Every day is a journey

Sustainability Report 2015/16



Q8

OKQ8

A warm welcome!

OKQ8 Sweden and Q8 Denmark work under different brands, but are one and the same organisation, OKQ8 Scandinavia. The organisation has common goals, values and a management with a holistic view on sustainable development. Through our activities we affect society in many different ways.

In this report, we describe how we work with social responsibility, environment and economy to be relevant to customers now and in the future. Global challenges such as a growing population and urbanisation require a high degree of flexibility, since more people are in motion. This means, amongst other things, that there are more cars in circulation. Today, CO_2 emissions from transportation already contribute with one third of the global greenhouse gas emissions. With this report we want to clarify how we can help to minimise this environmental impacts by making the drive as sustainable as possible for our customers, through providing sustainable products and services.

In a materiality assessment, we have identified the areas where we have the greatest impact on society and where our stakeholders believe that we should focus our resources. To name a few: environment and climate change, customer satisfaction, community involvement, health and safety. You can read more about the materiality assessment on page 7. Here, you can also read more about GRI (G4), Global Reporting Initiative, which we use as our reporting framework. We are proud to announce our sustainability efforts in a global perspective.

We want to be an enabler for people in motion – also in the future. Therefore we have an obvious responsibility to continue to work with sustainable development.

Please feel free to contact Alexandra William-Olsson, Head of Communications at OKQ8 Scandinavia, if you have any questions or if you would like more information about the report.

Contents

Welcome	2
Statement from the CEO	4
Sustainability goals	5
Our business	6
Stakeholder dialogue and materiality assessment	7
Our vision of a service station	8
Services and products	10
The future service station	12
Customer satisfaction and customer service	14
Increased accessibility for all customers	15
Which fuels we offer and why	16
Supply Chain	18
Renewable fuels	20
Energy use and CO_2 emissions	21
How we avoid spill and leaks	22
Transportation and storage	23
Our employees reflect who we are	24
Training – the way to success	25
Sustainability is safety	26
Anti-discrimination and equality	27
Ownership, management and organisation	28
Economy	29
GRI index and Global Compact reference table	30

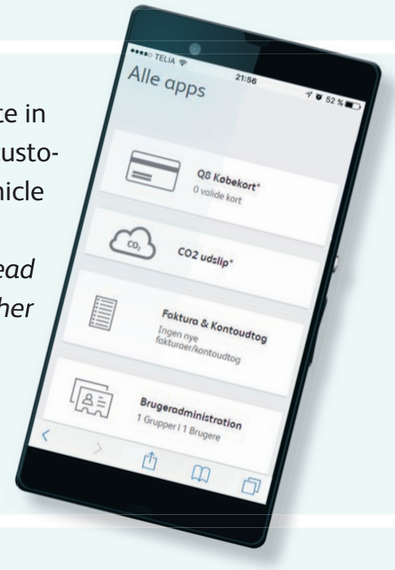
This report covers the requirements from the Danish Financial Statements Act, Section 99a and b. A selection of the accounts can be found in the report on page 29. The full annual report for the financial year 2015/16 is available on okq8.se and q8.dk from the end of May 2016.

The sustainable fuel, HVO (Hydrogenated Vegetable Oil), can now be found both in our Diesel Bio HVO and in our standard diesel. In 2015, Diesel Bio HVO had a CO_2 reduction of up to 90 percent and standard diesel up to 35 percent. *Read more on page 20.*

317 million Swedish kronor

were OKQ8 Scandinavia's earnings for the financial year 2015/16.

This year, we launched a website in Denmark to help our business customers to report how far their vehicle can drive per litre and their CO_2 emission. *On page 15 you can read more about the website and other digital efforts we have made to ease the everyday life of our customers.*



CO_2e

During 2015 our total CO_2e emissions were reduced by 3.5 percent compared to the previous year.

Fuel	Denmark	Sweden
Petrol	•	•
Diesel	•	•
E85		•
Electricity		•
Ethanol for low admixture	•	•
Autogas		•
HVO		•
HVO for low admixture	•	•
RME		•
RME for low admixture	•	•
Hydrogen	•	

Our fuel product range is different in Denmark and Sweden. *Read more about which fuels we offer and why on page 16.*

We are proud to present our initiative for helping young people in to education, internships or jobs. In Denmark, 150 young people took part in Break Youth Unemployment Now! and in Sweden we helped 74 interns from Youths On Their Way in to different departments of our company in 2015/16. *Read more on page 25.*

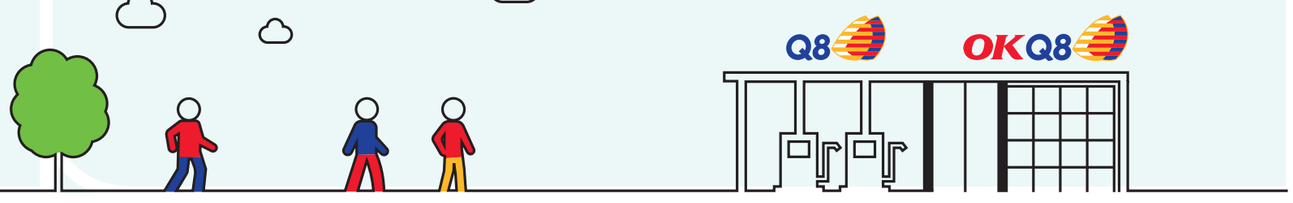


Photo: Creon, GoMore, OKQ8 Scandinavia, Mathias Martinsen mfofo.se, Renova.



Our journey has only just begun

How can we help our customers make their journey as sustainable as possible? This is a question that we constantly ask ourselves. It is by creating optimal conditions for our customers that we can continue to be a relevant and sustainable choice for people in motion – also in the future.

Somewhat simplified, you can say that OKQ8 Scandinavia's sustainability efforts are about how we can reduce our own energy use, as well as helping our customers choose sustainable alternatives. We put a lot of resources in to developing energy efficient fuels, services and products. We do this because sustainability is key to all activities in the company.

As the CEO of one of Scandinavia's largest fuel companies, I am sometimes asked why sustainability is at the top of my agenda. It is quite simple – there is no other alternative. No matter where in the world and in which industry we operate, we must move in the same direction. For us at OKQ8 Scandinavia, it is about social, economic and environmental sustainability. Therefore, I am very proud that we have set goals regarding sustainability in all these areas.

An example of how we have developed the area of sustainable fuel during this financial year, is our new and improved diesel with a high level of HVO, which is gentle on both the environment and engines. We take considerable pride in the result; in 2015 we had a CO_2 reduction of up to 35 percent on our diesel. The development of fuel requires collaboration with car manufacturers. The interest from our customers in sustainable alternatives also plays an important role. It is all about timing, supply and demand. Investing in the development of fuel will not be profitable if there is no demand from the customers. Another major challenge is high taxes on biofuels in Denmark, which limits the opportunity of incorporating renewable products.

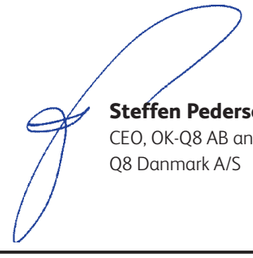
Despite these challenges, we see opportunities. In our efforts to reduce CO_2 emissions, we continuously contribute to the development of new technology. At the moment, we are actively involved in several development projects within e.g. electricity, hydrogen, biogas and second generation ethanol.

Besides seeing climate change as a global issue, social sustainability is something that is important to me personally. Therefore, I am both proud and impressed by our systematic efforts to get young people into work through our initiatives Youths On Their Way and Break Youth Unemployment Now! I truly hope that other companies will be inspired to make similar efforts.

All in all, we have successfully reached a number of sustainability goals during the year. Thanks to our focus on efficiency, we have removed costs that do not generate economic, social or environmental value. It gives us insights regarding sustainable and intelligent investments. Developing areas where we see opportunities are, amongst others, healthier food and biofuel.

OKQ8 Scandinavia is a strong company with common goals, and together with customers, suppliers and employees, we continuously need to make efforts towards a more sustainable world. It is an everyday journey that has only just begun.





Steffen Pedersen
CEO, OK-Q8 AB and
Q8 Danmark A/S

Sustainability goals – an instrument

We are an enabler for people in motion. Today and tomorrow. This requires that we constantly improve our position and increase our ambitions.

How can a fuel company be sustainable when we operate in an industry where oil and other fossil resources are of great importance? The answer is that in a world where people are becoming more mobile, we are convinced that opportunities to do something good outweigh the negative. Our task is to help customers act sustainably by offering sustainable products and services.

The Sustainability Council is an internal group within OKQ8 Scandinavia with representatives from the entire organisation. The council recommends strategy, goals and actions to management for approval. The approval also takes into account the ISO certification requirements applicable to certain areas of the organisation. The materiality assessment and our stakeholders' priorities are also included in the decisions.

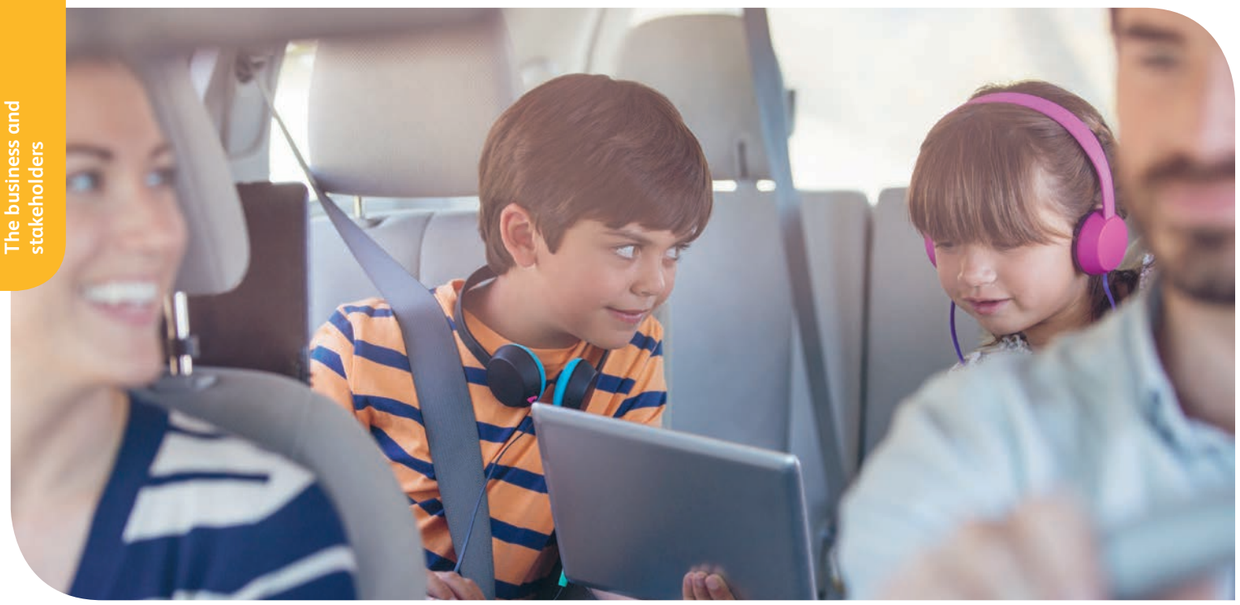
We are actively working to reduce green house gas emissions, especially by informing our customers and by contributing to the development of fuels that have less environmental and climate impacts. We are also working on optimising the use of energy at our service stations and depots, and on increasing the share of sustainable products in our stores – everything from lubricating oil and car wash products to coffee and meals.

