



Our work for sustainable development

Sustainability report 2024



About our report

This is BAUHAUS' annual sustainability report for the financial year 2024. Our sustainability report gives a presentation of our activities and what we need to do to continue developing BAUHAUS in a sustainable direction. We share the results, progress and challenges in our key environmental, social and economic sustainability issues. The report covers operations in both Sweden and Norway, unless otherwise indicated.

This report has been prepared in accordance with the Swedish and Norwegian Annual Accounts Acts, To which BAUHAUS & Co KB, company reg. no. 969630-6944 and BAUHAUS Norge KS, company reg. no. 889 800 542, are subject.

BAUHAUS has drawn up its sustainability report for several years in accordance with the Global Reporting Initiative's sustainability reporting standards. The level of application is GRI's less strict variant "with reference to", which means that we do not fully meet all criteria. The report is not externally certified.

If you have any questions about our Sustainability Report, please feel free to contact Anna Gustafsson, Sustainability Manager at BAUHAUS, via agu@bauhaus.se.





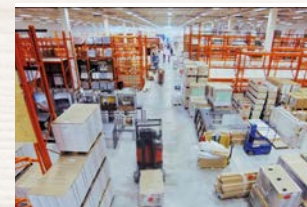
BAUHAUS®

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The year in brief



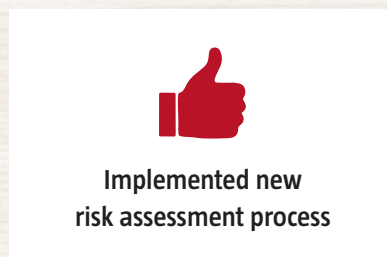
16 out of 24
stores have a reduced electricity usage



80% of all waste sorted



90% fill rate in our own lorries from our central warehouse to stores



Our CEO about 2024

We went into 2024 with the understanding that it was bound to be another challenging year. The long period of recession has had a negative impact on the market in general and our industry in particular. In the second half of the year, however, the interest rate cuts implemented in Sweden began to take effect, creating some movement in the housing market. Customers are now in a better position to realise their improvement projects and invest in their homes.

“That our growth continues despite the market situation shows the strength of our offer and our organisation.”

Despite a challenging year, BAUHAUS has continued to gain market share in Sweden, and we are happy to say that our growth continues!

In Norway, where we are a significantly smaller player than in Sweden, we have been hit hard by the recession, high interest rates and inflation. In the summer of 2022,

we opened two new stores in Haugesund and Stavanger. While the establishment in Stavanger went as expected, growth in Haugesund failed to take shape. Therefore, after careful consideration, we decided to close the store in the second quarter of 2024. Our staff were offered the opportunity to continue working in Stavanger or at one of our other stores in Oslo.

Warehouse optimisation

In 2024, we optimised our external warehouses in both Sweden and Norway. In Norway, we have integrated a small central warehouse with the Liertoppen warehouse, while at the same time moving the e-commerce warehouse to the store in Vestby. This reduces transport by one-third and at the same time provides significant cost savings.

In Sweden, we have consolidated our warehouses in Norrköping by moving the e-commerce warehouse to the central warehouse. This has reduced internal transport and streamlined logistics.



Sustainable production and reduced climate impact

We are continuously working to tighten the requirements on our suppliers to promote more sustainable production and safe products. During the year, we made an important transition by shifting production of our internally produced bathroom furniture from China to Europe. This was a strategic decision that strengthens the European supply chain while reducing our climate impact, in particular through reduced transport emissions.

Reduced waste despite increased sales

We continuously endeavour to minimise waste from our operations and increase the proportion that is recycled. During the year, we reduced our total waste by over 100 tonnes, while increasing our recycling rate. This is the result of active work and strong commitment from our staff.

Thoughts going into 2025

After several years of expansion, 2024 has given us the opportunity to focus on developing our existing organisation. We have improved our ways of working in the new business system, which is starting to have a positive impact.

At the same time, this year's employee survey shows that the workload is still high, and we are making it a priority to increase employee satisfaction and well-being.

“To develop our employees and create a sustainable working environment is crucial to our future success.”

Despite global uncertainty, we know that BAUHAUS is a stable company with long experience of managing market fluctuations. With our parent company behind us and a clear long-term strategy, we look forward to continuing to build a strong and sustainable organisation for the future.

Kenneth Litland

CEO, BAUHAUS Sweden and Norway

This is BAUHAUS

BAUHAUS is one of Europe's leading DIY retail chains, with approximately 270 stores in 19 countries, including 24 in Sweden and three in Norway. The first DIY store opened its doors in Mannheim, Germany in 1960.

BAUHAUS' business concept is to be the complete store for the workshop, home, and garden. Our six specialised departments span a product range of nearly 100,000 items from around 600 suppliers. By bringing everything together under one and the same roof, the BAUHAUS vision is to offer both private and corporate customers the largest product range on the market.

BAUHAUS also offers a number of services. In co-operation with local building contractors, BAUHAUS customers can, for example, get assistance with the installation of newly purchased products. Business customers are eligible for BAUHAUS corporate service, with streamlined order management and delivery to business addresses.

Since 2020, BAUHAUS Norway has been part of the Swedish organisation. Our four service centres are located north and south of Stockholm and southwest of Oslo.

We own 17 of 27 our store properties in Sweden and Norway. The remaining store locations and office space are leased from various property owners. BAUHAUS's central and web warehouse is located in Norrköping. In addition to this, we have six distribution units located in Gothenburg, Knivsta, Löddeköpinge, Norrköping, Sickla and Växjö, as well as a smaller e-commerce warehouse in Sickla. BAUHAUS has approximately 2,500 employees in Sweden and about 300 in Norway.

**"24 stores
in Sweden,
3 stores in
Norway."**



BAUHAUS value chain

At BAUHAUS we seek to take responsibility and work to minimise our negative impact on people and the environment at all levels and in all areas of operations. We strive to contribute to sustainable development. Our initiatives and efforts range from the production of products by suppliers to transport, health and safety, energy and waste management in stores and warehouses.



PRODUCTION & MATERIAL

There are environmental and social risks in our supply chain, such as in the extraction of raw materials and the manufacture of components. Read more about our work on supply chain risks on page 19 and our climate strategy on page 40.



SUPPLIERS

BAUHAUS has a large number of suppliers worldwide. Most suppliers are based in Europe and the US, while production of the products takes place in Europe and to a large extent also in Asia. Read more about our supplier oversight measures on page 21.



TRANSPORTS

With a global supplier base and many warehouses, transport-related issues are of great importance. We are working to reduce climate impact and to take greater environmental responsibility throughout the transport chain. Read more about our climate-smart transport on page 35.



WAREHOUSES & LOGISTICS

Our central warehouse and distribution centres are the heart of the logistics flow of the business. Here we work on issues of transport optimisation and energy usage, as well as issues relating to the working environment. Read more about working environment on page 29.



STORES

Our stores are large buildings with high energy demand that are open for business from morning until night. Our sustainability priorities include employee health and safety, energy optimisation, and materials and waste management. Read more about how we are reducing energy usage on page 33.



EMPLOYEES

The success of BAUHAUS is entirely dependant on the commitment and willingness of our employees to develop with us. We make every effort to provide our staff with good conditions and opportunities for individual development. Read more about how we are working for an inclusive company culture and with continuous skills development on page 25.



CUSTOMERS

BAUHAUS aims to create value by offering customers the best range of products for the workshop, home and garden. The work of creating value for our customers is key to all parts of our value chain. Read more about how we are guiding customers towards more sustainable choices on page 23.



WASTE

Our wide range of products generates a high volume of waste fractions. We work to continuously improve waste management for increased recycling and reuse. Read more about how we prevent and manage waste on page 38.

Our responsibility for sustainable development

Our ambition

BAUHAUS seeks to combine short- and long-term profitability with environmental consideration and social responsibility. Our work for sustainable business development focuses on the issues where our business can be of greatest benefit to society and the environment.



Sustainable Development Goals

The 2030 Agenda and the Sustainable Development Goals, established by the UN, are intended for all states, companies and individuals with the aim of eradicating extreme poverty by the year 2030, reducing inequality and unfairness in the world, promoting peace and fairness and solving the climate crisis.

"Through our sustainability work, we contribute to sustainable development and to achieving the goals in the 2030 Agenda."

BAUHAUS has a responsibility and sees opportunities to contribute to the 2030 Agenda and the Sustainable Development Goals. We are particularly focused on increasing our positive contribution to and reducing our negative impact on Objectives 3, 7, 8, 12, 13 and 15, which deal with sustainable consumption and production, combating climate change, energy efficiency, decent working conditions at the supplier level, health and well-being and the promotion of sustainable forestry.



BAUHAUS stakeholder expectations

Our key stakeholders include our customers, employees, and suppliers. We maintain a dialogue with them not only through our daily contact, but also through interviews, employee reviews, workplace meetings, supplier discussions and customer- and employee surveys. Stakeholder perspectives matter to us and we are continuously evaluating our activities against their expectations.

During the year, we reviewed the results of the previously conducted in-depth stakeholder dialogue. Here we present the expectations and issues that we have chosen to focus on; we have concluded that these remain relevant.

Our German parent company is currently conducting a double materiality analysis of our operations, which will form the basis for future reporting in accordance with CSRD.



