Our year's journey

Sustainability report 2012/2013



Welcome!

This is the second time that we are dedicating an entire publication to reporting our sustainability efforts. A great deal has happened with our organisation since our last report.

During the year, in partnership with Q8 Denmark, we formed a Scandinavian operation. The merger entails considerable opportunities, and of course, challenges. What is clear from the beginning is that the new OKQ8 views the environment, ethics and human rights as decisive success factors for a company in the fuel sector. While the sustainability report focuses on developments at OKQ8 Sweden during the year, the ultimate aim is to have an integrated report for all of Scandinavia. We strive to be as transparent as possible. If you have any comments, please contact our Head of Communications, Carolina Rössner, directly.

OKQ8 in brief

"For the life as motorist" is our lodestar. We sell fuel, fast food, groceries, kiosk products, car accessories, spare parts and home and recreational products. We are the market leader in carwash facilities and the fuel industry's largest player in tyre sales. We offer several different types of debit cards both for individuals and companies – enabling our customers to find a card that suits their needs. Working with our business partner Tanka and applying the IDS heavy traffic concept, we have more than 800 filling stations throughout the country. OKQ8's members receive cash-back rewards from the first litre of fuel they buy, and on all purchases at our stations. OKQ8's VISA customers also receive bonuses on everything they purchase, everywhere.

Contents:

The business page 6–15
The motorist page 16–19
The fuel page 20–25
The station page 26–29

Join us on our journey!

In this report, we will present our progress and key events in 2012.

Stronger as one

In 2012, we achieved a significant milestone in the history of OKQ8. We now exist at a Scandinavian level. As President, I look forward to heading efforts to create a new operation with a joint Swedish-Danish organisation.

We will continue to progress and to be a successful part of society. This entails a long-term approach from the perspective of financial, social and environmental impact. Sustainability requires financial stability and I am convinced that the merger between Sweden and Denmark will make our company even more successful. The potential for synergies is considerable and we can learn a great deal from one another, benefit from economies of scale and capitalise on a presence in several markets. Earnings this year were significantly weaker than in the preceding year. However, this was almost exclusively due to entering the financial year with relatively large oil reserves which, due to declining oil prices, have declined in value and thus negatively impacted earnings.

Because of demand from the transport sector, we currently primarily sell petrol and diesel. Consequently, more than 99 per cent of OKQ8's total climate impact derives from the fuel that we sell. Accordingly, it is important that we help our customers make more sustainable choices, which reduce their environmental impact. The aim is to be the market leader in terms of infrastructure for renewable fuel.

Internally, the most important aspect is to continuously work to improve and enhance our efficiency. Advancing the company also involves reducing carbon emissions in relation to the benefit that we provide. In line with this ambition, we have decided to adjust our overall environmental objectives in this report.

In our sector, the ability to make a difference is significant. I consider access to vehicle gas, ethanol and the rapid charging of electricity, more HVO in the diesel we sell, electric cars as rental cars and environmentally adapted products in our stores as key advances. And winning the Sustainable Brand award for the third consecutive year is to me proof that we are on the right track.

The focus on building the best food and car concept in the market, Quick To Go, is actually part of the same journey. It is a matter of creating service points for mobility. If you have a car, you should be able to fill your car – and simultaneously receive service. If you do not have a car, you will be offered attractive services for your alternative transport needs. And if you are taking the bus, you should be able to buy delicious food or a coffee and cake on your way. Sustainability is also about having satisfied customers and a healthy diet.

We live in a market characterised by intense competition and small margins. The Danish market is in the midst of a price war, which makes it difficult to operate a profitable business, thus making our expansive range of services pivotal. Regardless of whether you are a private or corporate customer, you should feel that we are making your life as a motorist easier.

The major challenges that we will be facing in the coming year largely entail the challenges faced by the industry as a whole. Together with customers, auto manufacturers and legislators, we must identify and apply the new standards that are to come. This applies to everything from the plug for electric cars to the taxation of renewable fuel. OKQ8 can create the infrastructure for essentially anything, as long as we have a long-term framework of rules.

Last but not least, we will spend a great deal of energy in the coming year on building the new organisation. We have experienced major changes and now my own focus is largely on creating a joint corporate culture that will satisfy all employees and encourage them to be involved in the new organisation.

Both organisations are convinced that sustainability can also be achieved in the fuel industry. Some of the results are reported here. We are now taking the next step. Welcome on board!

Steffen Pedersen, CEO OKQ8



2012/2013 was busy

We are now a Scandinavian fuel company with financial muscle and a strong market position.

This has created a set of synergies that will help us realise our promise: to make your life as a motorist simpler, more fun and more sustainable. Naturally, much of our focus during the year was on establishing the new organisation. However, our commitment to sustainable motoring has not diminished. In this publication, we will report our most significant achievements during the year. Our financial year is from 1 March 2012 to 28 February 2013.



Häggvik shows the way

As a role model, Häggvik is inspiring. In 2011, we built the Häggvik station, which – using solar panels and rainwater for the carwash, solar cells for electricity production, the rapid recharging of electric cars and much more – set the tone for our building projects in 2012. Examples include Danderyd, Glumslöv and Landvetter – all of which were built with sustainability in mind.

Electric cars as rental cars

In the next few years, work on building the infrastructure for electric cars in partnership with Siemens will focus on expansion in major cities and in our stations. A central component is the ability to rent electric cars, which we view as an important initiative for increasing availability and allowing people to try the new technology. In 2013/2014, we plan to introduce the electric car as a rental car at more new stations in Stockholm and Gothenburg.



Finally Diesel Bio+

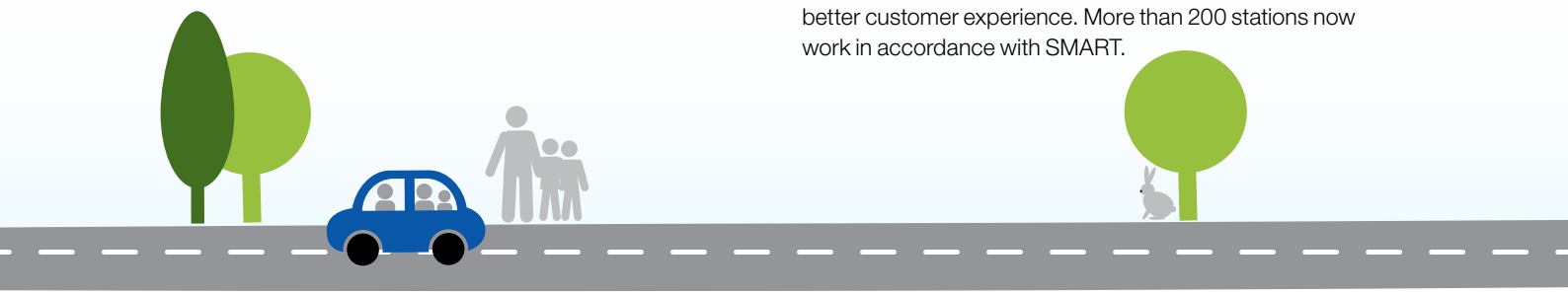
In 2012, we were finally able to launch a high-performance diesel fuel that significantly reduces carbon emissions. Diesel Bio+ comprises 27 per cent renewable raw materials, primarily derived from offal. Today, the fuel is available at 390 stations throughout Sweden. A major benefit is that it works just as well in the winter as in the summer. Using Diesel Bio+ reduces CO_2 emissions by 21 per cent compared with standard diesel. Diesel Bio+ accounts for about half of all diesel fuel that OKQ8 currently sells. In 2013, we will work to increase this share even more.

Best in class again

For the third consecutive year, we were awarded the Best Fuel Company in the Sustainable Brand Index. This means that Swedish consumers view OKQ8 as the best-in-class when it comes to environmental and social responsibility. We are pleased and proud that our customers have this perception of us. It tells us that we are on the right track.

Lean at OKQ8

We have continued our focus on SMART, an approach that aims to simplify station operations and to assure the quality of our maintenance work, standard operating practices and customer service. The gains from implementing SMART are substantial and, in addition to the considerable financial advantages, include an improved work environment and a better customer experience. More than 200 stations now work in accordance with SMART.

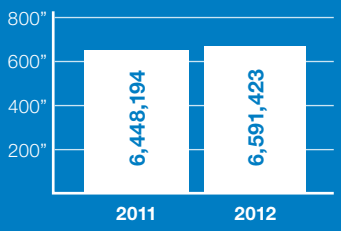


Our pivotal KPIs

Based on the materiality analysis that was conducted last year, we are highlighting the aspects that best reflect the company's and stakeholders' priorities.

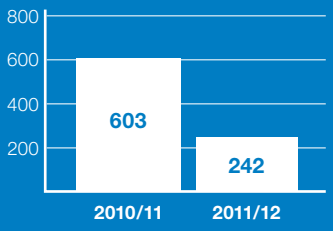
CO_2e emissions

CO_2 emissions increased somewhat year-on-year, mainly due to increased diesel sales. In terms of proprietary operations, energy efficiency has increased throughout the organisation, but the increased production of lubricants and chemical products, as well as increased emissions from the rental car fleet, have offset part of the efficiency enhancements.



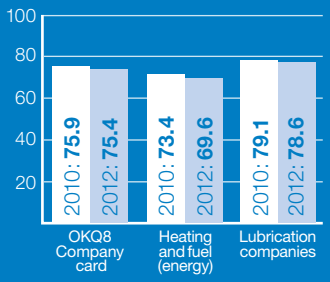
Earnings before price-change impact (MSEK)

Our earnings this year were negatively impacted by oil prices that have been declining since last year. This was due to OKQ8 entering the financial year with reserves that subsequently declined in value.