We have taken several actions towards achieving our sustainability goals for 2015/16 that we are proud of. Some of these can be found in the table below. One area of improvement is our range of products, where we now have several sustainable alternatives, such as fuels and car wash products. We would like to extend our product range with food that corresponds to our values of being quick and flexible, and which is also sustainable, healthier and good.

UN Global Compact principles

We are proud to have signed the UN Global Compact, which comprises of ten principles. These guide us on how to work with human rights, labour, environment and anti-corruption in relation to our sustainability goals. The principles correspond with our own values and we rely on them in various decisions.

Our sustainability goals mean that we must	Results (examples of initiatives)
Increase the proportion of sustainable alternatives in the product range and encourage customers to choose them	■ Diesel Bio HVO ■ Standard diesel with higher addition of sustainable fuels ■ Swan labeled car wash products ■ Fairtrade coffee *Read more on page 8, 11 and 16*
Support the development of more sustainable fuels	■ Natural gas to the Samsø Ferry ■ Biofuel based on vegetable oils and animal oils ■ Biogas ■ The infrastructure for electric charging stations *Read more on page 20*
Help to reduce unemployment	■ Break Youth Unemployment Now! and Youths On Their Way *Read more on page 25*
Work for a safe and secure workplace – free of accidents	■ SSHE management system: "How we do it" *Read more on page 26*
Reduce the CO_2 emissions from our own activities	■ Measurement of energy use at stations ■ Cooperation with distributors to optimise the transportation of our products *Read more on page 21 and 23*



Our business

– an enabler for people in motion

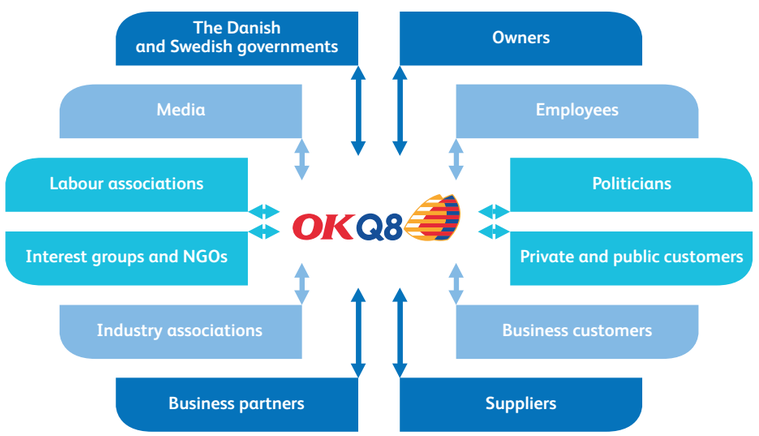
The need for movement and travel is significant and will continue to increase in the future. We exist for all the people who wants to transport themselves, and our goal is to offer our customers a quick and flexible stop to meet their needs on the way to their final destination. We offer a wide range of services and products for the car, but also food, coffee and other products that make the trip a little more enjoyable.

By maintaining an ongoing dialogue with our customers, suppliers, employees and other stakeholders, and at the same time being responsive to the needs and changes affecting our industry, we are able to make intelligent investments. We are also able, as far as possible, to offer alternative and more sustainable solutions, so that people can continue to be on the move in a future with less environmental impact than today. It is important for us and for our stakeholders that we operate in an economically and environmentally sustainable way.

We exist for all the people who wants to transport themselves, and our goal is to offer our customers a quick and flexible stop to meet their needs on the way to their final destination.

As a Scandinavian organisation, we operate in two strong markets. Thanks to the differences between Sweden and Denmark, we learn a lot along the way, and thanks to the similarities, we win through synergies.

Today we are bigger and better equipped than ever with the focus that every day is a journey – both for us and for our customers.



Stakeholder dialogue and materiality assessment

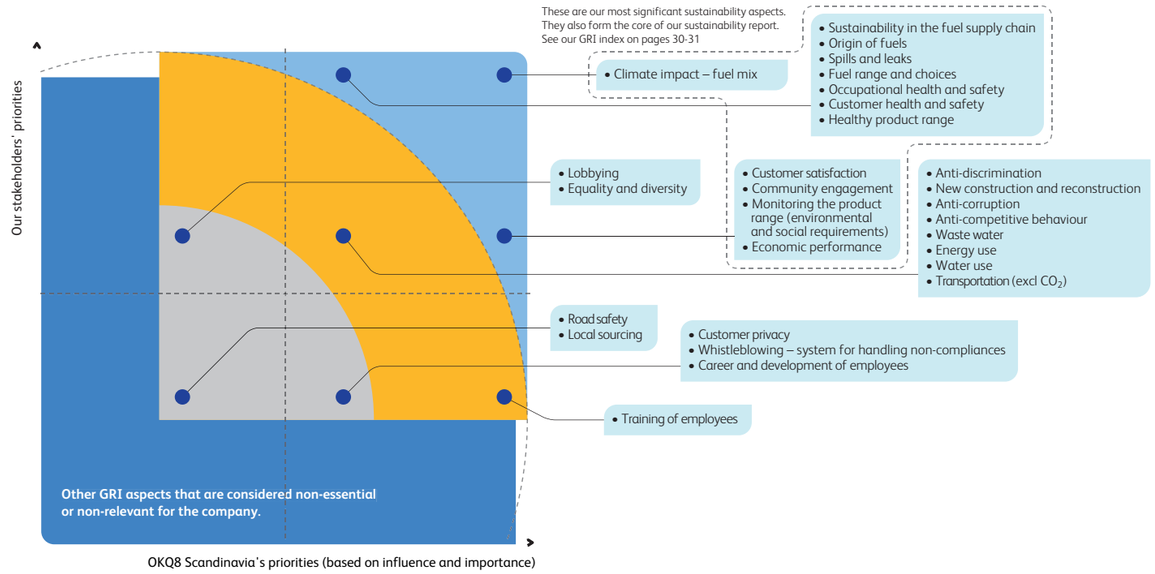
Based on the Global Reporting Initiative, GRI, we conducted a materiality assessment with selected Swedish and Danish stakeholders to test our key sustainability aspects. The assessment shows how we can meet our stakeholders' expectations now and in the future.

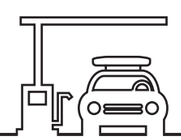
The goal of sustainable development is to "fulfil the present needs without compromising the ability of future generations to achieve their own needs". We will achieve this by helping our customers to make new and innovative choices and to think in new ways.

The starting point has been to define the areas where we have the greatest influence on society and where our stakeholders find that we should focus our resources in order to achieve a sustainable society. When identifying the most important aspects, we have not only assessed the impacts from our own activities, but taken into consideration the imprint of the entire value chain in order to get a complete assessment of the situation. However, we primarily account for the direct impact that our business has on society.

In 2014, we developed a clear priority list of our most significant sustainability aspects. This was done in dialogue with our key stakeholders, investors, private and public customers, suppliers, partners, environmental organisations and other interest groups. This past year we have continued to prioritise the dialogue with our stakeholders in several areas. One example is the conversations with the City of Stockholm and Järfälla County about stations with alternative fuels for heavy traffic, which aim to make it easier for the commercial traffic to make sustainable choices.

Based on GRI's revised guideline, G4, we decided primarily to communicate on sustainability in the areas that proved to be the most relevant. Concerning our efforts towards sustainability, we still see opportunities to influence and make a difference in these areas. All our sustainability aspects are shown in the model below. In this work we have followed the current legislation for the area in which we have made decisions on our sustainability goals.







Our vision of a service station

People in motion affect the geografical location of our service stations, the services we offer and our product range. The most important thing for us is to provide the best possible service in relation to customer needs. That is why our stations offer so much more than fuel. This will become even more evident in the future.

As society changes, our preconditions change. Several environmental factors make the development more difficult to predict, such as people increasingly being in motion. We must create opportunities to be flexible so that we can continue to be relevant to our customers. Sustainability naturally plays an important role in our work and in our efforts to make a difference.

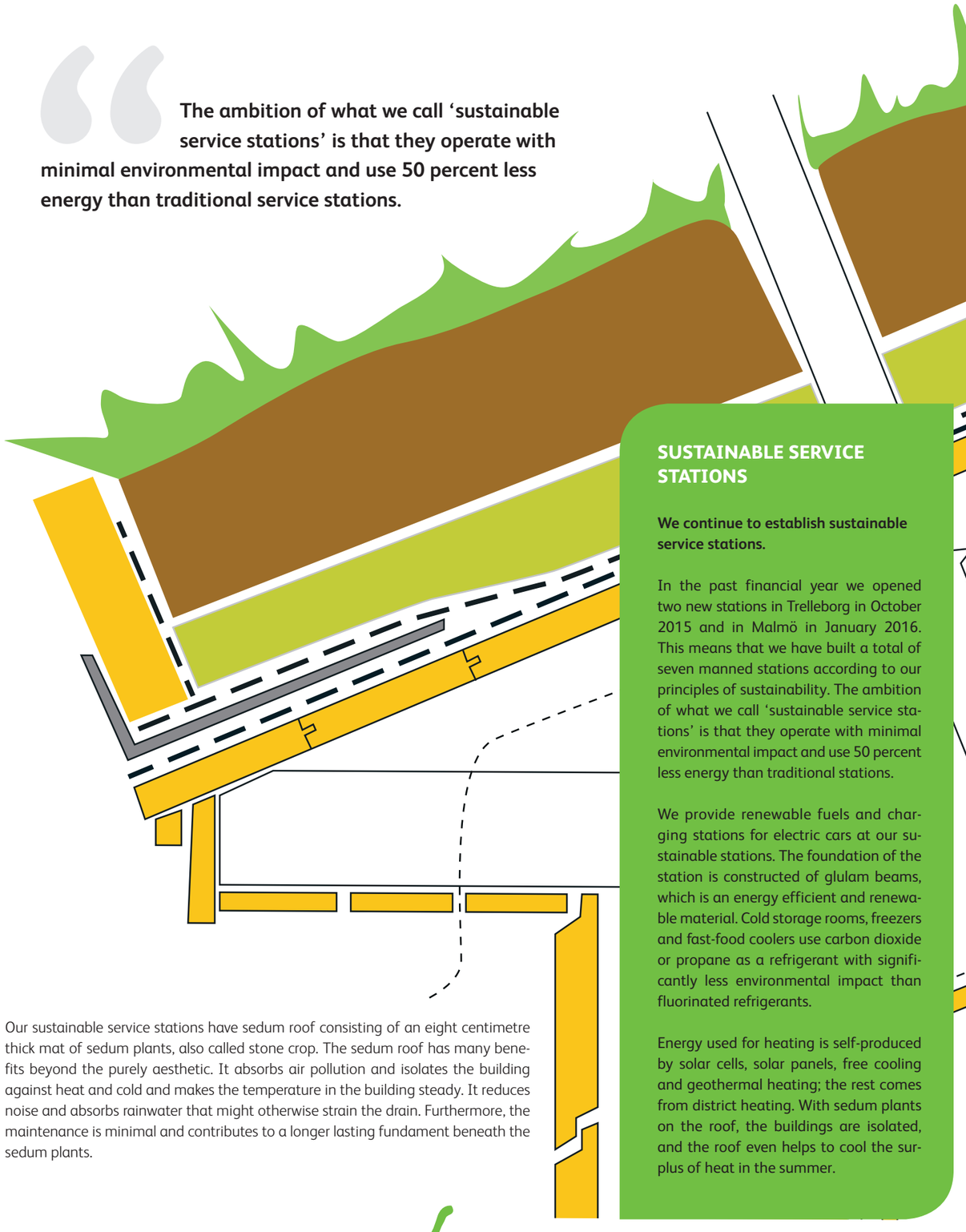
Our entire station network consists of 274 stations in Denmark and 732 stations in Sweden, including IDS, F24 and Volvo Tanke. A common feature of our manned stations is that each station is based on our values; customer focus, quick and flexible, expertise and open and honest. Although we are a stop on the way between two destinations, we focus on the stations being meeting places where people in motion actively choose to take a break for a cup of coffee, to eat a salad, refuel the car or for bicycle service. In other words, a service station is much more than fuel.