Our key sustainability issues

Our sustainability work has four focus areas. These four have emerged as a result of our materiality analysis, which, in addition to the stakeholder dialogue, included external trends, BAUHAUS' actual and potential impacts, and our business objectives and strategies.



Create opportunities
for sustainable
consumption



Offer an
attractive
workplace



Develop a
climate-smart
operation



Deepen
collaboration for
health and the
environment

By focusing our resources on the most material sustainability issues, we can minimise negative impacts and contribute to sustainable development. We are committed to continuous improvement, customer satisfaction and development. In certain areas, we have made considerable progress, while, in others, we still have work to do before being satisfied. On the next page, we tell you what we have done and what we need to focus on.



“Our biggest challenge is our wide range and number of suppliers. To create opportunities for sustainable consumption, we have clear goals and action plans to develop in the right direction. Anna Gustafsson, Head of Sustainability, BAUHAUS Sweden and Norway

Progress and priority challenges

PROGRESS WE HAVE MADE

- Created an internal development programme for managers
- Further developed our supplier risk assessment model
- Optimised our logistics flows for products
- Moved production of several products from Asia to Europe
- Increased the recycling rate of our waste
- Initiated project for a better sports environment for young football players

WHERE WE NEED MORE FOCUS

- Develop new business areas for increased circularity
- Increase employee well-being
- Reducing risks in the supply chain
- Product safety and documentation
- Increasing fossil-free distribution solutions between warehouses and stores



Sustainability strategy

The BAUHAUS Code of Conduct clarifies the principles of how we work and relate to one another and the world around us. In 2023, we implemented an updated version of the company's internal Code of Conduct. It serves as a support in our daily work and at our workplace meetings we choose one of the points to reflect and train on together. The Code of Conduct applies to all employees in Sweden and Norway and is part of the annual employee interview. All employees must read, understand and follow the Code of Conduct. As a complement to the Code of Conduct, we have clarifying policies, guidelines and process descriptions.

Clear goals, KPIs, and follow-up

Sustainability shall be an integral and natural part of BAUHAUS operations. We therefore have a comprehensive management system. The system includes goals, key figures and action plans for each focus area.

We continuously follow-up on our work, and status is assessed in the management group. In some areas we have made progress and in others we still have a long way to go before we can be satisfied.

Division of responsibilities

BAUHAUS' CEO is ultimately responsible for the sustainability work, and our Head of Sustainability is responsible for coordination and keeping the management team informed about activities to achieve our sustainability goals. Operational managers for each sustainability area continuously monitor work, targets and key figures.

We want our employees to have an understanding of how they can help achieve BAUHAUS' sustainability goals in their job roles and be involved in sustainability work.

Reporting non-compliance

All employees are encouraged and expected to report non-compliance with- or potential violations of our policies and guidelines. In the first instance, employees shall address matters with their immediate supervisor, but they also have the option of reporting to the HR-department via the intranet. Employees can also anonymously report violations of the Code of Conduct via the whistleblowing function. Non-compliance is documented and, if needed, an action plan is prepared to prevent any similar non-compliance in the future.



Risks and opportunities

We work continuously to monitor changes in our business and in the world. Risks are assessed, discussed, and managed at all levels of the organisation. The management team regularly discusses changes and risks as an integral part of planning and follow-up operations. The table on the next page presents some of our most significant risks and how we manage these.

RISKS	CONSEQUENCE	MANAGEMENT	ASSESSMENT*
SOCIAL RISKS AND DISASTERS	Societal emergencies and disasters (such as wars, pandemics, terrorism and cyber attacks) can lead to production stoppages, logistics problems, higher procurement prices and low availability of products and materials. They can also result in interruption of service, shutdowns, poor work environment, and property damage.	We continuously monitor changes in the world around us. We have established emergency management groups, emergency management plans, and emergency preparedness within the organisation.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>
INCREASED REGULATIONS	Increased requirements (such as sustainability reporting, supply chain transparency, credit lending and personal data management) require continuous oversight and updating of internal processes to ensure compliance. The implementation may result in changes to working methods and increased costs. Non-compliance with legal requirements may result in fines, reputational damage and negative consequences for people and the environment.	We consistently work to keep ourselves informed of current legal requirements and regulations. We reinforce the organisation with internal and external resources.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>
CHANGING PURCHASING BEHAVIOURS	Recession, changing consumer trends and lifestyle changes can lead to changes in purchasing behaviour, such as reduced purchasing power or that the offering of products and services does not meet customer expectations.	We constantly work to develop our product range to meet demand and reach new customers. We work systematically with stock status and pricing.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>
FAILURES IN THE PRODUCTION CHAIN	Should suppliers fail to comply with our Code of Conduct (such as with regard to working conditions, human rights and corruption) or demonstrate poor practice, the consequence can include violations of workers' rights, occupational accidents and environmental degradation. This can also result in damage to reputation.	Our Purchasing Department develops procedures to set requirements and monitor compliance of suppliers.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>
EFFECTS OF CLIMATE CHANGE	Natural disasters, rising average temperatures, extreme weather conditions and loss of biodiversity have a negative impact on nature, goods availability and our business. The effects of climate change can lead to production stoppages, logistics problems, low availability of products and materials, and higher energy and procurement prices. It can also result in a poor working environment and property damage.	We mitigate supply risks by using multiple suppliers within each product group. For staff and stores, we have safety procedures and a systematic health and safety programme.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>
NEGATIVE ENVIRONMENTAL IMPACT	Our own operations have negative environmental impact, such as through inefficiency, waste and harmful materials in products that can have negative effects on human health and the environment. We also generate emissions from, for example, fuel, waste, business travel and the manufacture and use of products. If we fail to minimise our environmental impact, we risk causing greater emissions than what is in line with the Paris Agreement.	In order to reduce our climate impact, we have carried out a climate impact assessment and set climate targets. We train our staff and inform our customers of how to handle hazardous products. We want to increase sales of sustainability-labelled products. We work to increase our recycling rate and reduce waste.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>
NEGATIVE IMPACTS ON PEOPLE	High workload can lead to stress in staff and workplace accidents. Unethical behaviour can lead to harassment and discrimination. Rights violations, stress, and workplace accidents can lead to a high employee turnover, absence, a poor work environment, injuries, and a negative corporate culture. Inadequate procedures or negligent behaviour can lead to injuries and accidents for both customers and staff.	We conduct systematic health and safety work and have close collaboration with external mental health partners. We have a whistleblower system that our employees are encouraged to use to report violations. We conduct routine safety rounds to ensure that our stores and offices are safe for both customers and staff.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>
DEFICIENCIES IN BUSINESS ETHICS	Poor business ethics (such as corruption, conflicts of interest, cartels, theft) have a negative impact on society and business relationships and may result in fines, reprimands, price gouging, lost revenue and poor competition.	We have a clear policy regarding sound business ethics, we train our staff, and we set clear requirements for our suppliers and partners. Internal Audit monitors compliance.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>
CURRENCY RISKS	Changes in exchange rates can lead to higher procurement prices if we are not able to agree on payment in Swedish kronor. Higher procurement prices that cannot be passed on to the consumer can lead to reduced margins and weaker financial performance.	To minimise currency risk, we transact in Swedish kronor to the greatest extent possible. When negotiating prices in foreign currency, we account for possible fluctuations in exchange rates. We prioritise partnerships with Swedish suppliers and purchases directly from manufacturers instead of distributors.	<div>● Impact</div> <div>● Probability</div> <div>● Priority</div>

*Assessment of the impact on BAUHAUS' business objectives, people and the environment, the likelihood of the risk occurring and the priority of the risk. Time horizon: The next 1-3 years.

● High ● Average ● Low

We create opportunities for sustainable consumption

Our ambition

BAUHAUS seeks to cooperate with responsible suppliers to offer a wide range of products and services for workshop, home and garden.

We strive to increase sales of sustainability-labelled products through product development, clear communication, and guidance.

6 RENT VATTEN OCH
SANITET FÖR ALLA



8 ANSTÄNDIGA
ARBETSVILLKOR
OCH EKONOMISK
TILLVÄXT



12 HÅLLBAR
KONSUMTION OCH
PRODUKTION



13 BEKÄMPA KLIMAT-
FÖRÄNDRINGARNA



15 EKOSYSTEM OCH
BIOLOGISK MÅNGFOLD



Sustainability requirements for suppliers

The world's consumption today is far from sustainable. Resource consumption, waste volume and greenhouse gas emissions are continuously increasing as a result of increased sales of products and non-circular business models. Sustainable development requires changes of both product range and consumer purchasing behaviour.

Together with our suppliers, we strive to create the conditions for consumers to buy sustainable products produced under favourable conditions for people and the environment. This is a major challenge because it encompasses the entire value chain - from raw material to end customer. But even though it is complex and takes time, we are actively working to keep moving in the right direction.

BAUHAUS aims to sell durable products and to offer products with sustainability labels or certifications issued by an independent third party.



