

OKQ8 Scandinavia

Sustainability Report 2019/20



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We are pleased to welcome you to OKQ8 Scandinavia's Sustainability Report 2019/20

OKQ8 Scandinavia accepts its responsibility to be part of and to influence all of society's transition to a sustainable tomorrow. We take this commitment very seriously and, throughout trading year 2019/20, we have put considerable efforts into our strategy and concrete activities so that we live up to our standards for financial, social and environmental sustainability at all times. In this report, we focus on aspects of this vital work, including both our targets and their success in achieving them.

We hope that you enjoy reading it!





Because everyone's transition is different

Humanity's most acute and greatest challenge is climate change.

At present, our industry is one of the foremost reasons we are facing this challenge. If we are still to be in business in ten years, we must make fundamental changes to our operation. We understand this.

The transition has begun, and we are not the only ones who have to have a serious rethink. The entire nation needs to. We intend to lead this process and, at the same time, help our customers to be involved and to contribute, given their own particular circumstances.

Each business area must find its own approach to reducing its impact, while we develop products and services which help our customers achieve sustainable mobility. There is more than one route to sustainable energy. Not everyone will be able to transition at the same time and in the same way. We understand this too. That is why we offer a whole range of fuels and energy services. It is to enable everyone to be involved in the change.

It is urgent, so we have set ambitious targets for ourselves. By 2045, neither OKQ8 Scandinavia, nor anything we sell, will as a whole have a negative effect on our climate. This extends to all our operations.

Sustainable growth requires clean energy and climate-neutral mobility. These we will supply. As you need it.



Key results of the year

Biofuels

488 million liters
of biofuels sold

Electric vehicle charging

61
charging points at service stations

Energy

↓ 17 %
reduction in energy use since
base year 2014/15

CO₂e

↓ 35 %
reduction in CO₂e emissions since
base year 2014/15

Vi-skogen

689,000 SEK
contribution to Vi-skogen from our
customers, our members and ourself

Foodwaste

97,000
saved meals with Karma and
Too Good To Go

Employee satisfaction

3.21 out of 4
on a scale of 1 to 4

HVO

100
stations offering the
climate-smart fuel HVO

Solar energy

20
stations with solar panels
contributing to the the energy supply



From words to action

Fossil fuels are the greatest contributors to the greenhouse effect, both in Sweden and throughout the world. Domestic transports are responsible for onethird of Sweden's total greenhouse gas emissions. As one of the leading fuel and energy companies, we must take responsibility for the impact our operation has on the climate.

The route towards a sustainable future is clear, and it means that our industry is facing unprecedented change. We are determined that OKQ8 Scandinavia will continue to be a successful company that accepts its responsibilities, and to achieve this we must be the preferred choice for our customers and for the community.

Both our own operation and the world around us must adapt. This adaptation is essential if we are to continue to live in the kind of society we want and for the survival of our business. Our vision of sustainability stretches as far as we ourselves can influence. In addition to being climate-neutral in our own operation by 2030, we will work ceaselessly to achieve the national target of zero net emissions across all of our activities by 2045 at the latest. Achieving this requires imaginative entrepreneurship combined with concrete action.

This report explains some of the steps we have taken towards our vision. The process has just begun, and it will keep evolving. Travel with us back to the future – to a climate-neutral society. Together, we will make it happen.

Best regards

J. Magnus Kamryd, CEO



Our world and our role

OKQ8 Scandinavia is facing historic challenges. Correctly handled, this will generate financial and sustainable value for the community, our staff, our customers and our owners. Starting from this reality, it is our mission to guide the operation into the future. Global trends naturally affect both OKQ8 Scandinavia as well as our customers. New technology, changes in customer behaviour, new market conditions and political decisions all mean that our travel patterns, vehicles and preferences will change over time. We try to keep a step ahead of our customers' needs for new products and new business.

The car – from individual status symbol to shared enabler

When a number of trends work together, progress really takes off and has greater impact. An excellent example is the development of carpooling in cities, where players such as Aimo, Voi and Volvo M are offering vehicle fleets to people who prefer to buy mobility services rather than owning their own car.

The underlying trends are that more and more vehicles are becoming connected and that vehicles in the future will be increasingly self-driving (autonomous). These developments, in combination with increased urbanisation with growing congestion and demands for increased sustainability mean that vehicles in cities are expected to become shared to an increasing degree. When more and more people decide to purchase mobility services from various operators, personal relationships with cars will decrease.

City and country – development in two parallel scenarios

OKQ8 Scandinavia's Development Department sees two future scenarios which will affect how we develop our business, as we believe there will be a greater divergence in mobility between urban and rural areas than there is today.

City – urban shared mobility. To create a sustainable urban environment in growing cities, with the aim of reducing congestion and improving air quality, cars will be squeezed out to some extent, as walking, cycling, new types of electrified shared vehicles and an even more comprehensive public transport service are prioritised. We are already seeing an increase in cycling, and electric vehicles are becoming increasingly more common. We will see the emergence of "mobility hubs", locations where people can change mode of transport, collect packages and carry out other every day matters in a brief stop on the way.

Countryside – individual mobility. We believe that the phenomenon of owning a personal car will continue for longer in the countryside, since the infrastructure for expanding shared solutions is lacking. This is where our service stations can play a greater role in helping with food, drink and other necessities for people on the move, and providing a wider range of everyday services.

Customers and offerings of the future

All development at OKQ8 Scandinavia is aimed at offering our customers sustainable solutions which increase and facilitate their mobility. We are focusing on developing within the following areas:

1. The service station of the future

Food and drink for people on the move will continue to be a core business, and one of our initiatives during the year was to launch our new coffee concept from Starbucks. We are searching for new partners and locations, not least in towns, where OKQ8 Scandinavia can act as a mobility hub. Examples of suitable locations are at a railway or subway station, commuter parking or residential areas with car parks. The mobility hub will be a place where the customer can access a wide range of food, drink and mobility services, vehicle charging and every day services such dropping off and picking up packages, food pickup and much more.

2. Mobility services

We currently have a large fleet of rental vehicles throughout the country. In the future, we might also offer shared carpooling to property owners, businesses and municipalities, where we look after the neighbourhood vehicle pool, including charging, carwash and vehicle maintenance.

3. Charging facilities for electric vehicles

As the vehicle fleet moves increasingly towards electricity, OKQ8 Scandinavia will have new opportunities to serve customers at more locations. At the moment, 75–80 percent of charging takes place at home or at work. As an enabler for people on the move, it is natural for OKQ8 Scandinavia to supply fuel for electric vehicles as well. Accordingly, we have already launched charging solutions for home use and on business premises, in addition to the chargers already provided at our service stations. We see this business as growing.

4. Carwash and maintenance

Keeping the vehicles clean and in good repair will be an important parameter when people are purchasing mobility as a service. OKQ8 Scandinavia currently has the widest range of sustainable carwash facilities, from automated carwashes and indoor self-wash facilities to washing services at customers' preferred location. We will continue to develop new services and locations. Steamrex by OKQ8 in Sweden is one example of the development of an existing business, and, of course, in a sustainable way.





Climate on the agenda

International politics – two steps forward and one back

At the Paris Climate Conference in 2015, every country in the world agreed that global warming must be limited to a maximum of 2 degrees, and with an ambition to keep it below 1.5 degrees. US President, Donald Trump, took the first formal steps to withdraw the USA from the Paris Agreement in November 2019, with that being the only country in the world to be outside the deal.

At the COP25 Climate Summit in Madrid at the end of November 2019, the rules for the agreement should have been finalised. The discussions stalled, since the nations involved found it difficult to agree on the approach to emissions trading. Many people were disappointed at the outcome, or rather the lack of an outcome. There were successes, such as the agreement that the climate commitments should be made more stringent on an ongoing basis, rather than simply renewed, and that developing countries affected by climate change would receive special payments.

At European level, the EU has set the goal of being the world's first climate-neutral continent by 2050. As part of implementing this ambition, the "New Green Deal" has been drawn up – a far-reaching package of measures aimed at ensuring that both the business sector and the general public can benefit from a sustainable transition.

National climate legislation calls for action

- Since 2018, Sweden has had climate legislation which affects all new political decisions.
- The target is for Sweden, at the latest by 2045, to have zero net emissions of greenhouse gases and for emissions from domestic transports to be reduced by at least 70 percent of the 2010 figure by 2030.
- In December 2019, the Danish Parliament adopted the country's first climate legislation. The Climate Act should ensure that Denmark significantly reduces greenhouse gases over the next ten years.
- Emissions in Denmark must be reduced by 70 percent of the 1990 level by 2030, and the country must be climate-neutral by 2050.

Incorporation of renewables in all fuels

In 2018, Sweden introduced a reduction obligation for petrol and diesel. This means that all fuel sold must have bio-fuels added – with the percentage rising incrementally each year so as to achieve the targets for of the required reduction in emissions. In 2019, the reduction obligation for petrol was 2.6 percent and for diesel, 20 percent. In 2020, the requirement was raised to 4.2 percent for petrol and 21 percent for diesel.

A similar system is in force in Denmark but starting from the quantity of renewable raw materials mixed in with the fossil fuels. In 2020, 7.6 percent of all energy sold in the form of liquid fuels for road transport must be renewable, which should give at least 6 percent CO₂ reduction for all fuel.

The industry takes the lead

A number of industries in Sweden have presented their roadmaps for achieving fossil freedom by 2045, including the automotive industry, road haulage, the shipping industry and energy companies. This shows that Swedish enterprise backs the national targets and will jointly contribute to setting plans for making this possible. Early 2020, SPBI (the Swedish Petroleum and Biofuels Institute) and the petroleum industry unveiled its own roadmap to ensure climate neutral transports by 2045.

Denmark's climate action plan is currently being prepared and is expected to be published in spring 2020. To assist the Danish government in preparing the climate action plan, the government has established 13 climate partnerships representing all sectors of Danish enterprise, including the transport sector.

The UN's principles on human rights

In 2014, OKQ8 Scandinavia signed up to the UN Global Compact's principles on human rights, labour rights, the environment and anti-corruption. The principles are in line with our own Code of Conduct, our approach to sustainability and our policies.

The UN's Sustainable Development Goals

The UN's 17 global Sustainable Development Goals and 169 targets form a joint plan for shaping a planet of peace and prosperity, now and in the future. All participating countries and the enterprises in these countries, play a vital role in delivering the plans. OKQ8 Scandinavia's operations have a bearing on several of these goals, and we are actively working towards these.