The customers' needs are often different depending on the location of the station. In a city, there is a higher need for services such as package delivery and bicycle service, while along a highway it is typically more important for the customer to quickly refuel and get a bite to eat. The same applies to our automatic stations, which are open 24 hours a day, have high-speed pumps, plenty of swing space and safe entrances and exits.

Our stations are becoming more energy efficient in order to reduce the environmental impacts that our activities contribute to. When we rebuild or build a new station, it is important that it is done in a sustainable way. All of our stations use 100 percent eco-labelled products for car wash, and all of our car wash facilities are connected to oil separators and wastewater treatment plants. Our most modern stations have solar panels, green roof with sedum plants, geothermal heating /free cooling and are built on a foundation of glulam beams. In Denmark, we have conducted successful tests with sensors in refrigerated counters and freezers, which give a more even energy use and this results in 15-20 percent energy savings. These will now be implemented in Sweden. We continuously test and develop new techniques to make our stations more sustainable and relevant to the customer.

The most important thing for us is to provide the best possible service in relation to customer needs.

"The ambition of what we call 'sustainable service stations' is that they operate with minimal environmental impact and use 50 percent less energy than traditional service stations.



Our sustainable service stations have sedum roof consisting of an eight centimetre thick mat of sedum plants, also called stone crop. The sedum roof has many benefits beyond the purely aesthetic. It absorbs air pollution and isolates the building against heat and cold and makes the temperature in the building steady. It reduces noise and absorbs rainwater that might otherwise strain the drain. Furthermore, the maintenance is minimal and contributes to a longer lasting fundament beneath the sedum plants.

SUSTAINABLE SERVICE STATIONS

We continue to establish sustainable service stations.

In the past financial year we opened two new stations in Trelleborg in October 2015 and in Malmö in January 2016. This means that we have built a total of seven manned stations according to our principles of sustainability. The ambition of what we call 'sustainable service stations' is that they operate with minimal environmental impact and use 50 percent less energy than traditional stations.

We provide renewable fuels and charging stations for electric cars at our sustainable stations. The foundation of the station is constructed of glulam beams, which is an energy efficient and renewable material. Cold storage rooms, freezers and fast-food coolers use carbon dioxide or propane as a refrigerant with significantly less environmental impact than fluorinated refrigerants.

Energy used for heating is self-produced by solar cells, solar panels, free cooling and geothermal heating; the rest comes from district heating. With sedum plants on the roof, the buildings are isolated, and the roof even helps to cool the surplus of heat in the summer.



Services and products – in a more sustainable society

It is important for us to ease everyday life for people in motion. We do this by having a wide range of sustainable products and services.

Within our car rental business, we reduced our CO_2 emissions with 7 percent in 2015.

Our product range is determined by the location of the station and the type of needs. In urban areas, for example, there is a need for fuel, but also services such as package delivery and bicycle service. The shopping place, which is accessible by public transportation or car, offers car rental and car wash as well as convenience food and fuel, while the traffic portal focuses on fuel and a meal. In all cases, it must be quick and flexible for our customers. In our product range, different sustainability labels are found on the products enabling the customer to make sustainable choices. The ambition is to increase the share of sustainable products, whether it's fuel, food or other products. In 2015/16, we had 214 eco-labelled products in our shops out of a total of 4,550 possible products within retail and car industry. We continuously focus on reducing CO_2 emissions. Within our car rental service, we reduced our emissions by 7 percent in 2015. This was due to more vehicles driving on renewable fuels, but also since our smaller trucks now have more environmentally efficient engines. Read more about how we work with sustainable development in relation to fuels on page 16-20.

Over the last two years, we have expanded our stations in Sweden with our new food concept Quick To Go. The concept already exists in Denmark. It includes several new healthier alternatives of high quality. It has been a success and sales are increasing. However, we have a challenge to reduce waste in relation to the increased supply. In 2014 we began a food waste project in Denmark. In 2015, the initiative continued by transforming Danish pastry into other pastries to reduce food waste. We sold 29 tons of pastry during 2015.

In Denmark, we work with The Whole Grain Partnership, which is behind a national campaign to make it easier to find whole grain foods and thereby live healthier. Since November 2015, Q8 Denmark has also collaborated with Starbucks for a 100 percent Fairtrade-certified coffee. Likewise, we have Fairtrade-certified coffee and organic milk in Sweden.

Although we already offer healthier and sustainable alternatives – such as fresh salads, sandwiches and fruit and vegetables in snack bags, we see a great potential in expanding the healthier range further. We are constantly looking for better and healthier options based on freshness and quality aspects, including vegetarian and gluten-free products. In the pursuit of a broad, sustainable range for everyone in motion, our work is based on the principle "the healthier alternative" and recognises that healthiness means different things to different people. For some, it means organic and Fairtrade, for others it means fresh and locally produced products, while for others it's about fewer calories. Whatever you lean towards, the food that we offer will fulfil our values of being quick and flexible, while being sustainable, healthier and good.

WE COLLABORATE WITH VI-SKOGEN

We support Vi-skogens work on tree planting and combating poverty in Africa. We do this through our work with Returpack, thereby increasing the recycling of cans and bottles found along the Swedish roads. In 2015, a total of 160,000 Swedish kronor was collected, which resulted in 8,000 new trees being planted.



PETRA WADSTRÖM
The founder of Solvatten

We have been able to help more than 1,000 families in Uganda to get clean and hot water by connecting the innovation project Solvatten with our car wash offerings. A Solvatten tank holds 10 litres and with the help of the sun, the tank can rinse op to 30 litres of water per day. No batteries or chemical additives are necessary – just the sun.

Petra Wadström, founder of Solvatten: "What does the collaboration with OKQ8 mean for you?"

An important aspect is that the project becomes visible, so that more people will engage. We have been in Uganda since 2009 and work with several local organisations. Our collaboration with OKQ8 Scandinavia has contributed to a lot of families receiving clean water. It has also led to a reduction in the energy requirement, because the water is heated and can be used for cooking and hygiene. In other words, the effort delivers very obvious and direct results.



Illustration showing how OKQ8 Scandinavia's service stations may look in the future, designed by the architectural firm Snøhetta.

We believe in the future service station

The future service station is both a work method and a project, which aims to identify and explore the expectations, weaknesses, potentials and ideas for how service stations should look and function in the future. Each small step is a step towards long-term sustainable development.

It is difficult to predict the development 15 years into the future, as people will be more mobile and development often occurs stepwise. At a time when urbanisation is at its peak and cities are filled to their limits, it is a challenge to get decision-makers to take into account the type of service that we deliver; either because they do not include service stations in urban planning or by not allowing new large-scale construction.

However, the need for our services becomes even bigger when more people move to the cities. We know that in cities there is a wish to build more accommodation, but not including at ground level. This is to avoid creating so-called "sleeping towns". In an effort to make cities more vibrant, more shops at street level becomes a priority.

Our stations are open every hour of the day to help make the city vibrant. We helped develop the cities already in the 60s, 70s and 80s, and we want to continue doing so. We see it as an important part of our social responsibility. We work on getting politicians and governments to see us as a "good neighbor" rather than "dirty and noisy". We do this through partnerships, transparency and dialogue with stakeholders from other businesses, who also contribute to a positive social development.

Most urgent is the situation in Stockholm, but the development is also seen in other areas of Sweden, as well as in Copenhagen. We believe that there will always be a high demand on service to people in motion, no matter how fast urbanisation develops in Sweden and Denmark.

When we talk about the future service station, we primarily focus on three types of stations: the Eco city, the Shopping centre and the Traffic portal. Together, they cover the places where we are and where we want to be. The Eco city has a small but well-tailored selection and service for people on-the-go in a densely built-up area. Meanwhile, the larger station, the Shopping centre, also offers fuel and car wash and is located near public transport and roads. The Traffic portal is located at traffic hubs and offers, in addition to fuel, something to eat, the possibility to retrieve packages and various services.

As we always adapt to local conditions, we also run hybrids of the three types of stations. An example is the station that we will open on Sveavägen in 2016 in direct connection to OKQ8 Scandinavia's head office in Stockholm. The station offers various in-store products and rental cars, but not fuel. Thus, it becomes our first fuel-free facility opening in Sweden.