SUB-GOALS 2024	GOAL FULFILMENT 2024	SUB-GOALS TO BE ACHIEVED IN 2025
<ul style="list-style-type: none"> ■ All purchasing agreements include the Code of Conduct for Business Partners. ■ All suppliers contracted in Norway and Sweden have undergone a risk assessment. ■ Key performance indicators to measure production in EU have been implemented. ■ Sustainability disclosures have been implemented for products and suppliers within selected own brands. 	<ul style="list-style-type: none"> ● ● ● ● 	<ul style="list-style-type: none"> ■ All purchasing agreements include the Code of Conduct for Business Partners. ■ All suppliers negotiated in Norway and Sweden have undergone a risk assessment. ■ A new purchase agreement has been implemented. ■ Reduce production in high-risk countries by 10% for our own brands
<p>● Goal achieved ● Goal partially achieved ● Goal not yet achieved</p>		

Supplier Code of Conduct

BAUHAUS' purchasing department is responsible for some 289 suppliers which BAUHAUS Sweden and Norway have signed contracts with.* Most of the suppliers are based in Europe, while the production of the products takes place in Europe and to a large extent also in Asia.

"All suppliers must comply with our Code of Conduct, which is based on UN Global Compacts (UNGC) Ten Principles and the 2030 Agenda."

All suppliers with whom BAUHAUS signs contracts must adhere to the BAUHAUS Supplier Code of Conduct, which is based on the ten principles of the UN Global Compact (UNGC) and the 2030 Agenda. The Code sets out our requirements and expectations of our suppliers' sustainability work linked to social conditions, environment, climate, and anti-corruption.

CODE OF CONDUCT FOR OUR SUPPLIERS

We require everyone we work with to comply with our requirements regarding:

- Human rights
- Working conditions
- Health and safety
- Environmental consideration, including reduced climate impact
- Business ethics
- Structured sustainability work



We also require that the supplier implements procedures to comply with the requirements, that the supplier has its own Code of Conduct that reflects BAUHAUS's requirements and is passed on to subcontractors, and that the supplier in turn conducts follow-up with its own suppliers.

*Agreements can also be signed by other countries within the group.

Supplier risk assessment

Our supply chain is complex because it consists of many stages and because the products are made up of raw materials and components from several countries. We see risks associated with non-compliance with our requirements in the Code of Conduct for suppliers throughout the supply chain, i.e. both where raw materials are extracted and at the manufacturing stage.

We have been conducting risk assessments of our suppliers for several years. In 2024, a validation was carried out across all countries where products are produced. We then analysed twelve countries and looked at the risks in each country, selected based on the distribution of our production. We define risk countries using three indices. These include the World Governance Indicators, the ITUC Global Rights Index and the Transparency International Corruption Perception Index.

Our ambition is to increase the share of European production over time. This will reduce the risk of human rights violations, improve logistics and increase flexibility in ordering. Our goal was to implement a key metric by 2024 to measure the proportion of articles produced in the EU. However, the validation of production countries, which was a prerequisite for this, proved to be more complex and time-consuming than anticipated.

In 2025, we will set a goal of reducing the share of Chinese factories as we see a high level of risk in these supply chains.



HUMAN RIGHTS VIOLATIONS THAT MAY OCCUR IN THE SUPPLY CHAIN

- The right to protection of family life: workers work excessively long days (overtime).
- Right to freedom from slavery and forced labour: employers keep workers' ID cards so they cannot leave their work; the worker has a debt to the employer which must be worked off.
- Right to liberty and security of person: the worker is not permitted to leave the factory area after working hours; risk of occupational injury.
- Right to freedom of association: restrictions by the state or employer to form trade unions.
- Right to an adequate standard of living: employer pays wages that are not reasonable or that do not meet cost of living.
- Protection against discrimination: the employee is discriminated against on the basis of, for example, gender, religion or ethnicity.



New process for sustainable suppliers and safe products

BAUHAUS' wide range of products poses a major challenge. While it is the supplier's obligation to ensure compliance with legislation and regulations, it is our responsibility to set the right requirements, collect and evaluate documentation.

At the end of the fourth quarter of 2024, we launched a new process to improve the work of sustainable sourcing and safe products. With this new approach, we are focussing on own brands and imports, where we have the greatest impact as well as responsibility.

For own brands and imports, assessment of suppliers and product safety is ensured by the BAUHAUS' Sustainability and Compliance Department, while other brands are handled by the Purchasing Department. The process begins with a requirements statement where BAUHAUS communicates what the supplier must adhere to in order to be a supplier to us. The supplier will then be asked to answer questions and describe their work related to compliance, sustainability and product safety. We also assess the product

documentation. Once a contract has been signed with the supplier, the supplier undertakes to comply with the requirements of the BAUHAUS Supplier Code of Conduct.

“We aim to increase production in Europe to reduce the risk of potential violation of human rights.”

The purpose of implementing a new process has been to create better conditions for Bauhaus' purchasing department to be able to independently assess supplier risk and thus integrate sustainability and compliance work into the organisation. It has also been important to review previous product safety procedures in order to comply with the new European Product Safety Regulation (GPSR) that entered into force on 13 December 2024.

From 2025 on, all suppliers contracted by BAUHAUS Sweden and Norway must have an approved Due Diligence report.

Responsibilities in the supply chain

Since 2022, BAUHAUS has been a member of the amfori Business Social Compliance Initiative (BSCI), which supports members in their efforts to promote social responsibility in their supply chains. This is done through a common supplier code, training for producers and coordination of factory audits. BAUHAUS requires all Asian factories we buy directly from to have an approved audit report from BSCI. In 2024, we have tightened the requirements and developed a tool to assess BSCI audit reports. We will work to ensure that all factories meet the more stringent requirements, mainly related to working hours and working environment. Follow-up of our Asian suppliers is done in close co-operation with our purchasing partner in Hong Kong. In 2025, we will also be reviewing the process between BAUHAUS and our purchasing partner, with the aim of improving internal working procedures and setting even higher requirements for product safety and compliance for the products we provide in our stores.

Good suppliers are a prerequisite

For us, it is a prerequisite to work with suppliers who comply with legislation, provide safe products and are manufactured under acceptable conditions. If BAUHAUS determines that a supplier or factory is in breach of the Code of Conduct, is not sufficiently transparent, provides incorrect information or lacks commitment, we can terminate the cooperation. In 2024, two partnerships were cancelled due to deficiencies in sustainability.

A turbulent global environment

Following Russia's war of aggression in Ukraine, we have ended co-operation with suppliers and subcontractors from Russia and Belarus. Barring Russian suppliers from our supplier base is a long-term and strategic decision. BAUHAUS has a few suppliers from Ukraine, who mainly supply wood products to BAUHAUS in Sweden. In Norway, there are no deliveries for products produced in Ukraine due to local legislation. In keeping with our belief in long-term cooperation, our purchasers are remaining in close contact with these suppliers and dealing with the situation as it unfolds.

**“For us, working
with responsible suppliers
is a prerequisite.”**

Collaboration with building contractors

Through co-operation with local building contractors, BAUHAUS offers its customers assembly and installation of purchased products. As the construction industry is a high-risk industry, particularly in terms of labour-related crime, workplace accidents and corruption, BAUHAUS has developed a Code of Conduct for contractors. The code complements the requirements of the



framework agreement with the contractor and covers matters that are particularly important to us such as business ethics, working conditions, health and safety, customer care and environmental protection. We have implemented detailed follow-up procedures by checking, for example, certificates and licences, registration certificates and self-assurance of legal compliance.

Our own brands

Our own brands present us with a great opportunity to influence the range in the right direction, but also place great demands on us to take responsibility.

We have reviewed our range of own brands in several rounds and realised that there is great potential to make changes to offer a more sustainable range in terms of, for example, resource consumption, choice of materials, service life, recyclability and country of manufacture.

“We want to take responsibility throughout the value chain - from material selection to production and transportation.”

In 2024, we made a strategically important transition by moving our production of bathroom furniture from China to Europe. This is part of our long-term commitment to strengthen the European supply chain and reduce our climate footprint. Furthermore, we have ensured that our entire made-to-order range is now produced in Scandinavia, where manufacturing is based on customer orders and demand. This contributes to a more efficient flow of goods and eliminates risk of overproduction.



To further support the local economy and sustainable development, we have expanded our co-operation with Swedish suppliers, which strengthens our production at the local level. A positive outcome of these changes is that our climate impact, especially in terms of transport, has been significantly reduced. We have also conducted a thorough review of our own packaging and have managed to significantly reduce the use of plastic

and styrofoam. Another important element of our sustainability efforts has been to centralise work with our aftermarket. We do this in order to ensure that we can always offer a fast and efficient service to our customers, with well thought-out solutions for troubleshooting and spare parts management. We will be analysing more of our own brands in 2025.

Renting and re-using

Many of our customers do home- and garden project requiring special machines, tools and equipment. So that the customer does not have to buy a product that will only be used on a few occasions, BAUHAUS offers the possibility of renting equipment instead. We has previously made changes to the rental concept to broaden the range of products available for hire. This is something we see great potential in, and will continue to work in the coming years to increase the proportion of tools that are rentable instead of purchased.

During the year, we have developed a communication plan on how to visualise our offer of renting tools instead of buying. This is something we will continue to emphasise in 2025.

Our e-commerce in Sweden has been working with the recycling partner GIAB for several years. The partnership is based on recycling broken products and other products that are difficult to sell through our usual channels, such as products with defective packaging or damaged during transport. 97 per cent of all products sent by BAUHAUS to GIAB were resold through their channels; those that could not be resold were recycled. This means that thanks to GIAB over 11,000 products were reused (5,000 products in 2024) instead of being discarded. The large increase is due to the fact that we have gained knowledge internally about which products are suitable to send to GIAB.



