



BYGGMA
group

SUSTAINABILITY REPORT
2023

Sustainability report



Foreword

The past several years have presented major challenges. First, the coronavirus pandemic created great uncertainty in the world, and then, in 2022, war broke out in Europe. As a Group, we got through the pandemic through good planning, forward-looking employees and good cooperation along the entire value chain. The war in Ukraine has created other challenges. Energy prices rose sharply and there was a big increase in raw material prices in 2022. In 2023, prices stabilised, but remained at a high level.

Against this background, I can see how sustainability work is becoming more and more important. In our sustainability work, we now have a strong focus on reducing energy consumption and making good and efficient use of all our resources. We work with wood as a material and make durable products that store carbon for many years and our business is climate-positive. We thereby ensure that there is more carbon stored in the products we deliver than in the emissions resulting from our activities. Storing carbon in wood is nature's own way of capturing carbon, and we should have this at the forefront of our minds when we talk about forestry and wood and how we use this resource. We have seen a rise in the burning of wood for energy recovery, making access to raw materials harder for our companies. Energy recovery makes poorer use of this raw material than material recovery based on the cascading principle of biomass use.

In 2024, Byggma will appoint a Sustainability Director who will be responsible for continuing and developing the good work that has been started locally in the companies. Group management recognises that the sustainability reporting requirements will become far more stringent with the introduction of CSRD (the Corporate Sustainability Reporting Directive) in 2024. It is important that, as a company, we are well prepared for the future.

That said, I am very proud to lead an organisation that works actively on a daily basis to reduce our climate footprint by producing sustainable products on a resource-efficient basis. This year's Sustainability Report shows that we have come a long way in our systematic work to improve our activities in relation to the environment and our climate impact. At Byggma, we are committed to our social responsibility and to developing our activities in a more sustainable direction.



Best regards,



Conrad Lehne Drangland,
Group CEO

Sustainability and responsible business

Byggma is an industrial group that develops and delivers building material solutions and lighting products in the Scandinavian and Northern European markets. Operations are organised through multiple industrial companies with a shared market organisation for all brands.

Our business is based largely on using renewable forest materials to create durable products while growing new forests in the harvested areas as a way of contributing to increasing carbon sequestration in products.

Awareness of our own business activities is more important than ever now that we can see climate challenges beginning to take hold. It is important for us to work sustainably. In addition to our financial goals, we need to be aware of our impact on society and the environment.

The various Byggma companies report their sustainability activities and results. The Group CEO and Byggma's Board of Directors review and approve the Sustainability Report before it is published.

In the first half of 2024, Byggma will appoint a Sustainability Director with overall responsibility for the Group's sustainability work.

In 2024, Byggma will prepare its reporting in accordance with CSRD (the Corporate Sustainability Reporting Directive), which will apply to the Group.

The UN's Sustainable Development Goals

The UN's Agenda 2030 initiative has set 17 sustainability goals for sustainable development. In our work to develop a sustainability strategy, we have chosen to prioritise and work with the following 8 UN Sustainable Development Goals:

CLIMATE AND THE ENVIRONMENT				INDIVIDUALS AND SOCIETY		BUSINESS MODEL	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 STOPPING CLIMATE CHANGE 	14 LIFE BELOW WATER 	15 LIFE ON LAND 	4 GOOD EDUCATION 	11 SUSTAINABLE CITIES AND LOCAL COMMUNITIES 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Efficient use of raw materials Factories located near raw materials Packaging solutions that minimise waste while still protecting products during transport	Wood-based construction products sequester significant amounts of carbon Efficient distribution system for transportation of goods to customers The wood we use comes from certified sources or sustainable forestry	Resource-efficient construction methods contribute to good raw material utilisation Ensure that we do not pollute our surroundings, affecting life on land, in freshwater or the ocean	Employees are given opportunities for continued development Collaboration with schools Professional education Further education	Factories located near raw materials Our presence contributes to sustainable cities and local communities Our presence provides other players in the value chain with jobs and income. This helps to create a complete value chain	Good profitability provides the basis for safe workplaces and company development	We seek out new innovative solutions for a better customer experience and a more profitable and efficient building process Focus on the triple bottom line in R&D activity Improving efficiency through continuous improvement and indirect investment	

We will also describe our business activities in three main chapters within Climate and the Environment, Society, and our Business Model.