Science Based Targets

Science Based Targets (SBT) is an initiative which is backed by a wide range of organisations, including the WWF, the UN's Global Compact, CDP (Carbon Disclosure Project), WRI (World Resource Institute) and many more. SBT ensures that the targets which companies set for their own greenhouse gas emissions are science based and in line with the goal of maximum global warming of 1.5 degrees. OKQ8 Scandinavia's targets are in line with the SBT, and we have signed a Letter of Commitment to begin the process of having the targets approved by the organisation.





Our sustainable strategy and our goals

Sustainability is not a separate project at OKQ8 Scandinavia but is a natural component of our business strategy and of every Division's goals and activities. We actively seek to develop new business, and obviously that business must be sustainable, and of making our current business as attractive and sustainable as possible. This might sound simple, but it involves hard work, day in and day out.

For OKQ8 Scandinavia, sustainability falls under two areas: Environmental Sustainability and Responsible Entrepreneurship.

1. Environmental Sustainability

OKQ8 Scandinavia's vision is to be the preferred enabler for sustainable mobility. This means that we are committed to contributing to the transition to climate neutrality in our community and in the transport sector. Over and above our obvious aim to be climate-neutral in our own business, we need to ensure our role in the world. The greatest impact we have is through the products we sell. When we help our customers to transition, we generate maximum benefit for the community.

Climate goals

- Climate-neutral throughout our value chain by 2045
- Climate-neutral in our own operation by 2030

2. Responsible Entrepreneurship

OKQ8 Scandinavia, with its many employees and 1,000 service stations in Sweden and Denmark, has a real opportunity to influence the communities we operate in. Our goals for social sustainability include:

- Contributing to a vibrant society
- Creating opportunities for inclusion in the community
- Zero tolerance of corruption
- Focus on human rights
- Satisfied employees
- Workplace equality



Mariana Edge and Sasha Beckmann are OKQ8 Scandinavia's new Sustainability Officers in Sweden and Denmark.

Congratulations on your appointments. What made you choose OKQ8 Scandinavia?

Mariana (M): I was very impressed with the reception I received. And also by the company's conviction that the future is fossil-free, and that OKQ8 Scandinavia intends to be part of that future.

Sasha (S): If you really want to make a difference in the world and for the climate, you must start where there are real opportunities to make a difference. Those opportunities are here.

What does a Sustainability Officer do?

S: Sets targets and direction for where we are going in terms of sustainability. Right now, we have two overarching climate goals – we must be climate-neutral in our own operations by 2030, and all our products and services must be CO₂ neutral by 2045. To achieve these ambitious goals, we have to start right now to look at which of our activities must be changed and what type of services we should offer our customers.

M: We act as change agents for sustainability. We must create a positive change within the organisation if we are to achieve the sustainability goals.

What are your backgrounds?

M: I have been working with sustainability in the construction sector and as a consultant. For the past seven years, I have been working with these issues in the food industry.

S: I have been working with sustainability for ten years. Often focusing on the interplay between innovation, the company and sustainability, most recently in the construction industry.

What are the first things you want to address

M: With my experience from the food industry, I want to work towards a sustainable food range and reduced food waste. Since there is massive demand throughout the world to become fossil-free, I also intend to focus on enabling an increased percentage of renewable fuels.

S: Internally, it is important that we find a common thread to link all our activities to our objectives.

OKQ8 Scandinavia will be climate-neutral by 2045. Can you give us the short version of how this will be possible?

M: The major potential is in our customers' use of our products. We need to broaden the range of biofuels, install more charging points and look at innovative solutions.

S: The climate-neutrality goal will permeate our whole operation; both as it affects our fuels and our range of filling and service stations fossil oil is used in many of the products we are accustomed to consuming – from plastic cutlery to our clothing. Just as we are working to make our fuels fossil-free, we are also working on a whole range, and focusing on the smart use of resources in the future.

What can be done in our stations?

S: Focus on the target for 2030 – don't waste heat, switch off lights, use new energy-smart products and take an active part in the food waste project.

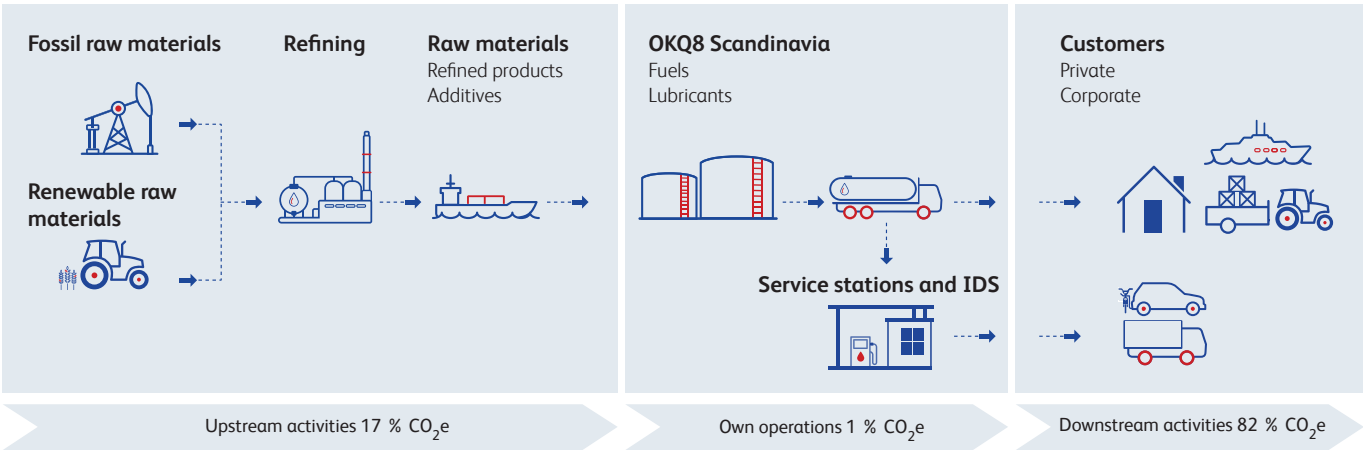
M: When it comes to the 2045 goal, it is crucial to help our customers change. Informing about alternative fuels with better environmental performance is one of the most important things we can do. New diesel cars that can refuel HVO reduce emissions by 90 percent, but many customers do not know about it.



The Environment and Climate

We have ambitious and clear goals. By 2045, our whole value chain will be climate-neutral. As a vital stage in this process, by 2030 we will be climate-neutral in our own operation. By 2045, we will offer all of our customers mobility solutions which are sustainable for both the climate and for the community. This will involve a range of different forms of energy and transport options – from fossil-free fuel and electric charging to carpooling and electric bicycles.

OKQ8 Scandinavia's environmental and climate impact varies considerably through the value chain. The greatest impact comes from our upstream and downstream activities, in other words in the production of the things we distribute and after we have sold the product to our customers. The greatest individual potential for reducing carbon dioxide emissions is to reduce the impact when our fuel products are used by our customers. Seen against the value chain for fuels, only approximately 1 percent of our emissions comes from our own operation, 17 percent comes from production and no less than 82 percent from the use of our products by our customers.



Sustainable fuels

The largest proportion of the emissions in our value chain comes from our customers' use of our products. That is why we are so committed to constantly improving our fuels to reduce their climate impact.

At present, petrol and diesel vehicles continue to dominate new car sales in both Denmark and Sweden, but hybrids and plug-in electric vehicles are rapidly increasing their market share and growing in number. During 2019, the proportion of new electric cars reached a record level – a full 11 percent. Heavier vehicles are still in the very early stages where battery power, hydrogen and other new fuels are concerned, but progress is accelerating here as well.

We are constantly improving our renewable fuels and offering alternatives such as electricity, HVO and biogas at our service stations. The more sustainable fuels are demanded and used by our customers, the more CO₂e emissions will be reduced and the environmental impact on the community will be reduced. That is why our greatest focus is on helping our customers with the transition.

Since we do not produce fuel ourselves, we have the option of choosing the best raw materials and the latest technology so that we can offer products with the minimum possible impact on the environment.



Sustainable fuels – an overview

OKQ8 Scandinavia has the market's broadest offering of renewable energy for the transport sector. We divide our sustainable fuels into three categories:

Bio fuels	Inblend	Electricity
<p>What is it? Fuels produced from biomass which can be used in internal combustion engines.</p> <p>HVO: Produced from vegetable oils and animal fats. Can replace traditional diesel in many new engines. Reduces CO₂e by up to 90 %.</p> <p>Ethanol: Liquid fuel made from materials such as wheat, maize and sugar cane. Sold both as Ethanol E85 for cars and Ethanol ED95 for heavy vehicles.</p> <p>RME: Liquid fuels manufactured from rapeseed.</p> <p>Biogas: Produced, for example, from waste products from foodways or from crops. One of the most climate-smart alternatives with up to 95 % reduction in CO₂e compared with petrol.</p> <p>OKQ8 Scandinavia</p> <ul style="list-style-type: none"> • HVO at 100 service stations in Sweden. • E85 at 490 service stations in Sweden. • RME for direct sales. • Together with partners Sweden's largest station network for biogas, at 71 service stations. <p>Our plan going forwards We are working to expand the number of HVO service stations, maintain the availability of E85 and increase the number of biogas stations.</p>	<p>What is it? Biofuels (such as RME, Ethanol and HVO) can be blended with traditional petrol and diesel. This does not affect the performance of the engine, but reduces emissions.</p> <p>OKQ8 Scandinavia The reduction obligation in Sweden and the quota obligation in Denmark make blending obligatory. Renewable fuels are blended in to all OKQ8 Scandinavia's GoEasy Petrol and Go Easy Diesel, to meet the regulated obligations. This means that during 2019 our Swedish diesel had 20 % lower emissions than fossil diesel and 2.6 % lower emissions than fossil petrol. In Denmark the regulation claims 5.75 % renewable energy as a total, which we of course follow.</p> <p>OKQ8 Scandinavia also offers GoEasy Diesel Extra. This product always contains at least 40 % renewables in Sweden and 5 % in Denmark.</p> <p>OKQ8 Scandinavia supplies GoEasy Diesel Marine, with a renewable blend specially developed for boat engines.</p> <p>Our plan going forwards The Swedish reduction obligation and the Danish quota obligation set the minimum levels for our blends. Sweden will reduce emissions from diesel by 21 % and from petrol by 4.2 % in 2020. The equivalent figure in Denmark is a regulated goal that at least 7.6 % of all energy in forms of liquid fuel will be from renewable sources.</p>	<p>What is it? Electric cars are divided into battery electric cars and chargeable hybrids. Most commonly, they are charged at home or at work.</p> <p>Hydrogen cars are also a type of electric car but use hydrogen fuel which the car's fuel cell converts to electricity.</p> <p>OKQ8 Scandinavia During 2019, our network of charging stations increased to a total of 61 locations. We also install chargers at the premises of both private and commercial customers.</p> <p>Our plan going forwards In 2020, our goal is to have at least 80 new charging stations at our service stations.</p> <p>OKQ8 is also interested in hydrogen for the future, not least for heavy vehicles, and we are actively planning to soon open our first station offering hydrogen in Gothenburg.</p>

Responsibility throughout the value chain

In 2019/20, we sold 3.34 billion litres of fuel, of which 488 million litres were renewable. This makes our choice of suppliers of both traditional and renewable fuels particularly important, and we also monitor closely how our collaboration with them is working out.