SUB-GOALS 2024	GOAL FULFILMENT 2024	SUB-GOALS TO BE ACHIEVED IN 2024
<ul style="list-style-type: none">■ Update the concept for rental of tools.■ Develop a communication plan for rental services.■ Launch reuse projects in stores.	<div><div></div><div></div><div></div></div>	<ul style="list-style-type: none">■ Set targets to increase rental of tools.
<div><div></div> Goal achieved</div> <div><div></div> Goal partially achieved</div> <div><div></div> Goal not yet achieved</div>		

We offer an attractive workplace

Our ambition

BAUHAUS is a safe, developing and inclusive workplace. With active and systematic measures to improve working environment, we ensure a creative, health, and inspiring workplace.

Our stores, service centres, and other units are accessible and attractive to both employees and customers. We mirror society at large, which means that we value diversity and strive for equality in all parts of our operation.

3 GOD HÄLSA OCH
VÄLBEFINNANDE



8 ANSTÄNDIGA
ARBETSVILLKOR
OCH EKONOMISK
TILLVÄXT



Inclusive corporate culture and skills development

BAUHAUS' workplaces are characterised by a fast pace, a strong sense of community, and short decision-making paths. Our success is wholly dependent on our employees' desire to contribute and grow professionally with us. We make every effort to provide our staff with good conditions for continued individual development.

Our Code of Conduct

The purpose of our internal Code of Conduct is to clearly define our values and provide guidelines for how we work at BAUHAUS. The Code of Conduct applies to all parts of our business and all employees in Sweden and Norway. All employees must read, understand and follow the Code of Conduct. The code is incorporated into all orientations, training, annual employee reviews, regular manager-employee talks, and workplace meetings. BAUHAUS' HR director is ultimately responsible for the implementation and it is the responsibility of each department manager to ensure familiarity and compliance with the code.

Clear anti-corruption guidelines

We strive to counteract all forms of corruption. In addition to our work with requirements on suppliers we have internal guidelines for all employees. We apply the Business Corruption Prevention Code, administered by the Swedish Anti-Corruption Institute.

Whistleblower function

Staff can anonymously report violations of the Code of Conduct through our internal whistleblower function. BAUHAUS exercises a strict non-retaliation policy, which means that there must be no retaliation against the reporting party.



"The Code of Conduct clarifies our values."

"Our Code of Conduct supports us in our daily work. Adhering to it will lead to a better working environment."
Eva Dahlén HR Specialist, BAUHAUS Sweden

Equality and non-discrimination

We know that different skills, backgrounds and experiences contribute to our success and development. We also want to reflect society and our customers. We therefore strive for diversity and equality in all parts of our organisation and actively work to prevent all forms of discrimination. The work is systematic and preventive, including in the areas of working conditions, recruitment and promotion.

In 2024, the proportion of women in senior management was 14 per cent. Store management teams in both Sweden and Norway had a total of 45 per cent female managers.

We exercise zero tolerance for harassment and discrimination, which is stated in our Code of Conduct. There were no confirmed cases of discrimination during the year. However, there have been complaints from employees about sexual harassment and unfair treatment, which we have investigated. Of the reports, three cases were assessed as unfair treatment/harassment. We take this very seriously and have been working on the issue internally. Where breaches of the employment contract have occurred, measures have been taken in accordance with labour law. We are also working on a new alcohol policy as more of the complaints have been related to staff parties.

During the year, we simplified reporting of victimisation and harassment, which significantly increased the willingness to report.

Collective agreements

All employees in Sweden and Norway are covered by collective agreements. With regard to white-collar workers there is the collective agreement with Unionen (Sweden's largest trade union) and for blue-collar workers with the Swedish Commercial Employees' Union. We are thus also a member of the interest groups Swedish Trade Federation and Confederation of Swedish Enterprise. In Norway we adhere to the collective agreement between Handel og Kontor (Union of Employees in Commerce and Offices), and Virke (Federation of Norwegian Enterprise).

Pay surveys are conducted in both Sweden and Norway under the framework provided by the Discrimination Act. These surveys are carried out to avoid unjustified pay differences based on gender. We value neutral and objective pay, and the outcome of the survey presented during the year showed that the median pay gap between men and women is zero per cent at company level.

Skills development and talent programme

Room for personal initiatives, opportunities for personal responsibility, professional challenges and development opportunities are core elements of BAUHAUS' company culture. One important aspect when it comes to cultivating the next generation of managers and key persons is the internal talent programme, which aims to identify employees who want to develop their leadership skills. As we primarily recruit leaders internally, the programme allows us to offer employees development and



career opportunities throughout Sweden and Norway. The programme offers employees training, coaching and exercises in areas such as leadership, communication, work environment, labour law and customer care. Over 80% of our future managers have participated in the talent program, something that BAUHAUS is very proud of. In 2024, we had a total of 292 employees who joined the talent program!

Regular employee review meetings

All employees are offered annual performance reviews where, among other things, personal objectives and development plans are discussed. My Status talks are held regularly between the manager and the employee. These address work environment issues, follow-up of employee reviews and feedback. The meetings are digitally logged and can easily be tracked by both managers and employees using the employee app. It remains a challenge for all employees to receive their My Status call, due to time constraints. In 2025, we will continue to focus on increasing the proportion of calls made.

"In 2025 we will be focusing on increasing the percentage of My Status calls completed."

Employee survey

We have historically conducted a broader employee survey every two years. From 2025 onwards, we will carry out the survey every year and the pulse measurements every month. This helps identify employee trends more quickly and effectively. In 2024, the survey was conducted for both Sweden and Norway. The result showed a decrease compared to the previous measurement. The Employee Net Promoter Score is a measure of the extent to which employees are willing to recommend their workplace to a friend or acquaintance, which is measured on a scale of -100 to +100. The eNPS score in Sweden was minus 20, which is a decrease from the previous measurement and lower than the goal of +10.

We see challenges with fewer people recommending BAUHAUS as a workplace and that confidence in the management team has decreased, albeit marginally, in both Sweden and Norway. The working environment and leadership will continue to be important areas where we are working towards the goal of recruiting managers internally. As part of evaluating an open company culture, we monitored whether employees feel they can express their opinions and ideas, which the survey showed they can.

The employee survey shows a diverse range of results across different stores, but reveals a consistent challenge in that some experience stress. To improve the wellbeing of our people, in 2025 we will launch the Health Wheel and focus on our values, Code of Conduct and core objectives.

Staff turnover

Staff turnover decreased slightly in 2024 to 13.4 per cent, compared to 18 per cent in the previous year. We are pleased that we have managed to achieve a result that is lower than where we stood before the pandemic broke out. In Norway, we had higher staff turnover of 18 per cent during the year. We recognise that work-related factors such as stress and violations, among others, can lead to high staff turnover and a negative company culture.

Staff turnover is calculated on the basis of permanent and probationary employees. Starting in 2025, the calculation will include all forms of employment.



"We are committed to making every employee feel heard and appreciated. Starting in 2025, we will introduce monthly employee surveys to be able to act more promptly on feedback. Our goal is to build a strong corporate culture focused on engagement and well-being."

Hampus Åkerlund, Sales Director BAUHAUS Sweden

STAFF TURNOVER, TALENT PROGRAMME AND REPORTED HARASSMENT

	SWEDEN			NORWAY		
	2024	2023	2022	2024	2023	2022
Staff turnover	13%	18%	19%	18%	10%	16%
Employees in the talent programme	292	214	307	13	13	16
Reporting unfair treatment or harassment.	31	9	13	0	0	1

EMPLOYEE SURVEY

	SWEDEN			NORWAY		
	2024	2022	2020	2024	2022	2020
Employee Net Promoter Score (eNPS)	-20	0	+10	-25	+10	+20
The employee survey is carried out every two years and eNPS is the employee recommendation score on a scale of -100 to +100.						

NEW FOR 2024

We measure engagement indices. We scored 3.6 out of 5. Going forward, we will work towards increasing our performance!

FOCUS AREAS 2025 TO INCREASE ENPS



Leadership training
for stores



Launch the Health
Wheel for increased
well-being



More training
for employees

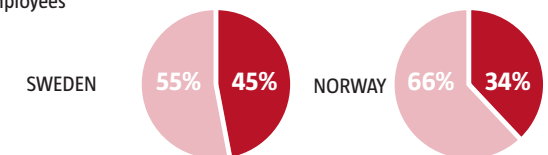


Additional occupational
health and safety
measures

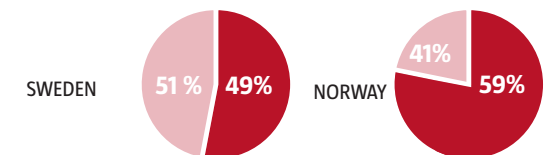
GENDER DISTRIBUTION PER BUSINESS AREA 2024

Men Women

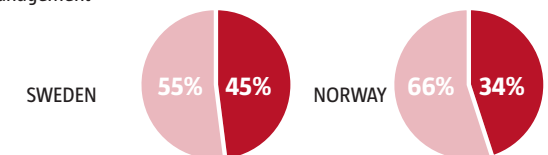
Store employees



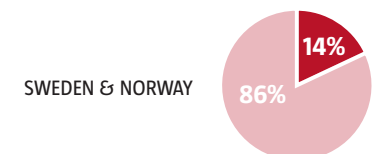
Service centre employees



Store management



Company management



A safe and healthy work environment



A safe and healthy workplace is a major priority for us. Nobody should feel bad or become ill as a result of their job. Identifying and handling working environment risks is an important aspect of our systematic working environment efforts. The HR department, safety representatives and BAUHAUS Central Health and Safety Group BCAG continuously discuss the risks in the stores and take measures to prevent accidents. The most serious risks in the physical work environment relate to forklift driving, falls and heavy lifting when handling products, such as when handling countertops and working at the checkout.

