be sold at product number level in future. This will be shown both on delivery notes and invoices, making the documentation work easier throughout the entire value chain – for Bygma's customers, employees and warehouses.

Bygma's certificate handbook is currently being revised, and the new PEFC certification is expected to come into force at the end of Q2 2019.

A 100% PEFC certification has been discussed by the management, but we currently believe that a guarantee of at least 70% is the most responsible approach. Management will regularly assess whether a higher percentage is realistic and viable.

Once implementation is complete in Denmark, a similar procedure will be introduced in our Swedish company. Bygma AB thus expects to initiate a similar PEFC certification during 2019.

#### Sustainable ByggeBase and BygDok

*Bygma wants not only to make it easier for contractors, architects and builders to make sustainable choices, but also to make documentation for sustainable buildings more easily accessible.*

We participate in various industry partnerships, and have helped to develop ByggeBasen – Denmark's largest product database for suppliers and members of the Danske Byggecentre industry association. It also contains detailed documentation for PEFC and FSC certified products and products bearing the Nordic Swan ecolabel, indoor climate and energy labels as well as the legally required documents.

Most recently, we have worked with the companies under Danske Byggecentre to make environmental certifications and documentation in Byggebasen available in BygDok – a database for the building sector and anyone who wants to build sustainably.

BygDok will be available in H1 2019, but will continue to undergo development for a long time to come. Bygma will seek to motivate our suppliers to add documentation for all certified products to the database, as this is expected to be differentiated in relation to future customers.





## From policy to action

### Building Awards 2018

*The Danish construction industry was honoured for its sustainability efforts at Building Awards 2018. The "Material award" was one of 11 prizes presented at the newly established conference.*

Bygma chose to award the prize given to a company that has exploited material properties in an innovative new way and applied this to construction practices. The "Material award" ties in well with Bygma's vision of influencing the development of sustainable construction in Denmark.



*Bygma hands over the Material award at Building Awards 2018.*

### Focus on tomorrow's forests

*At Byggeri '18 - Scandinavia's largest trade fair for the construction industry - Bygma decided to support an initiative that focuses on the world's forests and sustainable forestry.*

Everyone who visited PEFC Denmark's stand had the opportunity to plant a tree for future construction. Bygma doubled the number of trees employees donated, and together with the visitors to the fair, more than 300 trees were donated. The new trees have since been planted in a PEFC certified forest in Ry, near Aarhus.



*Bygma was represented at Byggeri '18*

*Photo: Bygma archive*





# Case: Middelfart Town Hall

- is DGNB platinum and diamond certified

*Bygma supplied sustainable materials to Middelfart Town Hall, which has been called 'Denmark's most sustainable government building'.*

Middelfart Town Hall is the first building in Denmark to be both DGNB platinum and diamond certified, thanks to a successful collaboration between engineers, architects and the contractor. The diamond certification focuses on the building's architectural qualities, while the platinum certification recognises its environmental qualities.

## Sustainable development

Bygma's sustainable deliveries to Middelfart Town Hall consisted in part of PEFC and FSC certified wood and sound-absorbing acoustic cladding (from Bygma's subsidiary, Profile).

## Comment from the developer

The Municipality of Middelfart achieved DGNB platinum by setting the highest requirements for the choice of materials, energy efficiency, user involvement, the working environment in the building and interaction with surrounding society. "Sustainability has been incorporated into every element. The floors are made from wood waste, the cooling is mechanical - using electricity from solar panels on the roof, the furniture, walls and ceilings are noise-dampening, the surplus heat is used for district heating for houses in the town and food waste in the canteen is made into natural gas. The building also serves as a cultural centre, with room for concerts and the like after the employees and politicians go home," says project manager Henrik Mott Frandsen from the Municipality of Middelfart.

## Comment from the architect

DGNB diamond certification focuses on architectural aesthetics and functionality. "We are honoured to have designed the first building in Denmark to receive the DGNB diamond certification, and to contribute to developing our global understanding in relation to sustainability. Middelfart Town Hall bears witness to the importance of creating community-focused spaces for a sustainable future," said senior architect Martha Lewis from Henning Larsen Architects.

## Comment from the sales manager

"We are seeing increasing demand for sustainable materials - especially for large buildings," says Jimmy Holmlund, Sales Manager at Bygma Odense, which has been responsible for deliveries to Middelfart City Hall. "Bygma therefore trains its employees in advising our customers, to make it even easier for them to make sustainable choices."