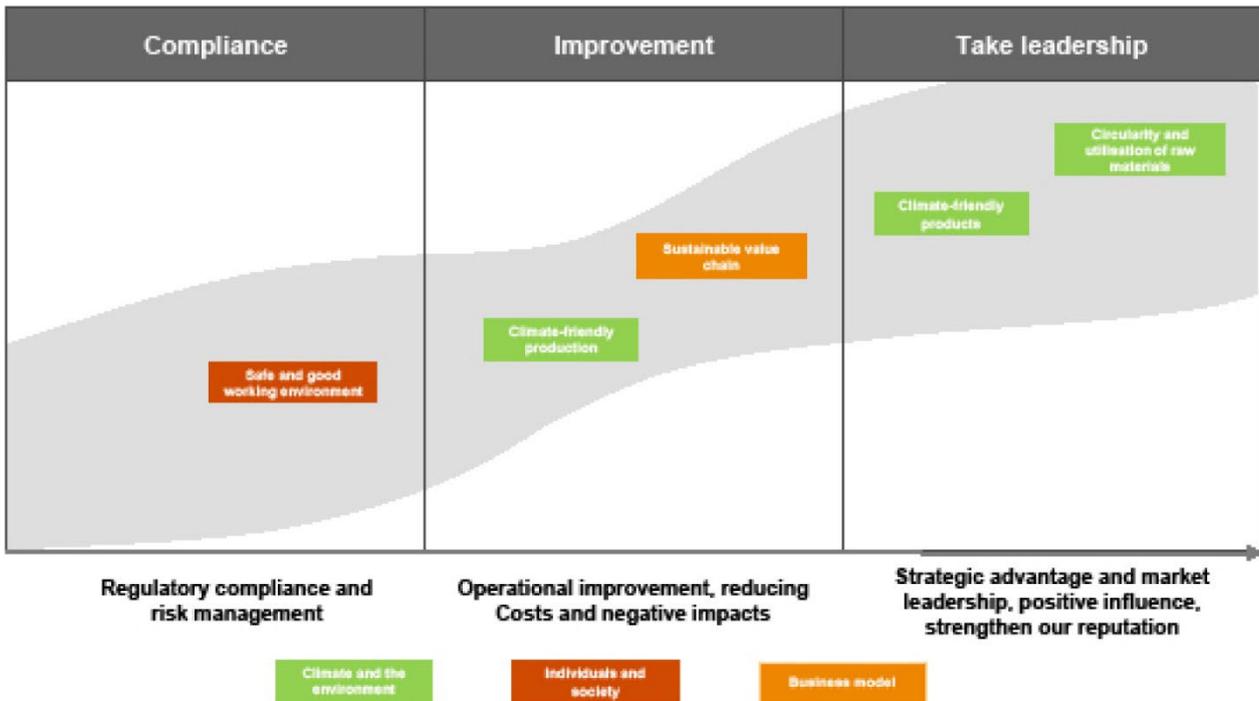
Stakeholder and materiality assessment

Byggma would like to highlight the work related to sustainability and ESG in each individual company. As an element of this, we have conducted stakeholder and materiality assessments. These assessments have revealed five topics that we consider to be the most significant for both the Group and our subsidiaries. We have set these out in a priority matrix to guide us in our work with sustainability and ESG.

Action plans, building on the five themes, have been drawn up in each subsidiary and are followed up closely by the management teams within the companies. In addition to this, Byggma has ethical guidelines that address all matters related to other aspects of social responsibility. Environment, social conditions, working environment, equality and non-discrimination, respect for human rights and prevention of corruption and bribery. We also take a strong stance against child labour and forced labour.

The Code of Conduct can be found at www.byggma.no.

Prioritised matrix



Climate and the environment



Highlights:

- Byggma's products sequester significant amounts of carbon, which benefits the climate.
- Sustainable and renewable raw materials
- We focus on utilising resources efficiently and reducing emissions
- Treatment system for returned wood – a major opportunity

For us, good climate change awareness means that we use all resources efficiently and minimise the impact of our activities on the environment.

Byggma has acquired the Worldfavor reporting system in order to develop reporting procedures and have a better overview of sustainability reporting. The system will improve the quality of internal reporting and it will be much easier to follow trends from year to year.

Worldfavor has enabled us to compile greenhouse gas accounts for the Group for 2023.

Greenhouse gas accounts

Byggma's greenhouse gas accounts have been prepared in accordance with the GHG Protocol.

Tonnes of CO ₂ equivalents		2023
	Diesel (Trucks and wheelloaders)	931
	LNG	1,519
Scope 1 total	(Emissions in the company)	2,450
	Bark	22,477
	Timber from demolitions	18,062
	From own production	24,605
Out of scope	Direct bio-based emissions	65,143
	Electricity	703
Scope 2 total	(Emissions related to electricity consumption)	703
	Transport to customer truck	9,451
	Transport to customer boat	110
	Domestic business-related flights	76
	International business-related flights	33
	Business-related car transport	211
Scope 3 total	(Emissions outside the company)	9,880
Total emissions	(Scope 1, Scope 2 and Scope 3)	13,033

2023 is the first year that Byggma has prepared greenhouse gas accounts for the entire Group.

For Scope 3, some areas were selected for 2023, see the greenhouse gas accounts above. The data is collected for the entire Group and CO₂ equivalents are calculated using calculation factors from DEFRA and other official methods.

Carbon sequestration

Growing forests absorb carbon dioxide from the atmosphere via photosynthesis. In sustainable forestry, we harvest forests as raw materials and then plant new trees to provide the basis for additional carbon sequestration. The wood in our products sequesters significant amounts of carbon. Using wood fibre to create durable products is an important contribution to increasing carbon sequestration in forests and wood-based products. If we add up all the carbon sequestered during an annual production cycle for Byggma's wood-based products, this would be equivalent to sequestering 425 thousand tonnes of CO₂ equivalents.

This corresponds to 4.9% of CO₂ emissions from road traffic in Norway. (*SSB: Road traffic emissions of 8.7 million tonnes of CO₂ equivalents in 2022*).

Byggma as a Group is carbon negative if the greenhouse gas accounts are viewed in relation to carbon sequestration.

Certified wood

We use large quantities of wood to produce our products. We procure this as round timber (pulpwood) and as by-products from sawmills. By choosing certified materials, we demonstrate our commitment to supporting sustainable forestry and reducing the environmental footprint of our products.

PEFC Traceability Certification provides independent third-party verification that the wood is from sustainable forests. Each stage of manufacturing and distribution must carry traceability certification. If any stage is not certified, the traceability chain is broken and the product cannot be sold as PEFC certified.

Uldal AS was PEFC certified in March 2023.

Efficient resource utilisation

At Byggma, we are committed to creating products by utilising all resources efficiently. In this context, we consider raw materials such as those used in production, energy, packaging, transport, and other production input factors. In a broader context, it is also a matter of meeting the customer's needs by developing products that utilise resources efficiently. The products also make for increased progress on the construction site, which is of great benefit to society.