For preventive purposes, we have therefore prohibited the operation of lift trucks after 10 AM and products may not be stacked more than two metres high. These measures are logistically challenging for us, but increase safety and security in our stores. As a complement to the

safety rounds, the Safety and Internal Audit department (IA department) conducts annual audits at all workplaces in Sweden and Norway, where special focus is placed on management of work environment risks.

"Nobody should feel bad or become ill as a result of their job."

Training and workplace meetings

To raise awareness of health and safety issues among employees, we organise annual training courses on rehabilitation and health, safety, stress and mental health. Routine workplace meetings also give employees regular opportunity to discuss health and safety issues. In workplace meetings, the Bauhaus Code of Conduct is always central to discussions on both the physical and psychosocial working environment.

SUB-GOALS 2024	GOAL FULFILMENT 2024	SUB-GOALS TO BE ACHIEVED IN 2024
<ul style="list-style-type: none"> ■ No serious accidents, near-miss events, or work-related illnesses. ■ Less than 5% absence due to illness. ■ Improved outcome on eNPS, +10. 	<div>●</div> <div>●</div> <div>●</div>	<ul style="list-style-type: none"> ■ No serious accidents or near-miss events. ■ No recorded cases of sexual harassment ■ Less than 5% absence due to illness. ■ Less than 15% staff turnover. ■ Engagement Index 3.6
<div>● Goal achieved</div> <div>● Goal partially achieved</div> <div>● Goal not yet achieved</div>		

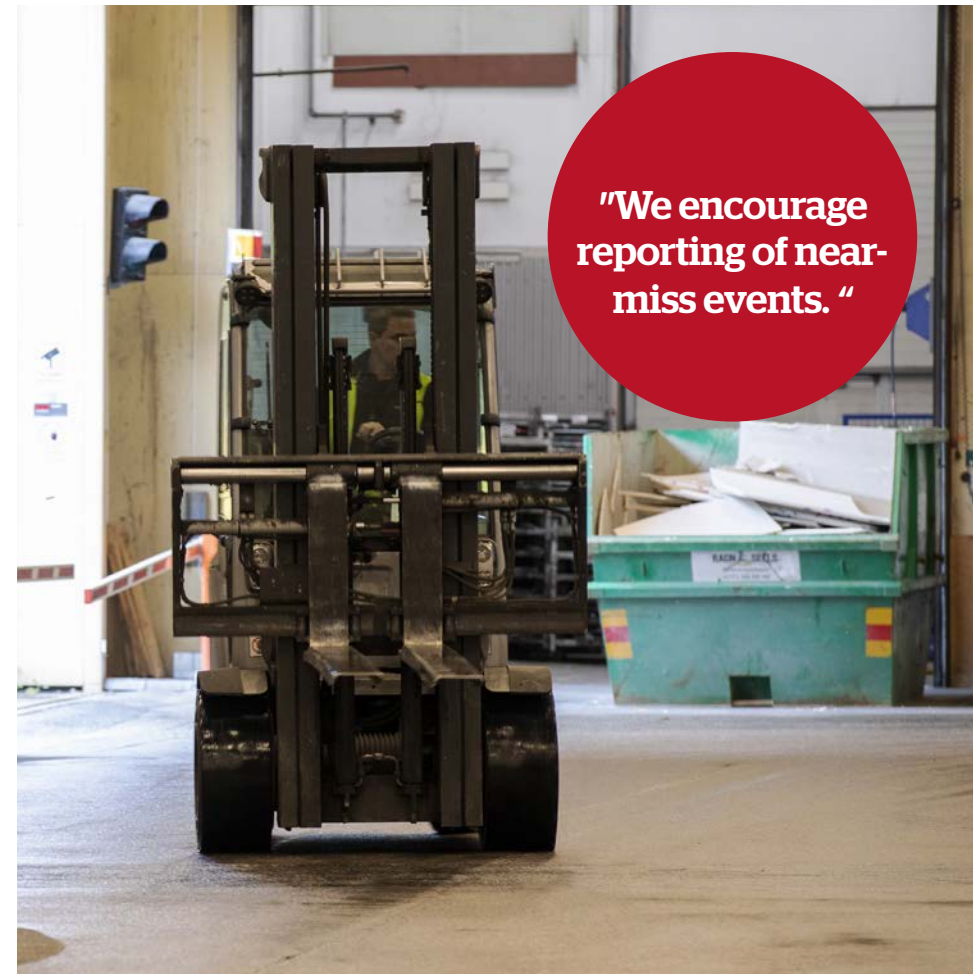
Reporting of near-miss events and accidents

We encourage all employees to report near-incidents that could lead to serious accidents or incidents. Reporting to our internal reporting systems is open to all employees and reported incidents can thus be disseminated throughout the organisation to draw attention to existing risks.

A total of 409 accidents involving bodily injury have been reported in Sweden and Norway, which is a sharp increase compared to 2023 (322). Although we naturally do not want more people to be harmed, we are happy to see the increase as it is mainly explained by an increased tendency to report. Pinch- and cut injuries are the most common accidents. In Sweden we have had three accidents and incidents of a more serious nature. The accident occurred during the loading of reinforcing mesh where two forklifts collided. As a result, a new procedure was created on how to handle large reinforcing mesh during unloading, transport and sales. One of the incidents occurred when display doors fell down from the display on the wall of the store; no one suffered physical injury, and as a measure, the entire display was rebuilt. The second incident involved a wheel on a scissor lift that came off during hoisting. All lifts were subsequently checked, but no fault could be found. We have nonetheless clarified the procedure for checking the lift before use. We always investigate the root cause of accidents, and we take action to reduce the risk of any such accidents occurring in the future.

Mental health support

We have also identified stress and mental health as risks. During the year, the workload was high due to reduced staffing and the complexity of a new business system. Some employees have felt anxious because of events in the world at large. Early in the year we launched a collaboration with Mindler, Sweden's largest digital psychology clinic, in order to support employees experiencing stress or other mental health problems. All employees in Sweden now have the opportunity to receive professional counselling anonymously and free of charge.



As part of the cooperation, employees are also given the opportunity to complete a self-help programme or attend lectures and training sessions on mental health. We were planning to launch a similar programme for our employees in Norway in 2023, but this has unfortunately been postponed due to the difficult economic situation.

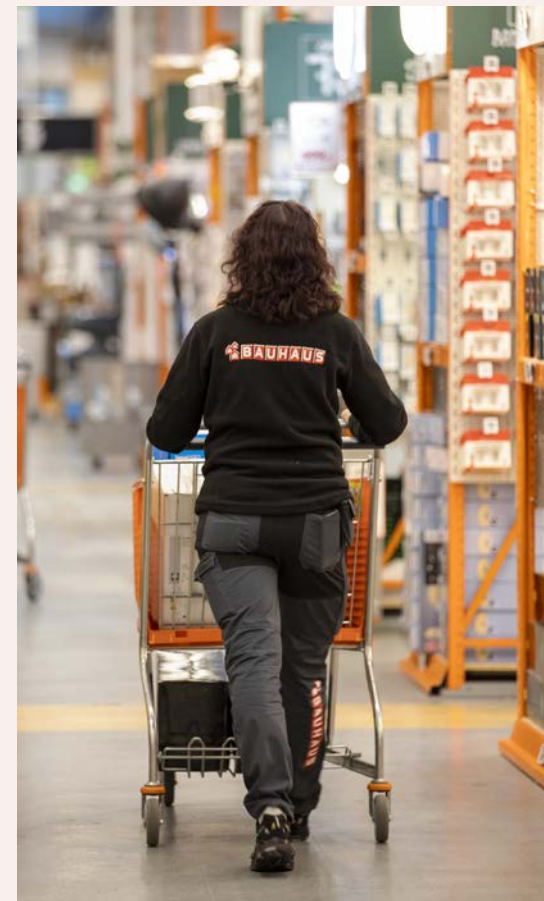
EMPLOYEE DATA

	SWEDEN			NORWAY		
	2024	2023	2022	2024	2023	2022
Number of employees	2,358	2,516	2,580	281	313	391
Proportion with full-time contract	44.3%	45%	44%	67%	62%	53%
Average age	35 years	34 years	34 years	35 years	35 years	34 years
Percentage of employees covered by collective agreement	100%	100%	100%	100%	100%	67%
Number of employees in stores	2,136	2,312	2,356	235	286	335
Number of employees in service centres	222	204	224	37	27	28
Number of employees in distribution*	80	75	82	9	10	15

HEALTH AND SAFETY

	SWEDEN			NORWAY		
	2024	2023	2022	2024	2023	2022
Accidents resulting in physical injury	409	305	313	15	17	35
Near-miss events and accidents of a serious nature	3	4	2	0	0	0
Sick leave	5.61%	5.7%	6.4%	11.18%	9.7%	8.0%

*The number of employees in distribution for Sweden is not included in the total number of employees for Sweden as these do not relate to BAUHAUS & Co KB



Climate-smart operations

Our ambition

We are continuing to work on continuous energy efficiency improvements in our stores and other properties, with a parallel shift to renewable energy sources to reduce our climate impact.

