



Our work for sustainable development

Sustainability Report 2025

About the report

This is BAUHAUS' annual Sustainability Report for the financial year 2025. The purpose of the report is to describe our activities and how we continue to develop BAUHAUS in a sustainable direction. We report on results, progress and challenges in our prioritised environmental, social and economic sustainability areas.

The report covers operations in Sweden and Norway, unless otherwise indicated.

This report has been prepared in accordance with 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.

For several years, BAUHAUS has prepared the Sustainability Report based on the Global Reporting Initiatives (GRI) standards. The report has been prepared "with reference to" the GRI, which means that we do not fully apply all disclosure requirements. The report has not been subject to external review.

BAUHAUS Sweden and Norway are currently not covered by the reporting requirements under the Corporate Sustainability Reporting Directive (CSRD). Our German parent company has conducted a double materiality analysis in accordance with the CSRD, and we are monitoring the development of the regulatory framework and gradually adapting our processes to future requirements.

If you have any questions about the report, you are welcome to contact Anna Gustafsson, Sustainability Manager, BAUHAUS agu@bauhaus.se





Table of Contents

Highlights 2025	4
CEO Comments	5
About BAUHAUS	7
Our responsibility	9
Sustainable consumption	16
Attractive workplace	24
Climate-smart operations	32
Environment & health partnerships	42
GRI-index	46

The year in brief



Reduced waste
by 4.4%

95%

of waste is sorted

Our Commitment
Index is 3.8



305 employees in the
Talent Programme

Employee Net
Promoter Score
(eNPS) + 9.



13.5 tonnes of rubbish was
cleared from nature

100%

of our product suppliers are
risk assessed



100% are trained in Eco
Driving at the Distribution
Units

BAUHAUS CEO looks back on the year

After a few tough years, the market is finally starting to move again. In 2025, we have seen a positive sales trend and more customers who dare to start their home projects. Lower interest rates and an increased tax deduction for repair, maintenance and renovation work (ROT) have given many people a little more leeway in their wallets – something that is noticeable in our retail stores.

“We develop BAUHAUS by daring to think in new ways and by challenging ourselves.”

More efficient ways of working

For us, it is important to continue to develop and dare to think in new ways. It's about how we work, develop the product range and improve the business over time. For several years, we have worked hard on cost control to create long-term profitability. As part of this, we have made changes in logistics during the year, including by merging the e-commerce warehouse with the central warehouse in Norrköping and adapting the organisation. This has given us a better overview of our flows, reduced unnecessary transport and streamlined the work.

Smarter operations in retail stores

We have continued our efforts to reduce energy use in our stores. During the year, we tested a new system for energy management in one of our stores. The results have been very positive and in the coming years we plan to introduce the solution in more stores.

Focus on our employees

Happy and committed employees is a prerequisite for us to achieve our goals. Through monthly pulse surveys, we have gained a better tool to be able to work more actively with improvements in the organisation. The result is that both the commitment and the recommendation rate among our employees have increased, while staff turnover has decreased.

Developments in Norway

We are also seeing a positive sales trend in Norway, although the market remains challenging with high interest rates, price pressure and a weak Norwegian krone. To strengthen the business going forward, we have made changes in the organisation that we believe will create better conditions in the future.



Thoughts going into 2026

Ahead of 2026, we are positive about BAUHAUS' development in Sweden. In recent years, we have gained market shares in a difficult market and are now in a strong position. At the same time, there are factors in the world around us that affect household finances – such as energy prices, unemployment and uncertainty in world trade. It is difficult to predict what the future will look like, both for us and for the retail sector as a whole.

“New retail stores are important for our growth and strengthen BAUHAUS' position in the market.”

Expansion forward

In the autumn of 2026, we will open our 25th retail store in Sweden, in Östersund. It is an important step in our continued expansion. We believe in long-term development and are therefore continuing to work on localisation in different places in the country – to get closer to our customers and continue to strengthen BAUHAUS in Sweden.

With committed employees, a strong range and clear goals, we are optimistic about next year.

Kenneth Litland

CEO, BAUHAUS Sweden and Norway



This is BAUHAUS

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

BAUHAUS' business concept is to offer a complete range for construction, renovation, workshop, home and garden. Under one roof, we provide a wide range of around 80,000 items from around 600 suppliers. Our operations are aimed at both private and professional customers.

In addition to retail store sales, we offer services such as installation and project support through partnerships with local contractors. For professional customers, there are special service functions with efficient order processing and deliveries directly to construction sites.