Since we neither extract oil nor own refineries we come into the process at a relatively late stage. We buy both fossil and renewable commodities in the form of refined products and additives. Our fossil commodities are obtained from various European suppliers. The crude oil they use comes principally from Russia and the North Sea. Our renewable resources are agricultural products in the form of vegetable or animal oils from several different countries. The majority of the oil products are distributed to our depots in Denmark and Sweden.

OKQ8 Scandinavia has eleven Nordic fuel suppliers, with six of these supplying fossil and five supplying renewable fuels. We purchase finished products from refineries with which we have long-term relationships and which have well established environmental and sustainability policies.

Suppliers of fossil fuels

The companies which supply fossil fuels to us undergo particularly stringent inspections, since they constitute a high risk factor for the environment. Our suppliers purchase their crude oil primarily from Russia and the North Sea. Through our third-party audits, we have identified our greatest risk in the fossil fuel supply chain as being whether or not we have full traceability. Our suppliers generally know which countries the oil comes from, but other materials are blended in the end product, and these come from a number of different sources. For that reason, we require our suppliers to assess and evaluate their own suppliers in accordance with our Code of Conduct.

Suppliers of renewable fuels

Where renewable fuels are concerned, we use several assessment criteria of our own along with the ten principles of the UN Global Compact. Fuels must, for example, be produced in a way which does not breach human rights. With third-party certification, including ISCC (International Sustainability & Carbon Certification) and RSPO (Round Table on Sustainable Palm Oil), as well as full traceability, we can have confidence in the handling of renewable fuels.

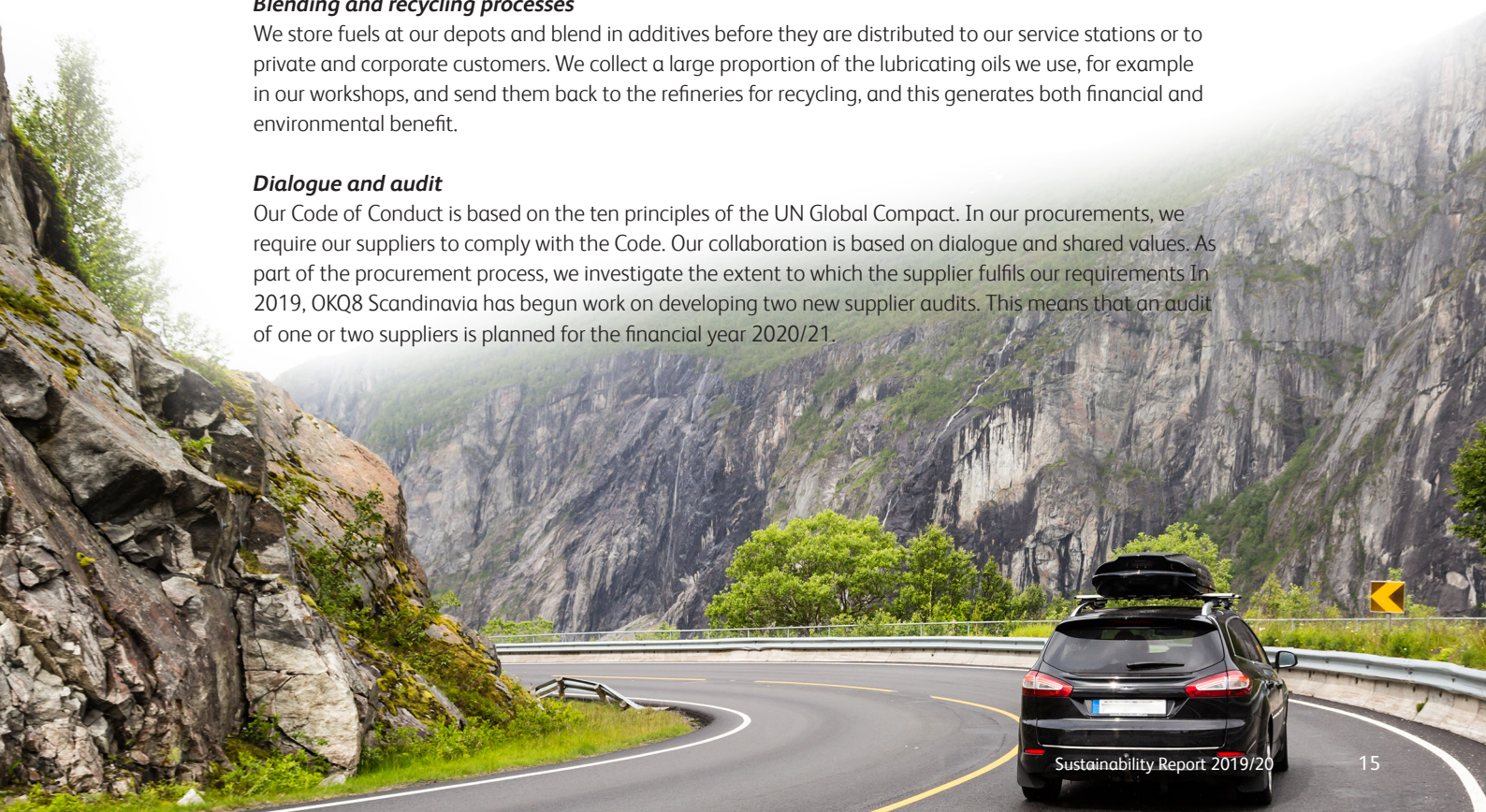
Follow-up takes place through our system of checks in accordance with the Act (2010:598) on Sustainability Criteria for Biofuels and Bioliquids. The aims of the Act include protecting land of high biological diversity and reducing CO₂ emissions compared with fossil products. We have received sustainability clearance from the Swedish Energy Agency which guarantees that all our biofuels are sustainable in accordance with the Act.

Blending and recycling processes

We store fuels at our depots and blend in additives before they are distributed to our service stations or to private and corporate customers. We collect a large proportion of the lubricating oils we use, for example in our workshops, and send them back to the refineries for recycling, and this generates both financial and environmental benefit.

Dialogue and audit

Our Code of Conduct is based on the ten principles of the UN Global Compact. In our procurements, we require our suppliers to comply with the Code. Our collaboration is based on dialogue and shared values. As part of the procurement process, we investigate the extent to which the supplier fulfils our requirements. In 2019, OKQ8 Scandinavia has begun work on developing two new supplier audits. This means that an audit of one or two suppliers is planned for the financial year 2020/21.





Petrobell – a sustainable partner in the Stockholm Archipelago

Our collaboration with Petrobell is an excellent example of a customer and partner acting as our extended arm in assisting the consumer transition process. OKQ8 Scandinavia has developed OKQ8 GoEasy Diesel Marine, a product with a high blend of renewable fuels, and Petrobell distributes it to many of the waterside fuel stations in the Stockholm Archipelago.

Petrobell are specialists in the supply and sale of marine fuels. With bunker vessels and road tankers, they supply all types of fuel throughout Sweden. Their customer base includes waterside fuel stations, ships, contractors and public agencies, such as the Armed Forces and the Swedish Maritime Administration, Sjöfartsverket. In 2019, Petrobell expanded into the solar energy sector, under the Nordsol brand.

How do you see your partnership with OKQ8 Scandinavia?

We have been collaborating with OKQ8 Scandinavia since 2014. They are our sole supplier of fuels for customers who operate in the Swedish Archipelago. We see it as a very rewarding partnership, and we often say that we are their extended arm for all deliveries at sea.

What is the difference between transporting by ship on the water instead of by a vehicle on roads?

We try to make all the deliveries we can by water rather than by road, since this is both safe and reduces environmental impact. There are at all times at least two trained crew members who can handle the cargo in normal operation and if an unexpected event occurs. By ship, we can transport larger volumes at a time, which reduces traffic impact and carbon footprint.

What type of fuels do you supply to your customers?

Primarily diesel and dyed diesel. Dyed diesel is a tax-exempt product used by commercial traffic. In recent years, we have noticed that more and more of our customers are switching to environmental diesel which contains a larger percentage of HVO, and this is better for the environment. In the past three years we have seen a marked increase in demand for this new diesel from our commercial customers. During the summer, we also noticed an increased demand from private customers who prefer to fill their tanks with a better environmental choice at waterside service stations all round Sweden.

Why did you choose OKQ8?

This was an obvious choice for us – we share the same vision of making marine fuel deliveries both safer and with reduced carbon footprint. You could say that we share the same faith in the future. Currently, we are developing new products together to future-proof the marine environment, and these include OKQ8 GoEasy Diesel Marine.

How do you see the near future with respect to new products and services?

We predict that more and more people will prefer to use marine diesel with an HVO blend. A lot will depend on disseminating information to users of both commercial and private vessels to win over more customers to a better environmental alternative. Then we obviously look at how we will meet the demand of the coming electrification of marine propulsion. However, this is still some way in the future.

What is your own approach to sustainability?

We aim constantly to increase sustainability in everything we do. To give you an example, during 2020, through a joint project involving Nordsol and Kraftpojkarna (acquired by OKQ8 Scandinavia in 2019), we are constructing a solar panel installation at one of Stockholm's largest marinas. Almost 600 solar panels will be installed on the roof of Jungfrusunds Marina in Ekerö outside Stockholm.