Raw materials for production

We are committed to making efficient use of raw materials. That is to say, we have optimised our production procedures to maintain the products' technical properties within the requirements while using a minimum of raw materials. This also involves focusing on reducing process waste and scrapped items in production. Our goal is to reuse waste streams and we have achieved this on several fronts in recent years.

Efficient production also results in lower consumption of other inputs.

Energy

Energy costs stabilised in 2022. Electricity prices have fallen compared to 2022, but we continue to focus on improving energy efficiency, as we can see room for further improvement, which is of both financial and environmental benefit. Our factories focus on reducing energy consumption by choosing energy-saving solutions when purchasing motors, lighting and other equipment, if this is sustainable in overall terms. Employees have been requested to switch off all machines and equipment when not in use, that lights be switched off in offices and that office heating be turned down on weekends and holidays.

Transport

The Group is continuously working to reduce emissions related to transport. One of the ways we do this is by picking up raw materials locally whenever possible. We have an efficient transport network out of our factories. Consolidating deliveries to different customers in a specific district ensures that capacity is well utilised and results in fewer emissions from distribution. As part of this, AS Byggform was merged with Forestia as from 1 January 2023. This helps us optimise transport even further. Delivery vehicles should be filled as much as possible when they leave the factory. We are constantly seeking to find optimal, environmentally-friendly transport solutions and we require that our transport partners use modern equipment, to reduce emissions.

Reducing emissions

The factories have emission permits from the State Administrator in the respective counties where these issues are regulated. We are also continuously working to reduce emissions from all of our business activities. Our factories are particularly focused on dust, noise, and emissions to the atmosphere and waterways. We work with related action plans to reduce the scope and prevent any undesirable incidents.

Sorting and recycling of waste

Waste from production is a waste of resources and we aim to reduce the extent of our production waste through purchasing and our own activities. We have set up environmental stations in our factories and offices for sorting recyclable materials. Our businesses shall achieve a high degree of sorting. In 2023, all companies increased their focus on sorting waste, so that the sorting rate will be increased. The waste has been reviewed so that it can be sorted more accurately into more fractions. The sorting rate in 2023 was 70%, which we do not find satisfactory.

Projects implemented and/or started in 2023

Huntonit

Change in packaging

In 2022, we made the transition from wood fibreboard to cardboard as packaging for our roofing products. During 2023, cardboard was tested as packaging for Huntonit's wall products. The tests were very promising and during Q1-24 the transition will be made. It will reduce transport weight by approximately 1,000 tonnes/year, which in turn will reduce emissions from transport by 60 tonnes of CO₂ equivalents, with a corresponding reduction of waste at construction sites.

During the year, the volume of goods transported on electrified railways increased from 27% in 2022 to 31% in 2023, resulting in a reduction of approximately 1,000 MT CO₂-eq/year.



Energy mix

In autumn 2023, Huntonit converted our boiler systems, making it possible to switch between gas and electricity at short notice. This means that we can take advantage of periods when electricity prices are low and avoid any unnecessary use of gas. In November, this reduced our emissions of CO₂ equivalents by an amount equivalent to 214 passenger cars (120 g CO₂ – eq/km).

Energy consumption

During 2023, frequency converters were installed on several pumps in our fresh water supply, which has reduced both energy and water consumption. We also worked on optimising control of our extraction system to reduce the downtime of the fans in the system. The improvements brought about by the frequency converters and more intelligent control have cut our energy consumption by around 0.45 GWh/year.

Smartpanel

District heating plant

In 2023, we took an important step towards sustainability by completing installation of a district heating plant. The plant replaces our previous incinerators, which used waste wood from production as fuel. By switching to district heating, we have eliminated the production of ash and direct emissions from our operations. The district heating system is more energy efficient and often uses renewable energy sources, reducing our carbon footprint and contributing to cleaner, greener operations.

LED lighting

Our initiative to replace gas bulbs with energy-efficient LED lighting throughout the factory is nearing completion. This initiative is part of our strategy to cut energy consumption and reduce the impact on the environment. LED bulbs use significantly less energy than traditional light sources, have a longer service life and thus help to reduce both operating costs and waste.

Masonite Beams

Waste

Masonite Beams has installed and commissioned a short wood jointer in Rundvik. This means that we can increase further processing and reduce the amount of raw material that goes to bioenergy.

Transport

Masonite Beams has acquired seven electric company cars to replace fossil-fuelled cars. We have also purchased an electric four-wheeler truck to replace a fossil-fuelled truck.

Bio-based adhesives

The aim of the project is to help develop bio-based adhesives with a smaller carbon footprint and fewer harmful chemicals. Our role in the project is as a design partner, addressing aspects relating to moisture resistance, as well as fire resistance.

Tomorrow's ecolabelling of buildings

Through this project, we have the opportunity to be involved in a new ecolabelling system that could become a new standard in the market. The focus is on looking at the real environmental benefits and our goal is to ensure that the energy efficiency of buildings is calculated correctly.

DUET

Circular design and use of wood building elements. The project gives us the opportunity to look at where we can reduce our environmental footprint by using the circular flow of materials to reduce waste and the collaboration between companies to increase the yield from resources and reduce the carbon footprint. We can also look at how our products can be used in building elements that can be reused at various stages, thus resulting in a very small carbon footprint.

Forestia

Treatment system for returned wood

In April 2022, Innovation Norway awarded Forestia AS MNOK 80 as funding to build a treatment plant for timber from demolition. This investment is extremely environmentally friendly and makes Forestia chipboard circular. The investment also reduces the risk for Forestia, since it makes us less dependent on raw material supplies from the sawmills. The costs of such a facility have increased significantly as a result of the war in Ukraine, so new cost estimates and risk assessments must be made for the investment. As a result, the project has been put on hold.

