OKQ8 Scandinavia

Sustainability Report 2021/22



With determination towards achieving our goals



OKQ8 (OKQ8 in Sweden and Q8 in Denmark, hereinafter referred to as OKQ8 in this report) set two clear climate goals in 2020: to achieve climate neutrality in our own operations by 2030 and achieve climate neutrality (net-zero emissions) throughout the value chain in 2045. The former includes business travel, energy consumption and distribution of fuels. The latter includes all products and activities: fuels, food and drink, stores and other products.

Three focus areas have been identified for the work, which impact on our own business and the society in which we operate. Each focus area has been planned and carefully followed up to ensure that we do the right things to achieve the maximum effect. The three focus areas are as follows: “Act on climate change and reduce CO_2e emissions", “Use and sell sustainable products” and “Enable people and communities”.

We are aware of the impact of our business on the climate and we are determined to enable members, customers and goods to move around in a more sustainable way. This report shows what we have done so far and what we plan to do going forward.

In order to achieve our goals, we are putting all our efforts into this important work – both today and in the time ahead. We are pleased to see that society, members and customers are eager to be part of the coming transition.

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This report is a translation of the original report published in Swedish. In the event of any deviations between the two reports, the Swedish version prevails.



CEO's message

Another fiscal year has passed that has also been largely marked by a pandemic that we have gradually learned to live with. Family and close friends have proved increasingly important when working from home, social distancing, and there have been reduced opportunities for gatherings and physical meetings with work colleagues. Sustainability has become a significant focus area, manifested through the IPCC Sixth Assessment Report, climate summit COP 26, the EU directive Fit for 55 and President Joe Biden's decision to double the pace of reducing US emissions by 2030. There is a strong focus on the crucial measures that are necessary in order for us to achieve the climate goals and limit the rise in global temperature.

Digitalisation inevitably affects our working methods. Digital meetings have become established and today it is the norm to look at a screen instead of travelling to meetings in another city or country. It clearly affects us and our industry, which is good. We will only travel when necessary, as sustainably as possible, based on everyone's individual circumstances.

In order to achieve the 1.5 degree climate goal, everyone must contribute. In our everyday lives, as individuals we can make a difference, one step at a time. This might involve changing to an electric car, changing an existing diesel car to run on renewable fuel, installing solar panels, choosing a climate-smart electricity provider, or becoming a vegetarian.

Nobody can do everything, but everyone can do something. Our role in this is crucial, by helping members and customers make sustainable choices in a simple way. The reduction obligation will ensure that we are adding even more renewable fuels to both petrol and diesel. To realise the 26% life cycle CO_2 emissions reduction compared to the fossil baseline, the entire industry in Sweden including OKQ8 increased the level of biobase mixture. The equivalent reduction in petrol was 6%. From 1 January, 2022, the life cycle CO_2 emission reduction increased to 30% and 7.8%, respectively. The road to renewable offering continues with the development of both vehicles and fuels.

An easy way for diesel car drivers to significantly reduce their CO_2 emissions is to refuel with Neste MY Renewable Diesel (HVO100), which OKQ8 offers at up to 250 stations in Sweden. During a limited period in 2021, five Swedish stations were also able to offer renewable petrol. The initiative received a lot of attention and proved that there is a strong demand for sustainable fuels. In Denmark, in January 2022, Q8's first station offering LNG, liquefied natural gas, opened in Padborg. Up to 7,000 lorries pass through each day and Q8 can now offer a fuel that reduces the impact on the climate. In the not-too-distant future, natural gas will be replaced by liquid biogas, a completely renewable fuel. During the year, we also opened the first super fast charging stations with 150 kWh, five in Sweden and two in Denmark. We are now accelerating the roll-out rate to contribute to a well-functioning charging infrastructure in both countries so that more people see the benefits of driving an electric vehicle. As a step towards achieving climate neutrality in our own operations by 2030, we install solar panels at our service stations and have 66 roofs that offer green energy.

Development is progressing rapidly and OKQ8 has an important role to play in realising all its plans and goals for society. Our flexible business model gives us important opportunities to switch and invest in technologies and products that have been developed for a more sustainable future. A long history of innovations and care for the society in which we operate gives us strength and are an important part of our focus area about enabling people and communities. As a socially necessary business, we have continued to provide services during the pandemic, and we know that our presence locally and along the roads continues to be of great importance. An example of a development that focuses on continued service and profitability is OK Västerbotten's first 24-hour partially unmanned service station. We are also investing in training for all OKQ8's employees to give them the right conditions and knowledge to facilitate the transition. We take pride in continuing to take responsibility for our employees, as well as for our local environment and those who live and work there.

Join us on our journey and enjoy reading!

J. Magnus Kamryd, CEO



Key results of the year

Focus areas	Target areas
Act on climate change and reduce CO_2e emissions	CO_2e reductions Clean energy solutions
Use and sell sustainable products	Sustainable water management Sustainable land use and farming Support biodiversity and nature Sustainable materials and zero waste
Enable people and communities	Good working conditions Learning, development and information sharing Equal opportunities for all Healthy living

Key results of the year

64%
*tCO_2 reduction in our own operations since 2014

66
service stations with solar panels

267
stations offering HVO100 SE

178,229
solar panels sold

506
million litres of biofuels sold

42
High Power Charging Points -150 kW

Read more on p. 26

8,626
kg food saved via Karma SE

18,848
meals saved via Too Good To Go DK

4
biodiversity projects

21%
of automatic car washes with water recycling in Sweden*

24%
of automatic car washes with water recycling in Denmark*

Read more on p. 38

4.5
Employee Engagement Index, EMI (Scale of 5)

1,689
safety walks at stations and fuel depots

24,588
training opportunities

25/75%
women men
on the Board

60/40%
women men
Executive Management

Read more on p. 48

* market-based method

** minimum 80% water recycling

OKQ8 at a glance

Organised in order to achieve the goals of the transition

We are proud to be able to offer our members and customers the best fuels available on the market, but also to make it easier for everyone who uses our well-stocked stores, smart banking services and, not least, a strong corporate offering. Our three business divisions, Retail, B2B Sales and Online, Bank & Members, specialise in meeting the needs of their respective target groups. Alongside the business divisions are seven supportive: Finance, Sustainability & Communication, Supply chain and asset development, IT & Business Integration, Corporate Development, Corporate Governance and HR. Together they form a functional and effective organisation, with the common goal to enable sustainable mobility for each and everyone.



Our history guides us towards the future

Innovation and collaborations create the conditions for fossil-free mobility

1901

Gulf Oil is founded in Texas, USA

1913

Gulf launches its first drive-in gas station



1926

IC is founded to combat the monopoly of multinational oil companies

1936

Kuwait Oil Company is founded, Gulf being one of its owners



1951

IC introduces the first unmanned station in the world

1969

IC brand name replaced by OK



1975

Kuwait Oil Company fully owned by Kuwait

1980

Kuwait Oil Company introduces the Q8 brand

1984

Q8 are the first in Europe to offer lead-free petrol



1986

Gulf brand name replaced by Q8

1991

World's first brush-less automatic car wash installed at OK in Uddevalla



1999

OKQ8 becomes Sweden's largest petrol company

2012

Q8 Denmark & OKQ8 merge

2014

OKQ8 signs the UN Global Compact

2015/2016

Starbucks On The Go launched at Q8 in Denmark

2019

Acquisition of Steamrex and Iwash

2019

Acquisition of Kraftpojkarna

2019

Ambitious sustainability goals – OKQ8 aims to achieve climate neutrality throughout the value chain

2020

by 2045 Partnership for renewable diesel (HVO100) in Sweden

2019

Starbucks On The Go launched at OKQ8 in Sweden

2020

OKQ8 commits to Science Based Targets initiative (SBTi)

2020

Partnership for High Power Chargers in Sweden & Denmark

2021

OKQ8 no. 1 among fuel companies on the Sustainable Brand Index

2021

Stations with High Power Chargers: five in Sweden, two in Denmark

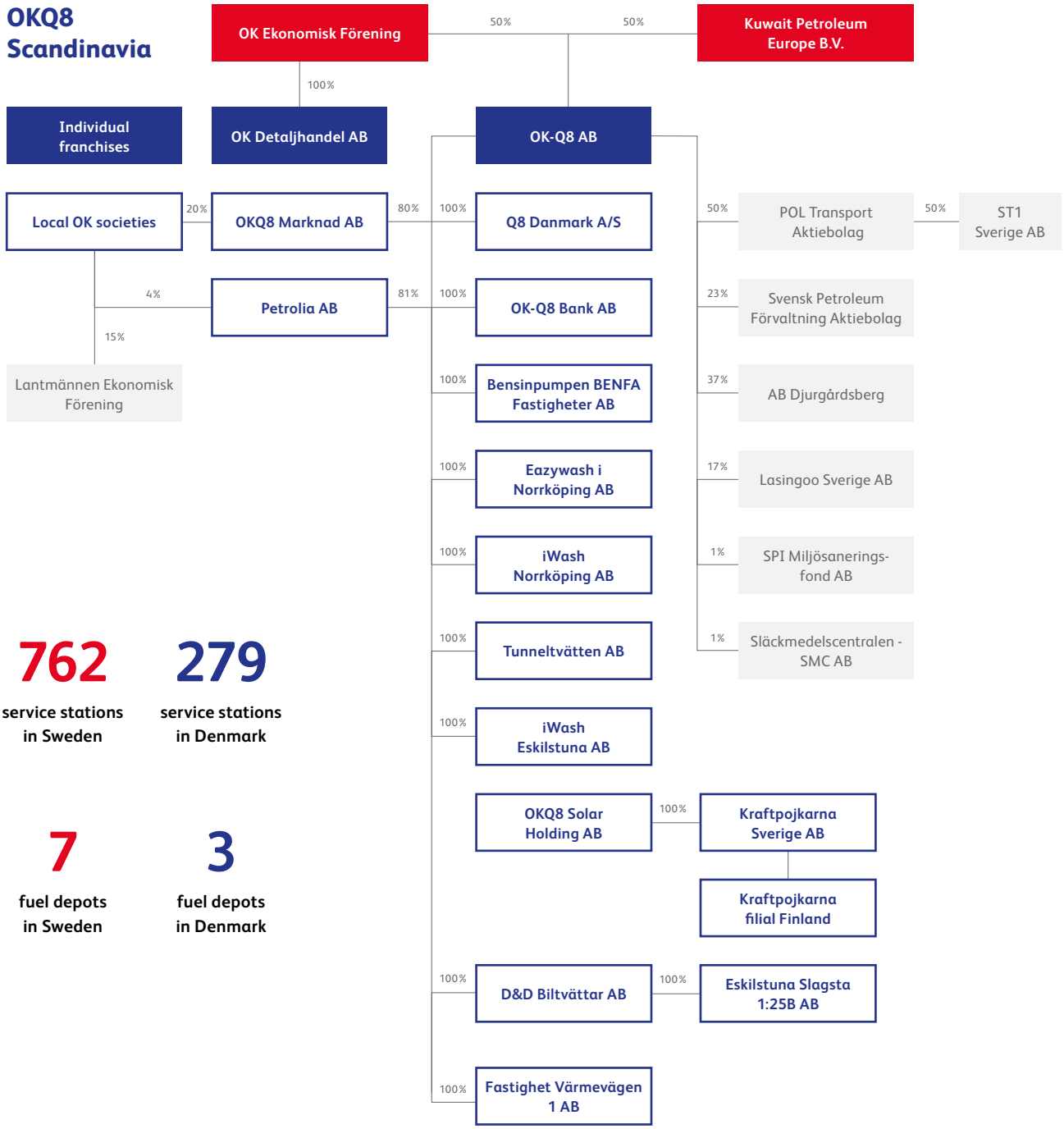
2021

Launch of Denmark's first LNG station in Padborg

OK-Q8 AB – The Group's corporate structure

OKQ8 Scandinavia is controlled by a separate Management Team and Board of Directors in accordance with Danish and Swedish law. The Board of Directors is responsible for the overall administration of OKQ8 Scandinavia, as well as the appointment and termination of management. The appointed Members of the Board of Directors are independent and have professional expertise in areas that support the Company's requirements.

The management team is responsible for the Company's ongoing management and reports strategic results to the Board of Directors on a quarterly basis.



762
service stations in Sweden

279
service stations in Denmark

7
fuel depots in Sweden

3
fuel depots in Denmark



Financial performance 2021/2022

Johan Sandberg, Head of Group Accounting and Tax, sheds more light on our financial performance and comments on the outcome.

So how did we do?
Consolidated operating profit totalled SEK 1,478 million (548) while the Parent Company's operating profit totalled SEK 1,064 million (271). For more detailed information about the Group's income statement and balance sheet and its statement of cash flows for the financial year, refer to the section entitled Financial information in our annual report.

Why is profit and cash flow so important for OKQ8?
Well, they are very important for making sure our company is well-equipped with the financial resources to continue investing in the ongoing transformation of the transport sector, and to help make society less dependent on fossil fuels. We also want to provide returns for our owners and members.

How are the surpluses used, and where is this apparent?
They're reinvested in our own operation, to the benefit of members and society alike. We're building more car washes, and modernising existing ones. During the year, we also acquired D&D Biltvättar, a company that runs car wash installations in several places around Sweden. Also, some funds are used to develop and adapt our IT systems to provide a modern, secure interface with our customers, and to offer new digital services. We're also building solar panels at our service stations to increase their self-sufficiency in electricity and reduce the climate footprint.

Also, we spend resources on restoring the environment in the places where we close operations. For example, we're currently decommissioning a former fuel depot at Loudden in Stockholm. The entire oil harbour will be transformed into a residential area.

A number of initiatives in line with our strategy have shown clear results during the year. We note an increase in the share of renewable fuels sold through our collaboration with Neste; we have increased market share in IDS (heavy vehicles); we see growth in car washes thanks to our investments in new premises and subscription solutions; car rentals have increased and there is a sustained flow of customers to our service stations. We also provide an overview in our annual report under 'Significant events'.

Management of sustainability

Sustainability is at the core of our business strategy to succeed on our journey towards a fossil-free future. Fundamental to our transformation is ensuring we have guidelines and objectives that govern our approach to sustainability and ensuring that our staff are informed and can act accordingly.

Business structure

Achieving our sustainability goals requires a holistic approach that involves everyone in the company, regardless of their position.

Each individual division and department is responsible for implementing our sustainability goals and monitoring progress using the relevant key performance indicators. The results are evaluated on a quarterly basis and also annually in a company-wide review.

In the Executive Management Team, sustainability is represented by the Director of Sustainability & Network. OKQ8 also employs sustainability officers in both Sweden and Denmark. They act as agents of change in leading the sustainable transformation and following up on progress.

HR fills the role of ensuring the health, well-being and safety of all employees, and answers directly to the Managing Director. Previously, HR answered to the Director of Sustainability & Network. This changed during the year to better support an organisation in in the process of extensive change, in which the relevant skills are fundamental to achieving the required transformation.

The Supply Chain division is responsible for the procurement, storage, handling and distribution of fuels. The Supply Chain division has a department tasked with addressing risks related to environment, quality, health and safety, as well as general, fuel-specific issues.

OKQ8 also has a Sustainability Advisory Board with external representatives acting as a sounding board for OKQ8 on issues of sustainability.

Management systems

OKQ8 has a central management system that manages health and safety risks in the organisation with a Fire and Safety specialist and a Health and Safety specialist operating in Denmark and Sweden, respectively. The management system comprises 18 elements including crisis management, audits, safety walks, risk assessments, management of suppliers, environment, work environment and safety. Each process also includes procedures, templates and instructions that are relevant to each area.

OKQ8's Supply Chain division, which manages all storage, blending and distribution of fuels, is certified according to ISO 14001 and ISO 9001.

Sustainability Policy

In 2021, OKQ8 formulated a new Sustainability Policy. The policy stipulates the areas in which OKQ8 can drive positive impact in order to cultivate a corporate culture in which sustainability and our sustainability focus areas are embedded in all our operations. The policy outlines internal rules and guidelines, roles and responsibilities, as well as monitoring and control. The policy will be reviewed annually.

Code of Conduct

The health, well-being and safety of all our employees is of utmost importance. OKQ8 complies with a Code of Conduct based on the principles of the UN Global Compact regarding human rights, working conditions, environment and anti-corruption/bribery. Within our sphere of influence, we vow to uphold these principles and ensure that each employee receives mandatory training in order to understand the principles of our Code of Conduct.

Our Board of Directors has adopted the Code of Conduct and the Managing Director of OKQ8 is responsible for implementation and making it available to all employees. The Corporate Compliance Officer is responsible for overseeing the establishment, implementation and updating of internal rules to ensure that employees can easily comply with the Code of Conduct. No level within OKQ8 is exempt from complying with the Code of Conduct.

Anti-corruption is a key part of OKQ8's Code of Conduct. OKQ8 has a legal and ethical obligation to prevent corruption at any level. It is also in OKQ8's own interest to address anti-corruption since it could severely damage the company's reputation. OKQ8 endeavours to comply with the Swedish Anti-Corruption Institute's Code of Business Conduct.

OKQ8 also has a Partner Code of Conduct that our suppliers and partners must comply with, and which forms part of every contract we sign. The Code of Conduct for partners and suppliers is based on the ten principles stipulated by the UN's Global Compact, and concerns human rights, working conditions, environment, and anti-corruption/bribery.

The OKQ8 Bank is also vigilant against corruption and has processes in place to



detect suspected cases of money laundering, in compliance with government standards.