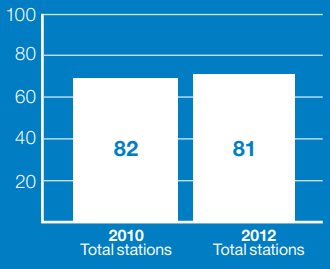
Customer Satisfaction Index

In the reported areas, we noted a minor decline in 2012 and will follow this up thoroughly. At the stations, we measure customer satisfaction every second year, which is why there are no updates to last year's figures.



Employee Satisfaction Index

Due to the merger, a conventional ESI survey was not conducted among salaried employees. For station personnel, we were pleased with continued strong results.



The business

OKQ8 aims to be the obvious choice among motorists. This is our ambition and driving force. We aspire to be the best at serving cars and motorists. By making it as easy as possible for customers to make more sustainable choices, we want to contribute to advancing the market – in terms of everything from fuel and degreasing agents to coffee.

With a market share of 28 per cent of petrol sales in Sweden, and 14 per cent of fuel in Denmark, we are one of the largest companies in Scandinavia. As a highly reputable player in the sector, and with satisfied customers, we occupy a strong position.

The objective for the coming year is to realise as many as possible of the synergies enabled by the merger. We have begun the journey with a shared organisation. We are now focusing on coordinating the development and implementation of new concepts, joint product development and learning from one another. This will result in a stronger position and increased competitiveness.

Gathering strength

Financial muscle is needed if we are to continue to meet customer expectations. Our industry is facing a number of challenges, including a shift from fossil fuel to alternative fuel. Energy efficient cars will also result in motorists filling their tanks less often. Electricity as a fuel requires new business models.

Both of our geographic markets are also experiencing weak economic conditions.

The need for mobility will not decline in the future; in fact, the opposite is true. However, owning your own car, privately or as a business owner, will not be a foregone conclusion. Our role must evolve from only focusing on cars to mobility in a broader sense. To meet the future challenges, we must thus continue to contribute to the development of society.

As a result of an extensive network of stations, OKQ8 Bank and unique products and services, we are particularly suitable to making the life as a motorist easier. We are now taking the next step. From car-centric to a focus on mobility. And on both sides of the Öresund strait.

Contents:

A new domain - Scandinavia page 7

Sustainable motoring page 8

Governance and financial results page 10

Human resources page 11

Partnerships page 14



A new domain – Scandinavia

On 1st August 2012, OKQ8 Sweden and Q8 Denmark merged and, as of 1st January, we have a joint Scandinavian organisation.

Our Swedish roots date back to the OK economic association from 1926. Since 1999, when OK entered into a joint venture with the Kuwaiti company Q8, OKQ8 has been the brand that is moving those traditions into the future.

From the two companies, OKQ8 inherited values that are deeply rooted in both cultures. A genuine commitment to society and the prioritisation of health, environment and safety have enabled us to contribute to major changes, such as the introduction of sulphur-free heating oil, unleaded petrol and several alternative fuels. Read more about our environmental milestones at *www.okq8.se.*

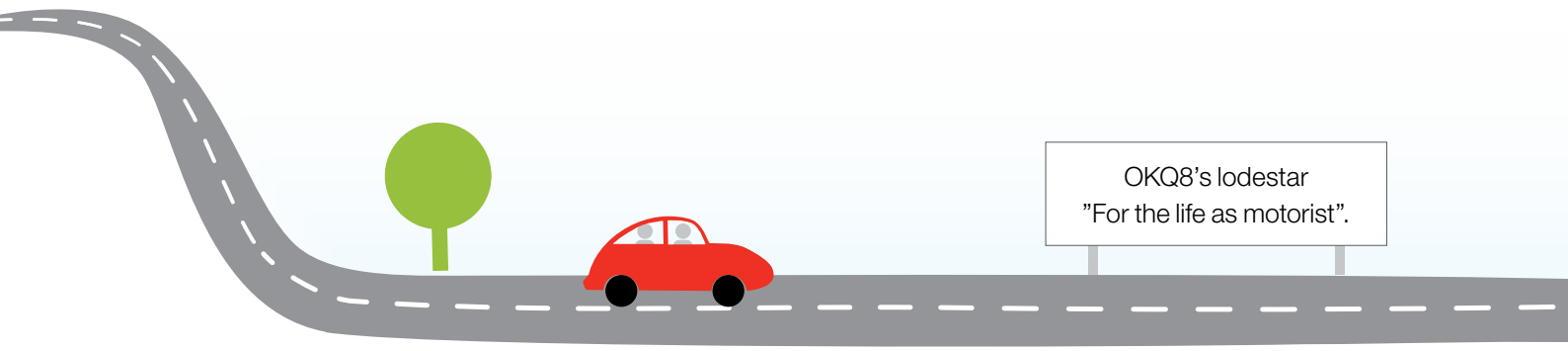
The company today

Today, OKQ8 is owned by two parties, each holding half of the shares. One owner is the OK economic association – Sweden's largest OK association – which, in turn, is owned by about one million members. The other is Kuwait Petroleum International, a state-owned Kuwaiti oil company. In addition to the OK economic association, there are six other OK associations in Sweden, representing another 300,000 members. These members are not shareholders of OKQ8, but operate under the same brand. They are also shareholders of certain subsidiaries. The wholly owned subsidiary OKQ8 Bank manages most of the financial flows generated by the operation.

No oil rigs

OKQ8 distributes fuel. We do not extract or produce fuel, which gives us the flexibility to quickly adapt to market demand and the fuels of tomorrow. By imposing requirements on producers, we can also help the market advance.





Sustainable motoring

Sustainable motoring is not only a vision but also a target scenario. We view motoring as an enjoyable and positive activity, but realize that major changes will be required for it to remain so in the future.

One of the best things about the evolution of private motoring during the second half of the 20th century was that it created a newfound freedom for many people. We became mobile like never before and were able to personally decide when, where and how long we wanted to travel – all of which came about at record speed and with great convenience. This is a freedom that we want to preserve and facilitate. Today, however, this freedom does not always mean having your own car.

Mobility is the key factor. In an era in which more people live in increasingly densely populated cities, competition for both space on the streets and service locations is rising. Combined with a lack of resources, climate change and air-quality requirements, this is resulting in the emergence of new forms of mobility, and involves everything from rental cars and car pooling to increased public transport and cycling. Availability and user-friendliness are success factors.

We are a mobility-centric company. By helping our customers make more sustainable everyday choices, we contribute to sustainable motoring – because a great deal can be done even today. Alternative fuel, environmentally adapted lubricants, Nordic ecolabelled carwashes and a green product range in our stores are just a few examples.



Progress report

In 2012, to draw attention to and create a debate regarding the sustainable motoring concept, we developed our own index. This is a way of trying to define what we are talking about and to measure our progress over time.

OKQ8's weighted index for sustainable motoring is based on developments in:

– Fluctuating fuel costs (economy)

– Energy efficiency (environment)

– Carbon efficiency (environment)

– Improved traffic safety (social)

In addition to this, we have calculated an unweighted average for all indicators.

Based on this calculation method, we have noted an overall improvement of 20 per cent since 2008.

– The greatest improvement was achieved in traffic safety, followed by environmental performance.

– Fuel cost as a percentage of kilometres driven by passenger cars has also declined, which had a positive impact on the index. However, this is the indicator that showed the least improvement. This ratio may be further improved by a decline in oil resources combined with political ambitions to increase taxation on the use of fossil fuels.





Our overriding environmental objectives

1. To promote the development of renewable fuels by heading the development of new infrastructure and new fuels.
2. To increase the share of sustainable alternatives for motoring products and food at our stations so that by 2020, these comprise at least 10 per cent of overall sales.
3. To continuously reduce carbon emissions from our operations – overall and in relation to the size of the business.

Step-by-step

The transition to sustainable motoring requires a change in behaviour in terms of mobility and consumption habits. Changing behaviour can be difficult – we thus consider it our mission to inspire you and to make the transition as easy as possible for motorists. For example, OKQ8 will demonstrate that its rental car offering is a supplement to car ownership. Choosing the right car with lower greenhouse gas emissions should be as easy and financially beneficial as possible for motorists.

By introducing new fuels, we want to make it easier for motorists to select fuels that facilitate sustainable development. Emissions from heavy transport continue to increase and we want to contribute to a transition to sustainable development by offering alternative and energy-efficient fuels for all road transport, including light and heavy trucks, buses and construction machinery. The transition to sustainable motoring requires new infrastructure. OKQ8 is contributing to this by investing in new, innovative and environmentally compatible technology and fuels. At our stations, we offer motorists more sustainable alternatives, such as natural degreasers and eco-labelled windshield washer fluid, but also DIY carwashes and carwashes with eco-labelled washing detergents and proper treatment of wastewater.

Electricity, natural gas or a delicious sandwich?
Welcome in!

Corporate governance and financial results

Work of the Board

The Board of Directors of OKQ8 has eight members (including personnel representatives) who possess widespread and advanced knowledge of the operations conducted by OKQ8. The Board's tasks include establishing objectives and strategies, ensuring effective control systems and compliance with laws and agreements as well as ensuring that the necessary ethical guidelines are adopted. The Board also appoints and evaluates the CEO. There are two committees under the Board: the Audit Committee and the Integration Committee. The two owners, the OK economic association and Kuwait Petroleum International, appoint the Board. Göran Lindblå is the company's executive chairman. *For more information, visit www.okq8.se*

The Board convenes four times annually. Each Board meeting commences with a review of Health, Environment and Safety (HES) events such as sickness absence, accidents, spills, robberies and other key HES figures. Other sustainability-related decisions taken and discussions held during the year included:

- Large-scale launch of DieselBio+ with 27 per cent renewable raw materials.
- The development of a sustainability index for sustainable motoring and recurring sustainability reports.
- Ensuring that all of our new establishments have a sustainability perspective.
- Formulating an overriding CSR policy.
- Revising the electricity initiative, with an increased focus on customers: Build infrastructure that will be used and be of use, and enable our customers to test an electric car as a rental car, thus bolstering their confidence in electricity as a fuel.