We set requirements for and follow up on climate-friendly transport the highest fill rate as possible, both for external and internal lorries. We endeavour to use fossil-free fuel in our own distribution vehicles as far as possible, and we make it easier for our customers and employees to travel to our stores as climate-smart as possible.

7 HÅLLBAR ENERGI
FÖR ALLA



12 HÅLLBAR
KONSUMTION OCH
PRODUKTION



13 BEKÄMPA KLIMAT-
FÖRÄNDRINGARNA



LÅGPRIS
GARANTI
VI DRAR AV
12%
LÄS MER PÅ BAUHAUS.SE

ÖPPETTIDER

Måndag-fredag

6 - 20

Lördag-söndag

9 - 18

BAUHAUS

UTGÅNG

Energy optimisation in our stores

A major part of our business is located in large energy-intensive stores, which are open from 6 AM to 8 PM most days of the week, requiring many hours of active indoor lighting and ventilation. We have been working actively for several years to reduce energy consumption in our stores through preventive maintenance. We are seeing positive effects, for example, from insulating roofs, optimising lighting and replacing old ventilation systems. In 2024, we installed new EC (Electronically Commutated) fans in several of our stores. By replacing previous AC fans, we expect to reduce energy use by 30 per cent.

During the year, we have also installed a control function in over a third of our stores. This is to monitor energy consumption centrally instead of locally and to be able to monitor anomalies and optimise consumption better. The oldest stores and those we own are those that have been prioritised in the first installation phase, and the rest will be prioritised on an ongoing basis according to the expected effect. During the beginning of 2025, the control function will be put into operation. There is also ongoing work to look at how we can influence our consumption by, for example, lowering indoor temperatures, cleaning ventilation filters and ensuring correct lighting. In the BAUHAUS Botkyrka location we have installed new led lighting in 2024, which has reduced the number of luminaires in the store by about 48 per cent. Efforts to optimise lighting are also made according to the age and ownership of the stores.



SUB-GOALS 2024	GOAL FULFILMENT 2024	SUB-GOALS TO BE ACHIEVED IN 2025
<ul style="list-style-type: none">■ 100% renewable heating, cooling and purchased electricity.■ Implement a new centralised control system.	<div><div></div><div></div></div>	<ul style="list-style-type: none">■ 100% renewable heating, cooling and purchased electricity.■ Implement a new centralised management system.
<div><div></div> Goal achieved</div> <div><div></div> Goal partially achieved</div> <div><div></div> Goal not yet achieved</div>		

Towards 100 per cent renewable

Our aim is for all energy purchased to come from renewable sources such as wind and hydro power or self-produced solar electricity. In Sweden, this has been achieved in all stores with the exception of Löddeköpinge, where the store is heated by its own gas boiler, fuelled by natural gas (fossil fuel). Over the past two years, we have intensified dialogue and collaboration with other parties, with the aim of phasing out the gas boiler and replacing it with district heating. The gas boiler was planned for decommissioning and replacement with district heating by the end of 2024, but due to a lengthy process and waiting for the possibility to connect to the district heating network, this will happen in spring 2025. In Norway, we do not yet have non-renewable energy sources in our energy contracts.

Solar cells on the roofs of our stores

We are now seeing the effects of the first photovoltaic installation built in Sweden on the roof of a store in Uppsala in mid-2023. With the full year 2024 as a baseline, we now have a basis for evaluating our opportunities for further solar installations at more of our stores.

“Our goal is for all purchased energy to come from renewable sources such as wind and hydropower or self-generated solar power.”



ENERGY CONSUMPTION (MWH)	2024	2023	2022
Purchased electricity	28,162	28,453	28,762
Purchased heating	11,631	12,425	11,246
Own heat generation*	200	262	255
Total	39,993	41,139	40,263

*Own heat generation refers to a boiler in one of BAUHAUS' stores. This is powered by fossil gas (formerly known as natural gas).

Optimisation of logistics

Logistics and transportation are a central aspect of BAUHAUS business operations and sustainability work. With increased sales volumes, more stores, a larger share of direct imports and a successful e-commerce channel, it becomes even more important to ensure that transport flows operate smoothly and with optimal efficiency. By aiming for fewer reloads and a higher level of cargo fill, we can cut down on the overall number of transports and thereby help reduce greenhouse gas emissions.

We have been working for several years on streamlining our logistics flow by increasing the fill rate. We have improved our performance every year and in 2024 we reached 90 per cent, exceeding our target. In order to succeed in increasing year over year, solid work has been done to optimise processes and procedures. A significant contributing factor to the increased fill rate is the implementation of steel cages for better packing in transport, which together with an incentive-based monitoring model has enabled this improvement in fill rate. In 2023, we unloaded 27 m³ of physical cargo per vehicle, increasing to 34 m³ in 2024. This is a result of how we picked the goods at the central warehouse in Norrköping. We are very pleased with the positive outcome. Our target for 2025 is to load 38 m³ of goods per transport. Our 90,000 m² central warehouse receives the majority of products from our suppliers for reloading and further distribution within

Sweden and Norway. When products are sent from the central warehouse to our stores, products not leaving on an unbroken full pallet are packed in steel cages instead of being packed on a wooden pallet. During the year, we have worked to streamline processes, such as by installing separators in the steel cage to enable more orders to be loaded into the same steel cage. The steel cages are unloaded and then returned to the warehouse to be reloaded in a circular system. Delivery to the central warehouse as well as to distribution centres, warehouses and stores is fulfilled by carriers engaged by our suppliers or directly by BAUHAUS.

Most of the transport from the warehouse is done by lorry. For several years, we have had an electric lorry operating between Norrköping and Linköping, and during the year we also commissioned an electric lorry from the central warehouse in Norrköping to Karlstad. In 2025, distribution to Sundsvall will also be replaced by a gas lorry and we are working continuously to phase out diesel-powered vehicles.

“Every year we have streamlined our logistics flow.”

SUB-GOALS 2024	GOAL FULFILMENT 2024	SUB-GOALS TO BE ACHIEVED IN 2025
<ul style="list-style-type: none"> ■ 89% fill rate of our own lorries from our central warehouse to stores (90% by 2025). ■ Distribution by rail from the central warehouse in Norrköping to Norway 50%. ■ Establish 1 transshipment logistics hub in Europe. ■ Deploy light electric lorry in 2024 for e-commerce distribution ■ Increase the share of fossil-free dispatches from central warehouse to stores from 15% to 20%. 	<ul style="list-style-type: none"> ● ● ● ● ● 	<ul style="list-style-type: none"> ■ 38 m³ of goods per transport from the central warehouse to the stores ■ Conduct a pilot project for HCT transport. ■ Establish 1 transshipment logistics hub in Europe. ■ Increase the share of fossil-free dispatches from central warehouses to stores from 20% to 25%. ■ 10% of store sales with home delivery move by e-commerce distribution lorries
<ul style="list-style-type: none"> ● Goal achieved ● Goal partially achieved ● Goal not yet achieved 		

Adapting logistics flows and sustainable transport initiatives

Global instability has had a significant impact on our seaborne logistics flows, which account for around 10 per cent. Other flows of goods have been marginally affected, but we have been able to respond to the prevailing conditions. In 2025, we will investigate the possibility of using HCT (High Capacity Trailer) to load 66 pallet spaces instead of the current maximum number of pallet spaces of 48 units. Areas we see as suitable for this type of transport include Skåne and the West Coast.

Our goal was to establish a logistics hub for transshipment in Europe in 2024. We were not able to achieve this as we faced challenges in reorganising the flow of goods from our purchases. We will therefore wait until we have better conditions internally.

BAUHAUS imposes non-fossil fuel requirements on the vehicles driven by external carriers performing e-commerce distribution, and aims for this to reach 100 percent by 2025. To achieve this goal, we need to improve the requirements for transporters travelling longer distances for these carriers to switch to gas and electric lorries. The challenge we face is that this transition is partly dependent on fuel availability/infrastructure.

Rail transport

This past year, more than 90 per cent of transports from the central warehouse to our new store in Umeå went by rail. For several years, we have had the goal for more than half of the transport from the central warehouse to

Norway to be done by train. Unfortunately, we have not been able to move forward with this objective as it cannot be implemented operationally. Instead, we are now looking at the possibilities of operating on HVO diesel to reduce the environmental impact of the fuel.

We are also actively working to change the mode of transport of European suppliers from road to containerised sea freight. Switching to short sea shipping has been an important part of optimising our logistics flows and processes. This requires planning and a longer time horizon. But since the result is lower carbon emissions and reduced freight costs, this is something we will continue to work on and develop.

"Global instability has had a significant impact on our seaborne logistics flows."

Examples of products we see great benefits from transporting via short sea include tiles from Spain, where we have reduced emissions and costs by a third compared to against lorry.

* HVO stands for hydrotreated vegetable oil, and is a type of biodiesel that is chemically identical or very much like fossil diesel and can thus replace fossil diesel to 100 percent.



Switching to short sea shipping requires planning a longer time horizon. But since the result is lower carbon emissions and reduced freight costs, this is something we will continue to work on and develop.