Customer interview: Charged and ready to go

Interview with Maria Dubois, a private customer in Sweden who has installed a charging box which enables her family to charge the car efficiently and safely. In addition, they have solar panels on the roof of their house generating their own energy.

How long have you been a customer of OKQ8?

I have been filling up the car and using the carwash at OKQ8 Scandinavia's service stations for several years but for solar energy and charging our electric car, we bought everything from them during 2019.

What made you choose this particular solution?

It was a combination of an attractive price, high quality products and excellent service. There was also an inclusive offer of charging box and solar energy that I was really interested in. I received quotations from several other suppliers, but I felt that, overall, OKQ8 Scandinavia's package suited me best.

Was sustainability a parameter in your choice?

The products themselves are a clear choice given that I wanted to play my part in achieving a more sustainable world. In this way my family and I are reducing our climate impact and actually saving money at the same time.

Have there been any problems along the way?

There have been no problems at all, everything went really smoothly, both in the delivery of the materials and the actual installation.

What is the impact of this solution on your everyday life?

Well, it means that I am reducing my own climate impact and also saving money without needing to do anything at all, since the solar panels generate electricity and reduce my electricity bill. With the charging box, I can "fill up" the car at home, which is really flexible and convenient.



Holger Ross Lauritsen, CEO of VM Tarm in Denmark

VM Tarm is a family-owned company which was founded in 1962. Every year, they produce 200-300 high-quality customised road tankers in stainless steel and aluminium. VM Tarm has been a customer of Q8 in Denmark for almost 50 years, purchasing mainly products such as diesel, heating oil and lubricants.

When did you decide to switch to more sustainable choices in your operation?

Since I joined VM Tarm five years ago, I have been working on a number of different projects. In the past year, I've been working in particular on running our operation in a more sustainable way. Over the summer of 2019, we developed a new strategy, and we have been working actively since then to make the company more sustainable. We are putting a lot of effort into sorting our waste and, of course, on reducing CO₂ from our fuels.

What initiatives have you implemented to increase sustainability?

We looked at a number of areas and used a range of tools to make our operation more sustainable. Among other things, we have focused on sorting waste at source and we have also taken a serious look at our CO₂ emissions in general. This was in response to us becoming aware that we use in the region of 60,000 litres of diesel a year. By using HVO instead, we can reduce our CO₂ emissions by up to 90 percent, so that was a no-brainer.

What was most important factor in your choice of Q8 as your supplier of HVO?

First and foremost, we decided on the type of fuel – and then we looked at suppliers. Since Q8 was one of the few players who could supply HVO, the choice was easy. Sustainability is a decisive parameter in our choice of partners.

Why did you decide to go for HVO in particular to reduce your climate impact?

HVO can reduce CO₂ emissions by up to 90 percent. In addition, it is possible to use the fuel with the vehicles we already have. Several of the other environmentally friendly alternatives, such as hydrogen and electricity, would require investment on our part. For us, this was the simplest solution here and now.

What does this green transition mean for you?

Above all, it very much affects our staff. They are all heavily involved in the process and have come up with several initiatives of their own. There is a real sense of pride in working at a company which puts sustainability first. The switch we have made will reduce our CO₂ emissions substantially.

Sustainable service stations – one step towards climate neutrality

Our networks of 743 service stations in Sweden and 274 in Denmark are strategically located after the flows of people in the towns and in the countryside. Our ambition is to facilitate our customers' transition to fossil freedom by offering a wide range of sustainable fuels. But our stations are more than that – we are convinced that both today and in the future we are in a strong position to offer locally-based community and mobility services such as good and sustainable food in an attractive meeting environment.

Our goal of being climate-neutral in our own operation by 2030 sets high standards for our station network. We work with three focus areas of sustainability within the stations: smart energy, sustainable assortment and reduced waste.

Naturally, all new filling and service stations are designed and built in a sustainable fashion. In Sweden, we have built eight completely new sustainable stations since 2012, and in Denmark, in 2019 we opened two spectacular service stations; Kalbygaard Skov Nord and Syd. The stations have been designed by the Norwegian architectural firm of Snøhetta and the architecture is distinctive and striking. They are designed specifically to suit the hilly terrain, and are built on sustainable principles throughout.

The work of making our other service stations sustainable is already in progress, with projects focusing on energy consumption, installing solar panels and pilot projects for new technological solutions.

Smart Energy

Production of our own solar energy

Twenty of our service stations have solar panels on the roof and during 2020 the number of service stations which generate their own electricity from solar energy will at least double.

Energy consumption reduced by 17 percent

An energy programme is underway throughout the station network, with the exact electricity consumption of each station being followed up and analysed, so as to find tools and approaches to reduce energy usage. To be classified as a Sustainable Station, energy usage must be 50 percent lower than traditional station of equivalent size and range. These measures have enabled us to reduce OKQ8 Scandinavia's total energy consumption by 17 percent since 2014/15.



OKQ8 Scandinavia's network consists of over 1,000 filling and service stations - staffed, unstaffed and IDS in Denmark and Sweden

743

Stations in Sweden – OKQ8, Minipris, Tanka and IDS

274

Stations in Denmark
Q8 F24 and IDS

11 depots

3 in Denmark and 8 in Sweden



Sustainable Product Range

Reduced environmental impact with an attractive range

Other environmental and climate impacts in our value chain come from the products and services we offer at our service stations. Our stores sell a wide range of food and drink, as well as products and accessories for vehicles. Our own environmental symbol, OKQ8 Bättre miljöval (Better environmental choice) highlights products and services which have a lower impact on the environment and climate. It has to be easy to make the right choice.

Happy Chicken

In Denmark, we have replaced the chicken used at our service stations with "welfare chickens", which are raised in much more humane conditions without antibiotics, and which enjoy a longer and better life with more space allocated for each bird. This is fully in line with our sustainability policy and is something we believe that our customers appreciate.

Sustainable carwash at stations

The water from a carwash contains oil, heavy metals, asphalt, tyre residue and chemicals from the car care products. These contaminants can harm people, animals and vegetation for a long time if they reach our watercourses. The discharge of contaminated waste water from carwashes into the drainage system is a breach of the Environmental Act. When customers wash their cars in the automated carwash or wash their cars themselves in our indoor wash facilities, the washing water taken cared of through water treatment units and oil separators, thus making it a much more sustainable alternative for the environment than washing at home. The car care products in the majority of our carwash facilities carry the Nordic Swan Ecolabel, and this will be extended to 100 percent during 2020.

Steamrex

In October, "Steamrex by OKQ8" was launched in Sweden, which offers a totally new kind of sustainable carwash service, with qualified operators steam cleaning cars. Private and corporate customers can have their cars cleaned externally and internally at the location and at the time that suits them. The steam technology involves the minimum use of chemicals in the consumption of only 5 litres of water for each wash. There is no water run-off, since dirt and particles are captured by the washcloths which can be washed, checked and reused.



Reduced Waste

We handle a large quantity of waste every year. This ranges from water from carwashes to packaging for the products we sell and thrown-out food.

Purified water in the carwashes

A fresh example of our blue sky thinking and innovative use of new technology relates to the water we use in the carwash. At Kungsbacka outside Gothenburg and in Åkersberga outside Stockholm, we have open two pilot installations to test new biological treatment units. The treatment unit means that the water leaving the carwash is so clean that the Municipality of Kungsbacka's water treatment plant says it can be discharged directly into the drainage system, something which is totally unique in the industry. This means that we can reuse the water and so reduce our water consumption by around 95 percent. During 2020, we will equip an additional carwashes with the biological treatment units.

DripStop saves 3,000 litres of diesel

To minimise spillage of diesel, DripStop has now been fitted to all of OKQ8 Scandinavia's diesel pumps. There is a stop function in the nozzle which prevents drops which remain after the tank has been filled from running out onto the ground. If the last two drops are saved instead of landing on the ground, this will prevent a total of at least 3,000 litres of diesel per year spilling and contaminating our nature. Since petrol does not drop from the nozzle in the same way as diesel, there is no need to fit these to the petrol pumps.

Working together to minimise food waste

Every day, edible food is thrown out from restaurants, hotels, dining rooms and even from our service stations. To reduce this waste, we are working with the food tech companies Karma in Sweden and Too Good To Go in Denmark. Both initiatives are helping us rise to the considerable challenge represented by food waste. An app allows customers to buy food at half price, which ensures a responsible use of resources and a reduction in CO₂e emissions. Together with our customers, we have saved over 97,000 meals during the financial year 2019, which corresponds to 223 tonnes of CO₂.



CO ₂ e emissions					
Category	Unit	2019/20	2018/19	2017/18	2014/15 ¹⁾
Direct CO ₂ e – Scope 1 ²⁾	tonne	1 841	2 382	2 459 ⁵⁾	4 047
Indirect CO ₂ e – Scope 2 ³⁾	tonne	9 186	8 876	9 591	17 692
Other indirect CO ₂ e – Scope 3 ⁴⁾	tonne	10 715	11 343	11 616	12 021
Total CO ₂ e	tonne	21 742	22 601	23 666	33 761
Total CO ₂ e per m ³ of product sold	kg/m ³	6.51	6.37	7.34	10.7

1) 2014/15 was the first year as follow-up after this division took place, and so it is specified as the base year in this context

2) Scope 1: Direct CO₂e emissions from buildings, production and vehicles used in own operations

3) Scope 2: Indirect CO₂e emissions from the purchase of electricity and heating/cooling

4) Scope 3: Other indirect CO₂e emissions, which are not Scope 1 or 2, and are from distribution, air travel and train travel

5) The large reduction in emissions in Scope 1 are due to the fact that we no longer distribute fuel on our own tanker ships in Sweden

CO ₂ e emissions from own operations					
Category	Unit	2019/20	2018/19	2017/18	2014/15
Stations and IDS	tonne	8 718	8 686	9 327	17 329
Depots	tonne	272	266	294	616
Offices	tonne	107	90	111	209
Distribution	tonne	10 572	10 950	11 293	12 786
Business travel ⁶⁾	tonne	1 246	1 538	1 754	1 633
Production of lubricating oil ⁷⁾	tonne	827	1 074	877	1 188

6) From 2018/19, train travel is included

7) Petrolia AB and the production of lubricant oil was shut down 31 December 2019

Energy consumption					
Category	Unit	2019/20	2018/19	2017/18	2014/15
Non-renewable energy	kWh	34 014 656	31 846 562	47 195 302	62 408 990
Renewable energy ⁸⁾	kWh	84 572 244	85 821 738	79 933 598	80 291 410
Total energy ⁹⁾	kWh	118 586 900	117 668 300	127 128 900	142 700 200
Renewable proportion of energy	%	71	73	63	56
Total energy per m ³ of products sold	kWh / m ³	35.50	33.18	39.42	45.23

8) From electricity and distance heating

9) Energy type – 79 % electricity, 18.3 % district heating, 2.4 % heating oil and 0.3 % natural gas



Responsible Entrepreneurship

OKQ8 Scandinavia takes great pride in acting responsibly, professionally and humanely in our company. Among other things, this means opening doors to those who are outside the labor market today. It is also a matter of taking our responsibility a little further from our own operations in the partnership we have been working with for many years together with Vi-skogen, and it is of course also about taking care of our employees in Denmark and Sweden every day.