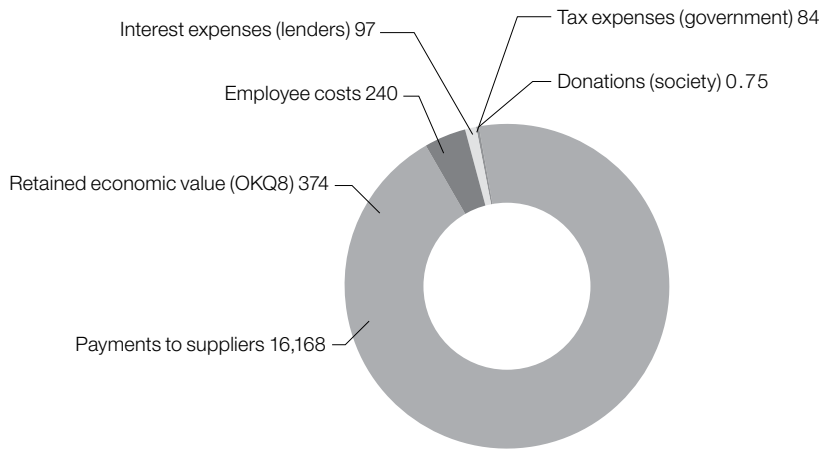
Financial results

A long-term and financially sustainable OKQ8 is a company that ultimately generates a favourable surplus and thus distributes benefits to all stakeholders. In the past four years, OKQ8 has been profitable. The fuel industry has always been hallmarked by the pursuit of low prices to win customer loyalty. This has occasionally sparked a nationwide price war. Around 2005, such a war lasted three years and contributed in large measure to OKQ8's previous negative earnings. In addition to taxes and VAT, fuel prices are strongly impacted by the cost of crude oil. In 2012, the price of oil was unstable with considerable upward and downward fluctuations. Political unrest in North Africa and the Middle East also had an effect, as did concerns over the global economy and what actions will be taken to turn it around.

Although OKQ8 has no control over trends in the global market price, these nonetheless directly impact the price we are able to offer at the pump. The positive earnings in recent years have strengthened the balance sheet, but this is naturally not enough to offset all future risks.

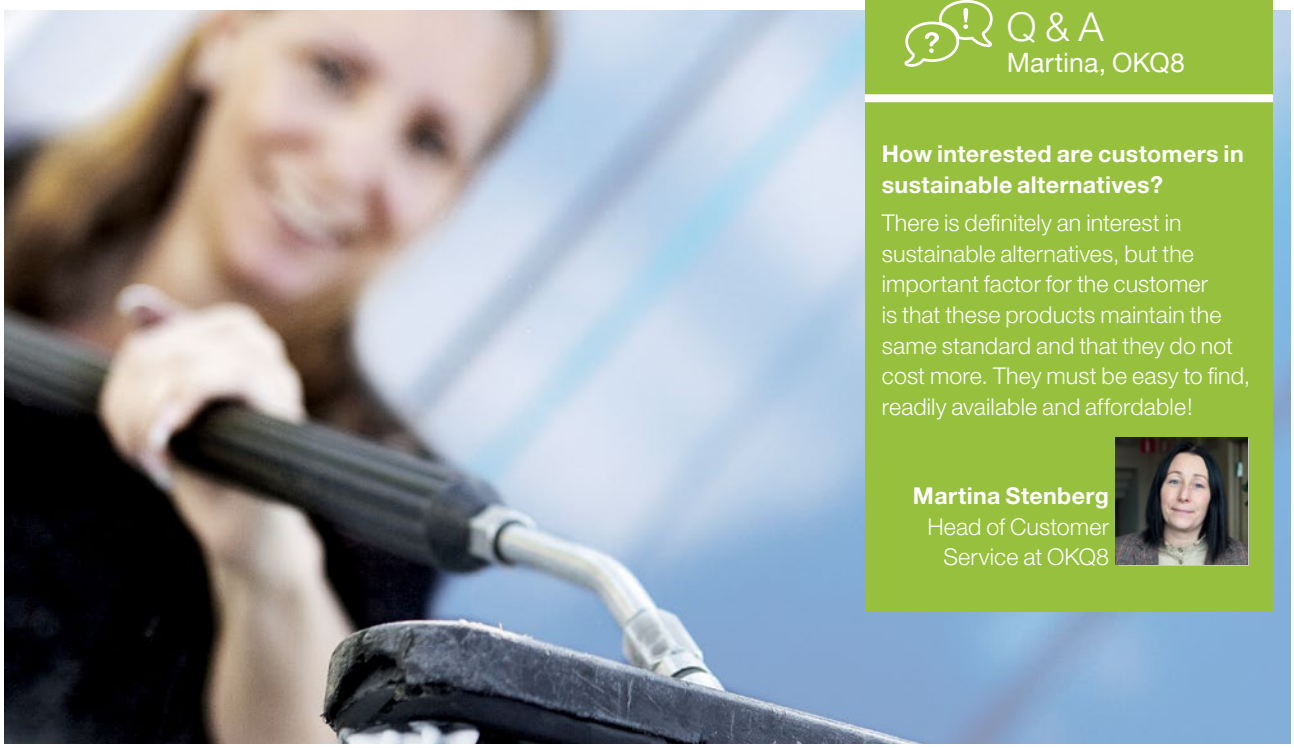
The merger with Denmark was completed in August 2012, in the middle of our financial year. Accordingly, the earnings for the year for Denmark are only included in the income statement for the period between 1 August and 28 February. While the earnings are not exactly easy to decipher, the return for the owners was healthy. In 2013/2014, the new organisation will be fully functional and earnings will be reported for all of Scandinavia. We are convinced that the new organisation will make us stronger.

Breakdown of economic value (MSEK) among company stakeholders (Total: 16,168)



Net sales (MSEK)

27,740



Q & A
Martina, OKQ8

How interested are customers in sustainable alternatives?

There is definitely an interest in sustainable alternatives, but the important factor for the customer is that these products maintain the same standard and that they do not cost more. They must be easy to find, readily available and affordable!

Martina Stenberg
Head of Customer Service at OKQ8

Employees

Being an attractive employer that can attract and retain valuable employees is pivotal to a long-term sustainable company.

In the event of a merger, work environment matters are of extra importance. To gain an understanding of how employees react to and view the process, two motivation surveys were conducted during the year. A key message from the results of these surveys is the need for openness and information regarding what is happening and why. Accordingly, we have worked hard to improve the breadth of the information given to all employees in the white-collar worker organisation.

In the immediate future, the focus will be on creating a joint vision and formulating shared values for our Scandinavian operations.

Attracting, recruiting and retaining employees

In the past year, we have concentrated on shaping and implementing the new organisation. Moving forward, we will have to work even harder to succeed in attracting the skills we need. For the financial year, our staff turnover was 8.6 per cent (2011: 8.7 and 2010: 5.2). Staff turnover was mainly attributable to the change-oriented work that has been implemented in the salaried-employee organisation. However, staff turnover has also increased over a longer term. Trends indicate that the labour market will shift more and employment periods will become shorter among those born in the 1980s and 1990s. Thus, there will be even greater demands for personal development.

Challenges

OKQ8 operates a business that is geographically dispersed and spans many different operating areas. Making the environment and sustainable development a natural element at all levels of the organisation – with overriding objectives as an integral part of each employee's everyday life – is a challenge that we work on every day. In 2013/2014, the HR department will focus on advancing and strengthening its diversity efforts, particularly at our stations. We want to be a company that proactively takes responsibility for reducing unemployment among youth and for combatting exclusion. Our stations have the potential to be a portal into the labour market for many young people. Creating a joint view of leadership is another prioritised area, as is maintaining and developing our relationships with trade unions.


vára receptiris
tilanmeldt

Development work in health, environment and safety

Throughout our operations, we set targets and pursue action plans for health, environment and safety (HES), and we have a fundamental management system that ensures that this work is implemented systematically. Some elements of the operation have had their management systems certified. The work consists of:

– Focusing on what we regard as the principal HES aspects.

– Ensuring that all employees and business partners receive the appropriate training.

– Making sure that all OKQ8 operations have HES included on the agenda at staff meetings.

– Imposing the relevant requirements on our suppliers and business partners and following up on their efforts.

– Providing information on HES work to external stakeholders, such as customers, business partners and authorities.

A major initiative that was carried out in 2012 was the launch of a new leadership vision based on clear values and an encouragement for diversity. During the autumn, all sales executives received two days' training in the new vision and in how we will achieve it. Changing our behaviour in the long term involves changing our attitudes and values. And for this, leadership will play a key role. The objective is to minimise the risk that anyone will be treated unequally or discriminated against at any of our stations.

During the year, we focused on dealing with incidents of driving off without paying as smoothly and efficiently as possible, as well as other ways of minimising HES risks at the stations.

Sickness absence remains low

A sickness absence rate of 3.7 per cent is somewhat higher than last year and was impacted in part by the organisational changes. Nevertheless, these results indicate that our efforts concerning short-term sickness absence are working well. This is primarily achieved through our Sickness and Health registration management system and the associated advisory services.