> **We helped develop the cities already in the 60s, 70s and 80s, and we want to continue doing so. We see it as an important part of our social responsibility.**

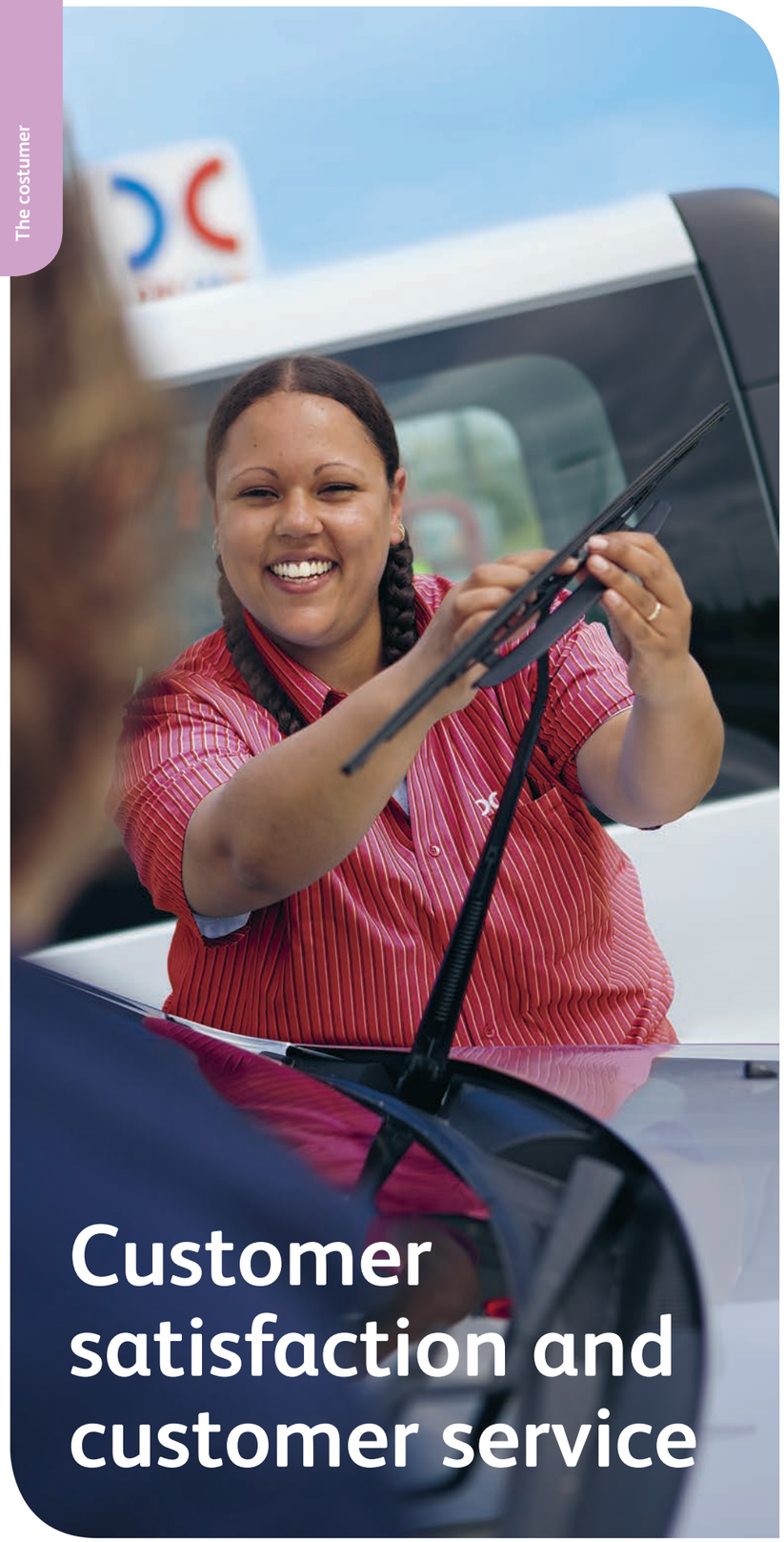


MARIANNE SÆTRE
Architect at Snøhetta

You have been involved in developing the concept for the future service station. What challenges and opportunities do you see for service stations in urban areas?

– Above all, I see that transportation, housing and the environment must be more integrated. It is important to create natural spaces and places for people to be able to fulfill existing needs. For example fuel, car wash, bicycle service, shops, cafes and training centres will be in one place.

In the future, tailored solutions, where multiple players are involved, will become more and more common. Customers, architects, contractors, transportation companies and municipalities will have a much closer relationship than today. It will be important for OKQ8 to be proactive, offering solutions and to be part of the early planning process. The future service station is a good example of this.



Customer satisfaction and customer service

Customer satisfaction is crucial to our existence. We actively work towards building trust and improving our service offerings, based on customer needs and expectations.

Every one and a half years, we measure customer satisfaction in order to evaluate whether we are living up to our own and our customers' expectations. It is an operational and strategic tool in the development and management of our company. The survey is carried out at selected stations. 47 manned stations and nine unmanned stations are part of the survey with a total of 2,374 collected answers.

We also use so-called "mystery shoppers" who are people pretending to be customers; the "mystery shoppers" assess how well we are able to meet customer needs. Here, we get many good results. In our industry, we are ranked in the top within the criteria "active contact", "providing concrete suggestions", "questioning", "friendly welcome" and "overall impression". One weakness is that these results are not as good during holidays and around Christmas, when employees are often holiday substitutes. We are working on getting better at living up to the high demands from our customers in these periods.

CSI index Sweden **CSI index Denmark**

81 **77**

Customer Satisfaction Index (CSI) for manned stations. The customer satisfaction index has improved by three percentage points in Sweden since 2012. We are very happy with this. 2015 is the first year we have measured customer satisfaction in Denmark.

Customer service

Besides the employees at our service stations, we have a customer service function, which customers can contact for help. On a daily basis, there are large amounts of e-mails, phone calls and Facebook messages that we try to answer as quickly and accurately as possible. We strive to have a high availability, short waiting time, high solution rates and always a friendly approach. During this year, more than 86.9 percent of the inquiries have been answered. More than 100 employees in our customer service function have undergone training to ensure a uniform and high level of service.

Increased accessibility for all customers

Every day is a journey, and we want to be an enabler for people in motion. Our goal is to make all our customers visible and to feel secure and welcomed.

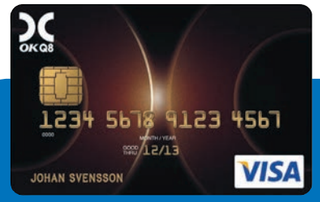
We always strive to offer personal and helpful service. We offer Service Assistance on the first Thursday of every month, where our customers can get extra assistance in changing wiper blades, checking tire pressure and oil level. Service Assistance is much appreciated by our customers, and furthermore, a well-kept car has less impact on the environment.

Wheelchair users often find it difficult to use credit card machines when refuelling. Naturally, our staff at the manned service stations will assist, and we appreciate a phone call before arrival, so we can assist with refuelling and other services. Other steps taken to increase security at our service stations are easily accessible toilet facilities and good lighting in the evening and during the night.

Digital solutions

During the year, we have continued to develop our digital platforms. One large and positive change is that our portfolio of products can now be found online in both Sweden and Denmark. When the registration number of a car is entered, suggestions are made for products that are suitable. In Denmark, we have also launched a webpage where companies can follow and optimise their fuel use and CO_2 emissions. This is an example of how we are working to be a strategic partner for companies and their sustainability efforts. We are currently considering possibilities of launching a similar webpage in Sweden.





OKQ8 BANK

Our bank businesses are changing from paper to electronic invoices and in general we focus on the automation of our processes. In Sweden, we have launched an app on which all our Visa and credit card customers can easily see their account balance. We have a responsible credit policy, which of course follows current legislation. Furthermore, we work actively on compliance issues.

GoMore

– mineral water and pastries

Q8 Denmark collaborates with GoMore, a digital platform for private transportation and car rental in Scandinavia. Previously, all GoMore customers who took a break at Q8 stations could get free coffee. After we, in 2015, introduced Starbucks coffee at the majority of our stations in Denmark, a change has been made to offer a choice of either a mineral water or a pastry.

A similar pilot project is taking place at several OKQ8 stations in Sweden. 21,548 cups of coffee and 1,105 bottles of water were given to our customers who travelled with GoMore in 2015.



Which fuels we offer and why

A strong incentive for our sustainability work is the reduction of CO_2 emissions from the fuels we sell, and the reduction of the impact that our own company has on the environment.

OKQ8 Scandinavia's ambition is to supply the most sustainable fuel possible. Most cars in the Nordic countries are still petrol or diesel driven. The sale of renewable alternatives is increasing, albeit from a low level. This is where we play an important role, together with our customers and car manufacturers. Already when choosing and purchasing a car, the decision is made as to which type of fuel to use. We consider it an obligation to inform our customers about the impact of different fuels on the environment. This is something that both we and others can continue to improve.

We consider it a strength that we do not refine oil ourselves, or own oil refineries. It gives us the flexibility to choose alternatives, which we regard as superior without tying ourselves to a certain variation or type of raw material. We want it to be a natural and individual choice whether to use traditional or alternative fuels such as bio gas, E85, electricity, HVO and RME. We continue to offer traditional fuels which are necessary for customers, but at the same time we keep investing in sustainable alternatives and improvement of existing fuels. Therefore, we have a responsibility to invest resources in supporting and developing renewable fuels and other relevant solutions for future mobility.

Our new and improved standard diesel in Sweden contains up to 40 percent renewable raw materials, and at the same time the new diesel keeps the motor clean. Another example is the close dialogue we have with customers and the car industry about cooperating on identifying innovative ways of reducing CO_2 emissions and other environmental impacts. During this year, a perennial project, regarding Diesel Bio HVO (Hydrated Vegetable Oil)) consisting of 100 percent renewable fuel, has been finalised between OKQ8 Sweden, Renova, DHL Freight and Volvo. CO_2 reductions reached up to 90 percent compared to traditional diesel.

Besides the significant CO_2 reduction of HVO, the fuel has characteristics that are almost identical to traditional diesel. With good reliability and power ability, combined with improved environmental properties, it is also an attractive alternative for heavy transport vehicles. This is the reason why Renova decided to change to non-fossil fuel (see the article below). It is a very big and important step that paves the way for more large transport companies to follow.

Fuels sold		%
Denmark	2014	2015
Diesel	61.8	59.1
Petrol	24.5	23.8
Fuel oil and other oils	8.6	12.1
HVO (addmixture)	2.2	2.1
RME (admixture)	1.6	1.5
Ethanol (admixture)	1.2	1.2
LNG	-	0.2
LPG	<0.1	<0.1
Sweden	2014	2015
Diesel	43.6	42.6
Petrol	39.6	37.3
HVO (admixture)	4.7	7.4
Fuel oil	5.0	5.2
Ethanol (admixture)	2.0	2.9
RME (admixture)	2.4	2.4
E85	2.2	1.2
HVO	0.1	0.6
RME	0.4	0.4
Autogas	*	*

* In Sweden we have also sold autogas (around 14,500,000 Nm³), LNG and biogas. At certain stations we have also supplied electricity for charging cars and in Denmark we have sold hydrogen.