Sustainable packaging

Although we have started the work of reducing the weight and extent of packaging on Forestia products, we still use a lot of wood chips as packaging. We have launched a project whereby we will review all products and see how we can reduce this. This will reduce transport weight and waste at construction sites. It will also free up our production capacity, so that we can use this capacity to produce goods for sale.

In 2023, we implemented this for Walls2Paint. This project reduces transport weight by approximately 650 tonnes a year, with the same waste reduction volume at the construction sites. This packaging reduction also means that transport-based emissions are cut by approximately 11 tonnes of CO₂ equivalents per year.



Original packaging with wood chips



New packaging with cardboard

Reduced use of additives in chipboard production

Forestia has had its own project for reducing the use of ammonia in the chipboard core. Tests so far show no significant impairment to the properties of the products and Forestia can show a

reduction of ammonia consumption of over 80% in 2023 compared to 2021. Forestia has placed its last order for ammonia and will eliminate use of ammonia completely during Q2 2024.

Logistics

The new warehouse and logistics centre at Forestia was completed at the end of 2022. This meant that we were able to move AS Byggform's products to Braskereidfoss in December 2022. AS Byggform was merged with Forestia on 1 January 2023 and the new logistics centre is important in terms of consolidating deliveries and optimising transport, to ensure that we achieve a high fill rate for vehicles from Forestia. This will reduce transport emissions, while also being a good project in market and economic terms, and also for the environment and sustainability.

Uldal

Uldal has around 500 old luminaires that are to be replaced with LED luminaires. When all the old luminaires are switched on, they use around 66 KWh of electricity. The new luminaires use about half this electricity, so this is a good investment both for the environment and financially. The savings once all the luminaires have been replaced will be around 200,000 kWh. With 90% already replaced, the work will be completed in early 2024.

Climate risk

Physical risk

When it comes to climate risk, we have seen the weather change more and more frequently than in previous years. A summer of drought one year can be followed by a summer with heavy rainfall the following year. Large weather fluctuations affect us, as our wood chips are stored outdoors and must be dried to a certain maximum moisture content.

When it comes to energy prices, low filling levels in the power companies' reservoirs will push prices up.

Very wet summers can restrict the extraction of timber from the forest, which in turn can affect the sawmills from where we source our raw material. This could result in higher prices for raw materials and limited access to wood chips.

Dry summers with widespread forest fires can also affect access to raw materials.

Extreme weather events can disrupt power supplies, road networks or digital infrastructure. When it comes to digital infrastructure, we have good backup solutions, while for power and roads, we rely on external parties to deal with any incidents.

Forestia saw a clear example during storm "Hans" in 2023. The Glomma river rose very quickly, resulting in the dam at Braskereidfoss bursting and much of the power supply to the factory being cut off. Capacity was reduced for a couple of weeks until the electricity supplier was able to restore the full power supply.

Transition risk

During the next few years, changes in the framework conditions and regulations will affect us. National and international environmental requirements will be introduced, which we will have to comply with. The scope of these changes will be considerable and we are following developments closely.

The energy shortage in Europe due to the war in Ukraine means that the risk of more wood being burned to produce energy is increasing.

Climate and the environmental results

Waste [tonnes]	2020	2021	2022	2023
Hazardous waste	60	45	43	74
Plastic	41	47	97	71
Cardboard/paper	36	41	47	30
EE waste	4	11	12	18
Iron/steel/metals	126	266*	168	96
Bio-waste	3	2	4	4
PVC waste	17	57	23**	-
Mixed machined wood	1,570	1,376	1,385	1,146
Residual waste/other	310	370	449	608
Total	2,167	2,215	2,228	2,047

* Major maintenance project at Forestia

**PVC phased out at Forestia in 2022.

Sorting rate Byggma: 70.3%

Packaging [tonnes]	2021	2022	2023
Wood	2,332	2,209	2,311
Plastic (foil/stretch film/strapping tape, etc.)	486	358	314
Steel strapping tape	42	31	26
Cardboard	718	556	531
Panels produced in-house	2,100	1,936	1,397
Total	5,687	5,095	4,579

Certified wood [%]*	2020	2021	2022	2023
Byggma	90.1	91.0	91.5	93.6

*Uldal was PEFC-certified in March 2023

Wood consumption [1,000 m3]	2020	2021	2022	2023
Byggma	589	597	554	519

Power consumption [GWh]	2020	2021	2022	2023
Byggma	122	141	82	97

Energy consumption [GWh]*	2020	2021	2022	2023
Byggma	150	169	134	146
*Diesel, LNG and electricity				
Carbon sequestration [1,000 tonnes CO ₂ -eq)	2020	2021	2022	2023
Byggma	483	490	454	425

Individuals and society



Highlights:

- Profitability ensures safe workplaces
- We want to promote equal opportunities
- Employee development
- Reduction in injuries

Employees shall have a safe workplace that is free of injuries, as well as a healthy psycho-social environment based on equality. Health/safety and environmental work is priority number 1.



Skills

Employee development opportunities are important, in order for Byggma to be able to retain its employees. Good opportunities for personal development to employees who want them must be facilitated. This will provide motivation, a greater sense of responsibility and Byggma's companies will be attractive workplaces that appeal to talented people.

It is important to maintain good communication with educational institutions, from secondary schools to higher education.

- Apprentices in relevant disciplines.
- Trainee scheme may be relevant if/when the right candidate appears.
- We share our expertise with relevant educational institutions. This can be done via direct communication or through participation in various networks.

Byggma's companies are cornerstone companies in their local communities. We must consider and promote good neighbourhood relations. Good cooperation with neighbours and local authorities, and contributing to an active local community.