Safety first

OKQ8's business is in many ways hallmarked by safety efforts. Throughout the operation, from the stations to the fuel depots, safety efforts are included in daily procedures and followed up thoroughly. These efforts involve both protection – whereby we are working to reduce the number of thefts, incidents of driving off without paying and other financial crimes – and safety at the workplace. Safety rounds and routine training courses are natural elements of everyday life for OKQ8 staff.

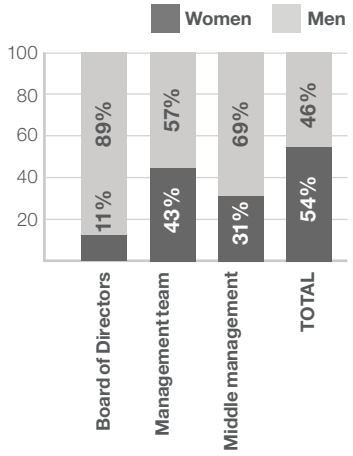
Accidents in the operation remain low: we had a total of 197 days of sickness absence due to accidents. The rate of traffic accidents also remains low, at an index of 0.45, or slightly more than one accident per 1,000,000 kilometres. No accidents resulted in serious personal injuries or fatalities.

The number of station robberies was essentially unchanged compared with the preceding year. A total of seven robberies took place in 2012 compared with six in 2011. OKQ8 has the largest number of staffed stations in the sector, but has still experienced relatively few robberies. Continuous work is conducted to develop cash-management systems that entail less exposure to cash. The station environment is being enhanced through proper order, improved and lighter environments and higher-quality security cameras.

Progress in gender equality

When comparing the percentage of women in the management team with the percentage of women in the overall organisation (see adjacent graph), it becomes apparent that we still have work to do. When examining the management team, the ratio of men to women is significantly better. This is the result of an effort that has been under way for many years and has transformed a company in a predominantly male industry. We must now advance these efforts and ensure that also the most senior positions in the company and the executive level represent society at large.

In 2012, the employee satisfaction survey was concentrated to the filling stations. The results were encouraging with an average index of 81 for all of the stations. This means that the staff who work at the stations are very satisfied with OKQ8 as an employer, which naturally makes us proud.



Partnerships

OKQ8 is a key player in society. We serve the infrastructure for private individuals, the business community and the public sector.

With slightly more than 2,000 employees in Sweden and a presence from the north all the way to the south, we are an element of everyday life. We have a number of stakeholders, all of whom are important. One of our principal assets is confidence from the people around us. We are advancing our CSR strategy to take a broader approach and become more effective and clear about our social commitment.

During the spring of 2013, to place the focus on the need for clean water, we will conduct a special campaign with the company Solvatten, which has developed a solar-powered water purifier for simple conditions. For a month during the spring of 2013, we will calculate how much water we have consumed to operate our two most popular carwash programmes. We will subsequently donate as many solar-water containers as necessary to clean the same amount of water in one year.

In the current year, we will also be developing our partnership with Vi-skogen. All of the refunds from cans and bottles that are returned to our stations will be spent on planting trees and agroforestry in the area around Lake Victoria (Kenya, Uganda, Tanzania and Rwanda). We already donate SEK 0.001/kWh on all electricity contracts. This means that as an electricity customer, you make a donation every time you turn on a light. For every SEK 20 that is donated to Vi-skogen, a tree is planted in Africa. You can also choose the "Environment plus Vi-skogen" option on your electricity price, under which you donate SEK 0.03/kWh extra on the electricity that you consume.



Solar water is an innovative and environmentally friendly product for households in developing countries. Combining several well-documented water-treatment methods can generate 11–44 litres of potable water per day, and hot water to use for personal hygiene and other purposes. This reduces the need to use wood and coal by about 50 per cent in the locations where solar water is used. Solar water only uses solar energy, does not require any spare parts and has a long useful life of at least seven years.

A friendly neighbour

The decision to close a station is always difficult and we aim to implement the necessary closures with as much dignity as possible. A major effort pertains to the remediation of land. OKQ8 is co-financing and co-owns the industry initiative SPIMFAB (SPI Miljösaneringsfond AB), which remediates older, closed-down petrol stations (1969–94).

Read more at www.spimfab.se

Q & A
Charlotta, Riksbyggen

How significant is a proactive approach to sustainability for you?

It is highly significant. OKQ8 provides us with valuable information about how the fuel for our vehicles is manufactured and how we can monitor its climate impact. It is comforting for us to know that OKQ8 adopts a sustainable perspective in most of its value chain.



Charlotta Szczepanowski
Sustainability Manager at Riksbyggen

Q & A
Jessica, Bil Sweden

What future expectations do you have of the fuel industry?

That the industry increases the low admixture of renewable raw materials in its petrol and diesel, which is a quick and effective way to reduce carbon emissions, and that it works to develop fossil-free fuels that enable the transport sector to achieve its objective of becoming fossil-free by 2050. We must also adopt long-term rules and effective policies that give the industry the courage to develop new products.



Jessica Alenius
Executive Vice President at Bil Sweden



The motorist

As a motorist, you are the focus of all of our attention – whether you come to us as a private individual, business owner, forwarding agent or are in charge of the entire fleet of vehicles for a sales organisation.

We want to make it as easy as possible to own, rent, maintain and fill up your car in a responsible manner. You may administer, drive, own or rent a car. Motorists have number of other titles as well: parents, bicyclists, business owners, hunters or football players. Or perhaps all of those roles at once.

We aim to give you the best possible service, as part of a community and a planet.

With our focus on motorists, the major challenge for us is keeping abreast of the evolving nature of this role. Cars are and will remain an everyday resource, as well as an important symbol of freedom. For many companies, the car is an integral part of the business. Meanwhile, however, our cities are growing, our streets are becoming more crowded and climate change, resources deficits and other environmental and health matters all indicate that motoring has to change.

We have begun the journey of becoming a mobility-centric company, instead of a car-centric company. Our mission is to provide, develop and serve infrastructure for mobility. The ability to travel freely is important for people's quality of life. We want to contribute to mobility in society, both in urban and rural areas.

Contents:

The customer page 17
The Gold Card page 17
Rental customers page 18
Well lubricated page 19

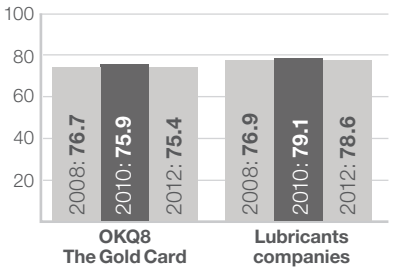
The customer

Since intense competition for customers is our everyday life, we must ensure that they are satisfied and feel a sense of loyalty.

Accordingly, we implement advanced customer satisfaction surveys and employ mystery shoppers at our stations. These people are tasked with acting like customers and observing what works well at the stations and what can be improved.

A key component of our offering is naturally our Customer Service Centre – 53 employees answer 43,000 calls and 11,500 e-mails every month. This year, the office in Avesta is celebrating ten years in OKQ8's service. The aim is to become the country's best customer service centre.

It is gratifying that 93 per cent of our corporate card customers would recommend us, an improvement on last year, which in turn was up from 88 per cent in 2008. However, there is still room for improvement in all areas. Availability is the principal factor for corporate customers – availability as in "being available to customers" and being "nationwide." In our customer surveys, closed stations are what dissatisfy customers the most. The results from the customer surveys always serve as the basis for our business plans and strategic goals.



Professional motorist

In 2012, we focused on corporate customers. We initiated new partnerships with several customers, including Riksbyggen. We helped this housing company to understand the gains of transitioning from fossil fuels to vehicles that operate on vehicle gas and E85. This has enabled the company to demonstrate distinct environmental benefits in its decisions. Internally, Riksbyggen has marketed OKQ8 as the environmentally conscious fuel company, of which we are very proud.

The launch of Diesel Bio+ received a great deal of attention from our corporate customers. The award that KONE Sweden won for being the Kone Group company with the greatest environmental focus was particularly pleasing. The award was based on the replacement of all of this company's fuel cards with OKQ8 cards for use with Diesel Bio+. Kone has elected to invest its winnings in carbons offsets.

A key objective for us is for corporate customers to prioritise products and services that reduce the environmental and climate impact. Gratifyingly, we are on the right track: interest in and demand for sustainability is on the rise. The pressure from the public sector and major strategic customers who are now often including requirements for the use of alternative fuels or renewable shares and other environmental considerations is particularly helpful.

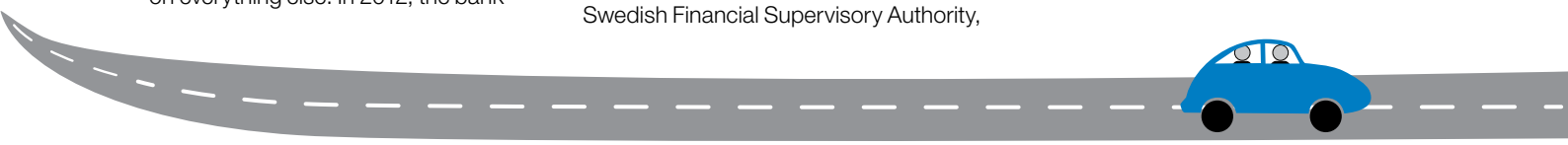
During the year, OKQ8 was audited by SKL Kommentus, with excellent results. This confirmed that we tick all of the boxes in terms of auditing under the mass-balance principle. The audit was based on SEMCo's 2010 recommendations and procurement criteria. For us, it is proof that our follow-up and monitoring efforts maintain the highest standards.

The Gold Card

The bank is a key element of our offering.

Car ownership entails a number of financial aspects and our objective is to make it as easy, effective and affordable as possible.