**From 1st March 2016, we have temporarily lowered the quantity of HVO in our standard diesel in Sweden. The reason for the reduction is that access to HVO is limited because of the high requirements we place on the quality of the products, whilst demand has increased. The amount of RME remains at 5 percent.*

The company that became fossil independent with HVO

Renova is one of the largest waste and recycling companies in Sweden. Every year, the company drives distances that are comparable to 140 times around the world. Thanks to our Diesel Bio HVO, Renova has Sweden's first non-fossil vehicle fleet. This is an example of how we collaborate with other companies in the search for more sustainable solutions.

Throughout the last couple of years, we have been running a project with our sustainable alternative, Diesel Bio HVO together with Renova, Volvo Trucks and DHL Freight. This fuel is manufactured from animal fat from slaughterhouse waste products, and works well in the diesel motors of existing vehicles. Tests have shown good results in terms of reliability, power ability and environmental benefits. CO_2 emissions can be reduced by up to 90 percent compared to traditional diesel, which means that emission levels for vehicles can be reduced drastically and at the same time economically effiently.

Renova works with waste and recycling and is owned by 10 municipalities in west Sweden: Göteborg, Mölndal, Kungälv, Partille, Ale, Stenungsund, Lerum, Tjörn, Härryda and Ökerö. With 220 heavy vehicles in the fleet, they are one of the largest companies in the industry. Therefore, it is very positive that the company made a decision in May 2015 to make a complete transition to a fossil-free fleet with HVO (also including 30 vehicles which completely or partly use biogas). The government's vision is that Sweden must have a completely fossil-independent vehicle fleet – something that Renova has already achieved.

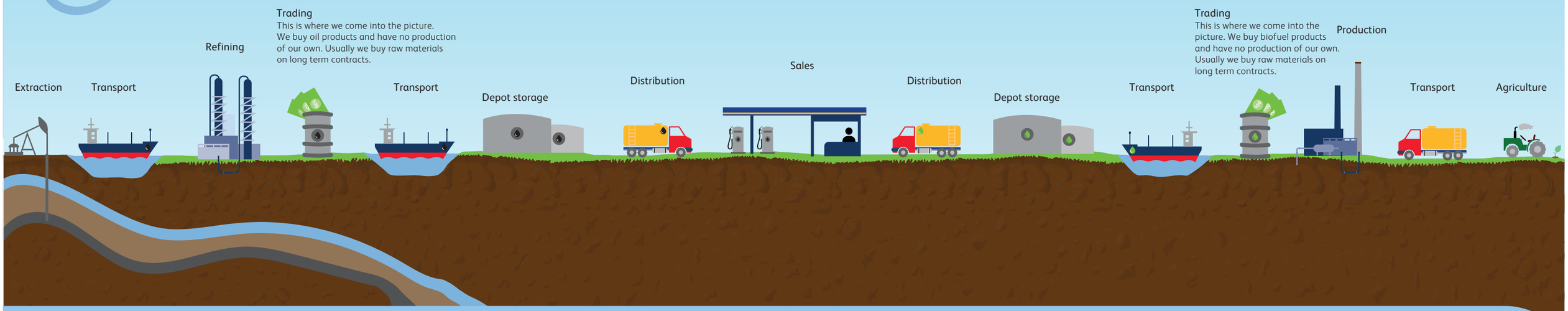
– Diesel Bio HVO has played an important role in working to achieve a fossil-free fleet. The fuel can be used in existing diesel vehicles which has enabled a quick development towards reducing CO_2 emissions from our transportation, says Lester Johnsson, Garage Manager at Renova Logistics.

Thanks to Renova and increasing customer interest, we have opened more pumps with Diesel Bio HVO for heavy goods vehicles. The project has also led to Volvo Trucks certifying all of their motors for synthetic diesel, and Arla aims to completely remove fossil-based diesel from their Swedish fleet.



LESTER JOHNSSON
Garage Manager at Renova Logistics

Supply chain



We strive to take responsibility for and work with sustainability across the supply chain – from raw materials to finished products. To ensure that we are environmentally and socially responsible, we have an ongoing dialogue with our suppliers.

We are committed to always delivering fuels that are as sustainable as possible. Since we do not produce fuel – and instead purchase finished products from our suppliers – we are not tied to a specific product range. This gives us the freedom to sell the fuels that the market demands, and fuels which we believe in. This may make the process towards more sustainable alternatives faster. When more sustainable fuels are in demand and used by our customers, our environmental impacts and CO_2 emissions will be reduced. This is the development we aim for.

We negotiate agreements with our suppliers once a year. In order to qualify as a supplier they must meet a number of basic requirements and follow the guidelines of the ten principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption. We also evaluate any certifications, which the supplier may have, their ownership, size and the extent to which we estimate that the supplier can meet our requirements. Finally, a risk assessment is made in relation to origin and raw materials. Particularly, suppliers of fossil fuels constitute a high risk, and therefore we assess such suppliers even further. The origin of sustainable fuels is easily traceable, and today we have a well-functioning system to do so. We have a sustainability approval from the Energy Authorities, which ensures that all our biofuels are sustainable in accordance with current legislation.

In the contract with suppliers, we always include our code of conduct, which is based on the ten principles of the UN Global Compact. As an important part of the contract, we require that the fuel is produced under conditions that do not violate for example human rights. We also consider it important that our suppliers complete a risk assessment of their own suppliers according to our code of conduct or according to their own similar rules. How far back we can trace materials in the supply chain depends on its complexity. We have not yet reached a point where it is possible to trace the traditional fuels back through the entire supply chain. Our suppliers often know which countries the oil comes from, but the final product often consists of mixed raw materials with various origins.

Follow-up is important

We continuously monitor and review our suppliers' certifications and management systems. This means that we can trust the suppliers we use. Having negotiations once a year ensures that if we discover irregularities, we are able to quickly end our collaboration. Until now we have not had any reason to do so. During the past year, we have completed third-party audits with two of our nine suppliers, mainly focusing on their ability to follow up on subcontractors. The audits showed that the internal sustainability efforts work well, with no major deviations. However, we have identified a number of risks and flaws in relation to certain subcontractors, which we have followed up on, so we can continue improving our product sustainability. There is a lack of knowledge in the fossil fuel supply chain and we intent to work with suppliers to improve this.

For biofuels, there are clear definitions of what is considered as renewable fuel. The Sustainability of Biofuels Act set requirements for the definition of renewable fuels. The act aims, among other things, to protect soil and areas of high biodiversity and guarantee a specific reduction of greenhouse gas emissions compared to fossil fuels. All our suppliers of biofuels are certified according to the European Commission's standards, or approved according to national standards. This means, for example, that producers of raw materials must have a system for the protection of biodiversity. According to European legislation, the requirements for biofuels also include reducing CO_2 emissions by at least 35 percent compared to traditional fuel.

In Denmark, there is a quota requirement which states that 5.75 percent of the total volume of fuel sold needs to be from biofuels. This is mainly achieved by the addition of ethanol to petrol and FAME in diesel. A smaller share of HVO from one of our suppliers is also used to meet this requirement. In Denmark, this year we used second generation HVO based on animal fat from slaughterhouse waste. From a supplier of diesel we also have a small percentage of HVO based on palm oil. This HVO is certified according to the ISCC (International Sustainability and Carbon Certification System) and RSPO (Roundtable on Sustainable Palm Oil) standards. The certifications are steps towards more sustainable fuels.

Besides fuel, we choose products in our portfolio that are controlled by a third party such as Fairtrade and The Swan. Our work with traceability and control of supply chains, however, is focused on fuels.



Renewable fuels

The fuel industry has a major responsibility to reduce environmental impacts. Therefore, we are working on developing and increasing the proportion of renewable fuels.

We offer five biofuels: ethanol, biogas, RME, HVO and electricity. The sale of these products has increased with 15 percent since 2014, and accounts for 14 percent of our total sales of fuel in 2015. In 2015, the total average sale of renewable fuel at stations in Sweden was 26.5 percent for diesel and 4.95 percent for petrol. In Denmark, biofuel made up 5.80 percent of the total amount of fuel sold.

In 2012, we launched Diesel Bio+ in Sweden and in 2015 a further improvement on diesel took place. The renewable proportion in Diesel Bio+ was increased to 40 percent and at the same time the product became available in a wider geographic area*. At the service stations, where we do not supply Diesel Bio+, we sell traditional diesel mixed with five percent RME. In certain parts of Sweden, we had to remove RME from our diesel, because some car models made of certain materials did not tolerate contact with RME. This was in spite of the fact that our diesel was, and still is, developed according to European standards and adapted to the requirements and guarantees of car manufacturers.

With the next step in the development of Diesel Bio HVO, we are using diesel produced from 100 percent waste and other residues. Hopefully this fuel will be approved by more car and truck manufacturers in the future, enabling diesel powered vehicles to use Diesel Bio HVO. Today, for instance, all Volvo trucks are approved to use Diesel Bio HVO. Scania and Mercedes have also given their approval for HVO for some of their models. Diesel Bio HVO can reduce CO_2 emissions by up to 90 percent compared to traditional diesel.

In Denmark, there is a quota system (due to current legislation) meaning that biofuels must constitute 5.75 percent of the total amount of fuel sold. For cost reasons, only few companies exceed the statutory level, limiting the possibility for further addition of biofuels. The quota is primarily achieved by mixing five percent bioethanol in to petrol and about seven percent renewable fuel in to diesel. With tax exemption on renewable fuel in Sweden, ambitions have been stronger and clearer. In Denmark the focus has been on second generation biofuels instead.

Electricity is a growing area with the potential to reduce CO_2 emissions as well as reducing traffic noise. A well considered infrastructure for charging stations is an important factor in achieving this. We are involved in support and development possibilities of electric powered cars by, amongst other things, establishing charging stations at our service stations, and through a close cooperation with the electric car manufacturer, Tesla. We also consider gas for cars (biogas and natural gas) and hydrogen to be interesting areas of development. Through cooperation with E.ON we supply gas to our customers. In Sweden, our customers have access to 58 gas supply stations, 26 of which are established at OKQ8 service stations. In 2015, the sale of gas increased by 23 percent compared to 2014. Our business customers have the option to purchase biogas through a gas certificate. In 2016, we plan to establish four to five new gas stations north of Stockholm.

** From 1st March 2016 we have temporarily reduced the amount of HVO in our standard diesel in Sweden. The reason for the reduction is that access to HVO is limited according to the specific requirements we place on the quality of the products, while demand has increased. The amount of RME remains at five percent.*



CARSTEN KRUSE
Director of Ferries at Samsø Shipping

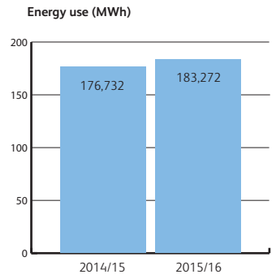
We have supplied LNG to the Samsø ferry since 1st March 2015 and this ferry is the first Danish ferry to sail on liquid natural gas.