BAUHAUS Norway has been part of the Swedish organisation since 2020. Operations in Sweden and Norway include four service centers, central warehouses and web warehouses in Norrköping, as well as six distribution units in Gothenburg, Knivsta, Löddeköpinge, Norrköping, Sickla and Växjö.

We own 18 of 27 of our retail store properties in Sweden and Norway. Other retail stores and office premises are rented from external property owners.

In Sweden, BAUHAUS has about 2,500 employees and in Norway about 250.

**"24 retail stores
in Sweden and
3 in Norway."**

**BAUHAUS ÖSTERSUND
OPENS IN 2026**



BAUHAUS' Value Chain

Agenda 2030 and the global goals are an important starting point for our sustainability work. We focus on those areas where BAUHAUS has the greatest impact and can contribute through concrete actions in our value chain.



PRODUCTION & MATERIAL

In the production stage, there are environmental and social risks, for example linked to raw material extraction, energy use and working conditions. We work with supplier requirements, code of conduct and risk assessments to ensure responsible production and reduce climate impact in material selection and manufacturing processes.



SUPPLIERS

BAUHAUS collaborates with a large number of suppliers, mainly in Europe and Asia. Through monitoring, dialogue and specification of requirements, we work for fair working conditions, compliance with our Code of Conduct and increased transparency in the supply chain.



TRANSPORT

Transport is a significant part of our climate impact in Scope 1. We work with optimisation of flows, increased fill rates in cubic meters, transition to more sustainable modes of transport and gradual reduction of fossil fuels in distribution.



WAREHOUSES & LOGISTICS

Central warehouses and distribution units are the hub of our operations. Here we focus on energy efficiency, improved transport planning and the work environment. Through coordination of warehouse functions and data-driven monitoring, we reduce internal transport and increase efficiency.



STORES

Our stores are responsible for energy use, the work environment and local environmental impact. We work with energy-efficient operations, optimised energy management, improved waste management and a safe working environment for employees and customers.



EMPLOYEES

Our business is based on committed and competent employees. We focus on the work environment, leadership, skills development and equal opportunities. Our Code of Conduct and clear policies are the basis for our internal responsibility.