Help into the labour market

Despite the relatively low level of unemployment in our countries, there are groups in society who are isolated from the labour market. OKQ8 Scandinavia works actively to help them enter working life. In 2014, we launched the På väg (On the way) programme in Sweden. This is an internship programme aimed at reducing exclusion for people outside the labour market. Under the programme, we accept interns for three months to give them experience of working life. Our Customer Service Department in Avesta takes on a number of individuals every year. These members of staff are much appreciated.

In 2019, a total of 20 people worked under the internship programme, and almost 400 people have been through the programme since it was launched.

Vi-skogen

OKQ8 Scandinavia has selected Vi-skogen as a partner for projects in social and environmental sustainability outside Sweden's borders.

Vi-skogen is a Swedish aid organisation which plants trees in West Africa, an area which has been hard-hit by climate change and deforestation and these have had a devastating effect over many years for both people and the natural environment. Each tree creates opportunities to farm the land and provides timber, shade and animal fodder. In addition, the trees bind carbon dioxide, fix nitrogen in the soil and prevent soil erosion. By planting trees and training groups of local people in sustainable agriculture, equality and financial prudence, Vi-skogen combats both climate change and poverty.

OKQ8 runs a number of projects which generate support for the organisation, including recycling cans and bottles at our service stations and offices, with the deposit on the cans and bottles donated going to Vi-skogen. Through our green electricity agreement, customers have the opportunity to provide extra support to the organisation, and the company has decided, instead of giving Christmas presents, to donate the money to Vi-skogen. Taken together, these projects initiated by OKQ8 Scandinavia have generated SEK 689,365, which is enough to plant 34,468 trees.

Sustainable workplace

At OKQ8 Scandinavia, we firmly believe that our most important resource is our staff, both those working with us now and those we will recruit in the future. That is why our HR strategy is inextricably linked to our business strategy, to ensure that we have the people and resources to implement the plans we make to achieve our goals.

Our approach and how we work

We have four principles on which our work is based. This approach applies in both large and small issues and helps us reach consensus on how we tackle problems, solve business challenges and function effectively together. The goal is for every member of staff to absorb these principles thoroughly. They are the pillars of our corporate culture. The four principles are:

1. To be close to the business
2. To aim for simplicity and well-rounded decisions
3. To improve constantly
4. To take individual responsibility – it begins with me!

Appraisal discussion

Every employee is offered an annual appraisal discussion with his or her manager. The appraisal discussion is a part of a development process which goes on all year in the form of discussions and ongoing reviews between manager and member of staff. By setting aside time for reflection and feedback, we help each other perform better and improve in our roles. Clear expectations and the fact that we find out what we need in order to thrive at work, create conditions that enable us all to feel committed and motivated in our day-to-day activities. We aim to enable and encourage a life in which we can combine and balance family and an active leisure time with work and career.

Staff index

Every year since 2014 we conduct an internal employee survey for our offices and depots. The result has risen from 3.01 in 2014 to 3.21 in 2020, on a scale of four. The response frequency is as high as 94 percent. We are, as you would expect, very proud of the figures and it looks like the actions we are taking to increase satisfaction are showing in the results.

Leadership programme

So that we can fulfil and implement our business strategy and support our way towards a fossil-independent society, managers and supervisors within the company go through a development programme focusing on leadership. The programme is divided into modules with a range of tools to develop staff and achieve goals in accordance with the Company's strategy. Follow-up will take place over the next few years at the same time as the next level of managers and supervisors begin their respective modules.

Trainee programme

In 2018, a new trainee programme was introduced. During 2019/20, four people have gone through a one-year introduction in which they are given the opportunity to develop within the organisation. At present, all four have been employed in new roles at OKQ8 Scandinavia.

A safe work environment

We work strategically and operationally on the physical, organisational, social and psychosocial work environment at service stations and depots, as well as in our offices. Our workplace management system is at the heart of our approach to the work environment: Så Gör Vi (This Is How We Do It), which

broadly follows the standards set out in OHSAS 18001 (work environment) and ISO 14001 (environment). It contains procedures which, among other things, cover events and crises, audits, safety inspections, risk evaluation, interactions with suppliers, the environment, the work environment, and health and safety. Så Gör Vi is the framework for our systematic approach to the work environment.

We work proactively on inspections, risk assessment, taking action and monitoring not only the physical but also the organisational and social work environment on a continuous basis. Our commitment to the work environment will be a natural component of our day-to-day work, and cooperation between employer and employee will ensure a sound work environment for everyone employed at OKQ8 Scandinavia.

We have digital tools for reporting adverse events. Around 1,000 adverse events are reported in the system each year. The purpose of the reporting is to enable us to improve constantly to create a safer and more secure work environment and to reduce our environmental impact.

Although we work towards zero tolerance of accidents in the workplace, incidents do sometimes occur in which people are injured or there is damage to the environment. To minimise the negative consequences of accidents, we follow-up all accidents and offer consultations with the Company's occupational health service in the event of serious incidents.



Safety inspections

Safety inspections are carried out at every filling station several times a year. The purpose is to identify and eliminate possible causes of unsafe situations. During 2019/20, 1,961 inspections were carried out.

We carry out audits every year in accordance with our audit plan. Audits can be carried out in-house by us or by an external expert such as a certified auditor. The purpose of these audits is to evaluate whether the management system is being complied with and whether it provides us with value and effectiveness.

Training

Our training portal provides resources such as online courses and training modules on safety, the work environment, health and the environment. Certain courses are obligatory while others are optional. The courses are registered and forms the basis for our Training Index which is calculated on the number of training hours per employee. This year, we achieved a training index of 4.31, which is above our target of 3.7.

As part of our preventive approach, we have a benefit portal for all staff, which includes for example, an allowance for keep-fit activities, which all employees are entitled to take advantage of. We have work environment committees in both Denmark and Sweden, with working committees on which employees are represented. The committees meet twice per year to follow up and discuss work-related issues and events, as well as to decide on the activities to be carried out during the year.

The improvement of our work environment

Starting from our management system, we work to ensure constant improvements in our work environment. The focus for improvement is on the organisational, social and psycho-social work environment, which provide the greatest challenges in relation to a more difficult social climate in general.

In 2019/20, there was a fall in the number of reported incidents compared with 2018/19 (from 1,113 to 1,047). On the other hand, the number of "near misses" increased from 437 in 2018/19 to 530 during 2019/20, an increase of 21 percent. The number of reported events involving personal injury fell by 24 percent on the preceding year's figure (from 208 to 158). The number of days of absence connected to personal injury has increased by 105 percent compared to last year (from 178 to 365 days), which explains the increase in LWC Severity Rate (see summary on page 26).

The reduced number of reported incidents is not in itself a positive, since we intend that all such incidents are reported. On the other hand, the increase in the number of near misses is extremely positive, since we want these to be reported so that we can take preventive action before a serious incident occurs which might involve personal injury.

We measure absence due to illness and look specifically at how we can reduce work-related absence due to illness. During 2019/20, absence due to illness was 3.8 percent.

Safety Representatives at stations

The Union and OKQ8's Principal Safety Representative, together with OKQ8 Scandinavia, have appointed representatives among the sales managers in each district who, in addition to their regular duties, are to assist their colleagues with work environment issues. The goal is to increase the security of the sales managers at the stations through collaboration with the Union, the Head of Health Protection, HR Work Environment Specialist and through the Work Environment Committee, which is a collaboration forum that deals with emerging work environment issues.



Employees		
	Women	Men
Denmark	759	777
Sweden	1 169	920
Total¹⁾	1 928	1 697

1) Covers full-time and part-time employees as well as hourly-paid employees



Contract				
	Permanent		Temporary	
	Women	Men	Women	Men
Denmark	49 %	51 %	0.1 %	0.1 %
Sweden	36 %	30 %	20 %	14 %

Employment				
	Full-time		Part-time	
	Women	Men	Women	Men
Denmark	14 %	13 %	35 %	38 %
Sverige	21 %	21 %	35 %	23 %

Employees and management		
	Women	Men
Board of Directors, OK-Q8 AB ²⁾	29 % (2)	71 % (5)
Board of Directors, Q8 Denmark A/S	33 % (2)	67 % (4)
Executive Management Team	60 % (6)	40 % (4)

2) OKQ8 Scandinavia has 29 percent female representation on the Board of Directors, which is regarded as meeting the requirements set in the Danish Accounting Act. The same also applies at management level where men are underrepresented and the Board is divided into 60 % women and 40 % men.

Absence			
	2019/20	2018/19	2017/18
Denmark	2.3 %	1.2 %	1.9 %
Sweden	4.8 %	5.1 %	5.4 %

Incidents								
Type of incident	Own employees				Contractors			
	Number of		Incident index ³⁾		Number of		Incident index ³⁾	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Criminality ⁴⁾	222	260	11.3	13.3	12	20	1.21	1.97
Personal injury	118	152	5.99	7.8	40	56	4.03	5.52
Near misses	396	308	20.1	15.8	134	129	13.5	12.7
Death	0	0	0	0	0	0	0	0
Customer-related incidents	38	61	1.93	3.13	5	13	0.50	1.28

3) Incident index: Number of accidents x 200,000 per number of working hours

4) Contains only external incidents such as robbery, fraud, burglary and threat

Personal injury with absence						
	LWC ⁵⁾		LWC Severity ⁶⁾		LWC Severity rate ⁷⁾	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Own Employees	17	24	16.1	6.5	13.9	8.01
Contractors	7	3	13.0	7.33	9.17	2.17

5) LWC (Lost workday cases) – Number of occupational injuries with absence

6) LWC Severity – Number of days of absence per LWC

7) LWC Severity rate – Number of days of absence in the event of occupational injuries x 200,000 per number of working hours



Risks and important areas

Important areas for sustainability

OKQ8 Scandinavia conducts a business with a number of stakeholders, both internal and external. The fuel industry has a great influence on both the basic functions of society and a great environmental impact. The external stakeholders have been identified based on the different aspects of our business where the outside world is somehow affected by us and affects us. With the help of external stakeholders and internal insights we have identified a number of areas in which we should prioritise our efforts. Over and above the views of stakeholders as well as business risks and opportunities, we have also taken into account external driving forces and external trends in order to identify the most important areas for us in relation to sustainability.

