

Byggmakker Handel's work related to the Transparency Act

The Transparency Act

Byggmakker Handel is covered by the Transparency Act, and pursuant to Section 5 of the Transparency Act, we provide an account of how Byggmakker has worked with the Transparency Act in the year 2022. The content is approved by management and the board.

According to the Transparency Act, a statement must at least contain information about:

- a. a general description of the company's organisation, area of operation, policies and procedures for dealing with actual and potential negative impacts on fundamental human rights and decent working conditions.
- b. information about actual negative consequences and material risk of negative consequences that the enterprise has uncovered through its due diligence assessments.
- c. information about measures that the enterprise has taken or plans to implement to stop actual negative consequences or limit material risks of negative consequences, and the result or expected results of those measures.

a. General description of Byggmakker Trade **organisation and area of operation, guidelines and routines** for dealing with actual and potential negative consequences for fundamental human rights and decent working conditions

Address headquarters

Høgslundveien 49, 2020 Skedsmokorset

Number of employees in 2022

810

Email address for questions about this statement

apenhetsloven@byggmakker.no

Organization and structure

Byggmakker is part of the Finnish K-group, Kesko. K-Group/K-Group Building and Technical Trade (BTT) operates in eight countries: Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Poland and Belarus. Byggmakker has shops / department stores divided into 9 different regions depending on geographical location in Norway in addition to the national online store. This structure also includes Byggmakker CF (BM CF), which is owned by Byggmakker Handel. Byggmakker CF will be merged into Byggmakker Handel in 2023.

The head of Kesko in Norway is Hilde Kristoffersen (she is the CEO of Byggmakker Handel AS and Onninen AS and the chair of the board of Byggmakker CF)

Byggmakker Handel is headed by Chief Operating Officer (COO) Kjell Vidar Dokken, who is part of the corporate management team and reports to the CEO.

Responsibility for HR, Quality & Sustainability at Kesko Norway is led by the Director of HR, Quality & Sustainability who is part of the Group Management team and reports to the CEO.

The Environmental and Sustainability Manager has the operational responsibility for implementing the work related to the Transparency Act and reports to the Director of HR, Quality and Sustainability.



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The work is organized in a working group with employees from Commerce with support from the legal department.

Information about the work is updated to employees on the www.byggmakker.no/apenhetsloven and workplace (internal "collaboration platform" in Byggmakker)

Main brands, products, and services

Byggmakker is one of Norway's leading building supply chains with outlets all over the country. Byggmakker sells building materials to professionals and the consumer market. Byggmakker has its own logistics business with shipping of building materials.

Byggmakker purchasing model and supply chain

Byggmakker negotiates central purchasing agreements for self-owned stores and individual members who make use of the agreements. Byggmakker has agreements with almost 190 different suppliers.

The procurement and follow-up of the Transparency Act, including due diligence, for self-owned warehouses is organised by the head office.

Purchases made shall not be an obstacle to ethical trade or contribute to an unnecessary environmental impact.

As part of Byggmakker's environmental policy, the company will identify and evaluate environmental aspects of its activities and their impact, and use its position in the customer interface to influence green responsibility. Byggmakker's head office and all self-owned stores are Eco-Lighthouse certified.

a. General description of Byggmakker Handel's organisation and area of operation, guidelines and routines for dealing with potential negative consequences for fundamental human rights and decent working conditions

Foundation for the work under the Act in internal guidelines and routines

On the first of December 2021, Kesko hired Norway dedicated sustainability manager responsible for following up the Transparency Act in Kesko in Norway. An internal working group was established in Byggmakker to work together to follow up the various steps related to due diligence that follow from the Act¹. A due diligence assessment must be understood as a process or a working method for mapping, preventing, explaining and following up how an enterprise handles actual and potential negative consequences of its activities. The members of the working group consist of Commerce executives, category managers, and sustainability managers. In addition, the group consults with legal counsel as needed. In addition, competence exchange takes place between employees of Byggmakker and Onninen in connection with the work.

The working group's overall routine is that it works in line with the 6 steps that follow from the due diligence process towards suppliers. During the process, mitigation measures shall be routinely assessed to minimize any negative consequences. The first measure will be preventive efforts to counteract negative consequences before the damage occurs. Measure number two will be an assessment of the necessary limitation of an injury that has occurred. The last measure will be to stop the damage if possible, or break the cooperation with the supplier. All 3 types of measures will depend on the outcome of our mapping in line with step 2 of 6 of the due diligence assessments.

¹ Step 6: Anchoring (Step 1), kartlegg risk (trinn2), take action (trinn3), follow up on the measures (trinn4), communicate with stakeholders (trinn5), gjenopprett (trinn6))



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Foundation for guidelines and routines

As a result of the 6 steps that follow from due diligence in the Transparency Act and in line with step 1, Bygghemmer has updated its own internal policy ² ("policy") and ethical guidelines³ aimed at our suppliers where the purpose is to highlight the requirements that follow from the law⁴. The guidelines included in main agreements with suppliers from 2022 onwards and commit the suppliers. In addition, all suppliers must commit to the Kesko Group Code of Conduct⁵. In the agreements with suppliers, there are minimum requirements related to several conditions, including the environment, fundamental human rights and decent working conditions.