Minna Lundberg
Responsible Procurement Transport, BAUHAUS Sweden

BAUHAUS E-commerce

In 2024, we focused on fuel reduction, more efficient route planning, packaging and reduced energy consumption. All our distribution staff have undergone training in eco-driving, which has contributed to lower fuel consumption. By optimising our routes we have been able to reduce both fuel consumption and mileage. Our target is for at least 10 per cent of store sales to be delivered to customers' homes by our own lorries from e-commerce distribution. The lorries drive by the store and pick up the products. The route is optimised via the regular loop that the lorry is already scheduled to travel. By consolidating these deliveries, we can optimise our transport with higher fill rates on our own trucks and reduce our environmental impact by not driving unnecessary distances and bringing in an external haulage company.

We aimed to order an electric lorry in 2024, but the order did not materialise due to cost savings. In 2025, two electric lorries will be put into operation at the distribution unit in Sickla.

Biogas-powered lorry with dual load deck

A common constraint on the load factor of a lorry is that goods cannot be stacked too high without the risk of damage. In cooperation with PostNord, BAUHAUS has successfully tested two specially designed biogas-powered lorries with a dual load deck. The sides of the lorries can be opened, facilitating loading and unloading.

Improved packaging



MORE EFFICIENT DRIVING & FUEL SAVINGS

- Distribution unit Skåne: reduction of fuel consumption 3%
- Distribution unit Sickla: reduction of fuel consumption 8%

SMARTER ROUTE PLANNING

- Distribution unit Norrköping: 10% reduction of fuel consumption per order
- Distribution unit Växjö: 28% reduction of fuel consumption per order
- Distribution unit Knivsta: 18% reduction of mileage per order

REDUCED RESOURCE CONSUMPTION

- The e-commerce warehouse in Sickla has lowered its packaging costs by 28%
- The Gothenburg distribution unit has reduced its electricity consumption by 5%

To minimise the amount of packaging when shipping our products, BAUHAUS has together with PostNord produced a number of different cartons sized to the millimetre to fit some of our best-selling products. Another example of more sustainable packaging is our use of recycled corrugated board that is “crunched” in a machine as a filler material instead of plastic or Styrofoam. Some of our products are delivered on loading pallets. Where possible, BAUHAUS uses pallets made of corrugated cardboard instead of heavy wooden pallets. By making freight lighter, we can save fuel. Another advantage is that these are more customer-friendly because the customer can easily recycle corrugated cardboard.

Waste and recycling

BAUHAUS' wide range of products results in a large amount of various waste fractions in stores and warehouses. We continuously work to minimise the amount of waste generated by our operations and are moving towards a waste management system with maximum recycling. We asked our staff where they thought they could make the biggest difference, and waste management ranked highly. This issue has therefore been particularly important for us.

"Sorting correctly is an important topic for our employees."

For several years we have continued to focus on our efforts to reduce our waste volume and increase the recycling rate. Clear instructions are posted at the waste corners in the stores to facilitate sorting. Waste management training is mandatory for our employees and is also part of the onboarding programme. Our partner, Ragn-Sells, supports us in our continued efforts to increase employee knowledge.

Different ways of reducing waste

Packaging, such as stretch film, cardboard or broken pallets are major sources of waste. To reduce packaging, for example, we set requirements for our suppliers who deliver directly to stores to reduce the use of packaging and to

take back packaging after unloading. Another important measure is our use of load carriers (cages) instead of traditional pallets for our own transport from our central warehouse to stores. These load carriers are circulated internally and have significantly reduced the need for packaging, increasing the fill rate at the same time.

Some transport packaging is made of wood, such as the joists between decking boards and planter boxes. Instead of throwing it away, we try to sell it as waste wood. We also sell damaged soil and pellet sacks as second-hand materials. Our customers appreciate this and we can reduce our waste - it's a win-win.

By the end of 2024, we will have started implementing extended sorting of plastics with new fractions such as PET tape and PS Polystyrene. The aim is to reduce the amount of plastic in the combustible fraction. As a result, we should see a decrease in combustible volumes and an increased recycling rate in the future.



SUB-GOALS 2024	GOAL FULFILMENT 2024	SUB-GOALS TO BE ACHIEVED IN 2025
■ All stores have a recycling rate of at least 40%.	●	■ All stores have a recycling rate of at least 40%. ■ 95% of the waste is sorted. ■ 20% less wooden pallets and steel cages back to the central warehouse from the stores
● Goal achieved	● Goal partially achieved	● Goal not yet achieved



BAUHAUS' goal is to reduce the proportion of waste that goes to incineration and increase the proportion that goes to material recycling. In collaboration with Ragn-Sells, our sustainability manager conducts quarterly follow-up of waste volumes and recycling rates. The total amount of waste in Sweden amounted to 6,506 tonnes, 1,000 tonnes less than in 2023, despite an increase in sales turnover. 90 per cent of the waste is sorted at the stores. Of all the waste thrown away, 36.3 per cent can be recycled.

Focus on stores falling short of the target

We continue to see a large variation in the recycling rates among the stores, with some reaching over 50 per cent while others falling short of 25 per cent. Resources are targeted at those stores that do not achieve the recycling rate and we are working to raise the minimum level. This is done, in part, through training and regular site visits.

The challenge is that our largest fraction, untreated wood waste, is not recyclable in Sweden and goes to energy recovery. The above information relates to our operations in Sweden. We have also calculated waste for Norway in the same way from 2024 onwards. There we see that we have a lower recycling rate of 23.8 per cent. In the coming years, we will be working to increase the proportion of waste that can be recycled in the same way as we have done in Sweden.



40%
less mixed waste

32%
less landfill waste

13%
less waste in 2024

SHARE PER FRACTION	SWEDEN			NORWAY
	2024	2023	2022	2024
Energy recovery	54.3%	52%	56%	72%
Material recycling	36.3%	35%	33%	23.8%
Further sorting at external plant	5.0%	7.0%	5.0%	0%
Landfill	4.3%	6.0%	6.0%	3.4%
Biogas/compost	0%	0%	0%	0.9%
Incineration	0%	0%	0%	0%

WEIGHT PER FRACTION	SWEDEN			NORWAY*
	2024	2023	2022	2024
Energy recovery	3,536 tonnes	3,909 tonnes	4,520 tonnes	466 tonnes
Material recycling	2,363 tonnes	2,633 tonnes	2,686 tonnes	154 tonnes
Further sorting at external plant	323 tonnes	543 tonnes	382 tonnes	0 tonnes
Landfill	282 tonnes	414 tonnes	471 tonnes	22 tonnes
Biogas/compost	0 tonnes	12 tonnes	12 tonnes	6 tonnes
Incineration	3 tonnes	2 tonnes	2 tonnes	0 tonnes
Total	6,507 tonnes	7,513 tonnes	8,073 tonnes	648 tonnes

*Waste volumes for Norway are reported from 2024 onwards.

Climate strategy and calculations according to the GHG protocol

For several years, we have calculated emissions across a large part of our value chain, distributed over scopes 1-3. In 2023 and 2024, we have focused on reporting our climate emissions within scope 1 and 2, while continuing to include the full life cycle emissions of our activities. This means, for example, that the production and distribution of fuel and energy is included and accounted for in scope 3, "fuel and energy-related activities", under the Greenhouse Gas Protocol, which is the global standard for calculating and reporting climate emissions.

By 2024, we will have reduced our overall climate impact, across scopes 1, 2 and 3.3. The overall reduction amounted to 6 per cent, equivalent to 318 tonnes of CO² equivalent across our stores, warehouses and offices in Sweden and Norway. We had an expected larger increase in scope 1 (151%), which is mainly due to the fact that we did not refuel HVO in our own lorries in 2024. Despite having a slight decrease in fuel consumption compared to the previous year, we have an all the greater increase in our our climate impact In terms of company cars and self-generated heat, however, we have a reduced climate impact of 24 per cent and 18 per cent, respectively. However, the fact that we report an impact in refrigeration is due to the fact that this year we had some leakage of refrigerant requiring refilling.



SUB-GOALS 2024	GOAL FULFILMENT 2024	SUB-GOALS TO BE ACHIEVED IN 2025
<ul style="list-style-type: none"> ■ Reduce emissions from Scope 1 and 2 by 50% compared to 2020. 	<div>●</div>	<ul style="list-style-type: none"> ■ Reduce emissions from Scope 1 and 2 by 50% compared to 2020.
● Goal achieved	● Goal partially achieved	● Goal not yet achieved



In 2024, we focused on refining our calculations related to purchased energy, by increasing the level of detail and using more specific data. For this reason, some emissions and metrics are not directly comparable, such as in scope 2, where we see an overall reduction in climate impact of 13 per cent while actual energy use decreased by 3 per cent.

“We have focused on refining our calculations.”

This reduction is due mainly to the fact that we have improved data quality by: adjusting our emission factors according to the energy mix in our agreement. That said, we can welcome the reduction and feel confident that we have a result that better reflects reality. We are well aware of our significant emissions and we

are confident that we have a representative and qualitative picture of the current situation. Despite facing a variety of challenges, both at global and national level, we look forward to continuing to push ourselves on climate action and addressing these challenges throughout the year in our climate strategy.