Ethical Council

OKQ8 has an Ethical Council that handles any reported deviations from its Code of Conduct. The aim of the Ethical Council is to be a forum for initiatives, analysis and evaluation of how OKQ8 proactively handles ethical questions, and to act as a support for the entire organisation. The Ethical Council acts as an advisory and supportive body for the CEO and OKQ8 in ethical questions and suspicion of breaches of the Code of Conduct. The Ethical Council can recommend a path forward but has no delegated decision-making authority. That mandate follows the OKQ8 attestation order. How cases are handled varies from one case to the next.

The Ethical Council convenes once a month, or when required. The Ethical Council may change the frequency of meetings in order to better suit its purpose. The Ethical Council comprises the Corporate Compliance Officer (convener), the General Counsel and the Head of HR.

Internal audit

It is crucial that every branch of OKQ8 abides by complies with local rules and regulations. The OKQ8 internal audit helps the Audit committee fulfil its obligations towards the board and fulfil the oversight responsibilities with regards to the suitability and efficacy of the systems for internal audits, the audit process and the company's compliance with the law and various regulations. Internal audit has a mandate to review every single activity within OKQ8 and its business units, including all joint venture activities of which OKQ8 or its business units are a part.

Whistle blowing

All OKQ8 employees may report breaches of the Code of Conduct without fear of reprisals from the company. OKQ8 has an anonymous and external whistle-blowing service that allows employees to easily raise their concerns and be heard. The Ethical Council will handle any suspected breaches of the Code of Conduct, including suspected cases of corruption. All details regarding the cases are treated with confidentiality, registered and properly concluded.

Sustainable procurement

Using and selling sustainable products is at the very core of OKQ8's sustainability strategy. This includes how products from fuels to food, car products and services that we offer to our customers are sourced from suppliers. All our suppliers must must comply with the terms stipulated in our Code of Conduct for partners.

During the year we evaluated how we could fulfil our Code of Conduct throughout the value chain for our products and services. As a first step, we developed a counterpart policy which is linked to a risk matrix. The risk matrix defines the risks for different type of products and services and how and when to assess suppliers. The counterpart policy includes activities such as suppliers signing our Code of Conduct and which suppliers should be assessed further in our supplier assessment tool, EcoVadis.

EcoVadis is a platform that allows us to assess and track the sustainability performance of our suppliers using 21 different criteria in four main areas: Environment, labour, human rights, ethics and sustainable procurement. The assessment is based on international CSR standards including the Global Reporting Initiative (GRI), the UN Global Compact and ISO 26000. The evaluation of suppliers is conducted by independent sustainability experts at EcoVadis. OKQ8 adopted the platform in 2021 and assessed 20 existing suppliers during the year. The assessment in EcoVadis takes into account the suppliers' sector, size and geographic location.

Based on the score in EcoVadis, different measures will be taken. A low score and no improvement over time may lead to an onsite audit whilst a high score may lead to contractual benefits for the relevant supplier.

Regarding fuel suppliers, OKQ8 uses a tool to identify risks in the supply chain.

In connection with Russia's invasion of Ukraine, in the final days of the reporting period, OKQ8 immediately initiated a process to ensure that its suppliers took actions to replace raw materials (such as crude oil) from Russia with raw materials from other countries. Until further notice, OKQ8 requires all suppliers take swift action and find alternative raw material suppliers if they they have links to Russian stakeholders.

Fossil fuels
OKQ8 neither extracts oil nor owns refineries but acts as a retailer in the market. We source both fossil and renewable fuel commodities in the form of refined products and additives.

Since we enter the process of fuel purchases late in the value chain, we buy products from refineries with which we have a long-standing and solid relationship, and which have well established environmental and sustainability policies.

This applies to the purchase of both refined products and additives. We procure refined products and additives from European suppliers. Material topics in our sourcing process are to ensure that our suppliers have control over the sustainability impact connected to their value chain, as well as the origin of raw materials. During the reporting period, our suppliers mainly procured crude oil from Russia and the North Sea. Please note OKQ8's measures in connection with Russia's invasion of Ukraine as described above. Through our supply chain, we request our suppliers to scrutinise and evaluate their subcontractors in accordance with our Code of Conduct for Partners.

Renewable fuels
The renewable fuels that we offer to our customers are made from used cooking oil and agricultural products such as vegetable oils and animal fats, and are purchased from suppliers in Europe. The renewable fuels are strictly regulated with mandatory sustainability requirements.

In order to determine their degree of sustainability, we adhere to the following:

- The fuels must be produced in a way that does not violate human rights.
- We conduct follow-ups on suppliers and partners to ascertain compliance with the Act (2010:598) on sustainability criteria for renewable fuels, and our Code of Conduct for partners. The purpose of the Act on sustainability criteria for renewable fuels (2010:598) is to protect areas of high biodiversity, and to reduce CO_2 emissions compared to fossil alternatives.
- We rely on rely on our renewable fuels being handled through third-party certification, including the ISCC (International Sustainability and Carbon Certification), together with requirements for full traceability. Certification from our suppliers is subject to scrutiny and validation through third-party audits and is reported annually to the relevant authorities in Denmark and Sweden.

The Swedish GHG reduction regulation and the Danish Biofuel Act
Renewable fuels are blended with all of OKQ8's GoEasy Petrol and GoEasy Diesel. This is conducted in accordance with the Swedish GHG Reduction Regulation and the Danish Biofuel Act. According to Swedish law, it is expected that the life cycle of CO_2 emissions from diesel and petrol is reduced according to certain levels. During the reporting period (1 March 2021–28th February 2022) three different levels were required.

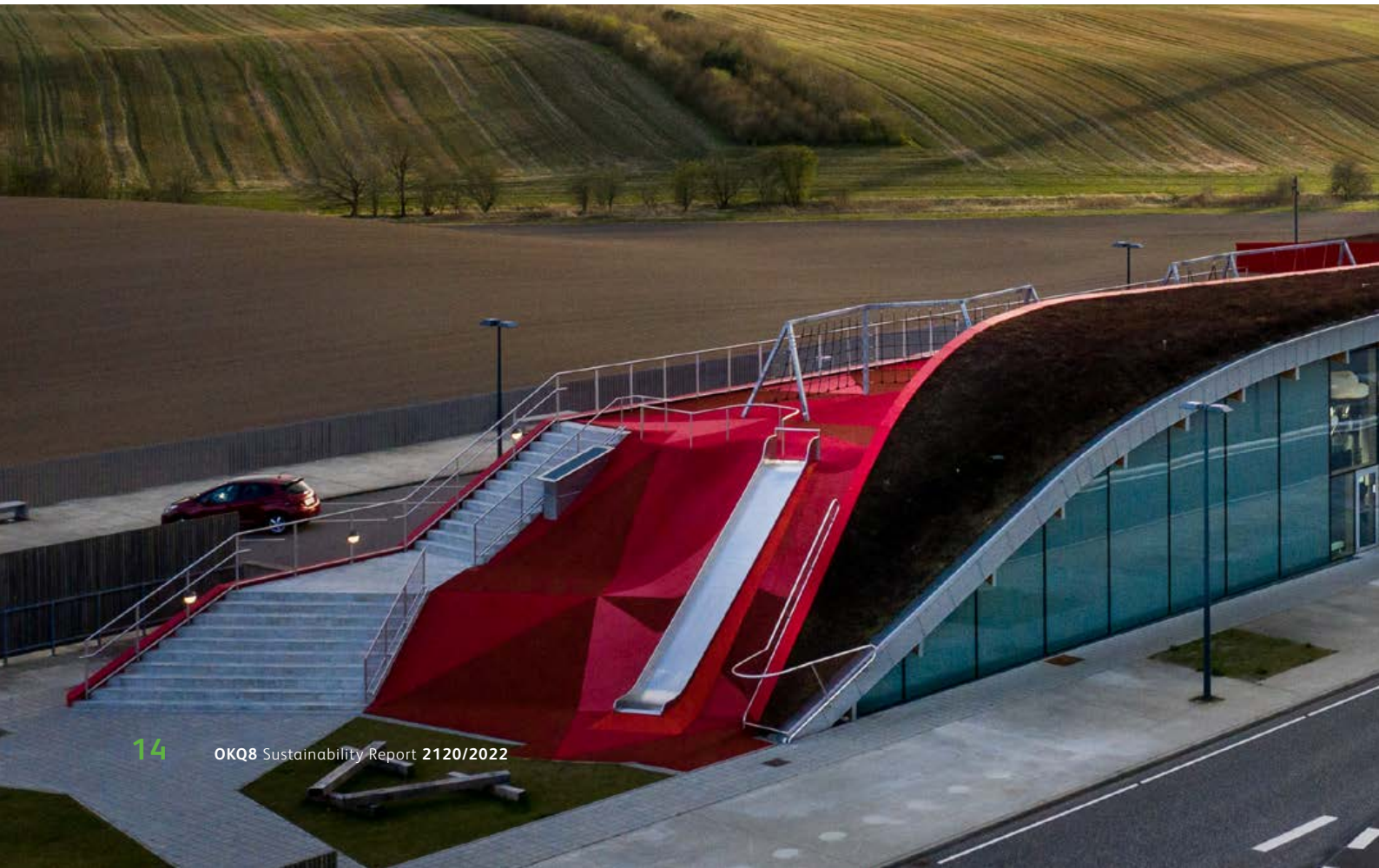
- 1 January 2021–31 July 2021, diesel 21% and petrol 4.2%
- 1 August 2021–31 December, diesel 26% and petrol 6%
- 1 January 202 –31 December, diesel 30,5% and petrol 7.8%

In Denmark, 7.6% of the contents of all liquid fuels had to come from renewable sources.

OKQ8 complies with these requirements and also complies with the EU Fuel Quality Directive (FQD, article 7a), which stipulates that CO_2 emissions should be reduced by 6%.

Food, beverages, car and leisure products
OKQ8 offer various food and beverages, supplemented by car maintenance products and various leisure products in its stores. During the year we established sustainability requirements for our food and beverages. Next year we will implement the new sustainability requirements and establish processes for follow-up and corrective actions, if required.

We have continuous dialogues with suppliers on how to reduce and improve environmental and social impacts, focusing on our best selling products.



Enterprise Risk Management framework
During the year, OKQ8 conducted a risk and control assessment. The aim was to identify and understand the key risks in the business and develop effective controls and activities to mitigate them in OKQ8's Enterprise Risk Management framework. Sustainability risks were a key part of this work. Control documents were further developed in 2021 to ensure that sustainability remains an important focus area in our everyday business.

EU Taxonomy
The EU Taxonomy was launched in 2020 to help create a common language to understand the amount of sustainable flows (revenue – capital expenditures – operating expenses) a company has which, in turn, will help investors and companies navigate the transition to a low-carbon, resilient and resource-efficient economy. During the year, OKQ8 initiated an internal working group to better understand and prepare for upcoming reporting requirements according to the EU Taxonomy, which currently do not apply to OKQ8.

Environmental permits
OKQ8 conducts certain operations that require permits and the submission of applications according to the Environmental Code. The main impact of the company's operations on the environment primarily occurs through emissions to the air and water.

The fuel depots in Sweden in which OKQ8 operates have been certified in accordance with Chapter 9 Section 6 of the Environmental Code, and the transitional provisions set out in SFS 1998:899 for the handling of petroleum products. Moreover, the company also has a permit for a rock chamber facility intended for stockpiles.

In accordance with Chapter 9, Section 6 of the Environmental Code and Section 21 of the Ordinance concerning Environmentally Hazardous Activities and the Protection of Public Health (1998:899), all sales locations with a sales volume of at least 1000 m^3 of motor fuel per year and/or with the capacity to perform at least 5,000 car washes per year must submit applications to the appropriate authorities.

Ground contamination
The potential occurrence of ground contamination in previous years has been generally assessed at our service stations and at all our operating fuel depots. One of the fuel depots is subleased to another business operator. There are signs of ground contamination at most of these fuel depots. The contamination has a historical precedent, as oil products have been handled at these fuel depots for many years at a previous level of safety that does not meet the current standards.

There are also signs of ground contamination at some of our service stations. Every year, OKQ8 engages an external company to conduct ground surveys at locations where ground contamination has been discovered or is suspected. On this basis, OKQ8 makes provision for future decontamination costs in its accounts. Costs relating to addressing ground contamination discovered and resolved during the year (in addition to the major annual survey) are recognised as they arise.

Pollution prevention
The fuel depots and stations work continuously on managing the impact of contamination with regard to health, safety and the environment.

The fuel depots have a well-documented safety management system to reduce the risks of chemical accidents, spills or fire. Before any major or minor operational changes, risk analyses and risk assessments are carried out at fuel depots to ensure that operations can be conducted with minimal risk of incidents. Annual maintenance plans are formulated and inspections are carried out in accordance with established conditions, laws and internal requirements. Staff are trained and conduct drills to ensure that they are prepared for any incidents. The fuel depots are equipped with preventive protection devices and equipment for handling incidents. All incidents are reported and investigated and knowledge from incidents is shared across the business in order to constantly improve.



OKQ8's commitment to global frameworks

UN Global Compact
In 2014, OKQ8 signed the UN Global Compact. The compact is a voluntary initiative based on CEO commitments to adopt sustainability principles in the areas of human rights, labour law, the environment and anti-corruption. The Ten Principles of the United Nations Global Compact are derived from the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

The UN's Sustainable Development Goals
The 2030 Agenda and the 17 Sustainable Development Goals (SDGs) were adopted by all United Nations Member States in 2015. It forms a common plan and sustainability agenda for nations and companies around the world. OKQ8 has adopted the goals and works actively to achieve them. We have identified certain development goals as being particularly relevant to our business, namely, SDG 2 Zero Hunger, SDG 3 Good Health and Well-being, SDG 5 Gender Equality, SDG 6 Clean Water and Sanitation, SDG 7 Affordable and Clean Energy, SDG 10 Reduced Inequalities, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action and SDG 17 Partnerships for the Goals.

Science-based targets
In 2020, OKQ8 Scandinavia committed to setting a science-based target through the Science Based Targets initiative (SBTi). SBTi is a global standard against which companies set targets in accordance with what experts say is necessary to meet the Paris Agreement's goal of keeping global warming well below 2° C and preferably below 1.5° C. The aim of SBTi is to develop robust methodologies that will support decarbonisation at the pace and scale required by science. Until work on the oil and gas target-setting methodology is finalised, all companies in the oil and gas sector will not be listed and cannot get any targets approved. The Science Based Targets initiative makes it clear that the removal is due to the new policy and not due to companies not meeting their commitment obligations.
We look forward to having our targets validated, when possible, by the Science Based Targets Initiative.



Important areas and risk assessment

The world is changing and adapting to the consequences of climate change, and so is OKQ8. The shift from fossil fuels to renewables is ongoing and accelerating, and our role is to transform from a provider of fossil fuels to an enabler of sustainable mobility.

OKQ8's role in supporting systematic change

Climate change and its effects is a current topic in the media. The Paris Agreement goal to keep global warming under 1.5 degrees Celcius is at risk, and the world is looking to their leaders to act.

OKQ8 is in a unique position to find sustainable solutions to the climate challenge. We know our industry is a significant part of the problem. By evaluating how our everyday operations affect the climate and finding the best ways to reduce our greenhouse gas emissions, we can do our part to curb climate change.

Mobility is at the core of our business, while emissions from fossil fuels are one of the driving forces of climate change. By making it easier for our customers to choose sustainable ways of travelling, offering renewable fuels and sustainable products and services at our stations, we can make a positive impact on the future of mobility.

Materiality analysis

The picture on page 21 shows our materiality analysis, with significant material sustainability topics regarding OKQ8. A materiality analysis is a tool that acts as a roadmap by identifying the key areas of our business in which we can achieve the greatest transformation. This includes our economic, environmental and social footprint.

The analysis is based on the latest international research on climate change and the global trends and environmental, social and economic factors that affect our planet and everyone living on it. We have investigated the risks affecting our business on three levels: global, local and corporate. Based on these three levels, we have identified and prioritised the most significant risks and potential negative consequences that are linked to our company's operations, associations, products and services. Here we can make a difference. The analysis also contains input from external stakeholders such as customers and business partners.



Process of materiality analysis

Global and local level

Political and legal frameworks

- UN Global Compact
- Sustainable Development Goals (SDGs)
- Paris Agreement
- Science Based Targets Initiative
- World Economic Forum Global Risk Report 2020
- EU Green Deal: Climate neutral by 2050
- EU Co_2 emission targets for car manufacturers
- EU Circular Economy Package
- National Climate laws
- Fossil Free Sweden formulated appeals from 22 sectors
- The Danish Biofuel Act and the Swedish GHG Reduction Regulation

Stakeholder dialogue

- B2C and B2B customers
- Suppliers
- Industry organisations
- NGOs
- Political institutions (ministries, agencies, regions and municipalities)
- Universities, researchers and academia
- OKQ8 employees and Executive Management
- Members

Risk assessment

- Environmental
- Social
- Economic

Corporate level

Adapting to OKQ8's corporate framework and assets

- Through our **own operations** as a corporate consumer
- Through our **value chain activities** as a retailer of products and services.


OKQ8

Stakeholder dialogue as a part of our sustainable transformation

At OKQ8, we constantly seek guidance and feedback from our stakeholders, to better understand how we can move forward sustainably. We gain this feedback in meetings with various stakeholders and customers and by conducting sustainability seminars, engaging in development projects and member surveys, all of which we actively organise and participate in, as far as possible, during a pandemic.

Through such activities, we find ways to evaluate and update our own working methods by looking at ourselves from the outside in, through the eyes of our stakeholders. This allows us to offer better and more sustainable solutions for our customers in our stores, and for society as a whole.