Developing sustainable solutions is a shared responsibility. At Byggma, we strive to have open communication in areas that we can influence in the community. Everyone involved should be able to rely on Byggma's companies to continue to develop in a healthy and profitable manner over time. That is why Byggma will always be receptive to feedback. Feedback helps us to improve and to find out what expectations these groups have of us.

Communication and information

Clear communication can create awareness and engagement amongst everyone involved – both externally and internally. We use various communication channels that are adapted to our information. We must avoid greenwashing and communicating any non-essential topics. Linking Byggma's strategic goals and focus areas to important sustainability topics and the sustainability goals we have chosen will be an important part of our communications.

One area of this work is to improve the companies' websites. In 2023, the companies within Byggma further developed their websites to provide better information and a better experience for users.

Equal opportunities

The Byggma Group aims to be a workplace where there is no discrimination and there is full equality between women and men. In its policy, the Group has incorporated conditions regarding discriminatory treatment that aim to ensure that there is no discrimination related to gender, ethnicity, sexual orientation or other basis for discrimination. A strong stance

is also taken against child labour and forced labour. A statement concerning equal opportunities in Forestia, Huntonit and Uldal has been drawn up in accordance with the UN's Sustainable Development Goal number 8 and the Norwegian Act on Equality and Anti-Discrimination.

Byggma's proportion of female employees is 14.2%. Most of the women work in lighting assembly or in administrative positions within the companies. Only a few women work directly in production at the companies. Recruiting women as production operators is difficult, despite the companies' focus on this area.

Age distribution

The Byggma Group monitors age distribution closely. The fact that our employees are getting older is positive, viewed in isolated terms, but the over-60 group now constitutes 16% of our employees. It is important for us to ensure that skills are transferred and that there is a good senior policy based on dialogue with the individual. It is also essential that we know what the individual wants as early as possible, so we can contribute to a smooth transition to retirement and at the same time ensure the transfer of skills to other employees.

Employees in the 50-60 age group account for 29%. This means that 45% of employees are in their last 15 years of employment.

Safe workplace

One of our most important goals in our workplaces is to make sure they are safe and to prevent employees or others from work-related injuries in our organisation. We have to work preventively to ensure this. We identify all undesirable events in our businesses in order to prevent injuries. We encourage our employees to report anything they see that is not as it should be.

Many HSE-related courses were completed in 2023. More than 200 employees attended courses relating to first aid, defibrillators, fire prevention, smoke diving, training of electro personnel, etc. Some key people attended several of the courses, so that people with expertise in the various areas are always available at the workplace.

Support for local teams and associations

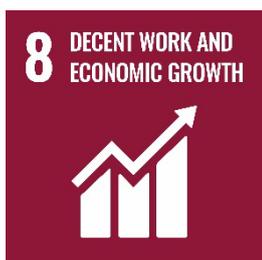
Byggma is engaged in the active local areas where we are represented. We provide active support for teams and associations in our local communities.

Results for individuals and society

F-value*	2019	2020	2021	2022	2023
Byggma	561	441	265	124	333
*F-value: Number of days absent due to injury/number of hours worked x 1,000,000					
H-value*	2019	2020	2021	2022	2023
Byggma	19.6	17.2	15.2	17.8	17.1
*H-value: Number of injuries resulting in absence/number of hours worked x 1,000,000					
Sick leave [%]	2019	2020	2021	2022	2023
Byggma	5.9	5.6	5.7	6.0	6.9
Injuries resulting in sick leave [number]	2019	2020	2021	2022	2023
Byggma	22	19	18	22	19
Days of absence due to injury [number]	2019	2020	2021	2022	2023
Byggma	812	492	380	146	370
Employees [number]	2019	2020	2021	2022	2023
Byggma	701	697	742	723	692
Proportion of women [%]	2019	2020	2021	2022	2023
Byggma	14.3	13.6	13.2	14.4	14.2
Age distribution [%]*		2021	2021	2022	2023
U30		18.1	18.1	18.0	17.0
30–50		42.3	42.3	39.0	37.0
50–60		39.6	39.6	43.0	30.0
O60					16.0

* As from 2023, the over-60 age group is stated separately. Up until 2022, it was part of the 50–60 age group.

Business model



Highlights:

We develop our companies through efficient use of resources, and we create innovative products and solutions for our customers.

The continuous improvement mindset is incorporated into our companies by applying the lean philosophy. Our sustainability work is a continuation of this and forms part of our daily work on continuous improvement.

Future prospects

These are turbulent times with regulatory changes from authorities in Norway and abroad, and an ongoing war in Europe. This naturally affects our day-to-day work and the high inflation figures are also affecting construction activity. In 2024, we will work hard to meet the requirements of the new Sustainability Directive (CSRD) and the stricter reporting requirements set by the directive.

Byggma uses sustainable raw materials from the forest to create quality solutions for our customers. Our mindset is that the efforts and knowledge of the employees involved help us to create safe workplaces that contribute to a sustainable environment. We must continuously develop the company to provide our customers with the right climate-friendly products, while also using new technologies.

Product development and innovation

Product development and innovation are important activities in our quest to offer contemporary and environmentally friendly products and building materials to our customers. We strive to create products that provide a better experience for our customers, with high quality and functionality that keeps their construction projects moving forward.

We have to be the absolute best in this area so customers see Byggma as their preferred partner. Being the best in product development and innovation creates a good reputation. This results in satisfied customers who in turn provide the opportunity for future-oriented, sustainable investments.

Product components

We must strive for the most environmentally friendly production processes possible. We have to stay on track with new, future environmental requirements and also stay ahead of the game. Some customers set high standards, and the EU is also working continuously on regulatory changes. We keep a close eye on this via our European industry organisation (EPF – European Panel Federation), so that we can be prepared and stay ahead of future regulatory changes that will have an impact on our businesses.