TOTAL EMISSIONS OF GREENHOUSE GASES (TONNES CO₂E)

	2024	2023	2022
DIRECT EMISSIONS, SCOPE 1			
Our own vehicles			
Lorries (e-commerce)*	711	150	112
Lift trucks	84	87	88
Company cars	55	67	103
Assembly service vehicles	2	0	34
Own generation of heating and cooling**	41	53	55
Boiler	14	0	0
Total scope 1	908	357	452
INDIRECT EMISSIONS, SCOPE 2			
Electricity	2,633	3,093	708
District heating	949	1,022	666
Total Scope 2	3,582	4,116	1,373
TOTAL SCOPE 1 AND 2	4,489	4,473	1,825
Scope 3.3	880	1,202	0
Total Scope 1, 2 and 3	5,369	5,675	1,825

*Norway's own lorries were incorrectly calculated with HVO in 2022. Reported emissions were 11 tonnes of CO₂e, corrected calculation with diesel, the emission was 70 tonnes CO₂e.

**2024: Emissions from self-produced cooling vary from year to year depending on the amount of leakage refrigerant charged.

We are deepening our partnerships for health and the environment

Our ambition

BAUHAUS supports Swedish athletics from grassroots to elite level and other organisations that promote public health or work with environmental issues.

We are a positive force locally, where we have our stores. We create employment and are committed, along with local stakeholders, to sustainable development of society.

3 GOD HÄLSA OCH
VÄLBEFINNANDE



13 BEKÄMPA KLIMAT-
FÖRÄNDRINGARNA



15 EKOSYSTEM OCH
BIOLOGISK MÅNGFOLD



Social engagement

BAUHAUS has been working with partnerships and sponsorship for several years. We have a well-developed organisation and strategy to benefit both grassroots and elite levels. Sport and associations in general contribute to positive social development. Our initiatives and collaborations also engage our employees in many ways.

Guidelines for our work in athletics

BAUHAUS' sponsorship work should provide us with good opportunities to create, maintain and strengthen long-term relationships, both with customers and business partners. Our sponsorship policy clarifies our overall guidelines for the types of organisations we work with and how the sponsorship process should work.

During the year, we have organised a number of activities to enable our employees to be involved in our sponsorship work. We know that exercise improves wellbeing, which is why we have organised various types of activities to engage our employees throughout the year. Here we see a varied interest from employees and we will focus even more on this in 2025.



SUB-GOALS 2024	GOAL FULFILMENT 2024	SUB-GOALS TO BE ACHIEVED IN 2025
<ul style="list-style-type: none"> ■ BAUHAUS initiates/participates in sustainability projects together with our partners. ■ All stores have held at least one activity day with a local club. ■ 80% of employees have participated in a sustainability activity during their working hours. 	<div>●</div> <div>●</div> <div>●</div>	<ul style="list-style-type: none"> ■ BAUHAUS initiates/participates in sustainability initiatives with business partners that promote the environment and/or health. ■ All stores have held at least one cleaning day with a local association. ■ 80% of employees have participated in a sustainability activity during their working hours.
<div>● Goal achieved</div> <div>● Goal partially achieved</div> <div>● Goal not yet achieved</div>		



BAUIS ski school

Together with the Swedish Ski Association, we give preschools the opportunity to try cross-country skiing free of charge. We have six ski packages that rotate during the winter at preschools that have applied to participate. The packages include complete cross-country skiing equipment for ten children, coaching materials and certificates. The number of applicant pre-schools has constantly increased. In total, more than 5,000 children have participated in the BAUIS ski school.

Swedish and Norwegian national clean-up teams

We carried out environmental initiatives at all locations where BAUHAUS has stores this year as well, in collaboration with Städa Sverige and sports teams from each municipality. For example, we created two national clean-up teams in the form of Swedish national clean-up team and Norwegian national clean-up team. More than 2,000 young athletes, coaches and store volunteers participated in various ways to remediate littering, with teams picking up a total of more than 1,250 bags of litter, equivalent to more than 13.5 tonnes.

"We have long been one of Sweden's largest athletics sponsors."





Swedish Childhood Cancer Fund

For almost fifteen years we have been the main partner of the Swedish Childhood Cancer Fund. The collaboration involves both staff and customers. Since inception, we have raised more than SEK 30 million. In 2024, we raised almost one million through activities with customers and employees. During the year, customers had the option of donating "a 10 for life" and during the same period we donate 10 SEK every time an employee exercises at least 30 minutes per day. We are proud to have collaborated with Aron Andersson for many years.

"The athletics club is open to both employees and others."



PRINCIPLES FOR OUR SPONSORSHIP

- We support organisations that promote public health or work for the environment.
- We provide sponsorships at both the company and local level.
- We work on the basis of a gender and equality perspective.
- We are committed to productive dialogue and regular contact with our partners.



Avicii Arena for improved mental health

We have long been one of Sweden's largest sponsors of athletics, putting particular focus on youth activities. Mental health is a serious and increasingly widespread problem among young people, so initiatives that drive and inspire young people to lead an active lifestyle are an obvious choice for us. Through the collaboration between the Tim Bergling Foundation and Stockholm Live, we want to raise the issue and contribute to better conditions for good mental health among young people.

BAUHAUS Athletics club

The athletics club is a facility in Avicii Arena that offers training, competition and exercise, along with mental health education for young people, parents, leaders, managers and other adults. We want to recruit more members across Sweden, both employees and others. We believe the athletics club can be an important element in engaging employees and achieving goals of participation in activities that promote health and wellness.

GRI-index

STATEMENT OF USE	BAUHAUS has reported the information referred to in this GRI Index for the period 1 January - 31 December 2024 with reference to the GRI Standards.
GRI 1- FOUNDATION	GRI 1: Foundation 2021

DISCLOSURE		COMMENT	PAGE REFERENCE
GRI 2	GENERAL DISCLOSURES 2021		
2-1	Organisational details		2, 7
2-2	Entities included in the organisation’s sustainability reporting		2
2-3	Reporting period, frequency and contact point		2
2-4	Restatements of information	No changes	
2-5	External assurance		2
2-6	Activities, value chain and other business relationships		7 - 8, 17
2-7	Employees		28, 31
2-13	Delegation of responsibility for managing impacts		14, 29
2-16	Communication of critical concerns		25, 30
2-22	Statement on sustainable development strategy		5 - 6, 10
2-23	Policy commitments		15, 43
2-24	Embedding policy commitments		14, 17, 25, 42
2-25	Processes to remediate negative impacts		21, 26, 30
2-26	Mechanisms for seeking advice and raising concerns		25
2-28	Membership associations		21, 26
2-29	Approach to stakeholder engagement		11
2-30	Collective bargaining agreements		26, 31

GRI 3	MATERIAL TOPICS 2021		
3-1	Process to determine material topics		11 - 12
3-2	List of material topics		12 - 13
3-3	Management of material topics	See respective topic line below	14-15, 16-42
GRI 205	ANTI-CORRUPTION 2016		
205-2	Communication and training about anti-corruption policies and procedures		25
205-3	Confirmed incidents of corruption and actions taken	None	
GRI 302	ENERGY 2016		
302-1	Energy consumption within the organisation		33 - 34
302-2	Energy consumption outside the organisation		36
302-3	Energy intensity	None	
305-4	GHG emissions intensity	None	
302-4	Energy savings		33 - 36
GRI 305	EMISSIONS 2016		
305-1	Direct greenhouse gas emissions (Scope 1)		40, 41
305-2	Indirect greenhouse gas emissions (Scope 2)		40, 41
305-3	Other indirect greenhouse gas emissions (Scope 3)		40, 41
305-5	Reduction of greenhouse gas emissions		40, 41
GRI 306	WASTE 2020		
306-1	Waste generation and significant waste-related impacts		38, 39
306-2	Management of significant waste-related impacts		38, 39
306-3	Total waste generated		39
306-4	Waste diverted from disposal		38, 39
306-5	Waste directed to disposal		38, 39

GRI 308	SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
308-1	New suppliers screened using environmental criteria	New suppliers that were screened using environmental criteria	17, 21
308-2	Negative environmental impacts in the supply chain and actions taken		17-23, 35-37
GRI 401	EMPLOYMENT 2016		
401-1	New employee hires and employee turnover		27 - 28
GRI 403	OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system		29-30
403-2	Hazard identification, risk assessment, and incident investigation		29-30
403-3	Occupational health services		29, 30
403-4	Worker participation, consultation, and communication on occupational health and safety		29-30
403-5	Worker training on occupational health and safety		29
403-6	Promotion of worker health		29-30, 45
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		29 - 30, 44, 46
403-8	Workers covered by an occupational health and safety management system	All workers	
403-9	Work-related injuries		31
403-10	Work-related ill health		31
GRI 404	TRAINING AND EDUCATION 2016		
404-2	Programs for upgrading employee skills and transition assistance programs		26 - 27
404-3	Percentage of employees receiving regular performance and career development reviews		27

GRI 405	DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1	Diversity of governance bodies and employees		26, 28
405-2	Ratio of basic salary and remuneration of women to men		26
GRI 406	NON-DISCRIMINATION 2016		
406-1	Incidents of discrimination and corrective actions taken		26, 28
GRI 407	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		19-20
GRI 413	LOCAL COMMUNITIES 2016		
413-1	Operations with local community engagement, impact assessments, and development programs		43-45
GRI 414	SUPPLIER SOCIAL ASSESSMENT 2016		
414-1	New suppliers that were screened using social criteria		17-21
414-2	Negative social impacts in the supply chain and actions taken		17-21



BAUHAUS & Co KB – Enköpingsvägen 41, 177 38 Järfälla
BAUHAUS Norge KS – Gjellebekkveien 1, 3420 Lierskogen