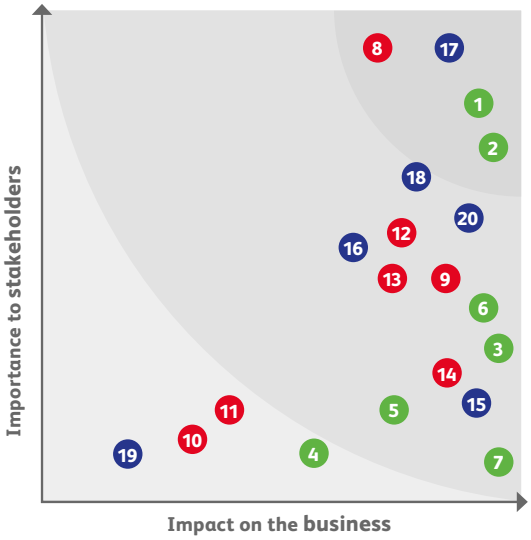
As input to the materiality analysis, we asked our stakeholders and members to respond to a survey on what they believe is important for OKQ8 to address as a sustainable company. Over 5,500 people took part in the survey, which was conducted in Sweden and Denmark during 2020/2021.

Results of our materiality analysis

The results of our materiality analysis helped us identify three focus areas in sustainability for OKQ8 moving forward:

1. Act on climate change and reduce CO_2e emissions
2. Use and sell sustainable products
3. Enable people and communities

In order to successfully mitigate the environmental, social and economic risks associated with our business conduct, each focus area works as a guideline for a sustainable sustainable way of working. This report elaborates on how the three focus areas not only reflect the identified risks, but act as a framework to set targets, commit resources, act and track progress.



Each material topic has been evaluated and ranked by a broad range of stakeholders to establish which areas are most critical for OKQ8 to focus on.

Environmental factors:

1. **CO_2e emissions**
2. **Fossil fuels and renewable fuels**
3. **Renewable energy**
4. **Sustainable food production**
5. **Clean water**
6. **Chemicals and pollution**
7. **Biodiversity, preservation of nature and eco-systems**

Social factors:

8. **Social justice locally and globally**
9. **Workers' rights and conditions**
10. **Healthy lifestyle**
11. **Access to affordable transportation**
12. **Diversity and inclusion**
13. **Equality**
14. **Mental well-being**

Economic Factors:

15. **Anti-corruption**
16. **Ethical trading**
17. **Sustainable production systems**
18. **Investments in research and development**
19. **Sustainable asset management**
20. **Partnerships**

OKQ8's focus areas

From insights to action

OKQ8 has the following three strategic visions:

- Act on climate change and reduce CO_2e emissions
- Use and sell sustainable products
- Enable people and communities

The framework helps us to prioritise our efforts, make our actions measurable and have a dialogue with and communicate our progress to our stakeholders.

The actions described under each of the three focus areas are in many ways interdependent. For example, to reduce CO_2e emissions from fuel products we must consider the potential impact of new types of fuel (e.g. biofuels) on other aspects of sustainability, such as biodiversity, land-use change and sustainable food systems. Thus, actions described in one section can be cross referenced with other focus areas. However, for the sake of simplicity and transparency, we have categorised the actions in a way that supports our goals and targets, relating to specific focus areas.





Act on climate change and reduce CO_2e emissions

Use and sell sustainable products

Enable people and communities

Focus areas	Target areas
Act on climate change and reduce CO_2e emissions	CO_2e reductions Clean energy solutions
Use and sell sustainable products	Sustainable water management Sustainable land use and farming Support biodiversity and nature Sustainable materials and zero waste
Enable people and communities	Good working conditions Learning, development and information sharing Equal opportunities for all Healthy living

Link to global frameworks



- SDG 7 Affordable and Clean Energy
- SDG 12 Responsible Consumption and Production
- SDG 13 Climate Action
- SDG 17 Partnerships for the Goals

OKQ8 targets

- Climate-neutral in our own operation by 2030
- Climate-neutral throughout our value chain by 2045
- 100% renewable electricity in our own operations by 2030



- SDG2 Zero Hunger
- SDG 6 Clean Water and Sanitation
- SDG 12 Responsible Consumption and Production
- SDG 17 Partnerships for the Goals

- Water recycling in all automatic car washes by 2030
- 20% of food and beverage sales shall have a sustainability label (or similar) by 2025
- To halve food waste by 2030
- 50% of all waste from our own operations at service stations shall be recycled by 2025*
- All plastic waste from our own operations at service stations shall be recycled as a material by 2030



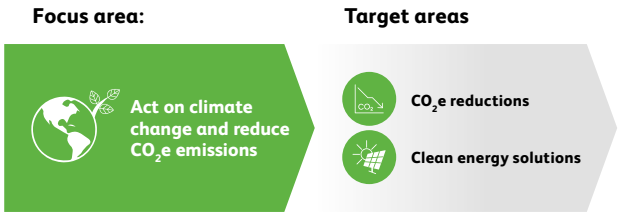
- SDG 3 Good Health and Well-being
- SDG 5 Gender Equality
- SDG 10 Reduce Inequality
- SDG 11 Sustainable Cities and Communities

- Promote employee satisfaction
- Ensure a safe work environment by conducting safety walks at our stations and fuel depots
- Reduce the number of incidents to a minimum
- Support employees in making choices for a healthier lifestyle
- Support the professional development of our employees via training and courses
- Create equal access to management positions
- Zero tolerance of discrimination and sexual harassment

* segregate waste for recycling purposes

Act on climate change and reduce CO_2e emissions

The challenge and how it relates to OKQ8



Several countries have already felt the effects of global warming through flooding, hurricanes and other natural disasters. Even though the world has experienced significant shutdowns due to the COVID-19 pandemic, greenhouse gas emissions (henceforth referred to as *emissions*) have continued to rise.

Governments are trying to address this growing threat of climate change. The COP26 meeting in November 2021 stated that in order to achieve the goal of limiting global warming to 1.5°C before the end of the century – as stipulated[1] by the Paris Agreement – emissions needed to be reduced by half.

To achieve this, several key points were listed:

- Halt and reverse deforestation
- Phasing out of coal
- Ending international funding of fossil fuels

The EU climate strategy Fit for 55 and the Green Deal stipulate that emissions from cars should be reduced by 55% by 2030. It also states that emissions from vans should be reduced by 50%, and that new cars should have a zero-emission target for 2035.

Danish Energy and the Danish government have even more ambitious goals than Fit for 55 as they are aiming to achieve a 70% reduction in CO_2e emissions by 2030. This will require reducing emissions by 10 million tonnes, and the government will present 24 steps in 2022 to realise this project.

The Swedish government has a target to reduce emissions by 63% by 2030 with an additional target to reduce emissions from domestic transport[2] by 70%.

Since OKQ8's climate impact and emissions are mainly derived from the value chain of sourced fossil fuels, i.e. the extraction, refining and combustion of fossil fuels, it is accelerating its focus on renewable alternatives and clean energy. During the year, we have increased our focus on providing infrastructure for electric vehicles and biofuels, such as HVO100. We also continued our focus on reducing CO_2e emissions from our own operations resulting from energy consumption, business travel and distribution of fuels.

OKQ8 has identified the following UN Sustainable Development Goals (SDGs) as being particularly relevant to the focus area "Act on climate change and reduce CO_2e emissions": SDG 7: Affordable and Clean Energy; SDG 12: Sustainable Production and Consumption; SDG 13: Climate action and SDG 17: Partnerships for the Goals.



1) Source: Government Offices of Sweden, Klimatförhandlingarna på FN:s klimatmöte COP26 är avslutade – Regeringen.se
United Nations Climate Change, COP26: Pivotal Progress Made on Sustainable Forest Management and Conservation | UNFCCC
UN Climate Change Conference UK, Glasgow Leaders' Declaration on Forests and Land Use – UN Climate Change Conference (COP26) at the SEC – Glasgow 2021 (ukcop26.org)

2) Source: Government offices of Sweden. Sweden's climate policy framework – Government.se

OKQ8's goals and targets

Focus area:	Target areas	OKQ8 goals and targets
Act on climate change and reduce CO_2e emissions	CO_2e reductions Clean energy solutions	• Climate neutral in our own operations by 2030 • Climate-neutral throughout our value chain by 2045 • 100% renewable electricity in our own operations by 2030

In 2020, OKQ8 Scandinavia committed to setting a science-based target through the Science Based Targets initiative (SBTi). SBTi is a global standard against which companies set targets in accordance with what experts say is necessary to meet the Paris Agreement's goal of keeping global warming well below 2° C and preferably below 1.5° C. The aim of SBTi is to develop robust methodologies that will support decarbonisation at the pace and scale required by science. Until work on the oil and gas target-setting methodology is finalised, all companies in the oil and gas sector have been removed from the SBTi and cannot get any targets approved. The Science Based Targets initiative makes it clear that this removal is due to the new policy and not due to companies not meeting their commitment obligations.

We look forward to having our targets validated, when possible, by the Science Based Targets initiative.

OKQ8 has set two climate targets:

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

Our 2030 target to achieve climate neutrality in our own operations includes:

- Scope 1 and 2:
  - Energy consumption at service stations, fuel depots and offices.
  - Transportation in private or company vehicles and bunker vessels.
- Scope 3:
  - Business travel by employees using air and rail.
  - Distribution of fuels.

Our 2045 target to achieve climate neutrality throughout the value chain includes:

- Scope 3:
  - CO_2e emissions from our value chain activities that stem from the products and services we offer.

During the year we conducted a full assessment of our scope 1, 2 and 3 CO_2e emissions in our own operations and in the value chain according to the greenhouse gas protocol. Based on our GHG protocol scope 3 analysis, we are aware that the fossil fuels we buy and sell have the largest climate impact.



Moving forward, we continue to report OKQ8's direct and indirect CO_2e emissions according to the GHG protocol. To be aligned with the GHG protocol (and in preparation for approval of our targets by the Science Based Targets initiative and the net-zero standard), in 2022/2023 we will review our end-target years and scope to fulfil the requirements of our short and long-term targets.

OKQ8's approach to climate-neutral and net-zero emissions is the abatement of GHG emissions, i.e. the permanent removal of CO_2e emissions. Our mitigation strategy is to reduce and remove CO_2e emissions by moving away from fossil-based products to clean energy and renewables. As a supplement to investing in technologies, services and products that will permanently reduce and remove CO_2e, we consult experts and study international standards on the best way of handling the remaining emissions.

Table overview status targets

	OKQ8 goals and targets	Status	Contribute to the SDGs	Further measures
	Climate neutral in our own operations by 2030	64% tCO_2 reduction since 14/15		Invest in energy efficiency initiatives Optimise ways of travelling to reduce CO_2e
	Climate neutral throughout our value chain by 2045	Revising scope 3 budget		Revise scope 3 budget
	100% renewable electricity in our own operations by 2030	100% achieved via Guarantees of Origin (GoO)		Continue to buy GoO



Measures and initiatives to address challenges

CO_2e reductions

Own operations

Challenges related to our own operations

At present, the main source of GHG emissions we need to address to reach our target of achieving climate neutrality by 2030 is the energy consumed at our 1,000+ service stations (37%), the distribution of fuel products (58%), and emissions from business travel (3%). The remaining emissions from our fuel depots and offices (1%) are correspondingly small but nevertheless important if we are to reach our target of achieving climate neutrality in our own operations by 2030. This is based on the location-based method of calculating scope 2 emissions.

Current solutions

In 2021/2022 we reduced our CO_2e emissions from our stations, fuel depots, offices and fuel distribution by 64% compared to base year 14/15 (market-based method) by mainly shifting to renewable fuels in our distribution and buying Guarantees of Origin (GoO) for our electricity consumption.

Business travel

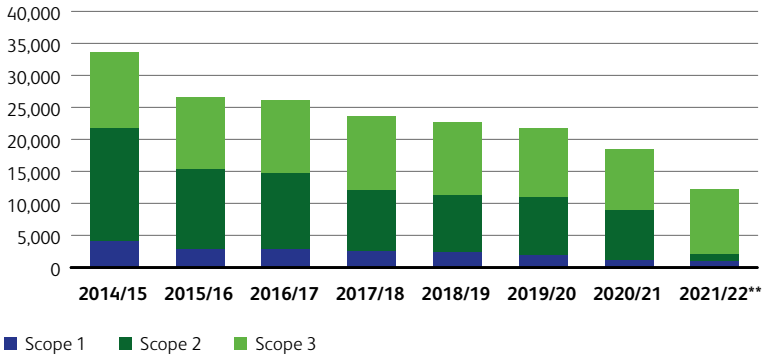
During the second half of 2021, society opened up again and employees were allowed to return to work. This has also impacted our business travel. In Denmark, we updated our mobility policy to include electric vehicles, so that from 2023, all newly leased vehicles must be electric. In Sweden, we reviewed our mobility policy and tightened our rules regarding offering cars as an employee benefit.

Energy efficiency and CO_2e reductions at our service stations

As a result of our efforts to become climate neutral in our own operations, we launched projects in Denmark and Sweden to reduce the energy consumption at stations. In Denmark we mapped the energy-consuming equipment at the stations. The analysis showed that fridges and freezers, ovens for preparing food and lights/lamps consume most of the electricity at the stations. The analysis will be used to prioritise which energy reduction measures should be implemented first and how they will be implemented in the coming years. We also decided that all oil-fired burners in Denmark will be replaced with other heating sources in the first half of 2022. In Sweden we identified a number of stations with the highest potential for energy savings. Parallel to this, we analysed how to switch plug-in coolers to mounted coolers, and how to limit the number of coolers in each store. Based on our analysis, the largest reduction in CO_2e emissions is from switching to heat pumps, energy efficient lighting, changes to ventilation systems, and installing solar panels.

In 2021 we decided to buy renewable energy Guarantees of Origin (GoO) to cover OKQ8's electricity use. This marks a leap from previously buying fossil-free electricity in Sweden to buying renewable electricity. However, since buying GoO does not reflect our actual electricity mix, we declare our emissions according to both a location-based and a market-based method, as stated in the GHG protocol. The difference between the two methods is that the location-based method total can only be reduced by reducing electricity use, since the grid average emission factor is largely outside of corporate control. In contrast, the market-based method is designed to highlight supply choices, including renewable electricity, for example, GoO.

CO_2e from our own operations* – scope 1, 2 and 3



* Own operations include: Scope 1 and 2: Energy consumption at service stations, fuel depots and offices. Transportation in company and private vehicles and bunker vessels. Scope 3: Business travel conducted by employees and distribution of OKQ8 fuel products.

** The basis for calculating the figures for the years 2021/2022 has changed from location based to market based

CO_2e scope 1, 2 and 3 – our own operations

CO_2e scope 1, 2 and 3 for our own operations* - market-based method	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2020	2021/2022**
Scope 1	4,048	2,891	2,841	2,459	2,382	1,841	1,130	890
Scope 2	17,692	12,454	11,882	9,591	8 ,878	9,185	7,727	1,229
Scope 3	11,831	11,146	11,389	11,510	11,343	10,715	9,603	10,078
Total (tCO_2e)	**33,571**	**26,491**	**26,112**	**23,560**	**22,603**	**21,741**	**18,460**	**12,197**

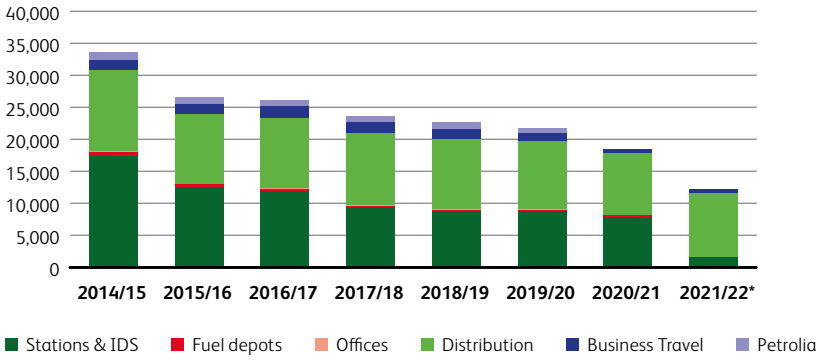
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** The basis for calculating the figures for the years 2021/2022 has changed from a location-based method to a market-based method

CO_2e scope 1, 2 and 3 for own operations*, - location-based method	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Scope 1	4,048	2,891	2,841	2,459	2,382	1,841	1,130	890
Scope 2	17,692	12,454	11,882	9,591	8,878	9,185	7,727	6,364
Scope 3	11,831	11,146	11,389	11,510	11,343	10,715	9,603	10,079
Total (tCO_2e)	**33,571**	**26,491**	**26,112**	**23,560**	**22,603**	**21,741**	**18,460**	**17,333**

* Our own operations include: Scope 1 and 2: Energy consumption at service stations, fuel depots and offices. Transportation in company and private vehicles and bunker vessels. Scope 3 Business travel conducted by employees and distribution of OKQ8 fuel products.

CO_2e from our own operations – categories



* The basis for calculating the figures for the years 2021/2022 has changed from location based to market based

CO_2e per category - own operations

CO_2e from our own operations per category*, - market-based method	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022**
Stations & IDS	17,329	12,473	11,822	9,326	8,685	8,718	7,847	1,501
Fuel depots	616	448	363	294	266	272	246	44
Offices	209	120	117	111	90	107	60	18
Distribution	12,596	10,813	11,006	11,187	10,950	10,572	9,593	10,041
Business Travel	1,633	1,633	1,850	1,754	1,538	1,246	714	593
Petrolia	1,188	1,004	954	888	1,074	826	-	-
Total (tCO_2e)	**33,571**	**26,491**	**26,112**	**23,560**	**22,603**	**21,741**	**18,460**	**12,197**

* Our own operations include: Scope 1 and 2: Energy consumption at service stations, fuel depots and offices. Transport in company and private vehicles and bunker vessels. Scope 3 Business travel conducted by employees and distribution of OKQ8 fuel products.