– Everything was new when we started. A new shipping company, new ferry, new fuel and new technology. After 5,000 departures we concluded that the project was a success. It requires higher flexibility from the supplier, and Q8 has shown that supremely. We are very pleased with that, says Carsten Kruse, Director of Ferries at Samsø Shipping.

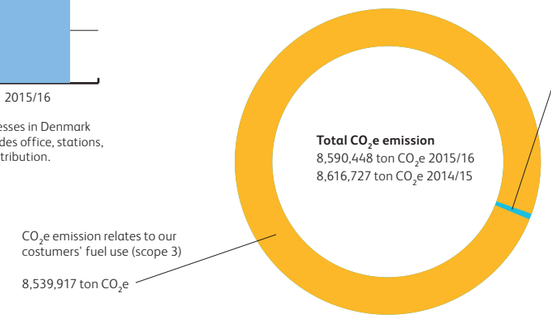
So far, 22,000 MWh have been supplied to Samsø Shipping. A relatively small amount compared to the remainder of the fuel industry, but with a high degree of innovation. Several companies and associations have visited Samsø Shipping to learn more about the project and its advantages. In spite of its fossil origin, LNG has a very positive effect, as the energy content per volume is high. This means that refueling is less frequent, and therefore involves less transportation of fuel to the ferry dock.

– We are only in harbour for 15 minutes, which means that every minute counts. I'm surprised by the simple solution in spite of the advanced technology, says Carsten Kruse.





Energy use from our businesses in Denmark and Sweden. The use includes office, stations, depot storage, fuel and distribution.



CO_2e emission related to *our own* businesses

Total CO_2e emission (ton)		
Category	2014/15	2015/16
Direct CO_2e emission - Scope 1[1)]	5,050	3,462
Indirect CO_2e emission- Scope 2[2)]	33,739	32,510
Other indirect CO_2e emission – Scope 3[3)]	13,638	14,559
Total CO_2e emission	**52,427**	**50,531**

CO_2e emissions per area (ton)		
Area	2014/15	2015/16
Service stations and IDS	31,924	30,748
Distribution	14,511	13,991
Lubricant production	2,341	2,324
Business travels	1,769	1,722
Depot storage [4)]	1,440	1,391
Offices	442	355

[1)] Scope 1: Direct CO_2 emission from company-controlled buildings and vehicles.

[2)] Scope 2: Indirect CO_2 emission from electricity and heat produced by another company.

[3)] Scope 3: Other indirect CO_2 emissions that are not Scope 1 and 2.

[4)] Including VOC

During 2015/15 our total CO_2e emission was reduced with 896 ton, 3.6 percent, compared to 2014/15. The reduction is related to increased sales of HVO and a reduced emission factor of electricity in Denmark by 20 percent. We assume that the contribution to biogene CO_2 is neutral since the amount of biogene CO_2 that is released during use of fuel equals the amount of biogene CO_2 taken up by plants (and animals) in the primary production.

Energy use and CO_2 emissions

We have a responsibility to reduce our own climate impacts, but also CO_2 emissions in general.

Climate change is a big problem in our time. Reducing CO_2 emissions is therefore important for all fuel companies. We must constantly ask ourselves how we can reduce emissions through development in the right direction. On the one hand it is about how we can reduce energy use and CO_2 emissions from our own operations, on the other hand how we can help our customers choose more sustainable alternatives, which will benefit the environment.

Reduced emissions from our fuels

Our fuels account for our absolute largest footprint on the environment. In 2015, the initiative that gave the best results for reducing CO_2 emissions was an increased mixture of renewable fuels in our own diesel. We are still working on making our existing fuels more sustainable, but also to find new solutions and products and to offer a broader and more sustainable product range.

We will also be opening more stations with completely sustainable alternatives such as 100 percent HVO. Furthermore, we will continue to inform our customers about the environmental benefits that our current alternatives have. In Denmark, we do not have the same possibilities to increase the share of renewable fuels since legislation in the industry is different, compared to Sweden. The task is mainly focused on meeting the legal quota requirements, but obviously also to optimise our business. Read more on page 20.

Less emission from our own operations

To measure and report energy use and CO_2 emissions from our own operations, we use Greenhouse Gas Protocol, an international standard of reporting. It is the second year that we are using this standard. Therefore, for the first time we can compare our data with the previous year. Our total energy use increased by 3.7 percent during 2015/16 compared to 2014/15. The increase comes from distribution and from our service stations.

The CO_2 emissions connected to our own operations primarily come from the depots, operation of our service stations and business travels. In 2015, we have optimised and established leakage-free compressors at depots to reduce energy use, installed new, more effective heating systems and changed old lighting with new LED lights. In previous years, we have installed surveillance systems through which we can follow the development in energy use, and thus also the CO_2 emissions at our service stations, IDS stations and depots. Business travels, in the form of kilometres per customer visit, have been reduced by 41 percent in Sweden. This has been accomplished through more effective sales processes, but also through increased use of telephone- and video conferences.

The distribution of our products is handled by external suppliers. Read more on page 23.

Some of our departments currently have their own goals to reduce the energy use and CO_2 emissions from our own operations, but until now no overall goals have been set. Our ambition is to establish overall sustainability goals for OKQ8 Scandinavia in 2016. This work will be driven by our Sustainability Council.



How we avoid spills and leaks

We have clear procedures in place in order to prevent spills and leaks. All our employees at the service stations have been trained to handle spills, and every incident is reported and followed up on.

As a major player in the fuel industry, we have an important responsibility and we consistently work to reduce our impact on the environment. Preventative work is the source to reducing spills and leaks. Handling of these issues is subject to strict rules and active risk assessment. Daily routines, safety measures, tests and mandatory training of our employees prevent the occurrence of spills and leaks as much as possible.

In order to avoid spills when refuelling diesel, we have applied DripStop on all our diesel pumps – a function in the nozzle that prevents the remaining drops of diesel from spilling to the ground after refuelling. When our costumers hold the nozzle for five seconds after refuelling, the remaining diesel drops will run back into the tank, and spill is thereby eliminated. Although, if any spill should occur, a special coating has been applied to the ground surface which captures the liquid and directs it to oil separators. This is complimented by the fact that our employees are trained and have the necessary skills to handle minor spills.

Even with strict safety measures, spills can occur and can be difficult to avoid, for instance when making deliveries to forestry and other places where spill is difficult to dispose of. During 2015/16, around 290,000 deliveries to our customers and service stations were completed. Twice, significant spills of a total of 100 litres occurred, and both spills were handled without permanent damage to the environment. Significant spill is defined as incidents where discharge to the environment has occurred and require clean-up with for instance mechanical excavation, pumping and/or chemical treatment.

Depending on the magnitude of the spill, and where it occurs, the need for clean-up varies. At larger incidents, we contact the fire authorities and notify the environmental office of the local authorities. In these cases, we ensure a close dialogue with the authorities so that we can agree on a plan for the clean-up procedure.

If a service station is to be closed, it requires particular procedures. In such cases, we examine if pollution has occurred – if so, we clean the soil. In some cases, we remove the station building before the cleaning procedure begins. We are aware of the consequences of our own business, but we also consider previous business activities that have taken place in the area.

THE SPILL IN PADBORG

In autumn 2014, we discovered a leak at our IDS-plant in Padborg, which turned out to be a leak in the ground pipeline. The leakage occurred very slowly, so it was impossible to notice in our volume control system. Since the leakage had been going on for a longer period of time, it unfortunately resulted in a significant contamination of 3,100 m^2.

The dialogue with the municipality, and the current requirements regarding purification means that pollution down to 10 meters of depth will be excavated, and underlying pollution will be limited by in situ cleaning combined with large format drilling. Subsequently, an in situ facility will be established for the treatment and biological degradation of the residual contamination left in the ground. The facility will be operated until it is documented, to a high degree of certainty, that residual contamination does not spread in to the groundwater, exceeding the water quality criteria.

Transportation and storage

We have a total amount of ten depots for storage of fuels in Sweden and Denmark, and we have further access to depots through corporation agreements with other companies. Our logistic area is quality certified according to the ISO 9001 standard and environmentally certified according to the ISO 14001 standards.

In order to make our service stations and depots safer, we have completed a number of initiatives throughout the year. In Denmark, we have, among other things, improved the personal safety equipment for drivers, and increased surveillance at the service stations. In Sweden, we have increased protection when refueling, improved safety for class three tanks and fireproofed the service stations in collaboration with rescuers.

In the area of lubricants and other chemical products, Petrolia has implemented a number of energy saving initiatives. They have, among other things, invested in a new plant for water-cooling systems and a completely new ventilation system in Söderfors.

External suppliers handle our transportation of fuels. In order to minimise our environmental impacts, we encourage our suppliers to train their drivers in eco-driving, which includes focusing on choice of fuel, engines, fuel use and the planning of routes so they are as short as possible. Every three months, we follow up on the distributors' CO_2 emissions. This gives us the opportunity to react and respond in case the emissions increase to an unacceptable level.





Our employees reflect who we are

Our values are key to attracting the right competencies, generating low employee turnover and ensuring that we deliver the highest possible service to our customers. Every single employee is the foundation for our success.

As a value-driven company, it is important that words and actions go hand in hand. Everyone needs to know what is right and what is wrong. We have a code of conduct, which all our employees have to follow and which informs them about equality, diversity, employee rights, environment and anti-corruption. This is a part of the introduction for new employees. Step by step, we become clearer on our values and thereby we become more efficient in our daily work. We attach a lot of importance to complying with our rules and values. The more efficient we are, the more successful we are in our work and in relation to our customers.

Being a large company of 5,000 employees allows for internal career opportunities. We value that our employees feel that they are good at their jobs and that they continuously develop. We want to give our employees the opportunity to further develop competencies benefitting the company. Almost 80 percent of all employments are internal recruitments – this shows that we have made progress. In February 2016 an employee survey was completed, where 540 employees responded to questions regarding their wellbeing. The satisfaction level was 3.09 out of 4, which is an improvement from last year, where this was 3.01. When we feel secure and happy at work we become more innovative, efficient and proud of the company we work for.

Working with sustainability needs to be uncomplicated. Along with a general desire to move towards a more sustainable world, a lot of employees in the company want to engage with and contribute to this cause. As a fuel company, we have the opportunity to make a difference and actively drive the development towards more climate-friendly and effective fuels, services and products. By integrating sustainability into our daily work, all employees are part of ensuring a more sustainable world.

In order to strengthen our competencies and meet future needs and demands, we provide a wide selection of internal training programmes and courses regarding company culture, sales, conflict management as well as environment, health and safety. In 2015, we completed a number of courses for all our employees and managers at both service stations and in customer service. This helps us develop a corporate foundation for our values and goals, ensuring that they are implemented in everything we do. We also see our Scandinavian perspective as an advantage. Our employees eagerly share their experiences with one another in the entire company and across borders.