# 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?

- 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 /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 they are among the best in their 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

*Bygma wishes to protect the environment, and works actively to ensure that we minimise the impact on the environment and climate. Our general goal is to help reduce climate impacts and contribute to more efficient and sustainable development.*

### Recyclability instead of landfill and incineration

Following a detailed analysis and review of Bygma A/S' waste management in 2014, a project group concluded that Bygma's stores had reasonable waste management practices, and saw no immediate savings potential by changing these - either economically or in relation to CO<sub>2</sub> emissions, and the management took note of this conclusion.

The project group has since been following developments, and in cooperation with the management, the decision was made at the end of 2018 to review the opportunities for optimising our waste sorting. A working group will be appointed in Q2 2019, consisting of senior management and regional and local logistics managers.

The group will analyse the current status and evaluate measurable new initiatives with a particular focus on the expected reduction in landfill/incineration, greater recyclability and general optimisation of waste sorting in our 58 stores - both for economic gains and to benefit the environment and climate.

Based on valid data and the detailed analysis from the working group, the Executive Board will make the strategic decisions and define specific objectives, to ensure that the initiatives will involve employees and be evident to customers and partners that Bygma is actively working to minimise its impact on the environment and climate.

We expect the analysis to be completed and the strategic objectives decided before the end of 2019, so that implementation in the stores can commence in 2020.

**Sustainable packaging is extremely important to protecting the environment. All plastic packaging used to package Bygma products is sustainable, and has been for the last approx. 20 years. Bygma uses only PE plastic based on recycled plastic for its deliveries.**



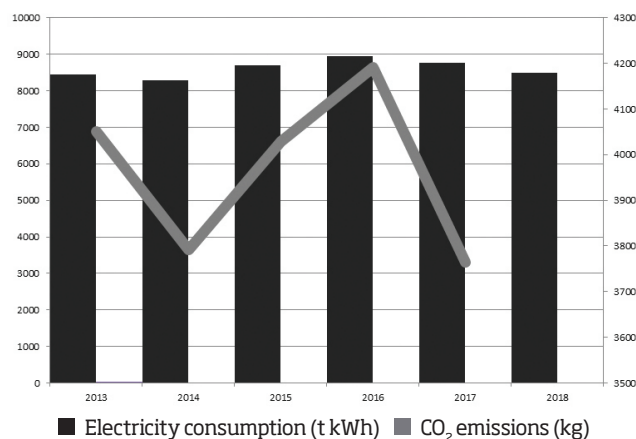
## From policy to action

### Energy consumption and CO<sub>2</sub> emissions

Reducing our CO<sub>2</sub> 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.

150 salespeople have also completed training that gives them a thorough knowledge of Bygma's portfolio of energy-efficient solutions, as well as greater knowledge and understanding of energy renovation and energy-efficient construction.



The above figure shows Bygma's electricity consumption for 2013-2018 and CO<sub>2</sub> emissions for 2013-2017 (the CO<sub>2</sub> impact per kWh for 2018 was not available at the start of 2019). The variations in electricity consumption are presumably due to store openings and closures, fluctuations in business volume, conversion to electric forklifts, transition to LED lighting etc.

## In Iceland From policy to action

### Energy consumption and CO<sub>2</sub> emissions

Húsasmiðjan has implemented software to register and monitor its disposal of waste, use of fuel, electricity, hot water and CO<sub>2</sub> emissions. This allows them over time to measure and identify the potential for reducing waste and pollution.

As part of our efforts to reduce our electricity consumption, lighting was replaced with LED lighting in another two stores in 2018, so that all new Húsasmiðjan stores now use LED lighting.

Húsasmiðjan's subsidiary, Iskraft, has introduced small, cost-efficient electric vehicle charging stations for homes and companies - a visible encouragement to change from petrol and diesel to electric vehicles.

Approx. 95-98% of the ordinary wood Húsasmiðjan buys and sells is either PEFC or FSC certified.