Our most important stakeholders:

Internal

- Owners
- Members of staff
- Management Team

Commercial

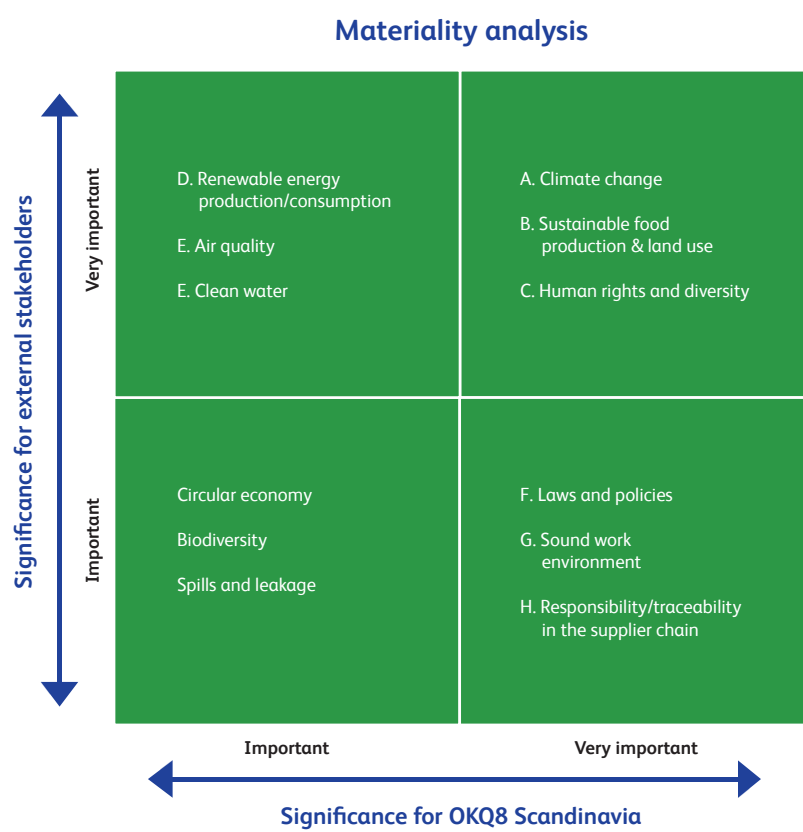
- Customers
- Suppliers
- Trade associations
- Partners

Political

- National
- Regional
- Municipal
- Public agencies authorities

Non commercial

- NGOs
- Media



A. Climate change

The fuel industry is directly linked to the greenhouse gases which have a dramatic impact on our planet and its climate. Consequently, our responsibility is to ensure that the transition from fossil to renewable fuels happens as rapidly as possible. We are working actively to reduce our own climate impact and environmental impact and to enable our customers to make the transition.

B. Sustainable food production and land use

OKQ8 Scandinavia is both a distributor of foodstuffs and a user of fuel products produced from biological raw materials. Sustainable cultivation and land use are, consequently, an essential area for us to focus on. We are working in partnership with our suppliers with clearly set requirements and high ambitions for sustainable cultivation.

C. Human rights and diversity

OKQ8 Scandinavia respects the international human rights recognised in the UN's Declaration and related conventions. Human rights and diversity are a central part of our operation. No employee is permitted in any way to cause or contribute to violations of human rights.

D. Renewable energy production and consumption

In our own operation, energy usage at our service stations is one of the largest contributions to our emissions. The energy saving programme that we are running in parallel with the transition to 100 percent renewables is a stage in our effort to reduce this impact. 20 of our own service stations already produce their own solar energy. We also offer our customers the opportunity to produce their own electricity, via our subsidiary, Kraftpojarna.

E. Air quality and clean water

The fuels we sell affect the quality of air and water through the emissions generated by internal combustion engines. OKQ8 Scandinavia strives continuously to improve the quality of our products in order to reduce harmful emissions. Additives in our GoEasy diesel and petrol products clean and lubricate the engine, and this leads to reduced emissions.

F. Laws and policies

Danish, Swedish and European laws provide a framework for players in the fuel sector. Through the reduction obligation in Sweden and the quota obligation in Denmark, there are clear requirements on the players in relation to renewable blends.

G. Sound work environment

It goes without saying that every individual at OKQ8 Scandinavia is of equal value to every other. No one shall suffer discrimination on grounds of their skin colour, gender, sexual orientation, civil status, pregnancy, parenthood, religion, political opinions, nationality, ethnic background, social origin, social status, disability, age or trade union membership. We take a preventive approach to the work environment in all parts of our business.

H. Responsibility and traceability in the supplier chain

At OKQ8 Scandinavia, we combat all forms of corruption, including extortion and bribery, and comply with all legislation and regulations on gifts, rewards and other benefits in the countries in which we operate.

Tools: The tools we use to implement the above areas are contained in our SSHE Policy, "Safe, Sound & Sustainable" and in the Code of Conduct for all employees and our business partners. This policy governs our work and ensures that we have internal processes in place.

Risks from a sustainability perspective

The most important risks which could have a negative impact on our sustainability in relation to our business operations are described below. The views of our stakeholders, commercial risks and external driving forces throughout the value chain are also taken into account.

Environmental sustainability

Sustainability areas	Existing and potential risks	Risk management
Climate change	Climate change which affects the well-being of current and future generations must be faced and limited. It is essential to keep the rise in global temperatures under 2 degrees.	OKQ8 Scandinavia works with Science Based Targets, focusing on keeping global warming below 1.5 degrees. That is why we have adopted and signed the Science Based Target Initiative as part of our drive to be climate-neutral in-house by 2030, and throughout our operation, including the products and services we sell, by 2045.
Spills and leakage	We handle large quantities of fuels, and despite the safety precautions we take, spills can occur, and these can be difficult to limit.	Systematic efforts to prevent spills and leakage. The handling of spills is covered by strict rules and continuous risk assessment. Through procedures, safety precautions, tests and the mandatory training of our staff and distributors, we prevent spills and leakage as much as possible. There are "spill zones" in the ground under all our service stations. In the spill zone, all spills from fuelling vehicles run down into an oil separator to protect the soil and the environment around the station. At our depots, where fuels are received and transhipped, oil separators are also installed in the ground. We comply with the stringent requirements set by the authorities to protect both the environment and the people who work and live in the area.
Resource limitations	Our operation has been based on fossil resources which we know will disappear in the future. Consequently, we have a great need for access to renewable resources which do not compete with the supply of food or damage biodiversity. At present, production facilities for biofuels are a scarce resource, with few market players. In the event of a production shortfall for renewable fuels, our role as a facilitator for our customers' transition is put at risk.	Through increased diversification of our product portfolio, we can offer our customers mobility solutions which are not totally dependent on the scarce resources. Through our partnerships, we are focusing on increasing the proportion and offering a variety of solutions, such as electrification, hydrogen, and LBG (liquid biogas) in the future.

Responsible entrepreneurship

Sustainability areas	Existing and potential risks	Risk management
Human rights	Infringement of human rights could take place at one of our suppliers, if, for example, child labour or other illegal or improper behaviour were to occur.	All members of staff and suppliers must familiarise themselves with and comply with our Code of Conduct, which is based on the principles relating to the environment, human rights, labour rights and anticorruption set out in the UN's Global Compact. All products and services sold must be produced in a way which does not breach any of these principles.
Corporate ethics and corruption	Corruption would occur where a member of staff, directly or indirectly, requests benefits to or from a third party – for example if someone receives, promises or provides gifts, services or money.	At OKQ8 Scandinavia, we combat all forms of corruption, including extortion and bribes, and comply with all legislation and regulations on gifts, rewards and other benefits in the countries in which we operate. All members of staff must familiarise themselves with and comply with our Code of Conduct in respect of corruption.
Traceability in the supplier chain	When we purchase products and materials from suppliers who, in turn, use sub-suppliers, it is more difficult to ensure compliance with our rules and policies.	Our Code of Conduct also applies to sub-suppliers throughout the production chain. All our biofuels are traceable throughout the supplier chain back to the area of cultivation or, in the case of waste and residual products, back to where they were generated.
Security at the workplace	The staff at our service stations can be faced with violence and threats from outsiders, and this could have physical and psychological consequences.	We have policies and procedures in place, and these are communicated clearly to our employees. Rapid assistance is available through alarms connected to the police and there are channels of communication to crisis support.
Fire and explosion	We handle inflammable products, which means that fires can occur, and these could have serious consequences for people and the environment.	Preventive safety measures, policies and procedures are in place, and these are clearly communicated to staff and contractors.



Organisation and Finance

Organisation

OKQ8 Scandinavia consists of the parent company, OKQ8 AB, and its subsidiaries in Denmark and Sweden. OKQ8 AB is a Swedish joint-stock company which is 50 percent owned by Kuwait Petroleum International, a Kuwaiti government-owned oil company, and 50 percent by the cooperative, OK Ekonomisk Förening. Through a partnership agreement, the Group also has retail operations in OK Detaljhandel AB, which is owned by OK Ekonomisk Förening. These jointly constitute, and are designated, OKQ8 Scandinavia, which is one of Scandinavia's largest fuel and energy companies.

OKQ8 Scandinavia has over 1,000 service stations in Denmark and Sweden, and these are designed to serve private cars, heavy vehicles and travellers without vehicles. Many of staffed service stations offer carwashes, indoor wash it yourself facilities, car hire and vehicle workshops. We also offer fuel sector products to customers in agriculture, the transport industry, shipping and manufacturing industry.