UNHCR
The UN Refugee Agency

THE ANNUAL CHRISTMAS GIVE-AWAY WENT TO UNHCR

This Christmas, we decided to donate a Christmas present of 90,000 DKK and 90,000 SEK to UNHCR – The UN's Refugee Council, which supports refugees in urgent need of help. The decision to support this cause was made by the Sustainability Council and adheres to our overall strategy regarding sustainable development.

Training – the way to success

With a transparent and clear career plan, employees are motivated to develop within the company. Through our competency portal Performance in Motion, we have a large amount of customised company training programmes at all levels. We offer both online courses and instructor-led courses.

One example is the 122 leaders, who during the year completed training in our leadership programme. In this programme, they learned about leadership and how to lead the company towards the agreed goals based on our values. Likewise, in our customer service we have made a large training effort. More than 100 employees have been trained in securing a uniform and high level customer care. During the year, we have completed training in the area of health, safety and environment for employees working at our service stations. The training was focused on our impact, as well as improvements and initiatives which we have committed ourselves to in relation to the climate and environment.

More than 100 employees have been trained in securing a uniform and high level customer care.

Break Youth Unemployment Now! and Youths On Their Way

Break Youth Unemployment Now! in Denmark and Youths On Their Way in Sweden are initiatives to improve the self-esteem of young people and to reduce youth unemployment. Young people in Denmark at the age of 15-30 are offered a mentor and the participation in boot camps in collaboration with the organisation Break Youth Unemployment Now!, which provide insight into how the labour market works. During the last year, six boot camps have been held for 150 participants, 70 percent of whom have since moved on to studying or working. In Sweden, young people under the age of 25 are offered a three-month internship with instruction. In Avesta in Sweden the internship programme Youths On Their Way has been a success from the beginning, with continuous positive results during last year. A local investment in the development of Youths On Their Way in Södertälje focuses on collaborating with the employment services. If this turns out to be a success, the goal is to expand this activity to the rest of Sweden. In 2015, 74 young people completed an internship through Youths On Their Way in Sweden.



MICHAEL KNUDSEN
Participant in Break Youth Unemployment Now!

I got in contact with Break Youth Unemployment Now! through the local authorities. Right away I knew that it was something I was interested in. At the boot camp I received information about how the labour market works and what is required from employees. I was actually able to practice going to interviews. Break Youth Unemployment Now! has meant a lot to me. It has given me energy and helped me consider things in a new way and most importantly I have got a job.

After Break Youth Unemployment Now! Michael received a three-month internship at a Q8 service station and as of right now he has been able to prolong his internship.

Sustainability is safety

Sustainability is about the environment, but it is also about health, safety and security.

Safety means e.g. avoiding accidents and threatening situations for both employees and customers. Our goal is that everyone should feel safe and secure at our service stations, and therefore we work with both the physical design of the service stations, personnel equipment and training.

During the past year, we conducted an information campaign on conflict management for our employees, and we improved our equipment and instructions on firefighting, removal of environmental spills and waste and on first aid. During the year, we have also developed a new emergency response plan as a supplement to our central emergency manual. Every employee must at all times be able to give first aid assistance in a given situation.

We continuously work on improvements and strive to be a learning organisation through our integrated SSHE management system "How we do it". All incidents are reported through our system "Oops & Ouch". This helps us to understand what needs to be improved and corrected, why things happen, and what is required in order to avoid that they occur again.

EXTRACT OF OUR POLICIES ON HEALTH, SAFETY AND ENVIRONMENT

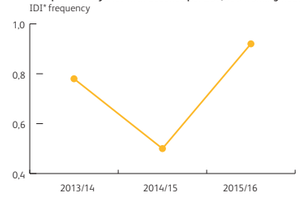
We have goals and action plans in place in order to prevent injuries and illnesses and to reduce the environmental impacts created by our activities. This must happen through:

- Focusing on, for us, important environmental aspects
- Developing and delivering products with improved environmental properties
- Reducing the environmental impacts of production, storage and distribution of our products
- Reducing the environmental impacts of the construction, operation and closure of our facilities
- Ensuring that all employees and partners have necessary training
- All functions in OKQ8 Scandinavia having health, safety and environment (HSE) on the agenda at staff meetings
- Providing relevant requirements for our suppliers and business partners and following up on their efforts
- Providing information about the SHE work to external stakeholders such as customers, partners and authorities

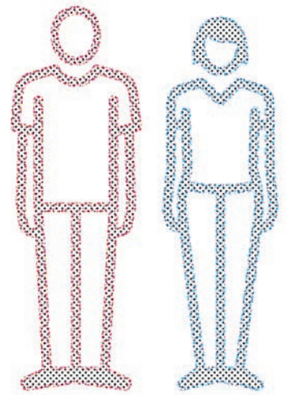
The development of health & safety	Denmark		Sweden	
	2014/15	2015/16	2014/15	2015/16
Deaths	0	0	0	0
Occupational injuries with absence LWC*, own employees	6	10	4	9
Occupational injuries with absence LWC*, contractors	1	1	1	5
LWC* Severity Rate **, own employees	2.0	5.6	4.8	5.4
LWC* Severity Rate **, contractors	1.1	3.5	0.0	7.5
Robberies and attempted robberies	5	8	1	10
Sickness absence (%) based on the number of working hours	2.7	3.3	4.9	5.7
Safety walks	996	1,392	1,661	1,377
Incidents reported/near misses	80	51	344	390
Incidents/accidents, customers (eg. slipping, collision)	9	9	30	32

* Lost Workcase Days
** Number of days absence / number of hours worked x 200

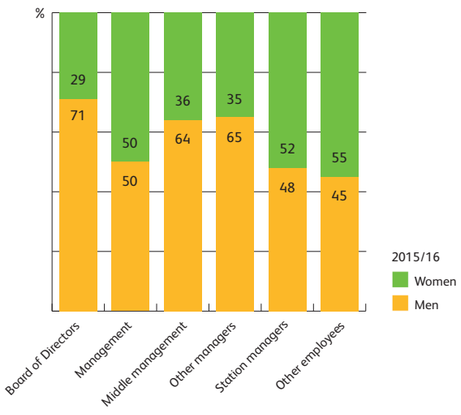
Occupational injuries with absence per 200,000 working hours
IDI* frequency

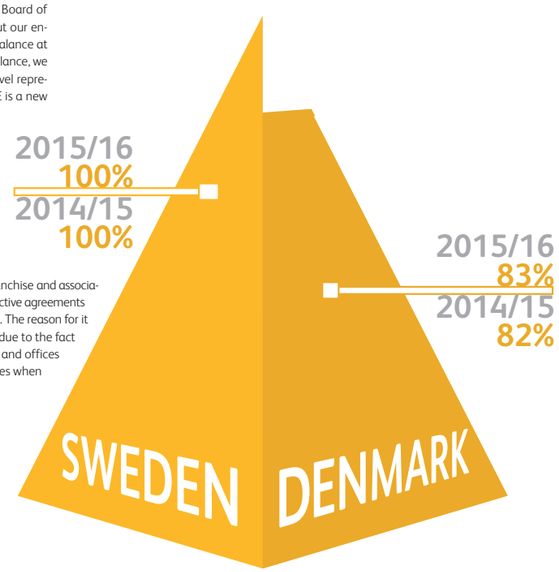


*An industrial Disabling Incident (IDI) is defined as an accident resulting in at least one day's absence from work. The IDI frequency is calculated as the number of injuries with absence per 200.000 working hours.



In Denmark, we have met the requirements in the Danish Financial Statements Act called equal representation in the Board of Directors. We have two women and three men in the Danish Board of Directors (exclusive employee representatives). Two women and four men represent the Swedish Board of Directors (five men inclusive employee representatives). Throughout our entire organisation, we actively work towards accomplishing gender balance at other leadership levels. Through our work for an improved gender balance, we have in the past year hired two women at middle management level represented by the head of communication and the head of SSHE. SSHE is a new position at OKQ8 Scandinavia.





Of our 3,885 employees (exclusive franchise and associations), 100 percent are covered by collective agreements in Sweden and 83 percent in Denmark. The reason for it not being 100 percent in Denmark is due to the fact that managers at the service stations and offices negotiate their contracts by themselves when they are employed.

Anti-discrimination and equality

Everyone should feel welcomed and visible. We treat everyone equally. It is important that we see each other as equals and that we base our work on the same values.

We strive for gender balance and for securing equal treatment in the recruitment process, employee development and salaries. Openness and honesty is an integrated part of our organisation and this includes treating each other with respect and not distinguishing people based on gender, skin colour or sexual orientation. This is part of our code of conduct, which all employees agree upon – even though everyone should see equality as a given, without having to follow a code of conduct.

In 2015, like previous years, we have completed a salary assessment in order to eliminate unjustified differences in salaries and conditions between men and women. In the spring of 2016, the Swedish government will most likely present the Riksdagen with a legislative proposal that includes annual and improved assessments. The proposal also includes new parameters, which companies have to take into account in the salary assessment.

We strive to meet the expectations and requirements that exist for fair and competitive salaries, regardless of gender. The collaboration with unions has been constructive in this process and we look forward to meeting the potential new directives from the government.

Total workforce			
Amount	**Women**	**Men**	**Total**
Sweden			
Number of employees	1,183	1,006	2,189
Full-time	*596*	*502*	*1,098*
Part-time	*587*	*504*	*1,091*
Permanent employment	777	678	1,455
Temporary employment	399	302	701
Contractors	7	26	33

Denmark			
Amount	**Women**	**Men**	**Total**
Number of employees	839	857	1,696
Full-time	*212*	*228*	*440*
Part-time	*627*	*629*	*1,256*
Permanent employment	819	814	1633
Temporary employment	19	40	59
Contractors	1	3	4

Total number of employees*	**2,022**	**1,863**	**3,885**

* Exclusive franchise and associations



Economy

Economic stability gives us the prerequisites to work with our social and environmental responsibilities in the long term.

Our overall financial result for 2015/16 was 317 million Swedish kronor. Even though the amount of investments towards renewing our service station network has been high, generating higher depreciations than in previous periods, the result is very satisfying. We have had good margins and high volume. External factors of influence have been increasing taxes on fuel, increasing employer taxes and above all oil prices.

Prices on raw materials for our fuel are affected by several factors that are difficult to control, such as the state of the market and supply. This is influenced in turn by global politics, natural phenomena and political disturbances. Fuel prices are also affected by the legislation on renewable fuels as well as how these are taxed.