Certificates in the companies

Certificates	Companies
ISO 9001	Forestia, Huntonit, Masonite Beams
ISO 14001	Forestia, Huntonit, Masonite Beams
UKCA (CE certificate for the UK)	Forestia
ISO 50001	Huntonit
EPD	Forestia, Huntonit, Masonite Beams
PEFC CoC	Forestia, Huntonit, Masonite Beams, Smartpanel, Uldal
ECOproduct	Forestia, Huntonit
Swan Nordic ecolabel	Forestia
M1	Forestia, Huntonit
CARB Phase II / US EPA	Forestia
Asthma and Allergy Association approval	Huntonit
Danish Indoor Climate Labelling	Huntonit
BASTA	Forestia, Huntonit, Masonite Beams, Smartpanel
Construction materials assessment	Forestia, Huntonit, Masonite Beams
Nordic Ecolabel House Product Portal	Forestia, Huntonit, Masonite Beams
Sundahus Environmental Database	Forestia, Huntonit, Masonite Beams
Sintef Technical Approval	Forestia, Huntonit, Smartpanel, Uldal
Norsk dør- og vinduskontroll (Norwegian door and window inspection)	Uldal
Certificates	Companies

EU Taxonomy for sustainable activities

The Taxonomy for sustainable economic activities is a classification system designed to help financial markets channel capital to profitable sustainable activities and projects.

The Taxonomy is very limited, with many activities are not yet included.

All economic activities in the Byggma Group have been mapped against the Taxonomy. Below is a description of the activities in the Taxonomy identified in Byggma, and reporting of the share of revenue, operating expenditure and investments that apply in the following form.

3.15 Production of energy-efficient equipment for buildings

This activity covers the production of equipment for energy-efficient buildings. At Byggma, Uldal's in-house produced windows, with a U-value of less than 1.0 W/m²K, and doors, with a U-value of less than 1.2 W/m²K, promote climate adjustment and the reduction and prevention of greenhouse gas emissions.

4.15 District heating/cooling distribution

This activity covers the distribution of district heating. Huntonit operates a district heating plant where surplus heat from Huntonit's panel production is distributed locally in Venneå.

4.24 Production of heating/cooling from bioenergy

This activity covers the production of heating and/or cooling from bioenergy. Forestia uses the energy recovered from, for example, bark and scrap from its own production to generate the heat it needs to dry wood chips for its chipboard production.

Economic activities (1)	Code(s) (2)	Absolute operating expenditure (3)	Share of operating expenditure (4)	Criteria for substantial contribution							The DNSH ("Does Not Significantly Harm") criteria the activity must meet							Minimum safeguards (17)	Taxonomy-aligned share of operating expenditure, year 2023 (18)	Category (enabling activity) (20)	Category "(transition activity)" (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (20)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Yes/No	Yes/No				
OPERATING COSTS		NOK thousands	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%				
A. TAXONOMY-ELIGIBLE ACTIVITIES			17 %																		
A.1. Environmentally sustainable (Taxonomy-aligned) activities																					
Production of energy-efficient equipment for buildings	3.15	2 051,07	4 %	50 %	0 %	0 %	0 %	0 %	0 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	4 %	E	T		
Production of heating/cooling from bioenergy	4.24	4 325,93	9 %	0 %	0 %	0 %	0 %	0 %	0 %								9 %				
			0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %				
Operating expenditure for environmentally sustainable (Taxonomy-aligned) activities (A.1)		6 377,01	14 %	2 %	0 %	0 %	0 %	0 %	0 %	J	J	J	J	J	J	J	14 %	0 %	0 %		
A.2 Activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities)																					
Production of energy-efficient equipment for buildings	3.15	1 489,29	3 %																		
			0 %																		
Operating expenditure for activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities) (A.2)		1 489,29	3 %																		
Total (A.1 + A.2)		7 866,30	17 %																		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																					
Operating expenditure for non-Taxonomy-aligned activities (B)		38 820,28	83 %																		
Total (A + B)		46 686,58	100 %																		

Economic activities (1)	Code(s) (2)	Absolute investment expenditure (3)	Share of investment expenditure (4)	Criteria for substantial contribution							The DNSH ("Does Not Significantly Harm") criteria the activity must meet							Taxonomy-aligned share of investment expenditure, year 2023 (11.8)	Category "enabling activity" (20)	Category "transition activity" (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
<i>INVESTMENTS</i>		<i>NOK thousands</i>	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	Enabling (E)	Transition (T)	
A. TAXONOMY-ELIGIBLE ACTIVITIES				4 %																
A.1. Environmentally sustainable (Taxonomy-aligned) activities																				
Production of energy-efficient equipment for buildings	3.15	1 900,73	3 %	100 %	0 %	0 %	0 %	0 %	0 %	Yes	Yes	Yes	Yes	Yes	Yes	Yes	3 %	E	T	
			0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %			
			0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %			
Investment expenditure for environmentally sustainable (Taxonomy-aligned) activities		1 900,73	3 %	3 %	0 %	0 %	0 %	0 %	0 %	J	J	J	J	J	J	J	3 %	0 %	0 %	
A.2 Activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities)																				
Production of energy-efficient equipment for buildings	3.15	1 380,12	2 %																	
			0 %																	
Investment expenditure for activities that are Taxonomy-aligned, but not environmentally sustainable (non-Taxonomy-aligned activities) (A.2)		1 380,12	2 %																	
Total (A.1 + A.2)		3 280,85	4 %																	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Investment expenditure for non-Taxonomy-aligned activities (B)		70 126,15	96 %																	
Total (A + B)		73 407,00	100 %																	