CO_2e from our own operations per category*, - location-based method	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Stations & IDS	17,329	12,473	11,822	9,326	8,685	8,718	7,847	6,421
Fuel depots	616	448	363	294	266	272	246	226
Offices	209	120	117	111	90	107	60	52
Distribution	12,596	10,813	11,006	11,187	10,950	10,572	9,593	10,041
Business Travel	1,633	1,633	1,850	1,754	1,538	1,246	714	593
Petrolia	1,188	1,004	954	888	1,074	826	-	-
Total (tCO_2e)	**33,571**	**26,491**	**26,112**	**23,560**	**22,603**	**21,741**	**18,460**	**17,333**

* Our own operations include: Scope 1 and 2: Energy consumption at service stations, fuel depots and offices. Transportation in company and private vehicles and bunker vessels. Scope 3 Business travel conducted by employees and distribution of OKQ8 fuel products.

GHG Emissions intensity ratio location-based method*	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
CO_2e kg/m3**	10.70	8.26	8.16	7.30	6.37	6.50	5.93***	5.23

* Location-based method.

** OKQ8 uses volumes of fuel products sold (m^3) as the organisation-specific metric.

*** Figures changed from previous report due to revised sales volumes in 2020/2021

Challenges regarding our value chain

Based on our GHG protocol scope 3 analysis, we are aware that the fossil fuels we buy and sell have the largest climate impact by a significant margin over their life cycle. It is therefore imperative that we focus on reducing the fuel emissions in the value chain.

Our customers, private and business, use our products and services for large corporate fleets (including HGVs), ships, and industrial machinery (e.g. agricultural equipment). A transition to fossil-free fuel and energy sources is essential to guide the various segments in a sustainable direction.

From the non-fuel products we sell, product distribution, food and drinks sold at our service stations and solar panels sold through Kraftpojkarna have the greatest negative impact.

Current solutions

We are constantly expanding our range of renewable fuels and alternatives such as electricity, biofuels and gas to reduce CO_2e emissions throughout our value chain. OKQ8 conducts extensive development work with its partners and suppliers so that it can offer its customers more sustainable mobility services.

Biofuels

Biofuels are currently used in multiple ways: as blends in fossil fuel products under the Danish Biofuel Act and the Swedish GHG Reduction Regulation, and as pure renewables. In 2021 (Jan–Dec), OKQ8 sold 506 million litres of biofuel.

In 2020, OKQ8 introduced Neste MY Renewable Diesel (HVO100). This is a synthetic diesel that significantly reduces CO_2e emissions compared to conventional fossil-based diesel. As HVO100 can be used in all diesel engines, this is a simple means of reducing CO_2e emissions, while other technologies are maturing.

Most diesel cars and lorries can use Neste MY Renewable Diesel (HVO100) and the number of vehicles approved by their manufacturers is constantly increasing. Major manufacturers such as BMW, Volvo, Peugeot, Renault, Mercedes, Opel and Nissan have now approved the use of HVO100 in most of their diesel vehicles.

As of March 2022, HVO Renewable Diesel is available at 267 stations in Sweden and seven locations in Denmark.

We also launched a new bio petrol at five of our stations in Sweden for a limited trial period. This bio petrol has been developed by our partner Neste and contains 68% renewable petrol and 10% ethanol and therefore has a renewable content of 78%. The new mixture meets the same fuel standard as today's 95 octane E10 petrol.

Electrification

A key element in reducing CO_2e emissions from road traffic is the electrification of cars. (See the section "Clean energy solutions" to learn more about OKQ8's efforts and investments in extending the availability of charging points across Scandinavia.)

Gas

In early 2022, OKQ8 took a leap towards achieving its sustainability goals as it opened Denmark's first service station for lorries running on liquefied gas. Although customers will initially refuel with liquefied natural gas (LNG), the ultimate ambition is to offer liquefied biogas (LBG). The LNG network at OKQ8 forms part of the European International Diesel Service (IDS). LNG is natural gas that has been cooled to -162°C, which turns it into a liquid. The process also reduces the volume of the gas to 1/600, which allows it to be used as fuel for lorries and ships. LNG emits up to 22% less CO_2e compared to regular diesel. It also eliminates sulphur emissions and significantly reduces the amount of harmful soot particles.

Although LBG and LNG are chemically identical, a significant advantage of LBG is that it can be made from residual products and waste products from agriculture, for example. Going forward, this means that parts of heavy trans-shipments can be completed using fossil-free alternatives, while reducing CO_2e emissions in the transport industry and industries that support biogas producers.

Our ambition is to make it easier for Northern European haulage companies to utilise vehicles that run on cleaner technologies.

In Sweden, we offer compressed biogas (CBG) and compressed natural gas (CNG). We offer two variants of vehicle gas: Biogas Bas and Biogas100. Biogas Bas comprises at least 70% biogas and the remainder is natural gas. Biogas100 is an option for the customer with 100% renewable biogas. Biogas100 is a mass balance product, meaning we allocate 100% biogas to the customer. The biogas is made from renewable raw materials, most of which originate in sewage sludge, food industry waste and food waste.

Our customers can refuel their vehicles using the OKQ8 card at 31 OKQ8 stations and a total of 71 locations, in cooperation with STI1 and other partners.

Power-to-X

In 2020, Denmark initiated the Power-to-X project, which aims to further the development of hydrogen technology and other fossil-free fuels. OKQ8 has signed a Memorandum of Understanding (MoU) in which we declare our support for the project. With the signing, we call on the Danish government to support the research and development of liquid fuels and other high value products that can help in the phasing out of fossil fuels.

In 2021, the GreenHyScale project, a 100 mW electrolyser project based at Green Lab Skive, announced that it will now officially launch, as the project has been approved by the EU, and all partners to the project have signed the grant agreement.

Distribution of fuels

In 2021/2022, four of our distribution suppliers used HVO100. We are working closely with our suppliers and carriers to convert and scale up the number of vehicles running on HVO100 or other fuels with a lower climate impact than conventional diesel.

Distribution of food and beverages

In the coming year, we will assess how we intend to work on reducing CO_2e emissions from the transportation of food, drinks, packaging, etc. to our retail service stations. We have already worked extensively on streamlining delivery routes in Sweden in order to save CO_2e. Many of our food suppliers' subcontractors use renewable fuels in their deliveries.

Food and beverage

An efficient way to reduce the carbon footprint in food sales is to offer a wider range of attractive vegetarian and vegan meals. After tracking the sales of vegetarian meals in Sweden over the year, we saw an increase in the sale of vegetarian meals of 0.5% to 3.2%.

In Denmark we introduced Naturli plant-based sausage rolls and nuggets. The new plant-based products were well received by customers and the public in general and new products will be launched in 2022.

We have also verified the carbon footprint of our top selling sandwiches and sausage meals in Sweden, in order to understand their climate impact. With these insights, we hope to compose menus and offerings with a lower carbon footprint in the future. We are continuing to develop an attractive and climate-friendly menu for our customers.

Clean energy solutions

Own operations

Challenges related to our own operations

When looking at ways of supporting clean energy systems, there are two main aspects to consider:

- Type of energy used
- Amount of energy used.

In OKQ8's everyday operations, the greatest energy consumption is at its manned and unmanned service stations. As more and more digital services are introduced, and as transport continues to be electrified, energy demand will rise significantly.

In order to address our environmental impact, we need to find a way to optimise our energy consumption and use renewable energy solutions.

Current solutions

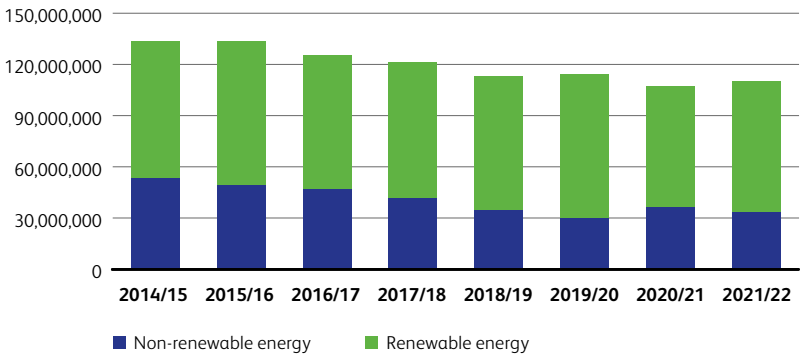
Renewable electricity

In 2021 we decided to buy renewable energy Guarantees of Origin (GoO). For further information, read about Energy efficiency and CO_2 reductions at the stations.

Solar panels

To increase the proportion of renewable energy used in our everyday operations, in 2021 we installed solar panels at multiple stations, providing a total of 66 OKQ8 stations with solar panels.

Energy consumption* at service stations, fuel depots and offices



Energy consumption	Unit	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Non-renewable energy	kWh	53,199,443	49,196,258	46,669,804	41,502,502	34,537,481	29,583,712	36,187,000	33,178,000
Renewable energy	kWh	80,291,357	84,481,042	78,987,296	79,933,598	78,548,519	84,609,788	71,197,000***	76,818,000
Total energy consumption*	**kWh**	**133,490,800**	**133,677,300**	**125,657,100**	**121,436,100**	**113,086,000**	**114,193,500**	**107,384,000**	**109,996,000**
% renewable	%	60%	63%	63%	66%	69%	74%	66%	70%

Energy intensity	Unit	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2120	2021/2220
Total energy consumption**	kWh	142,700,400	138,432,700	131,478,300	127,126,000	117,668,300	118,586,900	110,299,700	113,107,700
Energy intensity ratio	kWh/ m3	42.31	41.71	39.52	37.65	31.89	34.18	35.42****	34.16

* Energy consumption at service stations, fuel depots and offices (own operations). Energy type: electricity, district heating, heating oil and natural gas. A location-based method has been used

** Energy consumption including energy consumption at service stations, fuel depots and offices and fuel consumed for scope 1 transportation. A location-based method has been used

*** In order to determine the renewable share of Swedish district heating, the method has changed to only include renewable energy sources, whereas the previous method was based on all non-fossil energy

**** Figures changed from previous report due to revised sales volumes in 2020/2021



Challenges related to' value chain operations

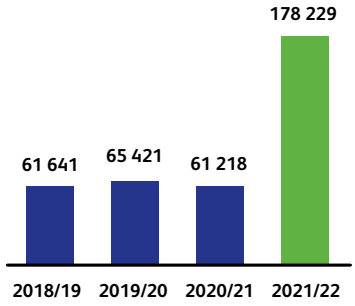
One of the biggest challenges in the transformation to a fossil-free society is providing solutions and an infrastructure for renewable energy sources and mobility solutions. OKQ8 is working on multiple initiatives to support the shift to 100% renewable energy systems that can be balanced to meet supply and demand.

Current solutions

Electricity supplier

As an electricity supplier, OKQ8 is able to provide electricity from renewable sources. We purchase Guarantees of Origin (GoO) from energy sources that are classified as 100% renewable, meaning the electricity is generated from wind, hydro or solar power. We have launched the OKQ8 Hemma app to help customers learn more about energy use and thereby reduce their energy consumption, costs and environmental impact.

Kraftpojkarna – number of solar panels sold



Solar power

Solar power is a growing and efficient source of energy and OKQ8 is committed to encouraging and accelerating its use. In 2019 OKQ8 acquired Kraftpojkarna, Sweden's leading distributor of solar energy, EV charging and energy storage solutions. This acquisition was made to help our customers in the transition to renewable energy.

Through Kraftpojkarna, OKQ8 can support distributors with project planning, deliveries, installation and service. OKQ8 has both commercial and private customers and they range from major property companies, the agriculture and industry sector, to homeowners.

The company was founded in 2012 and owns the Nordic Region's first 1 MW solar tracking installation, located between Västerås and Enköping, Sweden. The installation also serves as a testing facility for new products and solutions before they are presented to customers.

Since the outset, Kraftpojkarna has grown rapidly in the market and, in partnership with OKQ8, the company provides renewable energy for everyone.

Thus far, Kraftpojkarna has delivered solar panels to 37 of OKQ8's service stations and more installations are planned for 2022.

Energy storage

OKQ8 can support real estate owners, private home owners, as well as professional property companies, by balancing energy consumption and production through its energy storage solutions. When paired with solar cells or other renewable sources, this increases the level of renewable energy for self-consumption by charging batteries with solar energy for use on an as-needs basis . By shaving off the effect peaks, it can provide savings for the user, and thereby cut costs.

EV charging at stations

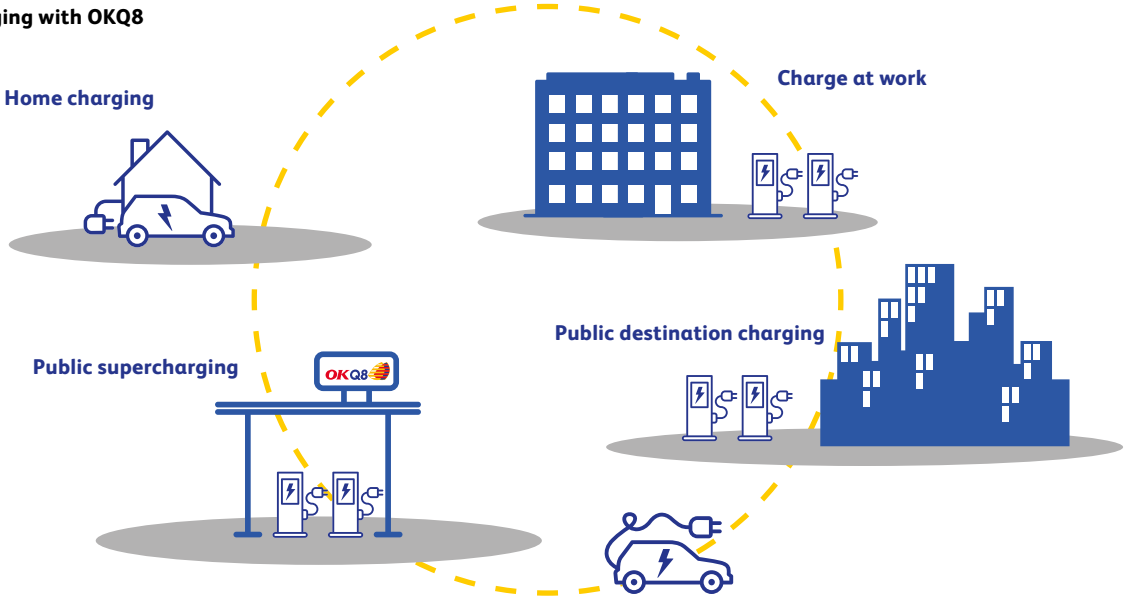
OKQ8 currently provides more than 180 EV charging points at its service stations. For technological reasons, today's hybrid cars are unable to use 150 kWh high power chargers, which is why OKQ8 also provides 22–50 kWh chargers. Some of our 50 kWh charging stations have been established in cooperation with EON.

High power chargers at stations

OKQ8 is in the process of planning what will become the most extensive network of high power chargers (HPCs) in Sweden and Denmark within the next five years. To further expand our service, we have partnered with the Swedish energy supplier Skellefteå Kraft to install HPCs across Sweden and Denmark. OKQ8's new chargers will have an output of up to 150 kWh, a significant increase over the standard chargers that have an output of 50 kWh. HPCs will let customers charge their batteries up to a range of around 250 km in 20–35 minutes depending on battery status, its ability to receive high effect and outside temperature. The plan is to install 1,100 chargers at around 400 sites over a five-year period from 2021–2026.



EV charging with OKQ8



Electrification of heavy vehicles
OKQ8 has joined the E-Charge project, along with Scania, Volvo Group, ABB and Circle K. The E-Charge project develops prototype heavy vehicles for long-distance transport. The goal is to find ways to develop an electrified freight transport system, which could have a huge impact on sustainable road transport.

The project is funded by the Swedish Energy Agency, the Swedish Transport Administration and Vinnova.

Charging at home or publicly
OKQ8 also offers charging solutions at home and in the workplace. Our charging service allows our customers to charge EVs wherever they are – at home, at work, or at one of our service stations. Our charging service includes charging equipment, charging boxes, installation and operation, as well as access to our charging network, both on and off station. The OKQ8 Electric Car Charging app gives users access to more than 1,000 public charging points in Sweden and more than 30,000 public charging points in Europe.

Hydrogen
Hydrogen as a fuel in Europe is booming, and OKQ8 is continuing its work on the hydrogen station in Gothenburg, in close dialogue with the City of Gothenburg and public waste management company Renova.

OKQ8 has also initiated a collaboration with Everfuel to develop the market for hydrogen in Sweden. The aim is to offer a hydrogen network at OKQ8 in the coming years with a target of 10 stations by 2024. The proposed locations are Malmö, Trelleborg, Stockholm and Gothenburg, as well as stations in between. The hydrogen network will initially focus on heavy duty and urban transport can also be used by passenger vehicles. In dialogue with our customers, we hope to develop more stations in the future.

Our long-term goal is to develop a hydrogen network that is capable of serving heavy goods vehicles

Mobility hubs
As we develop new mobility services, we might identify OKQ8 stations at locations that are not suitable for fossil fuels, in cities, for example. The stations could be manned or unmanned locations in city centres or in the rural areas, offering food, beverages, everyday services and charging stations.

The mobility hubs could be located in car parks, adjacent to travel centres or bus light rail and metro stops. Such locations could provide bike or car rental, rapid charging, food drop off, car washes or other services.