The core of our offering is an attractive charge/credit card – the OKQ8 VISA. The card is associated with a number of benefits that make life a bit easier. As a customer, you pay no annual fee, but receive interest-free credit for up to 45 days, a high interest rate on the funds that you have invested, cash-back for everything you buy from us and bonuses on everything else. In 2012, the bank generated a healthy profit, but the primary aim is to contribute to OKQ8's overall offering, which is working well. In 2012, OKQ8 VISA was the third largest VISA card in Sweden and the fastest growing charge/credit card in Europe. The Swedish daily Dagens Nyheter named the card the "Best for the Family" for the second consecutive year. Since the card is relatively new in the market, a considerable amount of energy was spent last year on continuing to improve and develop processes and procedures. Next year, we will increase the focus on attracting more customers and, together with our stations, creating an even better offering. The bank is supervised by the Swedish Financial Supervisory Authority, to which it regularly reports key figures. Customers can find security in the high capital adequacy ratio, combined with the government deposit guarantee – meaning that the bank has plenty of funding in relation to its lending. Few banks are able to offer this today. In Denmark, we currently offer a loyalty card and are naturally looking into the possibility of identifying synergies with this operation. For the Swedish market, we hope to introduce a financing solution for everyone who, for example, deploys OKQ8 to repair their car. And ultimately, we are contemplating offering a simpler form of financing for car purchases, for example.





The rechargeable hybrid car is an exciting rental car option that was launched last year. It is a combination of a hybrid and an exclusively electric car that can be driven tens of kilometres solely on electricity, but which has a combustion engine as a backup to charge the batteries. The range is equal to that of any car.

Rental customers

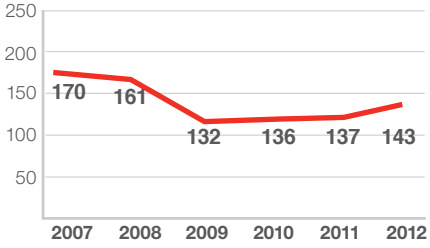
OKQ8 offers the option of renting a car at about 150 stations throughout Sweden. With about 2,000 vehicles, we are one of the five largest car rental firms.

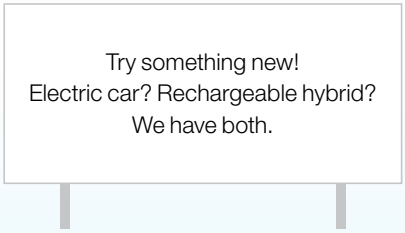
In Sweden, there are about 4.9 million cars, of which more than 3.5 million are privately owned. Of the total, some 35,000 are rental cars, including vans and other transport vehicles. We foresee considerable potential in changes in this composition in the future. Renting a car could supplement and be an alternative to car ownership. OKQ8 strengthened its position in the market in 2012, which was a relatively intense year for the sector overall.

Last year, we achieved our objective of 100 per cent environmentally classified passenger cars. Under the new definition of environmentally classified cars, which became effective in 2013, not all new vehicles will be able to meet this standard. A key reason is the new rules for environmental cars, which favour certain types of cars, such as midsized diesel cars, at the expense of others, such as small and light petrol cars. Another reason is the structure of the used-car market. We buy cars with a guaranteed residual value. To capitalise on this, the car must be attractive in the second-hand market, which cars running on ethanol or vehicle gas – models that are both environmentally classified and have a relatively low climate impact – are not today. This is unfortunate for several reasons. For us, it will be difficult to achieve our goal that average carbon emissions from rental cars will not exceed 80 gram/kilometre by 2015.

From an environmental perspective, carbon emissions per kilometre increased somewhat in 2012. This is because essentially no ethanol cars remain in our vehicle fleet. In the longer term, we foresee major potential with electric cars, which can have zero emissions when driving. Filling them using fossil-free electricity is a great alternative from a climate perspective. In 2011, OKQ8 was the first company to offer an electric car as a rental car and, in 2012, we launched this option at three new stations. As part of our focus on building out the infrastructure for electric cars, we are working closely with the rental car operation to expand our offering.

A new partnership was launched during the year regarding carbon offsets for emissions from rental cars. This entails that we are now offsetting all carbon emissions from rental cars by planting trees and agroforestry (a combination of forestry and agriculture) in Southern Africa. This is a key initiative, particularly because it places a price on emissions from the vehicle fleet.





Well lubricated

To give the best possible service and deliver the best possible products, we have had our own lubricant plant for many years.

Petrolia manufactures nearly 300 products for OKQ8 customers, including everything from motor oil, transmission fluid, hydraulic fluid and special oils to various chemical products, such as glycol, windshield washer fluid, alkylate petrol, lighter fluid and natural degreasers. All products sold under our own name come from Petrolia. The greatest volume is sold to corporate customers via our Direct Market division. The company is 81 per cent owned by us and 4 per cent owned by OK associations, while 15 per cent is owned by the Lantmännen Ekonomisk Förening, an agricultural economic association. The plant is located at Loudden in the Port of Stockholm, at a place that has manufactured lubricants since the 1930s. There is also a plant in Söderfors in the province of Uppland, which manufactures much of the plastic packaging that is used. Petrolia has ISO 14001 and ISO 9001 environmental and quality certification. Since 2004, the company has also been certified in accordance with the occupational health and safety standard, OHSAS 18001.

Last year, a project was launched to enhance the energy efficiency of the entire operation. The goal was ambitious: to reduce energy consumption by 20 per cent during the first half of 2012 compared with the year before. In terms of oil, the outcome was 18 per cent for the 2012 calendar year which, considering the increased production, should be considered favourable. However, electricity consumption rose 12 per cent due to the increased production. Our efforts to further enhance our energy efficiency continue. Petrolia treats its wastewater in its own treatment plant and strives to recycle all waste and discontinue all compounds that are hazardous to the public and the environment.

Do-it-yourself

Our DIY carwashes are unique. We offer customers the possibility of washing their car in an environment that is adapted for this purpose. The handling of waste oils and oil filters are important to the environment. DIY carwashes are equipped to handle old oil. Customers can check their air filters in the DIY wash. A blocked air filter can raise a car's fuel consumption by several decilitres for every ten kilometres, resulting in expensive driving and unnecessarily large exhaust emissions.



The right oil

Another key maintenance detail is oil. The right lubricant in a car results in a more fuel-efficient engine, less wear and an extended useful life.

Increasingly extensive technical and specific oil requirements from automotive manufacturers can make it difficult to find and select the right oil, which is why we launched the oil guide in 2012. This is an online tool with which the customer can search the registration number and directly find what oil to use. You can also contact technical support if you need help selecting the right oil or have technical questions concerning oil changes. Moving forward, we will work on our lubricant packaging, which currently creates a great deal of plastic waste. Developing safe packaging or using less material is a delicate choice, but the objective is to identify new solutions that can reduce the use of plastic without compromising safety.

The fuel

More than 99 per cent of OKQ8's total climate impact results from the fuel we sell. The goal of becoming the market leader in terms of infrastructure for renewable fuel is thus a key task.

Sustainability criteria

In addition to fuel, we also purchase a number of other goods – car-related products such as oils, chemical products, car accessories and other articles that are sold to companies and at stations. But groceries and other everyday products that are not for cars are also sold at the stations. Most of the purchased goods are produced in a global market, which leaves a lot to be desired in terms of human rights. In 2011, a Code of Conduct was introduced, including requirements concerning human rights, fundamental labour rights and anticorruption efforts throughout the sourcing organisation. These requirements currently comprise an element of all agreements.



Contents:

Our carbon emissions page 21
We are electrifying motorists page 22
Renewable fuel page 23
For heavy traffic page 24
Traceability page 25

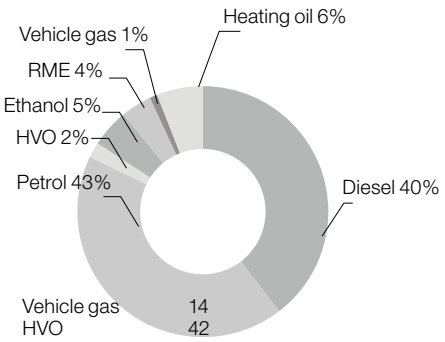
Our carbon emissions

In 2012, OKQ8's operations, including customer fuel, contributed to emissions of just below 6.6 million tonnes of carbon, up slightly compared with 6.4 million tonnes in 2011.

This was mainly due to increased sales of diesel, which made the launch of Diesel Bio+ particularly important. In terms of our own operations, energy efficiency has increased throughout the organisation. The emissions from logistics are being reduced. The stations are significantly reducing their emissions, through measures such as an improved mix of electricity and continued energy-efficiency enhancement. Emissions from the production of lubricants and chemical products increased somewhat due to greater volumes. The rental car operation increased its emissions due to fewer ethanol cars and more diesel cars in the vehicle fleet. You can read more about this in the "Rental car motorist" section.

In 2012, overall traffic in Sweden generated 18 million tonnes of greenhouse gases. We accounted for 6.5 million of the total. Naturally, none of this is sustainable and we aim to spearhead the development towards sustainable motoring. The challenge is considerable but inspiring, and involves phasing out fossil fuels in favour of fuels that contribute to neither global warming nor the creation of environmental or health problems. We cannot do this on our own, but certainly want to do our part. The diagram to the right shows how sales are currently divided among various fuels and the constituent ingredients.