Economic activities (1)	Code(s) (2)	Absolute revenue (3)	Share of revenue (4)	Criteria for substantial contribution							The DNSH ("Does Not Significantly Harm") criteria the activity must meet							Minimum safeguards (17)	Taxonomy-aligned share of revenue, year 2023 (18)	Category (enabling activity) (20)	Category "(transition activity)" (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)						
OPERATING REVENUE		NOK thousands	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	Enabling (E)	Transition (T)		
A. TAXONOMY-ELIGIBLE ACTIVITIES			12 %																		
A.1. Environmentally sustainable (Taxonomy-aligned) activities																					
Production of energy-efficient equipment for buildings	3.15	154 149,55	7 %	50 %	0 %	0 %	0 %	0 %	0 %	0 %	Yes	Yes	Yes	Yes	Yes	Yes	7 %	E	T		
District heating/cooling distribution	4.15	119,62	0 %	0 %	0 %	0 %	0 %	0 %	0 %								0 %				
Revenue from environmentally sustainable (Taxonomy-aligned) activities (A.1)			154 269,17	7 %	3 %	0 %	0 %	0 %	0 %	0 %	J	J	J	J	J	J	7 %	7 %	7 %		
A.2. Activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities)																					
Production of energy-efficient equipment for buildings	3.15	111 928,35	5 %																		
Revenue from activities that are Taxonomy-eligible, but not environmentally sustainable (non-Taxonomy-aligned activities) (A.2)			111 928,35	5 %																	
Total (A.1 + A.2)			266 197,52	12 %																	
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																					
Revenue from non-Taxonomy-eligible activities (B)		1 982 906,68	88 %																		
Total (A + B)		2 249 104,20	100 %																		

GRI Index

GRI Index 2023 – Byggma ASA

Statement of use BYGGMA ASA has reported the information mentioned in this GRI content index for the period 01.01.2023 – 31.12.2023 with reference to the GRI Standards.

GRI standard used GRI 1: Foundation 2021

GRI STANDARD	Description	Source (reference to page in report or website)
GRI 2: General Disclosures 2021	2-1 Company details	Annual Report pages 3, 18 and 82
	2-2 Units included in the organisation's reporting	Annual Report pages 3 and 18
	2-3 Reporting period, frequency and contact person	Reporting period: 01.01.2023 – 31.12.2023 Frequency of sustainability reports: Annually Contact person: Vegard Grønnerud Vegard.gronnerud@byggma.no
	2-5 External audit	Annual Report page
	89 2-6 Products and markets	Annual Report page
	18	
	2-7 Employees	Annual Report pages 8, 10 and 115
	2-9 Management structure	Annual Report pages 8, 10, 31 and 95
	2-10 Nomination and selection of Board members	Annual Report page 97
	2-11 Chair of the highest governing body	Annual Report page 13
	2-12 Role of the highest governing body in monitoring the management of risk and consequences	Annual Report page 99

2-13 Delegation of responsibility for managing consequences	Annual Report page 98
2-14 Role of the highest governing body within sustainability reporting	Annual Report pages 30 and 100
2-15 Conflicts of interest	Annual Report page 96
2-16 Communication regarding negative relations with stakeholders	Annual Report page 100
2-18 Evaluation of the performance of the work of the Board of Directors	Annual Report page 99
2-19 Guidelines for remuneration	Annual Report page 100
2-20 Process for determining remuneration	Annual Report page 100
2-22 Statement on sustainable development strategy	Annual Report page 102
2-23 Strategies, principles and values related to ethic	Annual Report page 25 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/
2-24 Implementation of strategies, principles and values related to ethic	Annual Report page 25 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/
2-25 Processes for preventing negative consequences	Annual Report page 99
2-26 Mechanism for seeking advice and raising concerns	Annual Report page 26 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/
2-27 Compliance with laws and regulations	No violations in 2023
2-29 Stakeholder dialogue approach	Annual Report pages 25 and 105 Link: https://www.byggma.no/om-oss/etiske-retningslinjer/

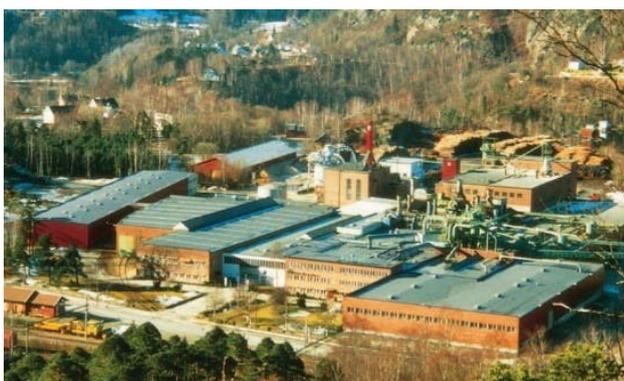
	2-30 Freedom of association and collective agreements	Annual Report page 26
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Annual Report pages 25 and
	105 3-2 Material topics	Annual Report pages 26 and
	105	
	3-3 Work on the material topics	Annual Report pages 26 and 109
GRI 201: Economic Performance 2016	103-1/2/3 Management approach 201	Annual Report page 74
	201-1 Direct economic value generated and distributed	Annual Report pages 17
	and 31 201-2 Climate risk	Annual Report pages 63
	and 113	
GRI 207: Tax 2019	207-1 Tax Policy	Annual Report page 77
	207-2 Control and audit auditor's report	Annual Report page 89
GRI 301: Materials 2016	103-1/2/3 Management approach 301	Annual Report page 28
	301-1 Materials	Annual Report page
GRI 302: Energy 2016	114 103-1/2/3 Management approach 302	Annual Report pages 28 and 110
	302-1 Energy consumption in the organisation	Annual Report page 114
	302-4 Reduction of energy consumption	Annual Report page 110
GRI 305: Emissions 2016	305-1 Scope 1 emissions	Annual Report page 106
	305-2 Scope 2 emissions	Annual Report page 106
	305-3 Scope 3 emissions	Annual Report page
GRI 306: Waste 2020	106 103-1/2/3 Management approach 306	Annual Report page 29
	306-2 Reduction of waste	Annual Report pages 29 and 109
GRI 403: Occupational	103-1/2/3 Management	Annual Report page 26