OKQ8 Bank AB is the bank for customers on the move. Since the bank started in 2009, we have provided a wide range of cards, loans and insurance through our 40 specialist staff. OKQ8 Bank is wholly-owned by OKQ8 AB, and is therefore part of OK Ekonomisk förening, through which we have around 1.7 million members. OK-Q8 Bank AB is under the supervision and ongoing control of Finansinspektionen (the Swedish Financial Supervisory Authority).

OKQ8 Scandinavia's vision to be the preferred enabler for sustainable mobility affects everything we do, from our day-to-day operational work to our strategy.

Management structure

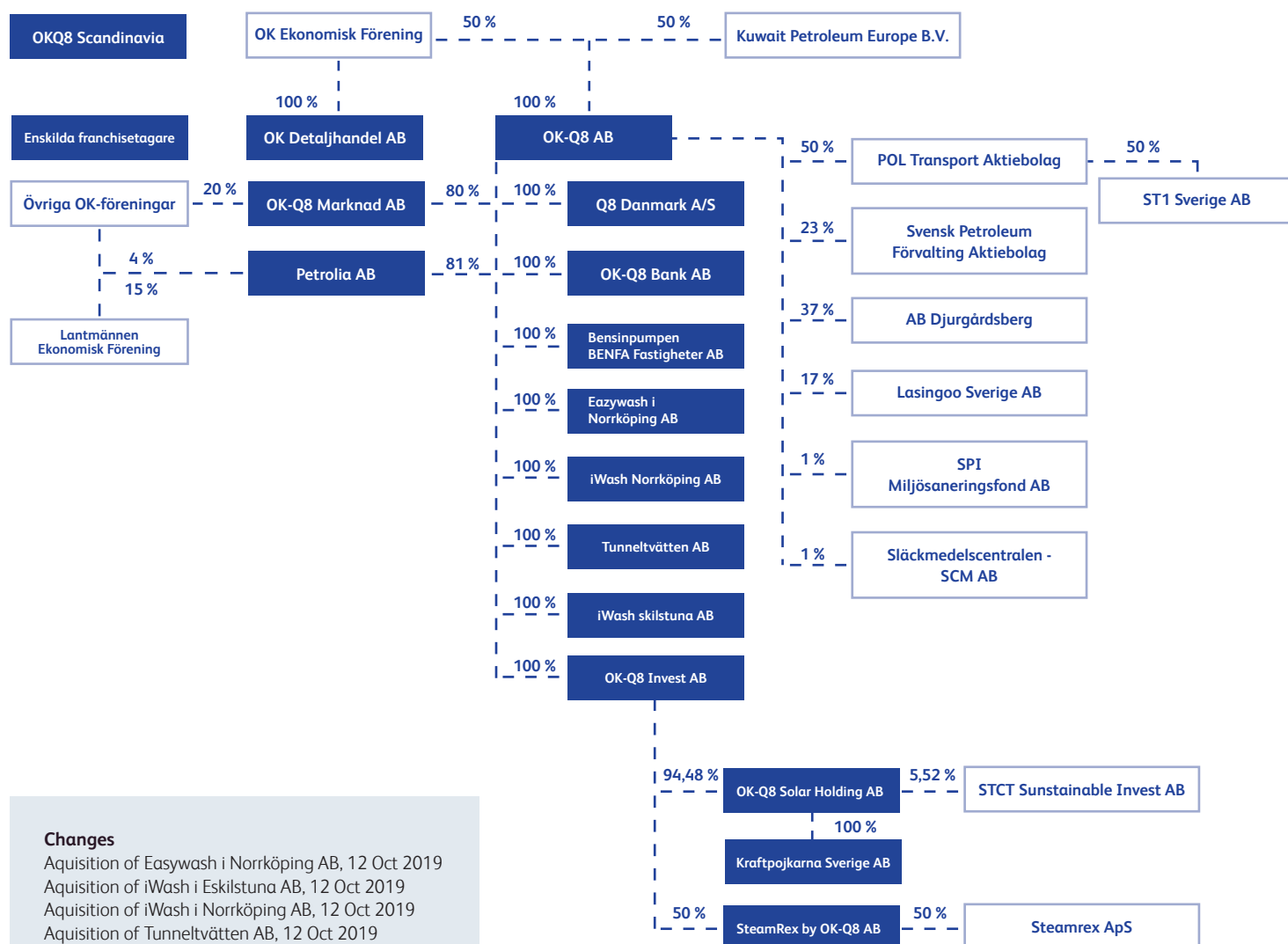
OKQ8 Scandinavia is controlled by a separate Management Team and Board of Directors in accordance with Danish and Swedish law. The Board of Directors is responsible for the overall administration of OKQ8 Scandinavia, as well as the appointment and termination of management. The appointed Members of the Board of Directors are independent, and additional Members are elected by the Company's members in Denmark and Sweden. The Board selects Members who have professional expertise in areas which support the Company's requirements and provide a balanced age and gender distribution on the Board. The management team is responsible for the Company's ongoing management, and reports strategic results to the Board of Directors on a quarterly basis.

Our business model

OKQ8 Scandinavia is one of Scandinavia's largest fuel and energy companies. We operate in Denmark and Sweden, and our products are primarily intended for private and corporate customers in these two countries. We have annual sales of around 3 billion litres of fuel.

Our sustainability efforts are aimed at reducing our own and our product's environmental impact, as well as generating a positive impact on the community. Our business development activities are aimed at finding new business not involving fossil fuels. Sustainability is the Management Team's highest responsibility at OKQ8 Scandinavia. The Management Team is responsible for the Company's sustainability strategy and goals, and for allocating resources and taking decisions in the areas of finance, the environment and social issues.

OK-Q8 AB – the Group's legal structure



Finance

The Group's operating profit amounted to SEK 528 million (SEK 496 million), and the Parent's operating profit amounted to SEK 489 million (SEK 516 million). The necessary provisions have been made in the accounts over time and during the year, taking account of the ongoing closure of the operation at Loudden in Stockholm. Impairment has been made for assets where the economic life has turned out to be shorter than had been originally assessed. The market has been stable. The Platts index was stable during the year in comparison with the preceding year, since major movements occurred both upwards and downwards. The US dollar strengthened against the Swedish krona, reaching a peak of 6 percent increase during the third quarter, but weakened somewhat after that. The Platts Price index and the Dollar exchange rate affected both the purchase price and the selling price of fuels.





Compliance and reporting

Reporting

This Sustainability Report covers the financial year 1 March 2019 – 29 February 2020, and is the OKQ8 AB Group's seventh joint Sustainability Report.

The report has been drawn up in accordance with the standards of the Global Reporting Initiative (GRI) at level "Core". The report has been audited by an external auditor who expressed the view that the Report complied with the identified GRI areas. To determine the scope of the Report, we started with our value chain and included the areas which we consider to be relevant for us. Accordingly, we evaluated which GRI indicators we intended to highlight in the Report. A fundamental materiality analysis has also been carried out, in which the views of both internal experts and selected stakeholders have been included with the aim of ensuring that our sustainability efforts are relevant and effective. All the data included in the Report comes from various internal and external computer systems.

The Sustainability Report has been written in compliance with the Danish and Swedish Annual Accounts Acts. The OKQ8 Group trades on its own account as well as through subsidiaries in Denmark and Sweden. The Group also, through a partnership agreement, has retail operations in OK Detaljhandel AB, which is, in turn, owned by OK Ekonomisk Förening. These jointly constitute, and are designated, OKQ8 Scandinavia. Where OK Detaljhandel AB is not included in the Sustainability Report, this is explained either in the text or in a footnote.

Environmental data

Reported data in respect of the environment covers all of OKQ8 Scandinavia's own activities. Environmental data also includes our distributors, who transport our products to our customers and service stations. On the other hand, our reporting does not include stations which are operated on a franchise basis. The environmental data includes our energy consumption and our emissions of greenhouse gases (CO₂e), which have a substantial impact on the environment. Our energy consumption is based primarily on data from our energy suppliers. Our environmental work also supports our ISO 14001 certified environmental management system in identifying and planning environmental improvements.

System support for environmental reporting

For reporting CO₂e, a web-based system, CEMAsys, was used, which is based on the Greenhouse Gas Protocol standard. The system is based on conversion factors which are recognised in both Denmark and Sweden. This means that we can ensure a high level of confidence in our data, since the conversion factors are automatically updated by the system owner.

Reporting on the work environment

The data reported in respect of the work environment covers all of OKQ8 Scandinavia's own activities and staff. The data reported also includes staff at service stations operated on a franchise basis under our brand. Our distributors, who transport our products to customers and service stations are also included in this report. The operations in Petrolia AB are not included in the report, since they report incidents in their own system.

Social and financial data

The data reported in respect of social and financial aspects cover all of OKQ8 Scandinavia's own activities and staff.

Policies and compliance

One important aspect of our sustainability strategy is to ensure that we have guidelines and objectives governing our approach to social responsibility and ensuring that our staff are informed of and are familiar with these. This means that we have policies on the environment, social and employment conditions, human rights, anticorruption and bribery.

Safe, Sound & Sustainable

Our SSHE policy applies to all our operations. The concept of SSHE (Security, Health & Safety and the Environment) refers to aspects, which affect people and the environment. Through our Safe, Sound & Sustainable policy, we undertake to prevent injury and ill-health, and also to reduce the impact our operations have on the climate and the environment.

Code of Conduct

We support, and base our internal Code of Conduct on, the UN Global Compact's principles on human rights, labour rights, the environment and anti-corruption and bribery. It follows from this that, in our own organisation, we support and respect international human rights within the sphere which we can influence; enforce regulations on labour rights; accept a large degree of environmental responsibility throughout our organisation and do not accept any form of corruption and bribery. In the same way, we have a Code of Conduct which our suppliers must follow and which are included in our suppliers' contract obligations.

OKQ8 Bank has processes both to counteract corruption and to facilitate the exposure of money-laundering in accordance with the current requirements of the authorities.

Whistleblowing

Our whistleblower system gives all members of staff the opportunity to report anonymously any serious incidents within the company such as a breach of human rights, as well as in other areas covered by our Code of Conduct. This system will make sure that OKQ8 Scandinavia's ethics, operational culture and brand are preserved. Information on incidents reported in our whistleblower system is treated as confidential.