## In Sweden

### From policy to action

#### Active environmental work in the construction industry

We work actively for the environment, with the goal of complying with the applicable environment legislation at all times, together with customers, suppliers, employees and other stakeholders. Economic and environmental resource efficiency is important in order to achieve results. Through our employees' commitment to the environment and sustainability, we are helping to create greater focus on this area. This takes place in part through our annual inspections of the eco-management system (ISO 14001:2015 certification). This demands clear local environmental goals and annual follow-up on these:

1. 'Byggebarometeret' (the construction barometer) works in trade journals to promote sustainable construction, healthy material choices and SGBC (Sweden Green Building Council), and a digital log book and greater knowledge about sustainable buildings among customers and suppliers.
2. We see reuse and recycling as important issues that need to be developed through training, and all employees complete environment training when they join us.
3. Requirements for staff and changed routines in cooperation with suppliers and customers.

#### Our approach focuses on the following initiatives:

- We have updated our range of eco-friendly products, and by sharing our knowledge with customers we give them the opportunity to improve the environment.
- We have made it easier for the customer to see which products have the least climate impact, by indicating what assessments our products have received in the various environmental assessment systems, such as the Swan, Sunda hus, Basta and Byggsvarubedomningen.
- When we select our partners, we give priority to environmental, ethical and social factors.
- We prevent pollution and reduce our environmental impact. Our central and local environmental goals ensure that environmental aspects are considered in our active choices - in relation to everything from LED light sources to material choices and waste management.
- We strive to reduce our consumption of energy and materials.
- We are working towards greater reuse or recycling. We sort our waste in order to increase reuse.
- We follow the principle of continuous improvement.

#### We set the bar high

We are certified under the ISO 14001:2015 standard for eco-management. The eco-management system also covers the systematic work with the working environment/inspections/checks and quality. Our focus on quality, OHS and the environment ensures that we comply with laws, rules, routines and policies related to environmental activities.

We conduct supplier evaluations when purchasing products and services to ensure that we maintain a strong environment focus.

Annual internal and external environmental audits are conducted in line with the requirements of the ISO 14001:2015 standard. Our environment goals are set annually, and central and local activities are undertaken to ensure a responsible environmental impact.

Bygma AB is one of the first distributors of building materials to become a member of Sweden Green Building Council. Representatives from all stores have completed training in sustainable construction.





# Ambition of being **best** - together

Bygma has been the main sponsor for the Danish men's national handball team since 2016, and extended its sponsorship by up to three years in 2018. In January 2019, we had the great pleasure of seeing the team win the world championship.

We are proud to be part of the gold-medal journey and take inspiration from the team's professionalism, which harmonises well with Bygma's *Not for amateurs* approach to our customers and the world around us. The sponsorship allows us to offer unique

experiences for employees, customers and suppliers, such as inviting them to attend games with presentations from well-known handball figures, and to meet the players afterwards.

The handball team sponsorship is also an important part of our work with Employer Branding and Best Place to Work, where teamwork, commitment and professionalism are important elements of an attractive workplace.

Internally, the sponsorship gives us great pride, and externally, it helps raise awareness of our brand and thereby attract more talented employees.

We celebrated our renewal of the sponsorship by inviting all Bygma Group employees in Denmark and their partners to a festive handball celebration in the Sparekassen Fyn Arena, in the lead-up to the world championship.

# 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 <sub>2</sub> emissions by approx. 5% in 2010, corresponding to approx. 24.5 tonnes CO <sub>2</sub> for the fleet	100%
Electricity consumption	2010	Reduce electricity consumption by approx. 5% in 2010, corresponding to approx. 184 tonnes CO <sub>2</sub>	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 <sub>2</sub> 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 <sub>2</sub> 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 <sub>2</sub> -neutral website	2013	Register for a CO <sub>2</sub> -neutral website in H1 2013	100%
Decommission 48 servers	2013	Reduce CO <sub>2</sub> 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 practice	2013	Green initiatives	Currently on hold
Facts site on the intranet	2013	Raise awareness of the current green savings.	Currently on hold
PC automatic shutdowns	2015	Automatically shut down at 8:00 pm, saving 149 tonnes of CO <sub>2</sub>	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