Health and Safety 2018	approach 403	
	403-1 HSE work	Annual Report pages 26 and 117
	403-2 Hazard identification, risk assessment and incident investigation	Annual Report pages 26 and 117
	403-4 Worker participation, consultation and communication on health and safety in the workplace	Annual Report page 26
	403-5 Worker training in occupational health and safety	Annual Report page 117
	403-9 Work-related injuries	Annual Report page 118
GRI 404: Training and Education 2016	103-1/2/3 Management approach 404	Annual Report page 116
GRI 406: Non-discrimination 2016	103-1/2/3 Management approach 406	Annual Report pages 25 and 116
GRI 413: Local Communities 2016	103-1/2/3 Management approach 413	Annual Report pages 25 and 115

Real estate

Byggma ASA currently owns approximately 115,000 m² of building stock. A significant proportion of Byggma's assets consists of buildings and factories. Ownership entails accountability. We place strict demands on ourselves when it comes to managing buildings – both in maintaining the values the buildings represent and to preserving in the best possible condition.

The Byggma Group will take good care of all of its properties and their premises – at present and in the future.



Huntonit Eiendom AS

Annual lease revenue (NOK thousands): 16,000

Production facilities: 19,664 m²

Storage capacity: 8,100 m²

Offices: 1,430 m²

Site area owned: 78,112 m²

Floor area: 30,171 m²

Year of construction: 1948–1988

Municipality: Vennesla, Norway



Forestia Eiendom AS

Annual lease revenue (NOK thousands): 21,173

Production facilities: 21,079 m²

Storage capacity: 18,655 m²

Offices: 3,961 m²

Site area owned: 321,460 m²

Floor area: 43,695 m²

Year of construction: 1969–1987, 1997 and 2022

Municipality: Våler, Norway



Byggma Eiendom Lyngdal AS

Annual lease revenue (NOK thousands): 12,715

Production and warehouse sites: 16,397 m²

Offices: 1,666 m²

Site area owned: 37,377 m²

Floor area: 18,063 m²

Year of construction: 2007 and 2017

Municipality: Lyngdal, Norway

Articles of Association for Byggma ASA

Organisation no.: 979 165 285

Article 1. The Company's name is BYGGMA ASA. The company is a public limited company.

Article 2. The Company's registered office is in Vennessla Municipality.

Article 3. The object of the Company is industrial activity, trade in financial instruments and investments in shares and property, as well as other activities related to this, including participation in companies with equivalent or similar purposes.

Article 4. The share capital is NOK 18,156,634.60 denominated as 69,833,210 shares, each with a nominal value of NOK 0.26. The company's shares must be registered in Verdipapirsentralen.

Article 5. The company's Board of Directors consists of five to ten members, as decided by the general meeting. The Chairman of the Board of Directors has the company's signature. The same applies to two Board members jointly.

The entire board acts as the company's audit committee.

Article 6. Notice of the general meeting takes place within the deadline of the Norwegian Public Limited Liability Companies Act. Documents relating to matters to be dealt with at the annual general meeting, including documents which by law are to be included in or attached to a notice convening the annual general meeting, may be made available on the company's website on the internet. A requirement for posting does not apply in this case. A shareholder may nevertheless request to receive documents relating to matters to be considered at the annual general meeting.

The following questions must be addressed and decided at the annual general meeting:

1. Determination of the income statement and balance sheet, including the allocation of annual profit or coverage of loss.
2. Determination of consolidated income statement and consolidated balance sheet.
3. Other matters that by law or statute must be considered by the general meeting.

Shareholders may cast their votes in writing, including by using electronic communication, during a period prior to the general meeting. The Board of Directors may set further guidelines for such preliminary voting. The notice convening the general meeting must state the guidelines that have been set.

The right to attend and vote at the general meeting may only be exercised by a shareholder five business days before the general meeting.

The Board of Directors may decide that shareholders who wish to attend the general meeting must notify the company within a certain period, which may not expire more than two days before the general meeting.

Last revised: 31 May 2023

Shareholder information

Share capital and shares

Aspect ratio as of 31.12.2023

Number of shares	Number of shareholders	Proportion of share capital
1 – 1,000	1,359	0.47%
1,001 – 5,000	283	0.97%
5,001 – 10,000	74	0.82%
10,001 – 50,000	83	2.54%
50,001 – 100,000	11	1.22%
100,001 – 500,000	10	3.16%
500,001 –	5	90.82%
Total	1,825	100.00%

See note 12 in Byggma ASA's notes for an overview of the 20 largest shareholders.

Dividend policy

Byggma's objective is to distribute between 30–50% of the year's profit after tax in dividends.

Byggma's dividend policy must be shareholder-friendly and form part of the Group's strategy for optimal capital allocation. On determining dividends, consideration is given to liquidity requirements, planned investments and debt ratio. Surplus liquidity must be paid to shareholders.

The Board of Directors proposes that no dividend be paid for 2023.

Interim reports are published as follows:

1. Q1 2024 – 16 May 2024
2. Q2/Interim Report 2024 – 28 August 2024
3. Q3 2024 – 7 November 2024

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BYGGMA
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