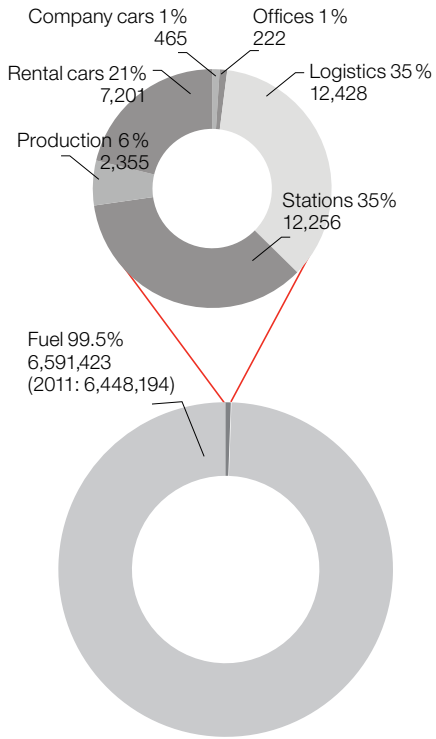
Fuel sales



Vehicle gas	14
HVO	42
RME	93
Ethanol	105
Heating oil	146
Diesel	978
Petrol	1,035

Total 2,417 (2,464)
(000s of cubic metres)

Emissions, CO_2e



Q & A
Lars, Volvo Lastvagnar

What can OKQ8 do to facilitate a reduction in climate emissions from heavy traffic?

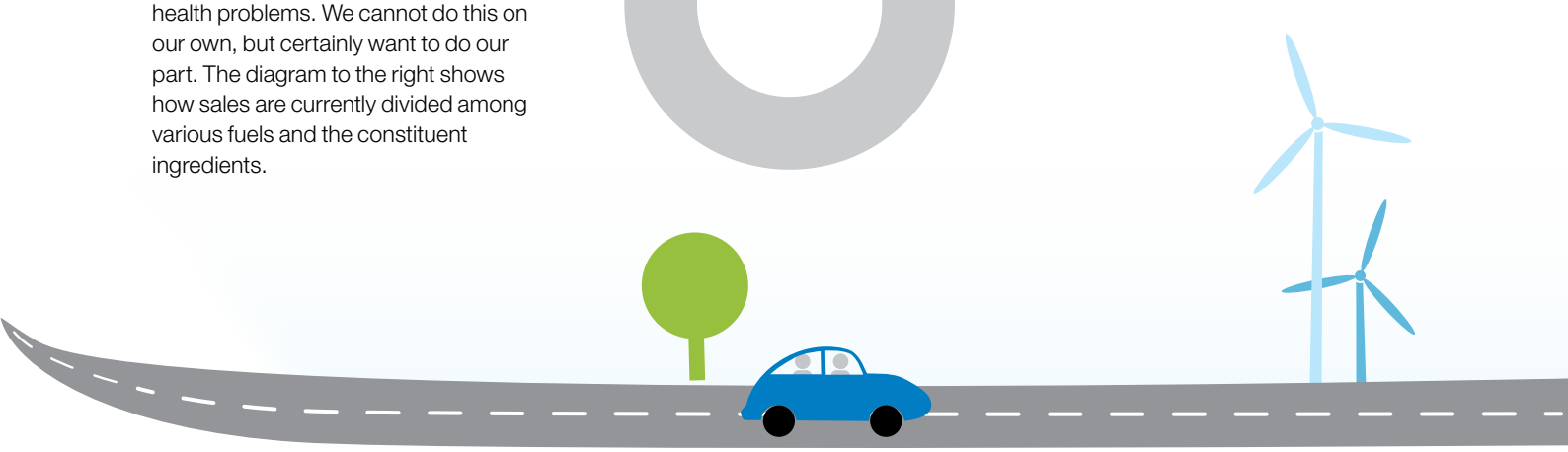
What we need are solid fuels with a high environmental performance that live up to their promises. Ultimately, this means that we have a shared challenge - it's the classic chicken or egg dilemma. As an automotive manufacturer, we must develop vehicles that can be powered by new fuels, but we also require the infrastructure to accommodate the new fuels.

As a fuel supplier, you have to develop new fuels, but for everything to work you also need cars that will fill up with the new fuel. Here, we can collaborate even more than we do today in order to develop and test renewable options. We look forward to working together in the future.

Lars Mårtensson
Director of Environmental Affairs at Volvo Trucks



Diesel sales are increasing while petrol sales are declining. However, our overall emissions are rising because our market share for diesel is higher. Diesel also generates more emissions of CO_2 per litre than petrol.





We are electrifying the motorist

To achieve the political objectives of a fossil-free vehicle fleet, we have to provide various types of alternative fuels. As part of efforts to realise this objective, we are electrifying the Swedish road networkt.

OKQ8 believes that electric cars and rechargeable hybrids will play an important role in tomorrow's vehicle fleet. Enabling this requires infrastructure, particularly for rapid recharging. In 2012, we initiated a partnership with Siemens to jointly develop new technology and new business models for rapid recharging at our stations.

We will invest in Sweden's road network in the form of infrastructure that contribute to sustainable motoring. We already have a goal of electrifying Sweden's highways, and have now elected to begin building infrastructure in locations with the most cars, meaning the major metropolitan areas. In 2013, we will primarily concentrate on Stockholm and Gothenburg.

Electric cars, hybrid cars and rapid recharging for electric cars are new sectors, which are relatively undeveloped. They are still taking shape. And since clear standards have yet to be established, we must be open to what is needed and be prepared to adapt, so that we can offer the right technology. The focus is on building infrastructure that will be put to use.

We have also noted that many consumers are hesitant about purchasing an electric car. This naturally has several explanations, but we believe that offering electric rental cars can bolster accessibility and courage among consumers. Allowing people to test the new technology creates confidence in electricity as a fuel and enables the market to mature. Accordingly, we have established rapid recharging stations in partnership with the rental car operation. The objective is for both infrastructure and vehicles to be available where demand is the greatest.



Renewable fuels

As leaders in sustainability, our work encompasses a broad range of issues.

Perhaps the most visible is that OKQ8 was the first fuel distributor in Sweden to offer the E85 fuel and the Swedish pioneer in verified sustainable ethanol. We are Sweden's largest source of vehicle gas. But that is actually not what is generating the greatest positive climate effects. Not yet anyway. There are currently nearly five million cars in Sweden, an overwhelming majority of which are diesel or petrol fuelled. The percentage of vehicles that are exclusively powered by renewable fuel remains marginal and is in fact declining because fewer and fewer ethanol cars are being sold. We hope and believe that this is a trend that will turn around. But it will take time. Swedish cars are currently used for 17–18 years before being scrapped. Accordingly, it is incredibly important to focus on low admixtures, meaning adding renewable fuels to the standard petrol and diesel.

The ability to continue to increase the admixture of renewable fuels largely depends on the prevailing tax regulations and OKQ8 regularly holds talks with the authorities in charge. We encourage clear legislation and tax regulations that steer the trend towards the use of more sustainable fuels, which can be used in the vehicles that are already being driven on our roads. In the future, our cars will probably be powered by non-fossil fuels and private motoring will be supplemented by several attractive alternatives. We view our role in this development as one of providing infrastructure and contributing knowledge.

In addition to low admixtures, we are working on the best way to offer an array of alternative fuels. Biogas has the potential to become an excellent fuel, both from a climate and an emissions



perspective, and we thus continue to view our focus on this gas as important. Vehicle gas, which according to OKQ8's definition contains at least 50 per cent biogas, is a step in the right direction. With 47 facilities for vehicle gas, including 21 at OKQ8 stations, our customers have access to the market's largest network. During the 2013/2014 budget year, another five facilities are planned at OKQ8 stations in Stockholm, Södertälje and Gothenburg. In 2012, an LPG station was opened within the framework of the IDS concept, which we consider to be a strong alternative to diesel for heavy traffic. We now offer pumps for pure biodiesel, or RME, at more than 10 stations. We are working continuously to increase the availability of biodiesel and ethanol. We are one of the largest suppliers of ethanol, with 542 stations that offer E85. We are also working on evaluating, and searching for, new alternatives.

Diesel Bio+

In 2012, we introduced Diesel Bio+, with 27 per cent renewable raw materials, mostly sourced from offal. The fuel is currently available at 370 stations throughout Sweden. We are particularly proud that the product is completely devoid of highly criticised palm oil, following pressure we placed on our supplier. We are also proud that we were the first company to introduce this kind of cold-resistant product in the Swedish market, which works just as well in the winter as in the summer. This innovation reduces carbon emissions by about 21 per cent, corresponding to 135,000 diesel cars per month, or 20,000–25,000 tonnes of carbon dioxide per month. Diesel Bio+ now accounts for about half of the diesel sold by OKQ8. In 2013, we will work to increase this share to slightly more than 60 per cent. The admixture of ethanol in petrol is already 5 per cent and the admixture of pure biodiesel (also known as RME) in diesel is 7 per cent.

For heavy traffic

IDS (International Diesel Service) is OKQ8's service concept for heavy professional traffic in Sweden and Europe.

IDS is active in 21 countries, with more than 80 diesel stations in Sweden and in excess of 600 stations around Europe. All the installations are automatic 24/7 stations with high-speed pumps, carefully planned manoeuvrability, high clearance and customised entry and exit roads. Some of the stations are Truck Centres, which offer expanded services that include rest stops, showers, Internet access and truck washes. In 2012, a customer survey was conducted that indicated a slight decline in customer-satisfaction results compared with the previous survey in 2008. This is a trend that we must analyse in greater detail and reverse, and is a natural priority in the years ahead.

Heavy traffic must also be able to fill up with fuel with a lower environmental impact. Diesel Bio+ is also available at IDS stations.