Rental fleet
There is an increasing demand for electric vehicles. A number of our stations are able to offer our private and business customers a fleet of electric vehicles. The increased demand for electric vehicles is mostly present in cities and from our business clients. At the end of 2021/2222, our rental car fleet comprised 22% electric or hybrid vehicles. 77% of our customers' lorries could run on HVO, 2% on CNG and 1% on electricity. For minivans, 96% could run on HVO and 4% on electricity.

Digitalisation
For OKQ8, digitalisation is not only a strategic focus area, but an area that impacts its total energy consumption and its CO_2e emissions. Data centres are energy intense and we therefore aim to minimise energy consumption in our back-end operations.

Whenever we expand our portfolio of digital services, we consider the impact this will have on our energy demand and CO_2e emissions.

When we moved our data centre to Norway in 2020, we chose a facility that runs entirely on renewable energy (local hydropower plants).

An organisation with skills for the future
During the year we made changes within our Supply Chain organisation to meet the increased focus on developing renewable fuels. New skills have been added, such as a product development department with an extensive background in sustainability and fuels.


MAKEEN
LNG Mobile Refueling Unit
LNG
LNG
TRICOLORE



Case study: Electrifying Sweden and Denmark

Transportation in the future will be fossil free and we have a significant role to play in the transition. Thus, one of our main priorities is to help members and customers switch to different renewable fuel options. Electrification of our vehicle fleet is an important part of the transition. There has been a rapid increase in electric vehicles on Scandinavian roads. In Sweden, for example, there are twice as many electric cars compared to one year ago. Infrastructure must be able to meet the ever-increasing demand for charging options. Thus, together with Skellefteå Kraft, we are establishing what will be Sweden's largest network of high power charging stations .

With a high power charger, electric car drivers can recharge their batteries by up to 150 kW, depending on, for example, the car's capacity and the status and size of the battery. In December 2021, the first three high power chargers saw the light of day at OKQ8 Västhagagatan in Örebro. Before the turn of the year, members and customers were also welcomed to Kungsbacka and Upplands Väsby, and in Denmark the first chargers in Viborg and Esbjerg were launched in February 2022.

In 2022, the roll out will accelerate and the network of high power charging stations will be expanded at another 45 stations in Sweden and 30 stations in Denmark. By making electric car charging faster and accessible, we hope that more people will feel safe about choosing electric power, so that, in partnership with members and customers, we can continue our journey towards climate-neutral mobility and a fossil-free future.





Lars Jonsson, EV Driver

Lars, what do you consider to be the advantages of going electric?
Since I live in a large house, I always charge my car at night, when electricity prices are at their lowest. Every morning when I leave home, the car is fully charged, compared to a car with a combustion engine.

What can you tell us about your first few months as an electric car owner?
Even though there has been a significant increase in the number of electric cars, the charging infrastructure is still not that extensive, particularly in rural areas. Many charging stations only have one charger – providing no more than 50 kW. This means that charging can be a very time-consuming process.

How do you think you will be affected by OKQ8's high power charging network?
It will make things a lot easier for many electric car owners, that's for sure. Right now, there are simply not enough charging options, but the high power charging network will allow longer trips by electric car. Also, the seamless payment solution will make it easier to keep track of charging costs.

Facts

- High power chargers have a capacity of 150 kW.
- Depending on the car's capacity and battery, an additional charging time of around 20 minutes will increase its range to 250 km
- Each high power charger has two charging points and can only be used by electric cars, as hybrid cars require a special connector.
- Skellefteå Kraft, which produces 100% renewable energy through its own power stations for wind and hydropower as well as bioenergy, is responsible for both installation and maintenance, as well as supplying electricity to the high power chargers.

Use and sell sustainable products

The challenge and how it relates to OKQ8



According to the UN, the global population could reach 9.7 billion by 2050.[1] Sustaining a high standard of living for that many people would require the natural resources of almost three planets.[2]

Societies, economies and businesses rely on biodiversity in fundamental ways. The World Economic Forum has ranked biodiversity loss as one of the top five threats that humanity will face in the coming years. The Living Planet Report 2020, published by the WWF, showed an average reduction of 68% in the monitored populations of mammals, birds, amphibians, reptiles and fish between 1970 and 2016.

Water is essential for humanity. Not least, the COVID-19 pandemic has demonstrated the critical importance of sanitation, hygiene and adequate access to clean water for preventing and containing diseases. Nevertheless, societies are polluting and using water faster than nature can replenish it.

OKQ8 can make a positive impact by enabling its customers to make sustainable choices in the products and services it offers. We consider social and environmental aspects in our procurement process and when we sell, market, and make products available to consumers across Scandinavia.

OKQ8 has identified the following UN Sustainable Development Goals (SDGs) to be particularly relevant for the focus area "Use and sell sustainable products": SDG 2: Zero Hunger; SDG 6: Clean Water and Sanitation; SDG 12: Responsible Consumption and Production, and SDG 17: Partnerships.



1) Source: UN, Sustainable consumption and production – United Nations Sustainable Development

2) Source: UN, Sustainable consumption and production – United Nations Sustainable Development

OKQ8's goals and targets



In 2020, OKQ8 adopted the following strategic targets to contribute to sustainable development and the SDGs:

- Water recycling in all automatic car washes by 2030
- To halve food waste by 2030
- 50% of all waste from our own operations at service stations shall be recycled by 2025
- All plastic waste from our own operations at service stations shall be recycled as a material by 2030
- 20% of food and beverage sales shall have a sustainability label (or similar) by 2025

In 2021, our focus was to establish baselines for the targets and compile action plans to fulfil the same.

Increasing material recycling and reducing food waste are key for current business and future license to operate.

We will continue working to meet our target to reuse water from car washes, and identify ways of tracking progress to increase the number of sustainability-labelled products we sell.

We plan to develop a biodiversity strategy in the coming year.

Table overview of status targets

	OKQ8 goals and targets	Status	Contribute to the SDGs	Further measures
	Water recycling in all automatic car washes by 2030	21% of automatic car washes in Sweden 24% of automatic car washes in Denmark		Continue to install water-recycling technologies
	20% of food and beverage sales shall have a sustainability label (or similar) by 2025	3.4% (sales excl. tax) in Sweden		Continue to develop criteria for sustainable label and investigate how we can increase our share of sustainable labelled products. Continue to establish a baseline for Denmark
	Halve food waste by 2030	10% of food waste in Sweden (incl. drinks) 19% of food waste in Denmark		Develop a programme to reduce food waste
	50% of all waste from our own operations at service stations shall be recycled by 2025	17% of total waste to recycling		Roll out of waste segregation at all stations in Sweden and Denmark
	All plastic waste from our own operations at service stations shall be recycled as a material by 2030	Under development		Establish a baseline

*segregate waste for recycling purposes

Measures and initiatives to address challenges

Sustainable water management

Own operations

Challenges related to our own operations

Most of our water use is at service stations across Sweden and Denmark. Wastewater from car washing facilities contains harmful elements such as oils, heavy metals, asphalt, tyre residue and chemicals from car care products. If not properly addressed, such harmful elements could reach watercourses, harming people, flora and fauna.

Current solutions

Car washes

In 2021, we introduced car wash subscriptions. For a fixed cost, customers can wash their cars multiple times. This subscription makes our goal of recycling water from our automatic car washes by 2030 even more relevant since the use of water is likely to increase.

The installation of biological wastewater treatment plants is a great advantage when it comes to re-using water and minimising the use of chemicals. By law, in Sweden, we are not allowed to reuse the water at facilities at which customers wash their own cars. However, all our automatic car washes and most of our car wash products at our self-washing facilities in Sweden have the Nordic Swan Ecolabel. We have 26 car wash facilities have biological wastewater treatment plants in Sweden and we re-use the water at 33 of our automatic car washes. Ten of our biological wastewater treatment plants are located at our automatic car washes and two of them are at facilities at which our customers can wash their cars themselves. By investing in technologies that enable more efficient use, treatment and re-use of water at our facilities, we help to protect and ensure that clean water is available as a resource for humans and as a natural habitat for species.

In Denmark, 34 of our facilities have biological treatment plants. A further 16 automatic car washes offer water recycling. In 2021, we achieved our goal of incorporating Eco-labelled chemicals at all 206 of our stations in Denmark.

In 2021, OKQ8 acquired D&D with nine automatic washes at eight sites in Linköping, Norrköping, Motala, Katrineholm, Örebro and Västerås. We now offer brushless car washes and biological treatment plants. In partnership with D&D we offer Nordic Swan Eco-labelled products in our car wash programmes, and all water is collected and cleaned biologically and using UV radiation. The "Small Wash" car wash programme does not use chemicals in the drying process, but just uses highly pressurised water. A layer of wax is then added during the drying phase.

At all our car washes, wastewater is directed through treatment units and oil separators. Thus, washing your car at OKQ8 is a much better option for the environment than washing your car at home.

Value chain

Challenges related to our value chain activities

The products we sell impact the water resources in the country of origin and in the production country. Depending on the source water conditions, the impact of two similar products can differ greatly and also depends on how suppliers manage their water footprint. When considering the food and beverages we provide, we are aware that they might affect water resources at their point of origin, since agriculture is a major water consumer. This particularly applies to products that come from regions that already have scarce water resources.

Current solutions

As a first step to addressing water in the value chain, we consider this in our procurement process and supplier assessment. Please read more in the Sustainable Procurement Section on page 13.

Sustainable land use and farming

Own operations

Challenges related to our own operations

There are mainly two aspects related to the land we use and manage that OKQ8 can address locally: Firstly, our operations require a strict process for how we manage spill incidents with corresponding measures to control pollution and remediate ground contamination. Secondly, supporting local infrastructure and the liveability of cities, in which factors such as access to transport, green spaces and shopping play a key role in local developments.

Current solutions

Pollution control and ground contamination

OKQ8 has a strict process for how it manages incidents with corresponding measures to control pollution. We take issues such as our impact on land use, soil contamination and degradation very seriously. This impact is evaluated every time we acquire, manage or sell property and land. We manage, let, and rent service stations, offices and fuel depots in Sweden and Denmark. Please read more in the section on Environmental Permits, Ground Contamination and Pollution Prevention on page 15.

Since shutting down operations at the Petrolia lubricants factory and the Loudden fuel depot in 2019, we have dismantled the facility and decontaminated the site. The factory site will be converted into a residential area.

Spill incidents

In 2021/2022, one of the spills in Sweden was in connection with a serious traffic accident in which a truck came off the road due to slippery conditions. A total of 13,000 litres of fuel were spilt. The spill was cleared up and did not harm the environment.

One of the spills in Denmark was from a bunker vessel that spilt 500 litres of oil into the environment. The spill was cleared up and did not harm the environment. 1,500 litres of diesel were spilt onto a hard surface but did not harm the environment.

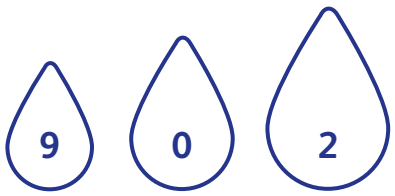
There were also a number of minor spills. These were cleared up and did not harm the environment.

Supporting local infrastructure

OKQ8's infrastructure and business are present in key areas in both urban and rural areas and we can act as a facilitator of sustainable mobility. We add value by supporting a network comprising public transport, car sharing services, bike and car rentals and EV charging, for example.

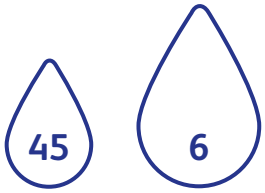
While developing our property and asset portfolio, we look more closely at how OKQ8 can leverage and support further local developments, increase livability and further connect infrastructure in urban and rural areas. This could include more green spaces, building playgrounds at our service stations and using solar panels at our service stations.

Spills to the environment



Minor spills 5–50 ltr | **Major spills 50–159 ltr** | **Major spills >159 ltr**

Spills on hard surfaces



Minor spills 5–159 ltr | **Major spills >159 ltr**



Challenges related to our value chain activities

There are challenges related to renewable raw materials and the production of biofuels. The methodology that determines high and low risk indirect land use change (ILUC) factors and the classification of biofuel feedstock is being debated in the EU and on national levels due to the risk that ILUC factors could negate the greenhouse gas savings derived from the use of biofuels.

OKQ8's non-fuel products such as food and beverages also have an impact on land use. Important factors include how much animal-based versus plant-based products we offer, and where and how raw materials are produced. Animal-based products such as pork require more land in order to produce animal feed. Furthermore, if crops are not produced sustainably, this could prove harmful to the resilience of land areas, while also putting pressure on local water resources and harming biodiversity.

Current solutions

Fuels

OKQ8's ambition as a retailer is to support sustainable land use and agricultural methods by sourcing products that meet high standards within parameters such as ecology, local production, fair trade, animal welfare, residual waste use, plant-based products and factors that cause indirect land-use changes. This is a specific issue concerning the replacement of fossil-based fuels with bioenergy and biofuels (liquid or gaseous transport fuels made from biomass).

Biofuels can be produced from raw materials such as sugar, starch, rapeseed, soy, beets or cereals (e.g. corn and wheat). These crops could also be used for food and animal feed, depending on their source and classification. The Renewable Energy Directive (RED) restricts biofuels based on food or feed to ensure that they can only represent a certain percentage of the total fuel. The RED also states that raw materials for fuels cannot be harvested from primary forest, nature conservation areas, highly biodiverse grassland or land with high carbon stocks, such as wetland or peatland.

Regarding the fossil fuel we use, we aim to have a dialogue with our suppliers related to the transparency and challenges of production. However, the traceability of fossil fuels is more challenging. There is currently not the same level of regulation for fossil fuels as there is for renewable fuels in terms of traceability and sustainability.

Food

Regarding the food we sell, we can lower our ecological and climate footprint by replacing animal-based products with plant-based options. As a first step we started monitoring the share of vegetarian products that we sold at our stations in 2021. The share of vegetarian products was 3.2%, an increase of 0.5% from last year. We are aware that there is room for improvement in developing our range of vegetarian and plant-based products at the stations. In market surveys, our customers stated that they would like to see a selection of vegetarian products.



Support biodiversity and nature

Own operations

Challenges regarding our own operations

A healthy nature provides us with ecosystem functions such as pollination and the cleansing of air and water. Most of our stations have limited areas of flora and fauna that can act as habitats for species such as birds, bees and insects. Most of the areas are paved or consist of green grass that does not support natural habitats and sources of food for the various species. Society, business and people need a variety of species.

Current solutions

To counteract the growing problem of biodiversity loss, OKQ8 is engaging in local biodiversity projects to protect local flora, fauna and ecosystems on the properties it manages and their surrounding areas.

As a first step, we have investigated what we can change at our own stations. We have identified several pilot stations in Sweden and Denmark at which work is already in progress to address the biodiversity issue. The initial pilot stations are:

- Denmark: Q8 Vejlands Allé, F24 Kvistgaard and Struer
- Sweden: OKQ8 Fruängen

In Fruängen we introduced meadowland and insect hotels to support naturally occurring bees. The goal is to develop a toolbox of solutions that we can introduce to other stations. Our station staff were very positive and supportive of this initiative and it also improved their work environment.

At Vejlands Allé in Denmark, we installed sedum mats and raised flower beds using local species. In spring 2022, we will install climbing plants and distribute flower seeds that are compatible with local biodiversity.

At the Kvistgaard site we installed raised curbs to ensure that vehicles do not accidentally drive on the grass or flowerbeds. We also took action to support the already varied biodiversity.

Furthermore, in Denmark we developed a catalogue of ideas and guidance on how we can work on biodiversity going forward. The plan is to initiate more biodiversity projects in the financial year 2022/2023.

OKQ8's long-term goal is to roll out similar initiatives at more stations and it is teaming up with biologists that will help it choose the right plants and solutions for each project.

Value chain

Challenges relating to our value chain operations

OKQ8's greatest challenge is to address the potential impact on nature and habitats that occur in the upstream part of its supply chain. Raw materials used in the production of fuels and in the production of food crops have an impact on biodiversity. For example, a product such as palm oil, which is used in both foods and biofuels, is closely linked to deforestation. This issue affects valuable natural environments and areas of high conservation value.

Current solutions

In 2022, we plan to carry out a risk assessment to evaluate the extent to which our business is dependent and has a negative impact on biodiversity and nature in our value chain.

Biofuels

We aim to ensure that all raw materials used in our everyday operations are produced responsibly with regards to biodiversity. Our biofuels comply with the strict legal requirements of the EU. The Renewable Energy Directive, RED, states that raw materials for fuels cannot be harvested from primary forest, nature conservation areas, highly biodiverse grassland or land with high carbon stocks, such as wetland or peatland. The renewable raw materials in European biofuels must also be traceable to the point of origin. OKQ8 has high sustainability requirements for its renewable fuels based on the RED. This includes compliance with ILO core conventions, requirements for greenhouse gas savings, chain of custody and no sourcing from areas with high carbon stocks or high biodiversity values.

In 2020 we entered into a partnership with biofuel producer Neste. In the production of Neste MY Renewable Diesel (HVO100), Neste is committed to zero deforestation and full traceability to the plantation for all PFAD (palm fatty acid distillates). In 2021/2022, no crude palm oil was used in Neste My renewable Diesel. Instead, the fuel is based on residual waste products such as used cooking oil and animal fats from the food industry.

Food and beverage

By 2025, 20% of food and beverages will have a sustainability label (or similar). Our ambition is to help our customers make more sustainable choices at our stations. We have selected third-party certification to fulfil this target. See table to the right. In 2021/2022, the share of sustainable labelled products in Sweden was 3.4% (sales excl. tax). We are still in the process of mapping the Danish selection and are yet to form a plan for how to increase this share of sustainable labelled food.