Kesko Group's requirement for Amfori BSCI principles - rooted in routines and guidelines

The Kesko Group sets requirements for itself and for suppliers to follow the Amfori BSCI's (Amfori Business Social Compliance Initiative) values and principles or equivalent. Amfori BSCI is an international organization working to promote sustainable trade and promoting governance and control in global supply chains with emphasis on the follow-up of social responsibility. Kesko Group is a member and participates in Amfori BSCI and is committed to acting and promoting compliance with the Amfori BSCI Code of Conduct in its own supply chains. In contract with Kesko in Norway, suppliers are obliged to follow the Amfori BSCI Code of Conduct. The contractual clause applies to both direct suppliers located in risk countries and suppliers located in Norway or the EU such as purchasing raw materials or products of suppliers located in a risk country).

The Kesko Group conducts due diligence and follow-up of adverse conditions through audit and certification systems. Amfori BSCI audits are preferred when working conditions at factories in risk countries are to be assessed. The Kesko Group accepts other audit systems and certifications for corporate social responsibility if the criteria underlying the audits correspond to the requirements of an Amfori BSCI audit and the audit is performed by an independent third party. Audits and certifications are used to assess the safety of working conditions in production, the wages and working hours of employees, employees' rights to freedom of association and the right to collective bargaining. The use of children or forced labor is prohibited.

Routines for whistleblowing channels and complaint mechanisms in the event of negative consequences

Bygghemmer has routines for internal whistleblowing, as well as an external whistleblowing channel available for external and internal. The latter whistleblowing channel enables anonymous whistleblowing and anonymous dialogue with whistle-blowers. We want a low threshold for employees to speak up and encourage reporting of unacceptable conditions.

In accordance with the Working Environment Act, Bygghemmer employee representatives have a working environment committee where matters can be raised with the management of Bygghemmer.

Anyone can contact Bygghemmer on apenhetsloven@byggmakker.no. In addition, our suppliers are obliged to inform Bygghemmer in the event of negative conditions that violate the contract terms.

² <https://www.byggmakker.no/side/policy-for-etisk-handel>

³ <https://www.byggmakker.no/side/apenhetsloven>

⁴ <https://lovdata.no/dokument/NL/lov/2021-06-18-99>

⁵ <https://www.kesko.fi/no/k-code-of-conduct/samarbeidspartner/vi-respekterer-menneskerettighetene/>



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b. information about actual negative consequences and material risk of negative consequences that the enterprise has uncovered through its due diligence assessments

Risk mapping; negative impact on people, society, and the environment

Kesko Group conducts due diligence and applies Amfori BSCI to this, which is in line with step two of the due diligence assessments. Due diligence work includes follow-up of negative risks associated with direct suppliers located in risk countries.

Byggmakker has mapped and concluded that purchases are not made from direct suppliers located in risk countries, or from intermediary suppliers/importers located in Norway or the EU.

Byggmakker has also mapped our categories and associated risk by virtue of the raw materials used in construction products. Construction products made of stone, metals, textiles and wood are considered to be at increased risk of violations of fundamental human rights and decent working conditions compared to other raw materials⁶. The survey led to an overview of construction products with raw material content from China, Sri Lanka, Vietnam, Brazil and Turkey. Six suppliers have been designated for further follow-up in 2023.

It was decided in 2022 that 210 intermediary providers will be further investigated through an ESG⁷ survey in 2023 in collaboration with Cemsys (www.cemsys.com). The survey will map Byggmakker's risk exposure by examining how intermediary suppliers work with the Transparency Act. Thereafter, prioritisation will be made of which suppliers need to be followed up more closely.

c. Information about measures that the enterprise has implemented, or plans to implement, to stop actual negative impacts or limit material risks of negative consequences, and the result, or expected results, of those measures.

Byggmakker has not uncovered actual negative violations of human rights or decent working conditions at its intermediary suppliers in 2022. This does not mean that Byggmakker excludes the possibility of negative conditions. The conclusion is due to the fact that the work on due diligence assessments, across different product categories in Byggmakker, started in 2022 as a result of the introduction of the Transparency Act on 1st of July 2022. As the work develops further in 2023, there will be a risk that Byggmakker may discover negative conditions. The ESG survey to be conducted in 2023 will provide more information that will enable Byggmakker to investigate further.

The largest product category in Byggmakker is wood. Byggmakker is PEFC certified, and wood is mainly purchased from PEFC certified suppliers. The PEFC certification sets requirements for sustainable logging and production, and negative impact on people and the environment must also be considered. In order to maintain a PEFC certification, Byggmakker must be audited by an independent third party in line with the requirements of the PEFC standard. As of 31.12.2022, Byggmakker had routinely checked wood suppliers to ensure that the PEFC certification was in order. The work is part of the work leading up to an audit in the first quarter of 2023.

As of 31.12.2022, Byggmakker has no information about measures that the business has implemented or plans to implement to stop actual negative consequences, results, or expected results of these measures. This is because due diligence work across different product categories started in 2022. As the work progresses in 2023, Byggmakker will be able to provide more information about planned or implemented measures.

⁶ Source: <https://anskaffelser.no/samfunnsansvar/Social-Responsibility/High-Risk-Product-List/Construction-Stone-Wood-and-Metal>

⁷ Environmental, Social and Governance (ESG)



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In April 2022, Byggnakker Handel became a member of Ethical Trade Norway.

Lillestrøm, 30^h of June 2023
The Board of Byggnakker Handel AS

Jorma Rauhala
Chairman of the Board

Anu Aulikki Myyryläinen
Member of the Board

Mia Maria Kaitaharju
Member of the Board

Lumi-Sirkku Johanna Vikiö
Member of the Board

Kurt Normann Stranden
Member of the board

Jørgen Sollie
Member of the Board

Odd Gunnar Johnsen
Member of the Board

Hilde M. Kristoffersen
General Manager



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