Depots

OKQ8 has eight wholly owned depots in Gävle, Halmstad, Malmö, Stockholm, Sundsvall, Västervik and Västerås. The depots in Malmö and Gävle are leased to other players. Through cooperation agreements with other depot owners, OKQ8 has access to another 15 depots. General analyses of the occurrence of soil contamination have been conducted in the past at all depots still in operation. Contaminants were detected at these depots because oil products have been handled here for many years at a safety level that did not measure up to the standards applied today. During the year, work was launched at our depots aimed at formulating plans to handle water used to extinguish fires, should one occur.

Transports

We aim to drive our own tankers with a minimal environmental impact. The Logistics Department conducts comprehensive environmental analyses encompassing all aspects of our operations. A major initiative in 2012 was a full-day training course for all drivers. The theme was the environment, health and quality, including methods to reduce environmental and personal risks. Both our own drivers and those who drive for road carriers that we deploy participated in the training course. Our vehicle park is constantly being renewed, and by replacing vehicles, trailers and chasses, energy consumption is reduced.

Efforts involving transport-optimisation systems have continued to further enhance our transport efficiency. By driving shorter routes to deliver our products, fuel consumption is reduced and thus also the climate impact. As a supplement to ignition interlock devices and vehicle computers, we are installing Speedwarning for safer and more fuel-efficient transports in the distribution of fuel.



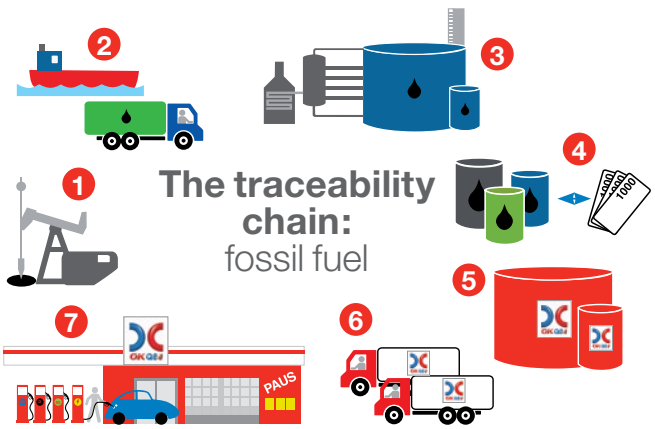
KNEG

As a feature of our efforts to spearhead the development of more sustainable heavy traffic, OKQ8 is also a member of KNEG – Climate Neutral Freight Transportation – with a target of halving CO_2 emissions from its members' organisations by 2020. The aim of the partnership is to show how the climate impact from road-based freight transport in Sweden can be reduced through various actions. The work primarily focuses on more efficient transports, fuel production and vehicles, and wider use of renewable fuels. Other members are major lorry manufacturers, forwarding agents, authorities and municipal companies.

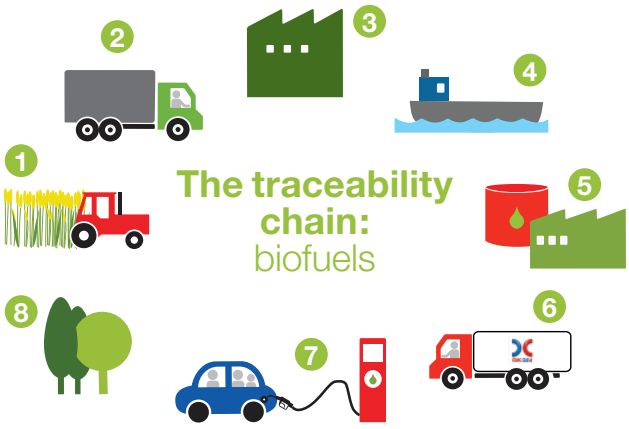
Feel free to visit www.kneg.org.

A rewarding project under KNEG is CleanTRUCK, a partnership with the City of Stockholm, Aga Gas and Volvo Trucks whereby we contribute to establishing stations for renewable fuel for heavy traffic and the testing of various types of environmentally adapted trucks and methods that result in a reduced impact on the environment. Everything from nitrogen in tyres to new types of cooling devices are being tested and evaluated. The last year of the project will be 2013, after which it will be reviewed to assess how we can advance on it.





1 Extraction 2 Transport 3 Refining 4 Trading in the commodities market. *This is where OKQ8 enters the picture. We only act as distributors of oil and biofuel products and conduct no proprietary production.* 5 Storage in depots 6 Distribution 7 Sales



1 Cultivation. RME is made from rapeseed. Ethanol derives from corn, wheat or sugar cane. In 2011, Denmark and Ukraine were the largest supplier nations of RME, and Spain, France and Sweden for ethanol. 2 Transport Production 3 Transport Storage in depots. This is where OKQ8 enters the picture in certain cases 4 Distribution 5 Sales 6 Growing biomass absorbs carbon dioxide

Traceability

A prerequisite for discussing sustainable fuels and pursuing reductions in carbon emissions is that we know where the raw materials come from and subsequently have control over the entire value chain right up to the pump or electricity socket.

Our work on calculating emission reductions from biofuels has been certified by the Swedish Energy Agency since 2011. This enables us to ensure that the products result in at least a 35 per cent reduction in greenhouse gas emissions. We also make sure that cultivation of raw materials does not damage other key resources or biodiversity. In many instances, we comfortably met the stipulations. The average reduction in ethanol emissions in 2012 was 67 per cent. We hope and believe that this trend will continue. We foresee a clear aspiration among our suppliers to continue to improve. In 2012, the audits of biofuel suppliers continued with positive results. The audits led to increased collaboration and exchanges of information with our suppliers.

Fossil fuels and biofuels have different preconditions in terms of the requirements that we can impose and how we can follow them up. For biofuels, legislation is in place that clearly stipulates the properties that a biofuel must meet and that will subsequently comprise a condition for tax exemption. Traceability will be verified for each individual unit back to its origin. For fossil fuels, this is more difficult since there is no detailed legislation to fall back on. We hope that work at EU level on developing a methodology to calculate greenhouse gas emissions from fossil fuels will be a step in the right direction and a resource in imposing our requirements.

Under the Fuel Quality Act and the Fuel Quality Directive, we submit reports to the Swedish Energy Agency regarding the total volume of delivered quantities, the origin of the fuel and greenhouse gas emissions. The directive requires all fuel suppliers to deliver fuel that reduces greenhouse gas emissions during combustion by 6 per cent by 2020 compared with a base figure.

In addition, we always impose health, environment and safety (HES) requirements, as well as social responsibility in our contracts with suppliers. We verify fossil fuels by assessing the system that the suppliers use. This means that we impose requirements on the suppliers' operations in their entirety and not just the volumes that are delivered to us. We commission suppliers that we have deemed credible in their HES work. A certain level of traceability exists and most of the crude oil derives from Russia and the North Sea.

The station

The station is the company's face to the public and what most people associate with OKQ8. We meet our customers at the station and sell many of our products to owners of private cars, business customers and, via the IDS stations, drivers of heavy vehicles.

We have 789 stations today, from Kiruna in the north to Trelleborg in the south. About half of these are manned and 185 are unmanned stations in partnership with Tanka. Local OK associations operate 113 stations. For those of you who drive lorries or tractor-trailers, we have 82 IDS unmanned stations that are open 24/7 along the major transport routes. Our sustainability work becomes visible at our stations. We are proud to offer the most filling stations with alternative fuels in Sweden. But that's just the beginning. Last year, the Board decided that all new establishments must have a sustainability perspective. In the spring of 2013, the next station with a sustainability profile will open in Glumslöv outside Malmö.

Quick To Go

During 2013, in our progress toward being a mobility and service hub, we will be testing a concept focused on fresh food, a café environment and world-class coffee. Quick To Go has been developed and is highly successful in Denmark. Now we will develop, test and evaluate it for the Swedish market. We believe that combining high quality for local store service with a high level of expertise in fuels, rental cars and car service is the way of the future – after all, mobility requires both food and transportation. The objective is to build the best food and car concept in the market.

Contents:

Steps along the way page 27

The station of tomorrow page 29



Steps along the way

Product range

An OKQ8 station is a place where you can buy products and services for yourself and your vehicle that make everyday life a little easier. The offering includes food products, music and newspapers, as well as motor oil, anti-freeze and spare parts. At many of our stations, you can also wash your car, by hand or machine, and repair and maintain it yourself or in the workshop. Our objective is that choosing more sustainable products and services should be as easy as possible.

It should be easy to get the eco-labeled degreasing agent off the shelf, and maybe change some of your old habits at the same time. The same philosophy applies in all areas. The vehicle repair shop should recommend easy-rolling tyres that do not contain hazardous oils, rental vehicles should have the highest environmental performance and drivers of heavy vehicles should have the option of choosing green products.

Our retail operations are a major player in the marketplace, with 4,000 employees in Sweden and nearly 100 million customer visits every year. We are working to increase the proportion of sales of sustainable alternatives, with a target level of them accounting for 10 per cent of total sales by year 2020. We define sustainable alternatives as eco-labelled products such as Nordic Ecolabel, KRAV and Good Environmental Choice, as well as our own eco-friendly alternatives. Good coffee is important – ours is Fairtrade and KRAV labelled – and it is traceable all the way back to the original coffee bean.

A SMARTer OKQ8

To steer developments in the direction that we hope, we must adopt an economically sustainable approach in the short and long term. Project SMART aims to simplify station operations and to ensure quality maintenance, procedural work and customer contacts. SMART is also an index of 11 different components that measures the principal factors for a station's success. A key element involves measuring long-term endurance instead of short-term financial results. The initiative was launched in 2010 and now more than 200 stations have adopted this approach. The gains of implementing SMART are considerable and, in addition to the economic benefits, comprise an improved work environment and a better customer experience.