We have also decided to include a climate label in order to reach this target, not yet included in the number above. We understand that the climate labelling of products is still under development and that few products are currently labelled. OKQ8 believes it has an opportunity to encourage producers and suppliers to climate label their products. This will help increase awareness among customers about the climate footprint of different products, thereby helping them to reduce the footprint of their own consumption.

- KRAV (www.krav.se)
- EU-ekologiskt (https://ec.europa.eu/agriculture/organic/index_en):
- Fairtrade (www.fairtrade.se)
- Rainforest Alliance (www.rainforest-alliance.org)
- UTZ Certified (www.utz.org)
- Svenskt sigill Klimatcertifiering (www.sigill.se)
- Svenskt sigill Naturbeteskott (www.sigill.se)
- MSC – Marine Stewardship Council (www.msc.org)
- ASC – Aquaculture Stewardship Council (www.asc-aqua.org)
- RSPO – Roundtable on Sustainable Palm Oil (www.rspo.org)
- RTRS – The Round Table on Responsible Soy (www.responsiblesoy.org)
- ProTerra (www.proterrafoundation.org)
- Bedre dyrevelfærd (DK) (Bedre Dyrevelfærd (bedre-dyrevelfaerd.dk))
- Nøglehulsmærket (DK)
- Ø-mærket (DK)

Sustainable materials and zero waste

Own operations

Challenges relating to our own operations

As global consumption increases, waste handling and recycling become an even greater issue to address. With larger volumes of waste, and new materials and waste streams to handle, the impact on society, our ecosystems and basic human health is increasing. The challenges of enabling material recycling include contaminated waste streams, the use of unwanted chemicals, lack of technological solutions for recycling materials such as plastic, and recycled materials that are not yet in demand on the market.

The food sector accounts for around 30% of total global energy consumption. Every year around one third of all food produced globally for human consumption is lost or wasted. The pressure on global resources is becoming larger than the world can regenerate. OKQ8 wants to change how it globally produces, consumes and recycles its resources.

Current solutions

There are two ways in which we can work with waste at our service stations. We can offer waste segregation to our customers and employees at our stations and we can work on product packaging. Furthermore, if we are to achieve our targets, we will need to evaluate the type of materials that are used in the products we sell, and whether they can recycled, and that we optimise the use of containers and packaging and implement better waste segregation facilities at our stations to facilitate material recycling.

We would also like to ensure that optimal waste management solutions at our stations could help to decrease the amount of litter on the roads.

In order to address food waste, we have adopted a target to halve food waste by 2030. This includes recording and registering the type and amount of food waste we generate, preparing the right amount of food, and finding better ways of using left-over food, for example, by using the consumer apps Karma and Too Good To Go (TGTG) to sell left-over food.

Waste segregation

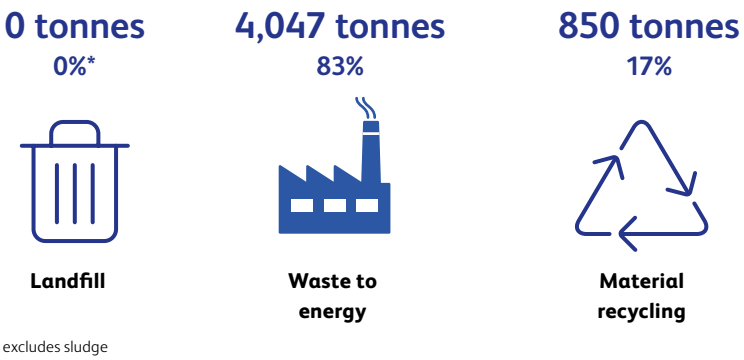
In 2021 we established a waste management plan in order to achieve our target of recycling 50% of all waste as material by 2025 and recycling all plastic waste as material by 2030. We comply with the waste hierarchy with waste prevention as the preferred option, followed by reuse, recycling, recovery and safe disposal as a last option.

A part of our waste management plan is to ensure that all stations segregate waste into separate waste streams, as required by law in Sweden and Denmark. The target for all stations is to segregate waste into applicable waste fractions by the end of financial year 2022/2023.

Food waste

We measured the amount of food waste during the year at selected stations in Sweden to create a baseline for our target to reduce food waste by 50% by 2030. We measured waste according to methods developed by the Food Agency for restaurants in Sweden and developed by IVL and Formas in Sweden for wholesalers. We used a combination of these methods to capture food waste generated in kitchens, food displayed behind counters and food on shelves that had past its sell by date. In practical terms, this meant weighing food waste on site for a limited period and calculating depreciations of food and beverage. The amount of waste in Sweden including drinks was 784 tonnes. The volume of waste in Denmark was 280 tonnes, excluding drinks.

Waste 2021/2022



* excludes sludge

Value chain

Challenges related to our value chain activities

A circular economy moves from a linear model in which finite resources are wasted at the end of their life cycle, to a circular model in which new products are designed using the waste, thereby keeping the materials and products in the loop and in use for a longer time.

Current solutions

Biofuels and biogas

Neste My Renewable Diesel (HVO100) is produced from waste and residue raw materials such as animal fat waste, used cooking oil and various waste and residues from vegetable oil processing. Also, the biogas we offer to our customers mainly originates in sewage sludge, waste from the food industry and food waste.

Biowaste

New legislation will require food waste segregation and collection in Sweden and Denmark. In Sweden food waste collection is the responsibility of the municipalities. A new law will require the municipalities to facilitate food waste collection by 2023 at the latest. About one third of our stations in Sweden had food waste collection facilities in 2021. The food waste is used, for example, to produce energy. In Denmark, a law will be be passed that requires food waste segregation and collection by December 2022 at the latest. In 2021, we cooperated with Daka ReFood at 20 service stations. This has enabled us to recycle organic waste into biogas. The nutrients salvaged from the biowaste are then used as agricultural fertiliser. The plan is for

all stations in Sweden and Denmark to offer food waste segregation and collection in the financial year 2022/2023.

Karma and Too Good To Go

OKQ8 uses two apps to prevent food from becoming waste and make it easier for customers to make a conscious choice, which is good for both their finances and the environment. The consumer app ***Karma*** has been used by OKQ8 in Sweden since 2019. In Denmark the app ***Too Good To Go*** (TGTG) has been used at stations since 2018. In 2021/2022, 8 626 kg of food was saved, equivalent to 37 269 kg of CO_2, using ***Karma*** and 18 848 meals, equivalent to 47 120 kg of CO_2, was saved using ***TGTG***. 155 stations (excluding franchises and unions) are connected to ***Karma*** in Sweden and 105 stations are connected to ***TGTG*** in Denmark. In Denmark, 61% of all bags offered for sale on the platform were sold in 2021.

In 2021, the Danish food category management team introduced two new concepts to the TGTG platform: a Friday snack bag and a hotdog bag. Both concepts were well received by customers and will continue in 2022.

Single-use plastic directive

In June 2019, the EU established the single-use plastic directive, which contains measures to counteract the environmental impact of plastic products in its member countries. Some single-use plastic products will be banned, while others will see a reduction in use. Other requirements include product labelling, information measures, national reduction targets, higher collection goals and a broader responsibility for producers.

In cases where adequate replacements are available, certain plastic products will be banned, for example, cutlery (forks, knives, spoons, chopsticks, plates and straws). We have replaced plastic cutlery and straws with other materials.



Case study: Biodiversity at stations

Biodiversity is declining at a rapid pace globally due to pollution, pesticides and climate change. In addition, urbanisation is leading to the displacement of flora and fauna in multiple locations. Diversity in nature is essential for humans as it provides food, pollinates plants and purifies the air. The narrower the richness of species, the less resistant we become to changes on earth. Thus, it is of utmost importance to help create habitats for flora and fauna in order to promote biodiversity.

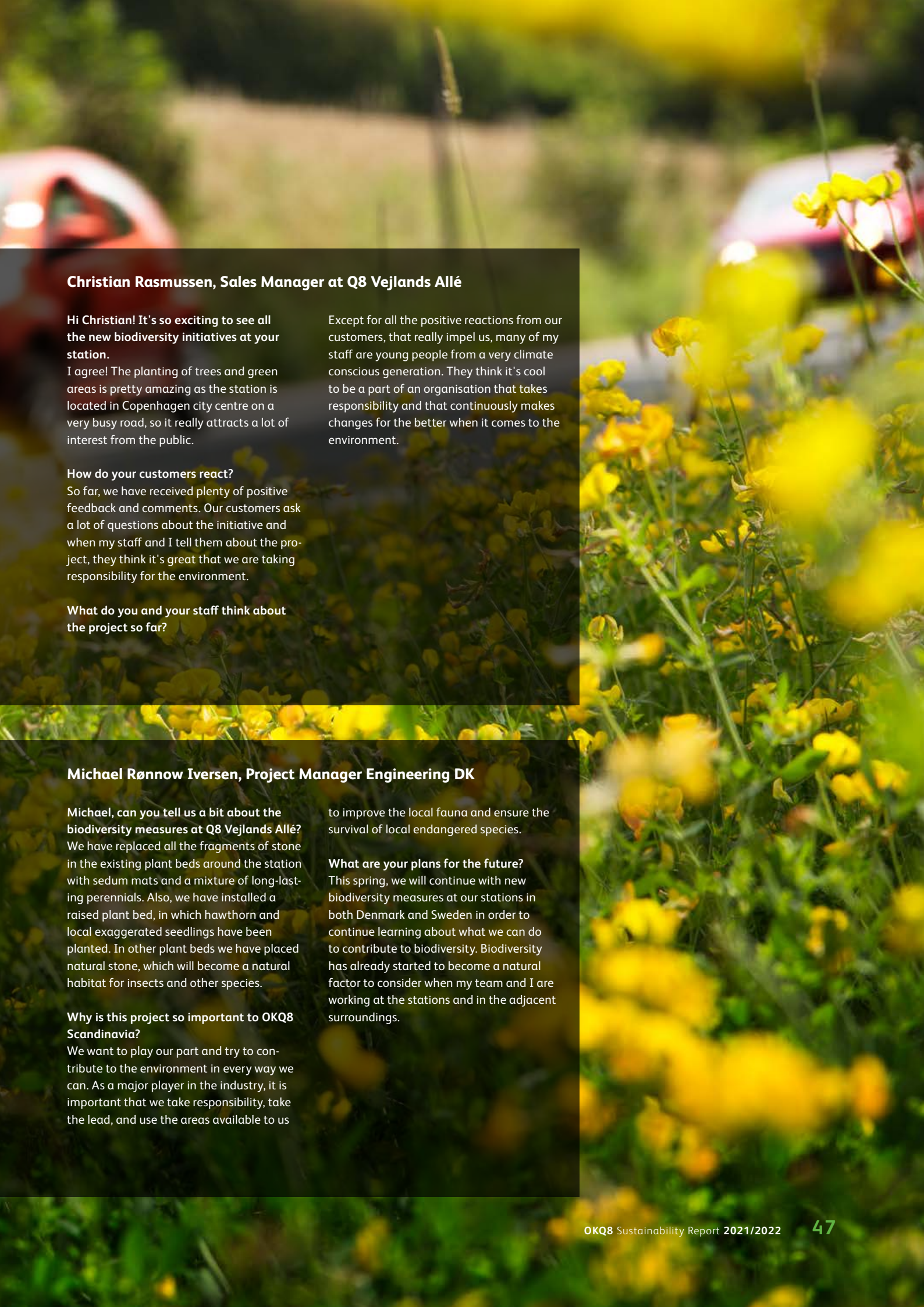
In the autumn of 2021, biodiversity pilot projects were started at selected stations in Sweden and Denmark, in collaboration with biologists and experts, to investigate how local biodiversity can be supported. By planting meadow grass and flower boxes, as well as installing insect hotels, pollinators such as wild bees, butterflies and other insects benefit.

Based on the test results, a plan for biological diversity will be developed. A toolbox with suggestions for activities that benefit biodiversity, in which stations can select the solutions that suit each specific environment, is developed. Because our network of stations extends from Kiruna in Sweden in the north to Padborg in Denmark in the south, the climate differs considerably with regard to the geographical location. The different sizes, locations, economic basis and design of the stations make it impossible to use a standard solution for the work on biological diversity.

In the spring of 2022, when the climate is favourable, the pilot projects will be resumed and more new solutions will be tested to enhance biological diversity.







Christian Rasmussen, Sales Manager at Q8 Vejlands Allé

Hi Christian! It's so exciting to see all the new biodiversity initiatives at your station.
I agree! The planting of trees and green areas is pretty amazing as the station is located in Copenhagen city centre on a very busy road, so it really attracts a lot of interest from the public.

How do your customers react?
So far, we have received plenty of positive feedback and comments. Our customers ask a lot of questions about the initiative and when my staff and I tell them about the project, they think it's great that we are taking responsibility for the environment.

What do you and your staff think about the project so far?
Except for all the positive reactions from our customers, that really impel us, many of my staff are young people from a very climate conscious generation. They think it's cool to be a part of an organisation that takes responsibility and that continuously makes changes for the better when it comes to the environment.

Michael Rønnow Iversen, Project Manager Engineering DK

Michael, can you tell us a bit about the biodiversity measures at Q8 Vejlands Allé?
We have replaced all the fragments of stone in the existing plant beds around the station with sedum mats and a mixture of long-lasting perennials. Also, we have installed a raised plant bed, in which hawthorn and local exaggerated seedlings have been planted. In other plant beds we have placed natural stone, which will become a natural habitat for insects and other species.

Why is this project so important to OKQ8 Scandinavia?
We want to play our part and try to contribute to the environment in every way we can. As a major player in the industry, it is important that we take responsibility, take the lead, and use the areas available to us to improve the local fauna and ensure the survival of local endangered species.

What are your plans for the future?
This spring, we will continue with new biodiversity measures at our stations in both Denmark and Sweden in order to continue learning about what we can do to contribute to biodiversity. Biodiversity has already started to become a natural factor to consider when my team and I are working at the stations and in the adjacent surroundings.

Enable people and communities

The challenge and how it relates to OKQ8



We always try to find new ways to improve the health and quality of life of our 4098 employees, as well as our customers. As one of the leading fuel companies in Scandinavia, we also have a responsibility for our supply chain. We work on international frameworks in order to assure compliance with the latest standards and human rights. In 2021, the EU worked on a legislative framework for companies on mandatory due diligence related to the negative impact associated with violations of human rights and the environment. This legislation will be applicable to our own operations, as well as to a company's supply chain.

Another framework is the EU Taxonomy, which includes the minimum requirements on human rights that must be fulfilled. The purpose of the taxonomy is to give comparable and equal information to investors on whether a company's activities can be classified as sustainable.

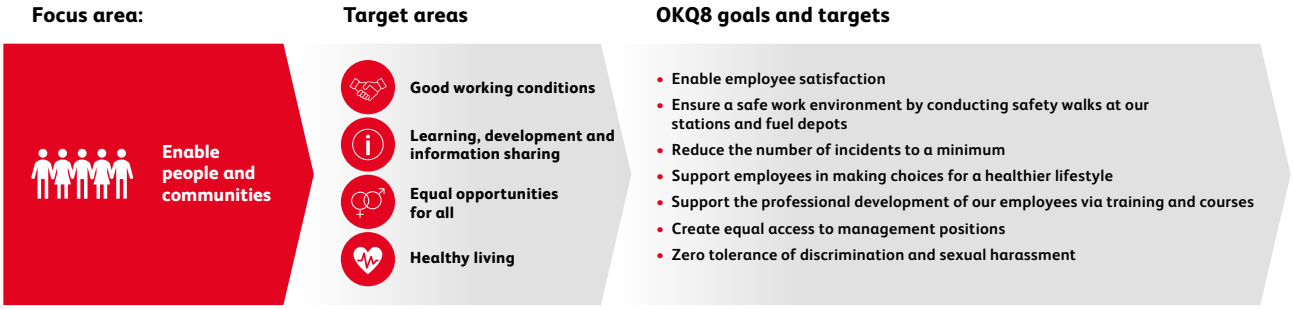
OKQ8 has identified the following UN Sustainable Development Goals (SDGs) to be particularly relevant to the focus area "Enable people and communities": SDG 3: Good Health and well-being; SDG 5: Gender equality; SDG 10: Reduced Inequalities; SDG 11: Sustainable cities and communities.



1) World Happiness Report 2020
2) Danish Health Authority
3) WHO



OKQ8's goals and targets



We want to ensure our employees feel satisfied and safe in their workplace, as well as take care of their physical and mental well-being. Skills and development are crucial and gender or sexual orientation shall have no bearing on being offered a new position at OKQ8.

During the year we reviewed the applicable key performance indicators on how to better measure the satisfaction, well-being, professional development and equality of our employees. The goals of the focus areas are shown below.