Economic value – generated and distributed	MSEK
Revenue (customers)	33,206
Purchase of goods	-17,760
Point Taxes Denmark (The state - society)	-3,428
Point Taxes Sweden (The state - society)	-10,909
Salaries and benefits (employees)	-721
Corporation tax Denmark (The state)	5
Corporation tax Sweden (The state)	-100
Financial costs (Lenders)	24
Donations (Community)	-2
Result (In the company)	317

The above financial result corresponds to the result of the year after taxation and other financial items. The result before net financial items and taxes was 388 million Swedish kronor. The commodity price of oil in 2015/16 dropped significantly, which explains the decreased revenue and lower purchasing costs. Since point taxes are not linked to the price, but to the volume, the picture in regards to paying the state is despite this increasing. Community donations give an overall view of our direct donations to nonprofit organizations and exclude the resources we dedicate in terms of our working hours to community engagement. Total capitalisation (the sum of assets) amounted to 10,071 million Swedish kronor. The basis of the above table is taken from the company's financial result and can be found as a whole in the annual report.



OKQ8 Scandinavia's main economic goal is profitability and financial stability. The financial department follows Danish law and internal policies, which includes credit check, risk management as well as authorities and responsibility. In 2015/16, a new finance and reporting system has been introduced, which has further improved the monthly reporting to those responsible for the outcome - management and the Board of Directors.

OKQ8 SCANDINAVIA'S BOARD OF DIRECTORS:

MEMBERS,
OK EKONOMISK FORENING
Göran Lindblå
Britt Hansson
Ines Uusmann

MEMBERS,
KUWAIT PETROLEUM INTERNATIONAL
Anthony Saunders
Azzam Almutawa
Khaled AL-Mushileh

EMPLOYEE REPRESENTATIVES
Berndt Nilsson

Ownership, management and organisation

OK-Q8 AB is owned by OK ekonomisk förening and Kuwait Petroleum International, with 50 percent each. OK-Q8 AB in turn owns Q8 Denmark A/S, but we see ourselves as one company – OKQ8 Scandinavia – with shared values.

Our owners have a strong commitment to sustainability, which is an integrated part of the entire company. The directive from our owners is clear – we must work as a sustainable company socially, environmentally and economically. This is seen through several of our initiatives. We actively work to ensure that our work with sustainability is integrated in our actions and is not seen as a separate process. Our board provide strategy, goals and guidelines that ensure an effective monitoring system and that legislation, agreements and ethical guidelines are followed. At each board meeting the Board of Directors review recent developments in the company regarding health, safety, environment and security.

Our Sustainability Council is made up of representatives from the company and handles environmental and social aspects and our impact on the environment and society. The council makes recommendations in relation to strategy, goals and activities within our sustainability work. These recommendations are approved by management before they are cascaded in to the organisation through the council. The chairman of the council is our Director of Sustainability & Communication. Managers of the following functions are represented in the Sustainability Council: Communication, SSHE, HR, Operations, Direct Market, Distribution, Marketing and Engineering.

Besides the council, we have a group, the SSHE Focus Group, which handles questions focusing on security, environment, safety and health. Senior staff from our divisions make up this group.

As part of our systematic focus on sustainability, we conduct internal audits and safety walks to follow up on whether our procedures work in practice and not just in theory.

OK ekonomisk förening is the largest of seven OK associations in Sweden with close to one million members. Kuwait Petroleum International is headquartered in The Netherlands and is owned by Kuwait Petroleum Corporation, which is owned by the Kuwaiti state. In 1999, a joint venture between OK ekonomisk förening and Kuwait Petroleum International was established. On 1st August 2012, OKQ8 Sweden and Q8 Denmark together formed one of Scandinavia's largest fuel companies, OKQ8 Scandinavia.

Global Reporting Initiative index

This sustainability report covers the financial year from 1st March 2015 to 29th February 2016. It is OKQ8 Scandinavia's second joint sustainability report, and thus the second joint report for OKQ8 in Sweden and Q8 in Denmark. The sustainability report has been prepared based on the Global Reporting Initiative's (GRI) G4 guidelines, at "Core" level. The report covers the ten principles of the UN Global Compact and describes our stakeholders' priorities within sustainability. The report has been reviewed by an external auditor to make sure that it meets the legal requirements of CSR reporting in the Danish Financial Statements Act, sections 99 a and b. The report has not been subject to any other external review.

GRI generic indicators

Indicator	Description	Comment	Page
G4-1	Statement from the CEO about the relevance of sustainable development		4
G4-3	Name of the organisation	OK-Q8 AB and Q8 Danmark A/S	30
G4-4	Primary brands, products and services	IDS, OKQ8, Q8, Q8 Oils, F24, OKQ8 Minipris, OKQ8 Visa	10-11, 30
G4-5	Location of the organisation's headquarters	Stockholm	30
G4-6	Countries where the organisation operates	Sweden and Denmark	30
G4-7	Nature of ownership and legal form		28
G4-8	Markets served	Sweden and Denmark	30
G4-9	Scale of the organisation		27, 29
G4-10	Employment data by employment contracts and gender		27
G4-11	Percentage of total employees covered by collective bargaining agreements		27
G4-12	The organisation's supply chain		18-19
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership or value chain	No significant changes	30
G4-14	Description of how the precautionary principle is addressed	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	30
G4-15	External regulations, standards or principles to which the organisation subscribes or which it endorses	United Nations Global Compact	30
G4-16	Memberships of associations	Svenska Petroleum och Biodrivmedel Institutet (Swedish Petroleum and Biofuels Institute), Klimatneutrala godstransporter på väg (On the Road to Climate Neutral Freight Transportation), Energi- og olieforum (Danish Oil Industry Association), Danske olieberedsk-abslagre (Danish Central Stockholding Entity), Dansk Industri (Danish Industry), KFO	30
G4-17	Business units included in the financial statements	All companies are included in the sustainability report	30
G4-18	Process for defining report content and delimitation of aspects		7
G4-19	List of essential aspects		7
G4-20	Delimitation of the essential aspects within the organisation		30
G4-21	Delimitation of the essential aspects outside the organisation		30
G4-22	The effect of changes and restatements of information provided in previous reports	No significant changes	30
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	No significant changes	30
G4-24	List of stakeholder groups engaged by the organisation	Customers – both private customers and business customers, authorities, municipalities, governments, suppliers, environmental organisations, consumer organisations, business organisations, trade unions, owners, lenders, neighbours of the service stations and employees	7, 30
G4-25	Basis for identification and selection of stakeholders	The groups that are impacted by and/or impact the company's operations, such as members, customers, interest groups, authorities and suppliers, and that have a vested interest in contributing to the sustainability work of OKQ8 and Q8	7, 30
G4-26	Approach to stakeholder engagement, including the process of sustainability reporting	Ongoing dialogue includes association meetings at which our owners/customers (the OK members) have great opportunities for dialogue. Dialogue is also conducted with, for example, neighbours and other stakeholders at our depots – here with particular focus on safety issues. Through our sales staff we have continual dialogue with our business customers. We take part in seminars and conferences at which many stakeholders (NGOs, customers, other sectors, authorities) are represented and where we then conduct a dialogue	7, 30
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns		7
G4-28	Reporting period	Financial year March 2015 – February 2016	30
G4-29	Date of most recent previous report	May 2015	30
G4-30	Reporting cycle	Annual	30
G4-31	Contact person for questions regarding the report or its contents		2
G4-32	GRI Content Index		30
G4-33	Policies regarding external assurance for the report		30
G4-34	Governance structure		28, 29
G4-56	Values, principles and codes of conduct		5, 24, 25

GRI väsentliga aspekter och indikatorer

Aspects and boundaries	Disclosure on Management Approach (DMA) and indicators	Comment	Omission	Page
ECONOMIC				
Economic performance – boundary within OKQ8 Scandinavia				
G4-DMA	Sustainable management			28-29
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation			29
ENVIRONMENTAL				
Emissions – boundary within OKQ8 Scandinavia and outside OKQ8 Scandinavia at customers				
G4-DMA	Sustainable management			5, 10, 16, 19-22, 28
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)			21
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)			21
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)			21
G4-EN19	Reduction of greenhouse gas (GHG) emissions			21
G4-EN24	Significant spills			22
SOCIAL				
Work environment (health and safety) – boundary within OKQ8 Scandinavia and outside OKQ8 Scandinavia at contractors				
G4-DMA	Sustainable management			5, 26, 28
G4-LA6	Occupational injuries, work related illness, lost workdays, absenteeism and fatalities		Includes customer accidents. Injuries and absence are not reported by region or gender. Explanation: data not available.	26
Products and services – boundary outside OKQ8 Scandinavia at customers				
G4-DMA	Sustainable management			14, 28
G4-PR5	Customer satisfaction			14
OTHER				
Community engagement – boundary outside OKQ8 Scandinavia in society				
G4-DMA	Sustainable management	Self-formulated aspect. Our materiality assessment has resulted in this aspect and we work on further initiatives		5, 25, 28
	Number of young people involved	A key element of our community engagement is our work with "Young people on the way" and "End Youth Unemployment Now". We have therefore produced our own indicator for this work		25
Other sustainable supplier range – boundary within OKQ8 Scandinavia and outside OKQ8 Scandinavia in the supply chaint				
G4-DMA	Sustainable management	Self-formulated aspect. Our materiality assessment has resulted in this aspect and we work on further initiatives		10-11, 18-19, 28
	Number of products within stable goods and motorist products with ecolabelling	Own indicators		10
Traceability of fuels – boundary within OKQ8 Scandinavia and outside OKQ8 Scandinavia in the supply chain				
G4-DMA	Sustainable management	Self-formulated aspect. Our materiality assessment has resulted in this aspect and we work on further initiatives		18-19, 28
	Own indicators			–
Healthy products – boundary within OKQ8 Scandinavia and outside OKQ8 Scandinavia at customers				
G4-DMA	Sustainable management	Self-formulated aspect. Our materiality assessment has resulted in this aspect and we work on further initiatives		–
	Inga indikatorer.			–
Customer health and safety – boundary outside OKQ8 Scandinavia at customers				
G4-DMA	Sustainable management	Reformulated aspect		26, 28
	Number of customer accidents	Own indicators		26

Global Compact reference table

Princip		Page
HUMAN RIGHTS		
Principle 1	The company should support and respect the protection of international human rights within its sphere of influence.	5, 18-19, 24, 28
Principle 2	The company should ensure that they do not participate in the violation of human rights.	5, 18-19, 24, 28
LABOUR RIGHTS		
Principle 3	The company should maintain the freedom of association and effectively recognise the right for collective bargaining.	5, 27
Principle 4	Support the elimination of all forms of forced labour.	5, 18-19, 28
Principle 5	Support effective abolition of child labour.	5, 18-19, 28
Principle 6	Eliminate discrimination in respect of employment and occupation.	5, 27
ENVIRONMENT		
Principle 7	The company should support a precautionary approach to environmental challenges.	5, 18-19, 30
Principle 8	Undertake initiatives to promote greater environmental responsibility.	5, 10-11, 16-17, 18-19
Principle 9	Encourage the development and expansion of environmentally friendly technologies.	5, 7, 16-17, 20
CORRUPTION		
Principle 10	The company should work against all forms of corruption, including extortion and bribery.	5, 18, 24


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