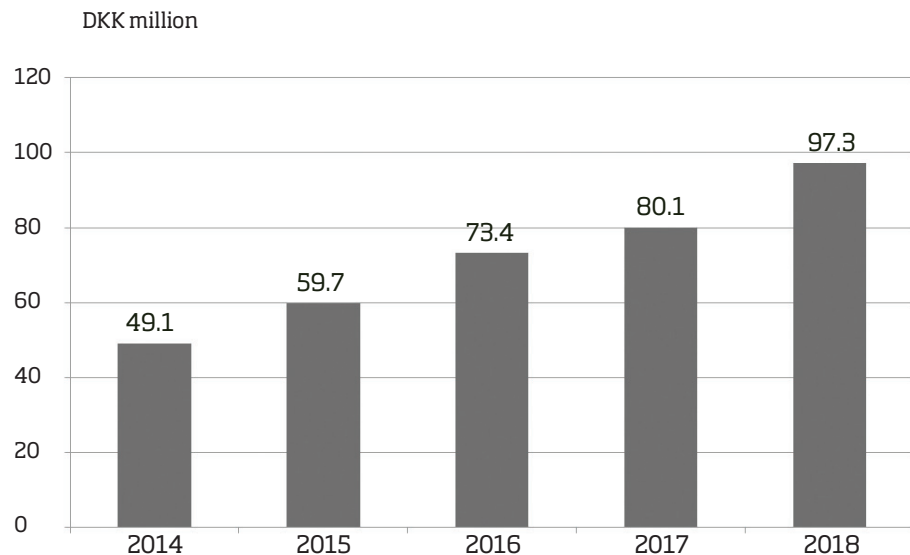
Project	Date	Goal	Status
Preventive health measures	2016	Stop-smoking courses: 61% success rate compared to goal of 50%. First aid: follow-up courses	100%
Employer branding	2017-	Bygma's new strategic focus area, Employer Branding, to be initiated in 2016-2017	100%
OHS training	2017-	OHS training with 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	In progress
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



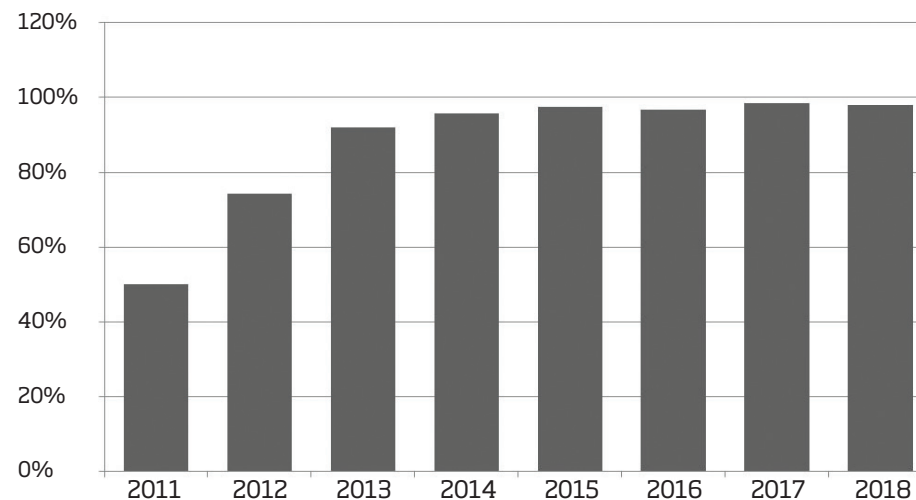
# Overview - CSR initiatives

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	
Number of trainees	2019-	It is our goal that 3% of our workforce should comprise trainees	
Sustainability ambassadors	2019-	Train another 150 employees to be sustainability ambassadors	
Seniors policy	2019-	Implement a seniors policy	
Code of Conduct	2019-	Implement a Code of Conduct for employees	
70% PEFC certification	2019-	All purchases of Nordic coniferous sawn timber must be at least 70% PEFC certified	
BygDok	2019-	Develop and promote BygDok - an ongoing process	
Waste sorting	2019-	Optimise recyclability instead of landfill and incineration	

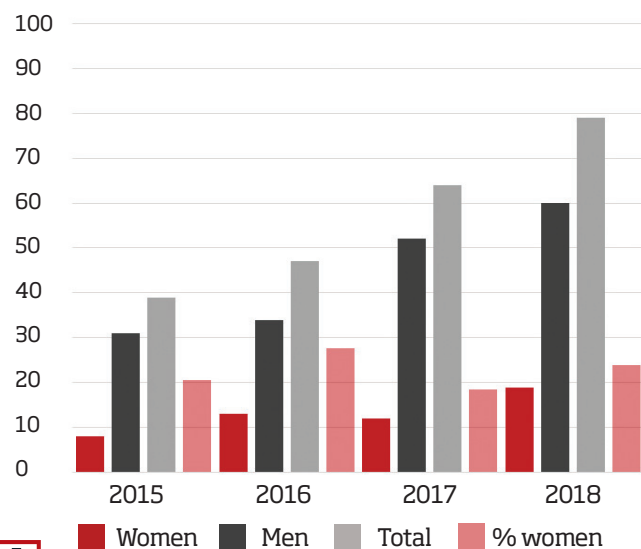
## Paid company tax:



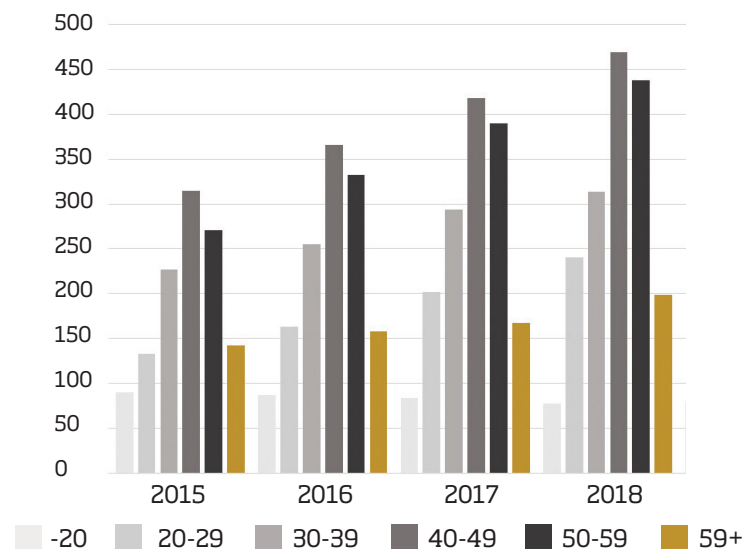
## Code of Conduct:



## Number of trainees by gender:

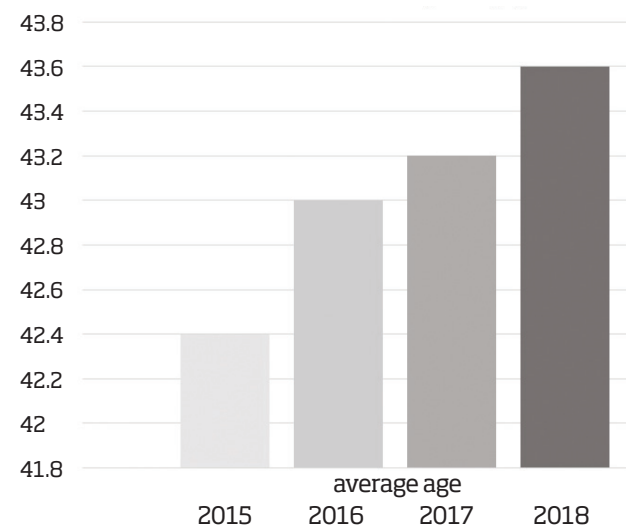


## Age distribution - age groups:

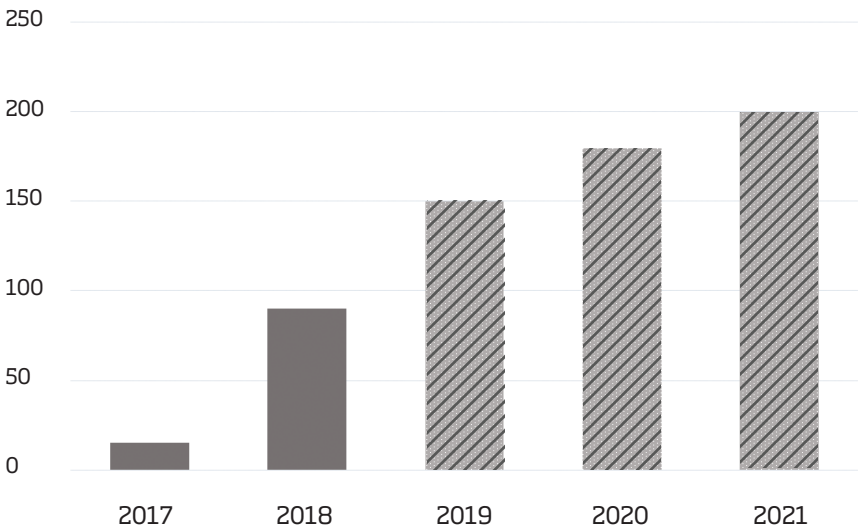




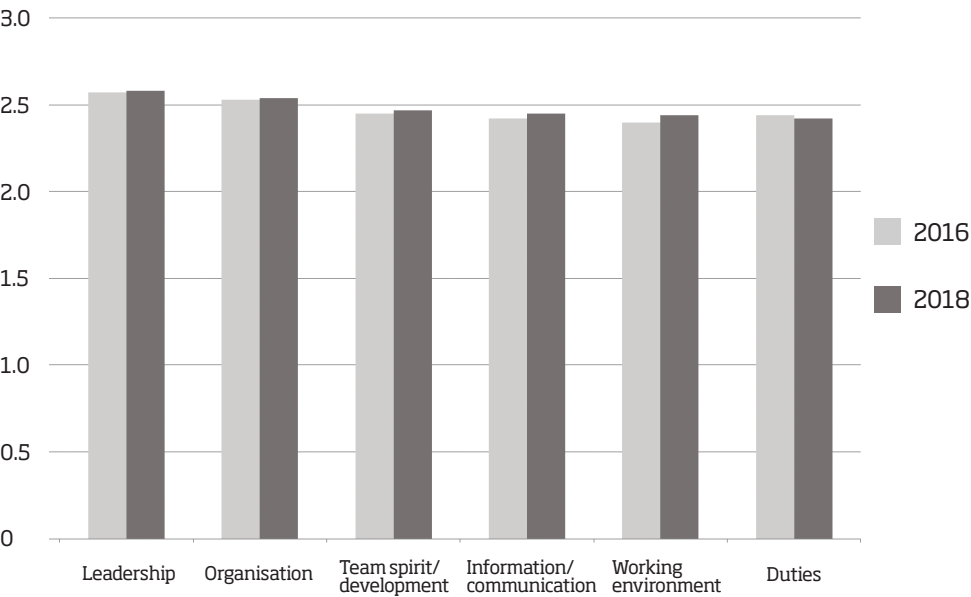
Age distribution - **average:**



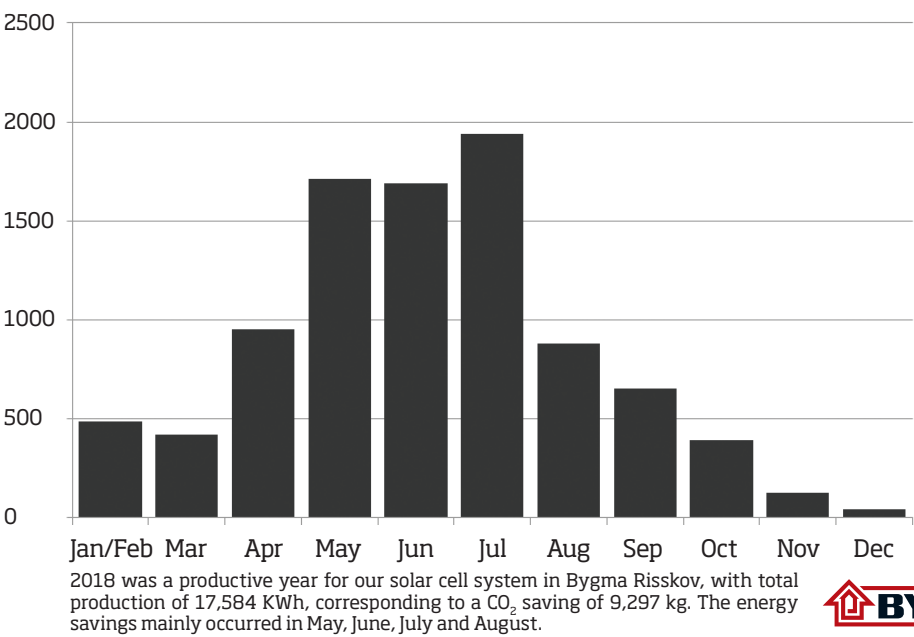
Training **sustainability ambassadors:**



Satisfaction survey, **Sweden:**



CO<sub>2</sub> savings from **solar cell system:**



Bygma Gruppen A/S  
Transformervej 12  
DK-2860 Søborg  
CSR contact person:  
Helle Grevy, hgg@bygma.dk