- Enable employee satisfaction
- Ensuring a safe work environment by conducting safety walks at our stations and fuel depots
- Reduce the number of incidents to a minimum (personal injury)
- Support employees in making choices for a healthier lifestyle
- Support the professional development of our employees through talent management, skills development, training and courses
- Create equal access to management positions
- Zero tolerance of discrimination and sexual harassment

Table overview of status targets

	OKQ8 goals and targets	Status	Contribute to the SDGs	Further measures
	Enable employee satisfaction	4.5 out of 5, Employee Engagement Index (EMI)	3	Deployment of new tools, new management reports, webinars for managers, implement ad-hoc/pulse tools for managers
	Ensuring a safe work environment by conducting safety walks at our stations and fuel depots.	1689 safety walks conducted	3	Review of the processing and reporting of safety walks
	Reduce the number of incidents to a minimum (personal injury)	Personal injury reduced from 170 to 224 incidents	3	Work to reduce number of incidents and develop system support to enable greater focus on incident management and reporting
	Support employees in making choices for a healthier lifestyle	3.9 out of 5, EMI Survey – work/life balance	3	Develop a health strategy
	Support the professional development of our employees through talent management, skills development, training and courses	3.9 out of 5, EMI Survey – employee training satisfaction	3	Roll out of trainee and talent programme Continued investments in SIA Leadership Implement a skills supply strategy
	Create equal access to management positions.	Male/female 40%/60% distribution to EMT Male/female 52%/48% distribution management stations	5, 10	Ensure that all managerial positions are advertised internally in order to make vacancies and stakeholders visible
	Zero tolerance of discrimination and sexual harassment	3.8% of EMI Survey – discrimination and harassment	5, 10	Carry out equal pay assessments, employee survey measurement and management follow-up

Measures and initiatives to address challenges

Good working conditions

Own operations

Challenges related to our own operations

Providing good working conditions is essential for our employees' mental and physical well-being. As an employer we have a legal obligation to ensure that our workplace is safe. Good working conditions cover a broad range of issues, from working hours and remuneration to physical conditions and mental demands.

OKQ8 handles heavy equipment and chemicals and undertakes activities that require measures to protect its employees. it is also important to prevent and manage the risk of incidents, as well as criminal acts such as fraud and threats to our staff.

In 2021 we continued to see a high transmission rate of COVID-19 in Sweden and Denmark. in order to address the constantly changing restrictions from the government and authorities, whilst providing a safe work environment for all employees, we adapted the way we work.

Current solutions

The work environment at OKQ8 should be adapted in such a way that all employees, regardless of their area of responsibility, do not suffer from ill health or accidents at work.

A minimum threshold for good working conditions is the legislation, collective agreements and other joint agreements of which we are a part. We continuously strive to improve and constantly review the processes and working methods that that help to facilitate a good work environment.

In order to promote a good work environment, we

- conduct regular risk assessments and take the necessary measures to minimise the risk of our employees suffering from ill health or accidents at work. This applies to the physical, psychosocial and organisational work environment.
- report and investigate all accidents and incidents that occur at work. The purpose of encouraging incident reporting is to learn from the incident and prevent future incidents.
- follow-up statistics linked to accidents and incidents. The purpose of follow-up statistics is to see patterns in the types of incidents that occur and understand what measures must be taken at a central or local level. In Sweden in 2021, we introduced seven incident investigators from different divisions who act as an operational support in investigating and managing incidents.
- collaborate closely on work safety with safety representatives and trade union representatives.
- provide training and support in the professional development of managers and employees.

OKQ8 does not accept and has zero tolerance of discrimination and harassment. We want a work environment based on openness in which all individuals are treated equally and with respect.

COVID-19

During the year we implemented new work procedures for service station staff, with the aim of limiting infection due to the pandemic. The procedures included cleaning, handling of food and limiting the number of customers allowed in the store at any time.

We adapted to a new law which states that all exposure to COVID-19 should be reported to the Swedish Work Environment Agency. COVID-19 incidents in the workplace were handled by a newly implemented incident management protocol. In Denmark, workers who were absent due to COVID-19 registered this as "Covid absence", which enabled us to track the development and be one step ahead in order to take the necessary measures.

Working from home during and after the pandemic

When employees started returning to work, we drafted new guidelines to ensure that we benefited from the new knowledge about working from home. Due to the situation in society, flexibility in the workplace was more important than ever.

The general view among office staff is that the transition to working from home worked well. However, for service station staff, the situation was more challenging and stressful with regards to all the restrictions, rules and procedures that were implemented during the year. Despite this, in the latest employee survey, we noted an increased rating for well-being and overall satisfaction.

In Sweden, the remote work during the pandemic resulted in OKQ8 signing an extended accident insurance so that employees would have the same protection in their homes as at work. We also increased our one-on-one meetings, with an emphasis on being comfortable in digital meetings and ensuring regular follow up of our employees' well-being.

Since opportunities for remote work vary between divisions, functions and employees, some people will naturally be more eligible to work from home than others. It will be necessary for some employees to work in our offices. It will also be necessary for all employees based at our service stations or fuel depots to work on site. Each manager together with employees and their team will decide how to work in order to achieve the highest level of efficiency, productivity, job satisfaction and work/life balance. We believe that this kind of flexibility will result in efficiency and motivation.

Face-to-face meetings will always be important and our culture originates in meeting in person. Thus, the office will continue to play an important role and be our natural point of contact.

Employee Surveys

Several employee surveys were conducted over the course of the year to ensure the well-being of our employees.

For many years, an annual internal employee survey has been conducted at our offices, fuel depots and stations. In 2021, we procured a new supplier for employee surveys and we will start monitoring before and after Committed employees instead of before and after Satisfied employees. In connection with this change, the survey will have increased focus on discrimination, sexual harassment and sustainability.

The results from this year's survey were good and we continue to have a high response rate. The response rate at our offices in Sweden and Denmark was 91% and at service stations in Denmark it was 81%. Due to the pandemic, the employee survey at stations in Sweden will be conducted in the



new financial year. The Committed employee result was at offices Denmark and Sweden 4.5 on a scale of 1–5. At the service stations in Denmark it was 4.3. We are pleased to see that our employees are really committed to their work at OKQ8 Scandinavia. It is important for our employees and divisions/departments to understand the areas in which they do well and also the areas in which they could improve. The most important work starts once we have conducted the survey. The results are distributed to all, after which each division/department take actions based on the results.

We particularly emphasise the areas that have an impact on our employees' commitment to work. We note that there are only minor differences between the offices in Sweden, Denmark and at the service stations. In Denmark the scores are generally high.

From the survey we also note that 3.8% of our office employees in Sweden and Denmark have reported an incident of sexual discrimination, harassment, bullying or a threat of violence. We take all reported incidents seriously and we have zero tolerance of this kind of behaviour. In our policy of victimisation, "Kränkande särbehandling", we have procedures in place on our intranet for how to handle such situations. These procedures are accessible to all employees, but we have also provided some information about how to prevent these situations from occurring. During the autumn, an "arbejdspladsvurdering" (APV) was conducted at the Danish office and fuel depots. We want to look after our employees and treat them with respect and have therefore decided to include both psychosocial questions and physical questions

The results from the APV for office staff showed several good results.

The statements below were rated as the top three statements:

- I have the competence to be able to do my job in a good way
- I think my work is meaningful
- My manager involves me and my colleagues when decisions are made that affect us

Employee Engagement survey (EMI) 1–5	Sweden offices	Denmark offices	Denmark stations	Sweden stations *
Response rate	91%	91%	81%	-
Engaged employees – EMI index	4.5	4.5	4.3	-
My work is meaningful – EMI index	4.4	4.4	4.2	-
I have an appropriate work/life balance – EMI index	3.8	3.8	4	-

* no data due to the pandemic

Procedures and processes
We are continuously working on revising and updating our management system for Environment, Health and Safety (EHS). The management system includes handling incidents and crises, audits, safety walks, risk assessments, management of suppliers, environment, work environment and safety.

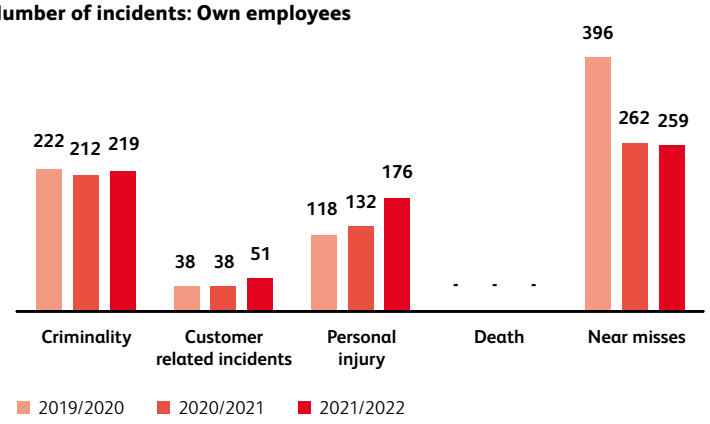
Incidents and near misses
All incidents are monitored, followed up and reported in our internal system. Employees are protected by law against reprisals for reporting work related incidents and we encourage all employees to report all incidents. Reporting incidents help us determine the possible cause, prevent it from happening again and create a strong safety culture.

If an employee believes that a specific situation is dangerous, we encourage him or her to talk with his manager to establish a risk assessment and an action plan to eliminate or minimize the risk. If a serious risk can't be eliminated or minimised, the work should not be done at all.

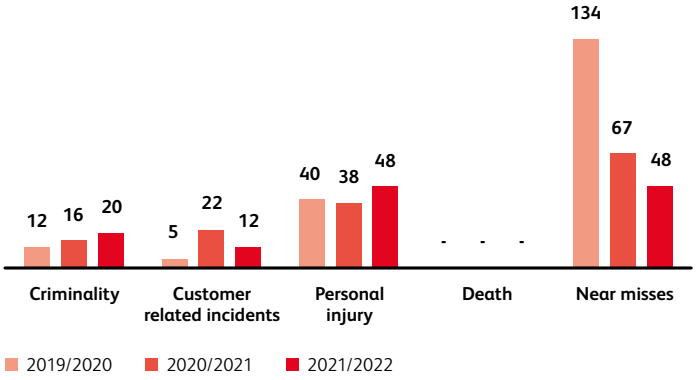
Statistics are reported quarterly to the board and management. During the pasted year we have seen an increase in number of reported personnel-related injuries, something we take very seriously. As a result, we have introduced several measures to reduce the number of incidents. We clarified the order of delegation in case of an incident. We appointed responsible people to investigate incidents, determine the cause and introduce control measures.

As part of our safety routine, we perform risk assessments, self-checks and safety walks. Our safety routines are reviewed by our health and safety specialists. The main purpose is to identify risks and create a safe workplace. All managers must undergo compulsory training in health and safety.

Number of incidents: Own employees



Number of incidents: Contractors



Safety walks	2020/2021	2021/2022
Number of safety walks completed	2077	1689

Personal injury and absence	LWC*)		LWC Severity**)		LWC severity rate***)	
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Own employees	28.0	25.0	7.4	7.2	10.2	8.5
Contractors	4.0	8.0	20.5	5.8	8.2	4.5

*) LWC (Lost workday cases) –number of occupational injuries involving absence

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

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

Value chain

Challenges related to our value chain
Our complex supply chain spans over countries that have different legal, regulatory and human rights practices. While sourcing can provide great opportunities for economic development in regions, we must ensure that every stage of the value chain is properly vetted.

Current solutions
Human rights and supplier risk assessment
For OKQ8, child or forced labour, corruption and/or bribery is unacceptable. We wish to have a positive impact in the communities where our products are sourced, and support the human rights and well-being of the people. Our finished products are sourced from low-risk countries, although the raw materials may originate in high-risk countries.

We require all suppliers to comply with our Code of Conduct. We evaluate various tools that help us gain further insight into our value chain so that we can strengthen the transparency and traceability of our products. Read more about Sustainable Procurement on page 13.

Ethical Council
We have an Ethical Council that handles any reported deviation from our Code of Conduct. The Ethical Council handles cases reported by employees. How the cases then are managed varies from case to case. Read more about our Ethical Council on page 13.

Learning, development and information sharing

Own operations

Challenges related to our own operations
During much of the financial year, most OKQ8 employees worked from home in accordance with government recommendations. This entailed a higher demand on well-functioning internal communications and new ways to support learning and development online.

Current solutions
Internal communication
Our weekly information meetings for the whole company, so-called Town Hall meetings, were changed from physical to online events. An upside of this was that we could now include both offices and fuel depots.

In order to raise awareness of our sustainability initiatives and our sustainability focus areas, we also used Town Hall meetings and the intranet to present quarterly progress reports about our target to achieve climate neutrality by 2030 and our progress in sustainability.

Leadership training
We invested in training in our retail organisation to ensure good leadership All sales managers attended leadership training courses on feedback, delegating, OKQ8's principles and strategic work.

We also implemented training for new sales managers to learn about our systems, processes and leadership expectations. Training that was previously conducted physically was replaced by online solutions, which simplified participation and completion, while also cutting costs and CO_2 emissions, as travel was kept to a bare minimum.

During the year we also had successful online sales launches with significant focus on sales training.

We scored an all-time high on our leadership index.

Skills development
Managers and employees attended Strategy into Action Leadership training, a talent programme, sales launch and conference for service station staff during the year.

The launch of a new skills portal resulted in a simplified and more user-friendly system, a clearer structure for mandatory training, and better follow up after completion.

Deedster – an app to encourage more sustainable choices
During the year, OKQ8 partnered with Deedster, an app that encourages more sustainable choices. The app is targeted at our office employees and encourages them to answer multiple questions. The app then calculates their climate footprint. The aim of the app is to link our employees' personal climate footprint to readily accessible suggestions for lifestyle changes (deeds) and illustrate how these directly reduce individual impact on the environment. The app also has tailor made-questions in a quiz about OKQ8's sustainability initiatives and transition to a fossil-free future. Together we completed 27,752 deeds and saved 56,461 kg of CO_2.

Graduate programme
In order to ensure the relevant skills for the future, specifically, people with leadership qualities, we offer a graduate programme.

We see great value in bringing in talents directly from their graduate studies to boost and guide us in the transformation that we are currently undergoing.

The graduate programme started in August 2021 and is a 12-month programme over four periods of internship. The programme is tailored to the individual graduate, based on their skills, as well as the projects and direction of the department when starting to work at OKQ8.

During the programme, the graduates will work on actual projects under the supervision and support of a mentor. The directors will act as their supervisors over the course of the programme. We have recruited six graduates who enrolled in the programme in August 2021.

Personal development and employee appraisals
Personal development at all levels of the company is part of our corporate strategy. We consider it to be an advantage to challenge yourself to try something new. This is how we develop talents internally. During the year we conducted 479 development appraisals, covering 90.7% of all office staff.

Employee Training Sessions

2,774	2,008	5,684	24,588
Sustainability	Code of conduct	Heath and safety	Other topics

Employee Engagement survey (EMI) 1–5	Sweden offices	Denmark offices	Denmark stations	Sweden stations *
I have the opportunity to receive relevant training and development	4	4.1	3.8	-
My work challenges correspond to my skills and ambitions	3.9	4.1	3.7	-

* no data due to the pandemic

Challenges related to the value chain

We shall strive to help customers and members to make sustainable choices. Through clear communication and readily accessible information, we will ensure that everyone understands the impact of their choices.

Like other sectors, we are experiencing an increased demand from stakeholders for transparency and traceability in relation to activities and the value chain.

Current solutions

External communication

In June 2021, use of the term "fossil-free" when marketing Neste MY Renewable Diesel (HVO100) was reported to the Swedish Consumer Agency. The fuel is produced using 0.8% fossil hydrogen and we now use the term "renewable" when describing the product. On our website and in all communications internally and externally, we clearly and transparently show the contents of the fuel and demonstrate how it reduces greenhouse gas emissions.

Sustainable Brand Index

In March 2021, we reclaimed the first place in our industry in the Swedish Sustainable Brand Index, Europe's largest independent brand study on sustainability. This showed that we have successfully communicated our sustainable initiatives to the public and our ambition to achieve climate neutrality. The award also serves as a motivation to keep communicating about our initiatives, providing information about more sustainable alternatives, thereby guiding members and customers to make conscious choices.

OKQ8´s Swedish graduates, from left Sofia Emanuelsson, Karin Arding, Areeba Khan and Erik Egelius.



Equal opportunities for all

Own operations

Challenges related to our own operations

A diverse workforce is stronger, more experienced and more open than a workforce that discriminates against people. We believe it is important to recognise that personal bias, whether conscious or not, can negatively influence the choices a person makes in the recruitment process. OKQ8 wants a dynamic and creative workforce that can identify and solve problems through different perspectives and experiences and give its customers the best service possible in order to fulfil their needs.

Current solutions

Our goal is to offer equal opportunities and ensure that everyone feels welcomed, included, respected and valued, no matter where they're from or who they are.

To ensure our employees act in accordance with this goal, we have established policies such as our Code of Conduct and our Diversity Policy. These policies have been established so that employees can have an easier way of following them and enjoy a workplace that is free of discrimination and that supports equal opportunities for all.

Our Diversity Policy states that through the dissemination of information, open debate and the training of managers and employees we will create an organisation that is open to all differences, is diversity oriented and promotes skills above all else. Diversity should be a natural and integral part of our whole organisation. This includes recruitment, career development, skills development and reward systems.

Equal salaries for equal work

In March/April 2021, we conducted a salary survey. We used the HAY model to ensure that there were reasonable grounds for potential differences in salaries between men and women.

We evaluated:

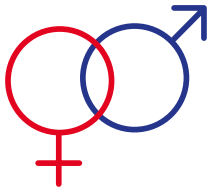
- wage gaps in equivalent work
- wage gaps in higher rated jobs from a gender perspective

When evaluating salary levels, only minor differences were revealed. These differences mainly related to geographical location, performance, people who had high profile jobs and whose salaries were adjusted when they changed position. When action was deemed necessary, we set a deadline.

All vacant leadership positions are advertised to allow more candidates to apply. We also use a competency-based interview technique to decrease the risk of prejudiced recruitment.

Employee count	Sweden	Denmark
Total number of employees*	2,444	1,654
Average length of employment (office)	8.1	10.1
Average length of employment (stations)	5.9	2.8
Employee Turnover	14%	19%

*Includes (full-time, part-time and hourly paid employees); annual report only includes full-time employees.