GRI Index

GRI Standard	Disclosure	Comment/omission	Page
GRI 101: Foundation 2016			
GRI 102: General disclosures 2016			
102-1	Name of the organization	OK-Q8 AB and Q8 Danmark A/S and subsidiaries	
102-2	Activities, brands, products, and services		31-32
102-3	Location of headquarters	Q8 Denmark: Arne Jacobsens Allé, 2300 Köpenhamn S, Denmark OKQ8 Sweden: Sveavägen 155, 104 35 Stockholm, Sweden	
102-4	Location of operations	Denmark and Sweden	
102-5	Ownership and legal form		31-32
102-6	Markets served		31-32
102-7	Scale of the organization		15,19, 26, 31-33
102-8	Information on employees and other workers	The majority of our activities are performed by our own employees.	26
102-9	Supply chain		12, 14-15
102-10	Significant changes to the organization and its supply chain	Petrolia AB has closed its operations at Loudden, Stockholm, the 31st of December 2019. OK-Q8 will move its lubricant production to Q8 Belgium's lubricant oil plant in Antwerp from January 2020.	32
102-11	Precautionary Principle or approach	The precautionary principle is incorporated into Swedish legislation in Miljöbalken, the Swedish Environmental Code. In Denmark there are similar requirements in the Danish Environmental Protection Act. We consider the precautionary principle when purchasing goods and materials.	
102-12	External initiatives	We support: Global Reporting Initiative (GRI), UN Global Compact, UN's 17 Sustainable Development Goals, Science Based Targets Initiative.	9
102-13	Membership of associations	Swedish Petroleum and Biofuels Institute (SPBI), on the Road to Climate Neutral Freight Transportation (KNEG), Danish Oil Industry Association (Drivkraft Danmark), Danish Central Stockholding Entity, Danish Industry (DI), Employer Association KFO, De Samvirkende Købmænd (DSK).	
102-14	Statement from senior decision-maker		5
102-15	Key impacts, risks, and opportunities		27-30
102-16	Values, principles, standards, and norms of behavior		9-10, 15, 24, 34-35.
102-18	Governance structures, standards, and norms of behavior		32

GRI Standard	Disclosure / upplysning	Comment/Omission	Page
102-40	List of stakeholder groups		27
102-41	Collective bargaining agreements	95 % of total employees covered by collective bargaining agreements	26
102-42	Identifying and selecting stakeholders		27-30
102-43	Approach to stakeholder engagement	In addition to the description on page 27-30, OKQ8 has established a Sustainability Advisory Board. The Board consists of representatives external to OKQ8 Scandinavia and represents academia, industries, NGOs and civil society. The Board members are working with sustainability issues and solutions within their fields.	27-30
102-44	Key topics and concerns raised		27-30
102-45	Entities included in the consolidated financial statements	We do not report by gender because the information is not available.	31-33
102-46	Defining report content and topic Boundaries		10, 27-30
102-47	List of material topics	Economic topics: Economic Performance Environmental topics: Energy, Biodiversity, Emissions, Supplier Environmental Assessment Social topics: Occupational Health and Safety, Training and Education, Supplier Social Assessment.	27-30
102-48	Restatements of information	No significant changes compared to last year.	
102-49	Changes in reporting	No significant changes compared to last year.	
102-50	Reporting period	Financial year, 1 March 2019 - 29 February 2020.	
102-51	Datum för senaste rapport	May 2019	
102-52	Reporting cycle	Yearly.	
102-53	Contact point for questions regarding the report	Name: Karin Hellgren Position: Head of Communication	
102-54	Claims of reporting in accordance with the GRI Standards	In accordance – Core	34
102-55	GRI content index		36-40
102-56	External assurance		41-42

Economic performance			
	Disclosure	Comment / omission	Page
	GRI 103: Management approach 2016		For financial results see OK-Q8 Group's annual report.
103-1	Explanation of the material topic and its boundary		31-33
103-2	The management approach and its components		31-33
103-3	Evaluation of the management approach		31-33

Energy			
	Disclosure	Comment / omission	Page
	GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary		10, 12, 19, 27-30
103-2	The management approach and its components		10, 19, 22, 35
103-3	Evaluation of the management approach		19, 35
	GRI 302: Energy 2016		
302-1	Energy consumption within the organization		19, 22, 35
302-3	Energy intensity		22, 35
302-4	Reduction of energy consumption		19, 21-22, 35

Biodiversity			
	Disclosure	Comment / omission	Page
	GRI 103: Management approach 2016		
103-1	Explanation of the material topic and its boundary		15, 27-29
103-2	The management approach and its components		15, 27-29
103-3	Evaluation of the management approach		28-29
	GRI 302: Biodiversity 2016		
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity and land use is one of our most critical sustainability areas. Potentially, our renewable fuels can come from agricultural products, such as palm oil, where there is the risk of destroying biodiversity. However, we have a policy that we do not use these types of products.	28-30

Emissions			
	Disclosure	Comment / omission	Page
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary		3, 5, 8, 10, 12-14, 27-30
103-2	The management approach and its components		5, 9, 10, 12-15, 22, 35
103-3	Evaluation of the management approach		13-14, 35
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions		22, 35
305-2	Energy indirect (Scope 2) GHG emissions		22, 35
305-3	Other indirect (Scope 3) GHG emissions		13, 22, 35
305-4	GHG emissions intensity		13, 22, 35
305-5	Reduction of GHG emissions		4, 22, 35

Supplier Environmental Assessment			
	Disclosure	Comment / omission	Page
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary		4, 22, 27-30, 35
103-2	The management approach and its components		12, 15, 20, 25, 27-29
103-3	Evaluation of the management approach		25, 27-30, 35
GRI 308: Supplier environmental assessment 2016			
308-2	Negative environmental impacts in the supply chain and actions taken		13-15, 20

Occupational Health and Safety			
	Disclosure	Comment / omission	Page
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary		10, 23-25, 28, 30
103-2	The management approach and its components		10, 23-25, 35
103-3	Evaluation of the management approach		23-25, 26, 28, 30, 35
GRI 403: Occupational Health and Safety 2016			
403-1	Workers representation in formal joint management-worker health and safety committees		25-26
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	We do not report by gender because the information is not available.	26
Traning and Education			
	Disclosure	Comment / omission	Page
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary		10, 23-25, 30
103-2	The management approach and its components		23-25, 30
103-3	Evaluation of the management approach		23-25, 28, 30
GRI 404: Traning and education 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	We have programs for individual career development. We do not offer a specific early retirement program.	24-25
Supplier Social Assesment			
	Disclosure	Comment / omission	Page
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its boundary		10, 15, 25, 27-30
103-2	The management approach and its components		9-10, 15, 25, 35
103-3	Evaluation of the management approach		15, 25, 28, 30, 35
GRI 414: Supplier Social Assesment 2016			
414-2	Negative social impacts in the supply chain and actions taken		15, 25, 28, 30

External assurance

The auditors' report on their overall review of OKQ8 Scandinavia's Sustainability Report

To OKQ8 Scandinavia

Introduction

We have been instructed by the Board of Directors and the CEO of OKQ8 AB to carry out an overall review of OKQ8 Scandinavia's (as the operation is defined on page 31) Sustainability Report for 2019/2020.

The responsibility of the Board of Directors and the CEO for OKQ8 Scandinavia's Sustainability Report

It is the Board of Directors and the CEO who have responsibility for drawing up OKQ8 Scandinavia's Sustainability Report in accordance with the applicable criteria, which are set out on page 34, and are constituted by those parts of the Sustainability Reporting Guidelines (issued by The Global Reporting Initiative, GRI) which are applicable to OKQ8 Scandinavia's Sustainability Report, as well as the Company's own accounting and calculation policies. This responsibility also covers the internal checks deemed necessary for drawing up a Sustainability Report which does not contain material errors due either to irregularities or defects.

The auditors' responsibility

Our responsibility is to express our conclusion on OKQ8 Scandinavia's Sustainability Report based on our overall review.

We have carried out our overall review in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the IFAC. An overall review means that we make enquiries, in the first instance to individuals who are responsible for the preparation of OKQ8 Scandinavia Sustainability Report, that we carry out an analytical review and take other actions necessary in an overall review. An overall review has a different approach and a significantly less comprehensive scope than an audit in accordance with the IAASB's standard for audits and Generally Accepted Accounting Principles in general. The auditors apply ISQC 1 (International Accounting Standard on Quality Control), which provides a comprehensive system of quality control which includes documented guidelines and procedures relating to compliance with the standards of professional ethics, the standards for professional conduct and the applicable requirements contained in statutes and other ordinances. The review actions taken by us in an overall review do not make it possible for us to obtain such certainty as would enable us to be aware of all important circumstances which would have been identified if an audit had been carried out. The expressed conclusion based on an overall review does not, therefore, have the certainty that an expressed conclusion based on an audit has.

Our review is based on criteria selected by the Board of Directors and the CEO, as defined above. We consider that these criteria are appropriate for drawing up OKQ8 Scandinavia's Sustainability Report.

We consider that the evidence which we obtained during our review is sufficient and appropriate for the purpose of providing us with grounds for our conclusion below.

Conclusion

Based on our overall review, no circumstances have emerged which give us reason to conclude that OKQ8 Scandinavia's Sustainability Report has not, in all material respects, been drawn up in accordance with the criteria specified by the Board of Directors and the CEO.

Stockholm 28 April 2020
KPMG AB

KPMG Statsautoriseret Revisionspartnerselskab

Tomas Gerhardsson
Authorized Public Accountant

Jon Beck
Authorized Public Accountant

The auditors' report in respect of the statutory Sustainability Report

To the general meeting of OKQ8 AB, corporate ID number 556027-3244

Assignment and division of responsibility

It is the Board of Directors and the CEO who have responsibility for OKQ8 Scandinavia's Sustainability Report for 2019/2020 and for ensuring that it has been drawn up in accordance with the Swedish Annual Accounts Act.

The focus and scope of the review

Our review has been carried out in accordance with FAR's recommendation RevR 12 The auditor's report on the statutory Sustainability Report This means that our review of the sustainability report has a different focus and a significantly more restricted scope in comparison with the focus and scope that an audit in accordance with the International Standards on Auditing and Generally Accepted Accounting Principles in Sweden has. We consider that this review gives as sufficient grounds for our conclusion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 28 April 2020

KPMG AB

Tomas Gerhardsson
Authorized Public Accountant