Buildings

The stations account for a large part of OKQ8's energy consumption and nearly half of its carbon emissions. Energy-efficiency enhancement and the use of renewable energy for heating and operations will thus be core elements in our sustainability efforts. In 2006, an effort was initiated to phase out oil heating for our stations. At the stations that we operate independently, we have now replaced essentially all of the oil boilers. However, since this is an investment that is difficult to generate a return on in terms of the bottom line, progress has been slower among the stations that are operated by franchisees. We are now working to develop an investment model that could make it more attractive and accelerate the phase out of oil boilers at these stations as well.

Car washes

It's much better to wash the car in an automatic car wash or a DIY facility than at home on the street. In several municipalities, washing your car at home is against the law. The main reason for washing a car at an OKQ8 station is that toxins and heavy metals from the dirt in a car wash facility are taken care of by oil separators and treatment plants instead of running down into the surface water and out into lakes and waterways. Naturally, however, carwash, degreasing and other car-care products are also important, and the differences in environmental performance are substantial. The aim is that all 250 of our automated car washes should only use Nordic eco-labelled chemical products. In 2012, we achieved this goal with a few exceptions.



Safety

Safety work at OKQ8 focuses on preventing and limiting accidents. We strive to avoid adversely affecting humans, the environment and property by working actively on improvements, correcting non-conformities and incident management. Since accidents may nonetheless occur, damage minimising aspects are important, such as training, maintenance and investments in equipment and materials. Procedures have been established for risk assessments of ordinary operations at regularly scheduled intervals – risk assessments when changes are made, in addition to risk assessments within various projects. All activities are conducted in close cooperation with public authorities, neighbours and other stakeholders.



The station of tomorrow

Since the opening of the Häggvik station in early 2012, we have continued our work to learn more and to work out how to spread as many of the innovations and smart solutions that are being tested there as possible.

As of this year, all new OKQ8 establishments are to have a minimal environmental impact and be constructed with a clear focus on sustainability. Effective energy consumption systems, minimal use of chemicals, chemical-free water treatment, environmentally compatible or recycled materials and the ability to rapidly recharge electric cars are factors that we have incorporated in all new buildings. The forthcoming establishment in Glumslöv sets the tone. In addition to the rapid recharging of electric cars, the building's structure is made of laminated timber with exterior walls insulated with recycled rock wool. The rooftop features solar cells that generate electricity, and heating and cooling are created using geothermal heating and free cooling. Energy consumption has been halved compared with before.

OKQ8 was the first fuel company in Sweden to offer charging posts for the rapid recharging of electric cars. We are now partnering with Siemens to focus on expanding this access at more stations in metropolitan regions. The option of renting an electric car was introduced at three stations in 2012 and we expect to increase the pace in 2013.

Ultimately, we want to be part of the cityscape and meet various types of local needs. This may take the form of establishments exclusively offering rental cars in the vicinity of public transport, or fresh food or bicycle servicing, depending on the local conditions around the station. OKQ8 represents mobility and sustainable motoring and will focus intently on being located in busy areas where we are needed. The filling station will become increasingly important as a service centre. We want to offer what customers need – access to carpooling, rental cars, fuels – such as electricity and biodiesel – but also delicious food and beverages, clean restrooms, Wi-Fi and car and bicycle accessories.



GRI content index

We report in accordance with international standard

This year's report encompasses the financial year from 1 March 2012 to 28 February 2013. We have elected to report in accordance with GRI framework's application level C (G3). A report pursuant to Global Reporting Initiative's (GRI) international framework for sustainability reporting must comply with a number of principles pertaining to the report's content and quality.

For example, both advances and setbacks must be reported. The content may not be misleading but must instead highlight the principal sustainability matters and be comparable with other GRI reports. This year's report was not audited by a third party. However, we aim to do so once we have become accustomed to the process.

Indicator	Description	Comment	Page location
	Strategy and analysis		
1.1	Statement from the chief operating decision maker		page 3
	Organisational profile		
2.1	Name of organisation	OKQ8 Sweden.	
2.2	Primary brands, products and/or services	The primary brands are IDS, OKQ8 and Q8 Oils.	
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	OKQ8 AB, Arithma Shared Service AB (100% owned), OKQ8 Bank AB (100% owned), Petrolia AB (81% owned) and OKQ8 Marknads AB (80% owned)	
2.4	Location of headquarters	Stockholm	
2.5	Number of countries where the organisation operates	Sweden and Denmark	
2.6	Nature of ownership and legal form	*www.okq8.se/omokq8/omokq8/organisation*	
2.7	Markets served	Sweden; except the grease department, which exports primarily to Finland, Norway and Denmark. Customers include private individuals, business customers or authorities.	
2.8	Scale of the reporting organisation		page 10–11
2.9	Significant changes during the reporting period	OKQ8 Denmark was acquired.	
2.10	Awards received during the reporting period	Best Fuel Company in Sustainable Brands Index 2013.	
	Information about the report		
3.1	Reporting period	1 March 2012 – 28 February 2013.	
3.2	Date of most recent report	This is the first. Published on 2 May 2012.	
3.3	Reporting cycle	One year.	
3.4	Contact point for questions regarding the report or its contents	Carolina Rössner, Head of Communications.	
3.5	Process for defining report content	The contents were defined using stakeholder surveys, advisors and other industry reports.	
3.6	Boundary of the report	OKQ8 AB, with subsidiaries and joint ventures, including all business areas. Suppliers are not included in this report.	
3.7	State any specific limitations on the scope or boundary of the report	Limitations are found in the ability to report on the sustainability impact of suppliers. The objective is for this to be an option, although it is currently difficult to know exactly when this will be possible.	
3.8	Basis for reporting on subsidiaries, etc	The basic principle is relevance. Read a summary at *www.okq8.se/privat/miljo/miljoochhallbarbilism/vartmiljoarbete*	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	No major changes have occurred.	
3.11	Significant changes from previous reporting periods	No major changes have occurred.	
3.12	GRI index		page 30–31
	Governance, commitments and engagement		
4.1	Governance structure of the organisation		page 10
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	The CEO is a member of the Board but is not the Chair.	
4.3	For organisations that only have a Board level, state the number of members of the Board that are independent and/or non-executive members, as well as how the organisation defines the term "independent"	Not applicable to OKQ8.	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the Board and Group management	The shareholders are members of the Board. Both owners have equal representation on the Board and the Chair does not have veto powers. This means that if the two sides have differing views on a matter, a compromise must be reached. Employees can exert influence by writing their opinions in the space for "Other comments" in the Employee Satisfaction Survey, through performance reviews and exit talks, and can contribute opinions in OKQ8's internal magazine Oqtan. However, there is no formal channel to the entire Board.	
4.14	List of stakeholder groups engaged by the organisation	Customers (businesses), authorities, municipalities, the government, suppliers, environmental organisations, human rights organisations, consumer organisations, business organisations, trade unions, owners, lenders, neighbours (of the stations).	
4.15	Basis for identification and selection of stakeholders with whom to engage	OKQ8's principal stakeholders are the groups that are largely impacted by and/or impact the company's operations, such as members, customers, interest organisations, authorities and suppliers, and that have a vested interest in contributing to OKQ8's sustainability work. Stakeholders are identified based on the following: 1) What players are impacted by and/or impact the company's operations to a significant extent? 2) Do these stakeholders have an interest in contributing to OKQ8's sustainability work? 3) Are these stakeholders' work methods compatible with OKQ8's values?	

Partly reported **Fully reported**

Indicator	Management approach and performance indicators	Comment	Situation	Page location
	Economic impact			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and the public sector.			page 10
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change			page 3, 6, 8-9
	Environmental impact			
EN2	Percentage of materials used that are recycled input materials	Ethanol, HBO and RME.		page 23
EN3	Direct energy consumption by primary energy source			page 21
EN4	Indirect energy consumption			page 21
EN5	Energy saved due to conservation and efficiency improvements			page 19, 21 and 27
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives			page 4, 18, 22, 23, 27–29
EN7	Initiatives to reduce indirect energy consumption and reductions achieved			page 18, 29
EN16	Total direct and indirect greenhouse gas emissions by weight			page 21
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved			page 4, 18, 22, 23, 24, 26–29
EN23	Total number and volume of significant spills	No spills during the year.		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation			page 4, 18, 22, 23, 24, 27–29
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	There were no breaches of environmental legislation or provisions during the past year.		
	Employment conditions and terms of employment			
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and religion			page 11
LA4	Percentage of employees covered by collective bargaining agreement	100%.		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender	No deaths.		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity			page 13
	Human rights			
HR2	Percentage of significant suppliers and subcontractors that have undergone human-rights screening, and actions taken	Some 58% of OKQ8's fuel suppliers have been screened. Subcontractors were not included. Furthermore, the screened suppliers comprise suppliers of biofuels and correspond to a minor portion of overall fuel sales.		
HR4	Total number of incidents of discrimination and corrective actions taken	There were no cases of discrimination during the past year.		
	Society			
SO7	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes	No legal actions were taken against OKQ8.		
SO8	Monetary value of fines and number of sanctions for noncompliance with laws and regulations	OKQ8 did not have to pay any significant fines or non-monetary sanctions		
	Product liability			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction			page 5, 17
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No convictions by the Swedish Market Court or the Swedish Advertising Ombudsman		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	No breaches of prevailing laws and regulations concerning the supply and use of products and services took place.		

MILJÖMÄRKT 341 009 TRYCKSAK

FSC www.fsc.org MIX Papper från ansvarsfulla källor FSC® C016547

www.okq8.se



Thanks for
reading this report.
Drive safely!