Male/female distribution:	Female	Male
OKQ8 Scandinavia Board	25%	75%
Executive Management	60%	40%
Management stations	48%	52%
Total OKQ8 employees	51%	49%

Type of employment:	Contract				Employment			
	Permanent		Temporary		Full-time		Part-time	
Type of incident	Female	Male	Female	Male	Female	Male	Female	Male
Denmark	48%	52%	47%	53%	50%	50%	46%	54%
Sweden	52%	48%	59%	41%	48%	52%	59%	41%

Value chain

Challenges related to value chain operations

One way to enable sustainable people and communities is to support those people who have difficulties entering the job market for some reason or other.

Current solutions

Mentor Sverige

OKQ8 has signed a new cooperation agreement with Mentor Sverige to support young people in society.

Mentor Sverige is a non-profit organisation with a vision of a world in which young people can grow and develop in a healthy way. The goal of the OKQ8/Mentor Sverige partnership is to invest in communities and further its work on social sustainability and inclusion. With the partnership we will take participate a mentorship programme, share knowledge of different fields of work and offer internships to young people. The purpose of the mentorship programme is to help young people strengthen their self-esteem, expand their sense of autonomy and develop a stronger belief in the future.

The partnership will be rolled out in 2022.

Internship

OKQ8 has an internship programme that welcomes people with a history of unemployment. The programme mainly runs at our Customer Service Office in Avesta. Tasks include administration such as handling papers and letters that require people to be in an office. Due to restrictions relating to working from home, we have suspended the programme for 2021/2022 but are planning to resume it in the coming year.

Healthy living

Own operations

Challenges related to our own operations

The COVID-19 pandemic has had a huge impact on both our work and social lives during the last couple of years. Because of restrictions caused by the pandemic, we have encouraged all employees to keep a healthy balance between work and time off.

Current solutions

Our goal of providing a good and safe work environment became even more important during the COVID-19 pandemic. We have encouraged remote work where possible and continued to encourage employees to find a healthy balance between their work and private lives.

Our work environment committees meet twice a year in both Denmark and Sweden to discuss any work-related issues and decide on solutions.

In 2021/2022, we encouraged walk and talk sessions. In early 2021 we launched an initiative to help office staff take active breaks in which they could engage in short workouts or dance sessions three times a week. Our benefit programme for all our staff also includes an allowance for keep-fit activities.

Healthy employees

In order to better understand and monitor the well-being of our employees, we follow several key performance indicators from our employee satisfaction surveys. Read more on page 50. We are currently working on a new health strategy that will be launched in 2022/2023.

The work environment organisation in Denmark attended classes on the psychosocical work environment during the year in order to better support the operations in these areas.

Sick leave

With the purpose of addressing and reducing sick leave, we implemented several initiatives during the year. These include:

- regular meetings with our healthcare partner to discuss rehabilitation plans for people with long-term illness.
- closer collaboration between our HR business partners and departments to work on reducing stress and sick leave, and to offer help when needed.
- a forum in which HR, the union, main safety representatives and the retail division participate with the purpose of addressing challenges and questions and how to succeed in creating a better work environment for sales managers.
- extra support for sales managers at service stations by appointing work environment coordinators
- roll-out of different projects that aim to analyse and prioritise activities for preventing sick leave in different parts of the organisation
- updated working rights part of an e-learning programme in which we also address rehabilitation and sick leave at service stations.

Sick leave	2019/2020	2020/2021	2021/2022
Denmark	2.3	2.9	2.8
Sweden	4.8	5.8	6.1

Average age	2021/2022	
	Sweden	Denmark
Average age (offices)	43	45
Average age (stations)	32	28

Value chain

Challenges related to value chain operations

Some of the products we sell at our stations cause harm to the environment and human health. This includes fossil fuels, which generate particles and emissions.

Current solutions

By providing options for a more sustainable way of travel, with renewable fuels, charging stations for electric vehicles and other clean energy solutions at our stations, we can help build a more sustainable and resilient mobility infrastructure in all the communities in which we operate.


OK Q8

CASE: Semi-staffed stores

A well-functioning community is an important part of OKQ8's focus areas, particularly in sparsely populated areas in which people have to travel further. OK Västerbotten, which operates in a large county, has taken the first step in what may become one of the service station concepts of the future: semi-staffed stores. Since September 2021, members and customers at OKQ8 Teg in Umeå can shop in the store even after it has closed. The station is staffed and open as usual during the day, but after it closes in the evening, customers can still by a range of products. All that is needed is a mobile phone and mobile ID.

OKQ8 Teg is the first service station to use the new concept and there's no doubt the test was successful. Members and customers have been very positive since entering the store is a quick and easy process. Many people appreciate being able to buy basic goods at any time of the day.

Semi-staffed stores will not replace manned stations but are a way of offering more than just fuel, even after the store has closed Upcoming projects involve testing the concept at unmanned stations. An important piece of the puzzle is to help keep sparsely populated areas and communities alive.





David Persson, business developer OK Västerbotten.

David, why semi-staffed stores?
Digitalisation creates exciting opportunities and the trialling of semi-staffed stores is a part of this. We hope that this new concept creates even more value for our members and customers, and that it helps us keep the county alive, including in the future.

What are the greatest advantages of semi-staffed stores?
Semi-staffed stores create accessibility for our members and customer, no matter where they live. They can purchase items from our range of non-fuel products. It's a way of expanding our value proposition and enabling even better service to our customers in the future once the concept is up and running at more stations.

What are your plans going forward?
The trial in Umeå is just a start – to ensure that the technology works, to develop the concept and to learn as much as we can. We hope that the concept of semi-staffed stores will expand across the county, particularly to stations that are currently unmanned. There is also more to come. In parallel with semi-staffed store we are also working on a very exciting drone project.

Compliance and reporting

Quality assurance of sustainability reporting
This Sustainability Report covers the financial year 1 March 2021 to 28 February 2022, and is the OKQ8 AB Group's ninth joint Sustainability Report. The report has been drawn up in accordance with the standards of the Global Reporting Initiative (GRI) at a 'Core' level. The report has been audited by an external auditor who expressed the view that the Sustainability Report complied with the identified GRI areas. To determine the scope of the report, we started with our value chain and included the areas that we consider to be relevant to us. Accordingly, we evaluated the GRI indicators that we intended to highlight in the Sustainability Report. A basic materiality analysis has also been included, in which the views of both internal experts and selected stakeholders have been included with the aim of ensuring that our sustainability measures are relevant and effective. All data included in the Sustainability Report comes from various internal and external data systems. The Sustainability Report has been written in compliance with the Danish and Swedish Annual Accounts Acts. The OKQ8 Group trades on its own account as well as through subsidiaries in Denmark and Sweden. Also, through a partnership agreement, the Group has retail operations in OK Detaljhandel AB, which, in turn, is owned by OK Ekonomisk Förening. These jointly constitute, and are referred to as, OKQ8 Scandinavia. Where OK Detaljhandel AB is not included in the Sustainability Report, this is explained either in the text or in a footnote.

Environmental data
Reported data in respect of the environment covers all of OKQ8 Scandinavia's own activities. Environmental data also includes distributors who transport our products to our customers and service stations. However, our reporting does not include stations which are operated on a union (*föreningar*) or franchise basis. The environmental data includes our energy consumption and greenhouse gas emissions (CO_2e) that have a substantial impact on the environment. Our energy consumption is primarily based on data from our energy suppliers.

System support for environmental reporting
For reporting CO_2e, a web-based system, CEMAsys, was used, which is based on the Greenhouse Gas Protocol standard. The system is based on conversion factors which are recognised in both Denmark and Sweden. This means that we can ensure a high level of confidence in our data, since the emission factors are automatically updated by the system owner.

Reporting on the work environment
The data reported in respect of the work environment covers all of OKQ8 Scandinavia's own activities and staff. The data reported also includes staff at service stations that are operated on a franchise basis under our brand. Distributors who transport our products to customers and service stations are also included in this report.

Social and financial data
The data reported in respect of social and financial aspects covers all of OKQ8.

GRI index

GRI Standard	Disclosure	Comment / Omission	Page number
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
Organisational profile			
102/1	Name of the organization	OK-Q8 AB and Q8 Denmark A/S and subsidiaries	p. 10
102/2	Activities, brands, products, and services		p. 8-11
102/3	Location of headquarters	OK-Q8 AB: Sveavägen 155, 10435 Stockholm, Sweden. Q8 Denmark A/S: Arne Jacobsens Allé, 2300 Copenhagen S., Denmark.	p. 66
102/4	Location of operations	Denmark and Sweden	p. 10
102/5	Ownership and legal form		p. 8-11
102/6	Markets served	OKQ8 Scandinavia is one of Scandinavia's largest fuel and energy companies. We operate in Denmark and Sweden, and our products are primarily intended for private and corporate customers in these two countries.	p. 8-11
102/7	Scale of the organization	For more info and financial results see OK-Q8 Group's annual report.	p. 8-11, 55
102/8	Information on employees and other workers	The majority of our activities are performed by our own employees.	p. 55-56
102/9	Supply chain		p. 12-15, 27-34, 43-44, 52
102/10	Significant changes to the organization and its supply chain	Petrolia AB has closed its operations at Loudden, Stockholm, the 31st of December 2019. OK-Q8 has moved its lubricant production to Q8 Belgium's lubricant oil plant in Antwerp from January 2020.	
102/11	Precautionary Principle or approach	The precautionary principle is incorporated into Swedish legislation in Miljöbalken, the Swedish Environmental Code. In Denmark there are similar requirements in the Danish Environmental Protection Act. We consider the precautionary principle when purchasing goods and materials.	
102/12	External initiatives		p. 16, 24-25
102/13	Membership of associations	The Swedish Industry Organisation for Sustainable and Innovative Mobility (formerly called The Swedish Petroleum and Biofuels Institute, SPBI), on the Road to Climate Neutral Freight Transportation (KNEG), Danish Fuels Industry Association, Confederation of Danish Industry (DI), Employer Association Fremia, Fossil Free Sweden (SE).	
Strategy			
102/14	Statement from senior decision-maker		p. 5
102/15	Key impacts, risks, and opportunities		p. 18-24
Ethics and integrity			
102/16	Values, principles, standards, and norms of behaviour		p. 2, 8, 12-15, 16-19, 50-56
Governance			
102/18	Governance structure		p. 10–15
Stakeholder engagement			
102/40	List of stakeholder groups		p. 18-21
102/41	Collective bargaining agreements	90% of total employees covered by collective bargaining agreements	p. 50
102/42	Identifying and selecting stakeholders		p. 18-21
102/43	Approach to stakeholder engagement	In addition to the description on page 12-15, OKQ8 has established a Sustainability Advisory Board. The Board consists of representatives external to OKQ8 Scandinavia and represents academia, industries, NGOs and civil society. The Board members are working with sustainability issues and solutions within their fields.	p. 12-15, 18-21
102/44	Key topics and concerns raised		p. 18-21
Reporting practice			
102/45	Entities included in the consolidated financial statements		p. 10
102/46	Defining report content and topic Boundaries		p. 18-21, 60
102/47	List of material topics		p. 18-21
102/48	Restatements of information	1) The basis for calculating the figures for year 2021/22 has changed from location based to market based 2) Figures changed from previous report due to revised sales volumes in 2020/2021	p. 29-30, 32
102/49	Changes in reporting	No change	
102/50	Reporting period	Financial year, 1 March 2021 - 28 February 2022.	
102/51	Date of most recent report	fredag 30 april 2021	
102/52	Reporting cycle	Yearly	

GRI Standard	Disclosure	Comment / Omission	Page number
102/53	Contact point for questions regarding the report	"Name: Karin Hellgren. Position: Head of Communication. Name: Line Pedini Rasmussen Position: Sustainability Officer DK" Name: Mariana Edge Position: Sustainability Officer SE"	
102/54	Claims of reporting in accordance with the GRI Standards	The report has been drawn up in accordance with the standards of the Global Reporting Initiative (GRI) at 'Core' level.	p. 60
102/55	GRI content index		p. 61-63
102/56	External assurance		p. 64-65

MATERIAL TOPICS

200 series (Economic topics)

Economic Performance

GRI 103: Management Approach 2016			
103/1	Explanation of the material topic and its Boundary	For financial results see OK-Q8 Group's annual report.	p. 10-11
103/2	The management approach and its components	For financial results see OK-Q8 Group's annual report.	p. 10-15
103/3	Evaluation of the management approach	For financial results see OK-Q8 Group's annual report.	p. 10-15

300 series (Environmental topics)

Energy

GRI 103: Management Approach 2016			
103/1	Explanation of the material topic and its Boundary		p. 18-21
103/2	The management approach and its components		p. 12-16, 21-22
103/3	Evaluation of the management approach		p. 12-16, 30-31
GRI 302: Energy 2016			
302/1	Energy consumption within the organization		p. 29-30
302/3	Energy intensity		p. 30, 32
302/4	Reduction of energy consumption		p. 29-33

Biodiversity

GRI 103: Management Approach 2016			
103/1	Explanation of the material topic and its Boundary		p. 12-15
103/2	The management approach and its components		p. 12-16, 38-39
103/3	Evaluation of the management approach		p. 12-16, 38-39, 43
GRI 304: Biodiversity 2016			
304/2	Significant impacts of activities, products, and services on biodiversity		p. 41, 43-44

Emissions

GRI 103: Management Approach 2016			
103/1	Explanation of the material topic and its Boundary		p. 18-21, 26-28
103/2	The management approach and its components		p. 12-16, 26-31
103/3	Evaluation of the management approach		p. 12-16, 60
GRI 305: Emissions 2016			
305/1	Direct (Scope 1) GHG emissions		p. 27-31
305/2	Energy indirect (Scope 2) GHG emissions		p. 27-31
305/3	Other indirect (Scope 3) GHG emissions		p. 27-31
305/4	GHG emissions intensity		p. 30
305/5	Reduction of GHG emissions		p. 15, 29-31

Waste

GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts		p. 39, 44-45
306-2	Management of significant waste-related impacts		p. 39, 44-45
306-3	Waste generated		p. 39, 44-45
306-4	Waste diverted from disposal		p. 39, 44-45
306-5	Waste directed to disposal		p. 39, 44-45

Supplier Environmental Assessment

GRI 103: Management Approach 2016			
103/1	Explanation of the material topic and its Boundary		p. 12-16, 18-21, 38
103/2	The management approach and its components		p. 12-16
103/3	Evaluation of the management approach		p. 12-16

GRI Standard	Disclosure	Comment / Omission	Page number
GRI 308: Supplier Environmental Assessment 2016			
308/2	Negative environmental impacts in the supply chain and actions taken		p.12-16, 26-31, 40-45, 52, 56

400 series (Social topics)

Occupational Health and Safety

GRI 103: Management Approach 2016			
103/1	Explanation of the material topic and its Boundary		p. 12-16, 18-21
103/2	The management approach and its components		p. 12-16, 48-56
103/3	Evaluation of the management approach		p. 12-16, 48-56
GRI 403: Occupational Health and Safety 2019			
403-1	Occupational health and safety management system		p. 50-52
403-2	Hazard identification, risk assessment, and incident investigation		p. 50-52
403-3	Occupational health services		p. 50-52
403-4	Worker participation, consultation, and communication on occupational health and safety		p. 50-52
403-5	Worker training on occupational health and safety		p. 50-53
403-6	Promotion of worker health		p. 56
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		p. 50-52
403-9	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		p. 50-52

Training and Education

GRI 103: Management Approach 2016			
103/1	Explanation of the material topic and its Boundary		p. 12-16, 18-21
103/2	The management approach and its components		p. 12-15, 48-56
103/3	Evaluation of the management approach		p. 12-15, 48-56
GRI 404: Training and Education 2016			
401-1	Average hours of training per year per employee	Due to variety of trainings we do not report on the hours of trainings, instead we report on the number of sessions conducted and participants. We do not report by gender and employee category	p. 53-54
404-2	Programs for upgrading employee skills and transition assistance programs		p. 53-54
403-3	Percentage of employees receiving regular performance and career development reviews		p. 53

Supplier Social Assessment

GRI 103: Management Approach 2016			
103/1	Explanation of the material topic and its Boundary		p. 12-16, 18-21, 48-49
103/2	The management approach and its components		p. 12-16, 18-21, 48-49
103/3	Evaluation of the management approach		p. 12-16, 18-21, 48-49
GRI 414: Supplier Social Assessment 2016			
414/2	Negative social impacts in the supply chain and actions taken		p. 12-16, 18-21, 48-49

Auditor's Limited Assurance Report on OKQ8 Scandinavia Sustainability Report

To OKQ8 Scandinavia

Introduction
We have been engaged by the Board of Directors and the Chief Executive Officer of OK-Q8 AB to undertake a limited assurance engagement of OKQ8 Scandinavia's (as the organization is defined on page 8) Sustainability Report for the year 2021/2022.

Responsibilities of the Board of Directors and the Chief Executive Officer for OKQ8 Scandinavia's Sustainability Report
The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Sustainability Report in accordance with applicable criteria, as explained on page 60 in the Sustainability Report, that are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or mistakes.

Auditor's responsibility
Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. A limited assurance engagement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of OKQ8 Scandinavia in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Chief Executive Officer as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions
Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Executive Management and Chief Executive officer.

Stockholm, April 29, 2022

KPMG AB

Tomas Gerhardsson
Authorized Public Accountant

KPMG AB

Torbjörn Westman
Special member of FAR

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in OK-Q8 AB, corporate identity number 556027-3244

Engagement and responsibility
It is the board of directors who is responsible for the sustainability report (OKQ8 Scandinavia Sustainability Report) for the financial year 2021/2022 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination
Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm, 29 April, 2022
KPMG AB

Tomas Gerhardsson
Authorised Public Accountant

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