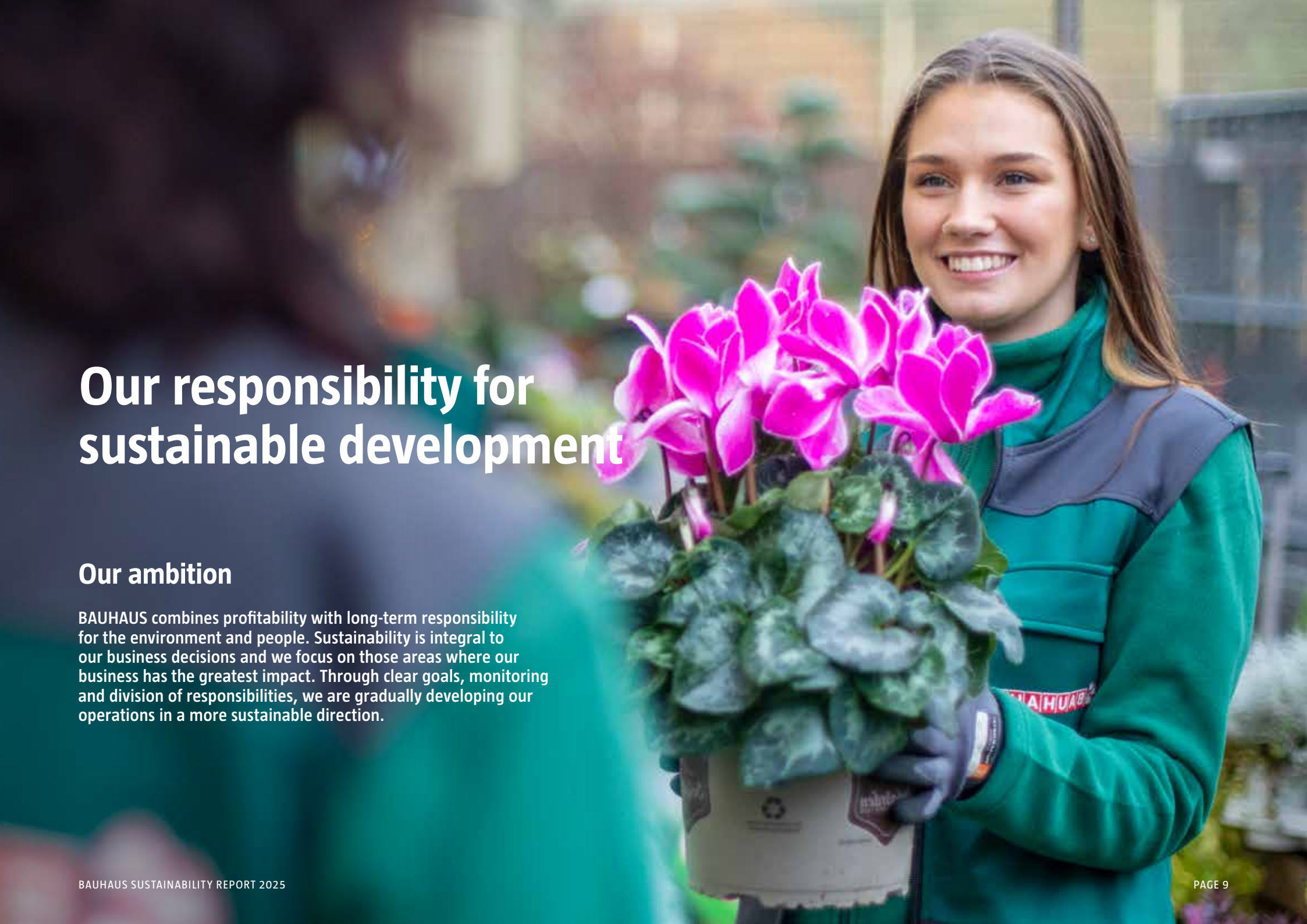
CUSTOMERS

We meet customers on a daily basis who, through their choices, affect the environment and society. Through product range development, product information and guidance, we want to facilitate more sustainable choices.



WASTE

Waste is generated both in our stores and throughout the life cycle of products. We work with reduced waste generation, improved sorting and increased recycling, and develop our work with circular flows where possible.

A smiling woman with long brown hair, wearing a green and grey Bauhaus uniform, is holding a potted pink cyclamen plant. The background is a blurred outdoor setting with greenery and a building.

Our responsibility for sustainable development

Our ambition

BAUHAUS combines profitability with long-term responsibility for the environment and people. Sustainability is integral to our business decisions and we focus on those areas where our business has the greatest impact. Through clear goals, monitoring and division of responsibilities, we are gradually developing our operations in a more sustainable direction.

BAUHAUS and the 2030 Agenda

Global goals are a common frame of reference for sustainable development. We focus on the goals where our business has the greatest actual impact and where we can contribute through concrete actions in our value chain.

We regularly monitor our goals and KPIs in these areas to ensure that our work results in reduced climate impact, greater supplier responsibility and more resource-efficient flows.

The global goals where we have the greatest impact - and what we do to contribute:



We reduce energy consumption in stores and warehouses through energy efficiency and smarter energy management.



We set requirements for working conditions in the supply chain and work internally on the work environment, leadership and skills development.



We develop our product range, monitor suppliers and work to reduce waste and use resources more efficiently.



We reduce emissions through more efficient transport, more sustainable modes of transport and better planning of our logistics flows.



We work with responsible material choices, supplier requirements, and measures that contribute to sustainable forestry.

BAUHAUS' stakeholders' expectations

Our key stakeholders are customers, employees and suppliers. Through daily contacts, supplier dialogues, employee appraisals, customer surveys and interviews, we continuously capture their expectations of our business.

Their perspective is an important part of how we develop BAUHAUS' sustainability work. The issues raised in dialogues form the basis of our materiality analysis and help us identify the areas where we need to focus our work.

During the year, our German parent company has conducted a double materiality analysis in accordance with upcoming CSRD requirements. The results will gradually be integrated into BAUHAUS Sweden's and Norway's continued sustainability work.



Our priority areas of sustainability

BAUHAUS' sustainability work focuses on four priority areas. These are based on our materiality analysis and show where our business has the greatest impact – and where our efforts make the biggest difference.

The areas serve as a guide for how we prioritise resources, set goals and monitor our work. By working in a structured way in these areas, we can reduce negative impacts, strengthen responsibility in the value chain and create long-term value for customers, employees and society.

The work is developed on a regular basis. In some areas, we have come a long way, while others require further efforts and clearer goals going forward.



**Creating opportunities
for sustainable
consumption**



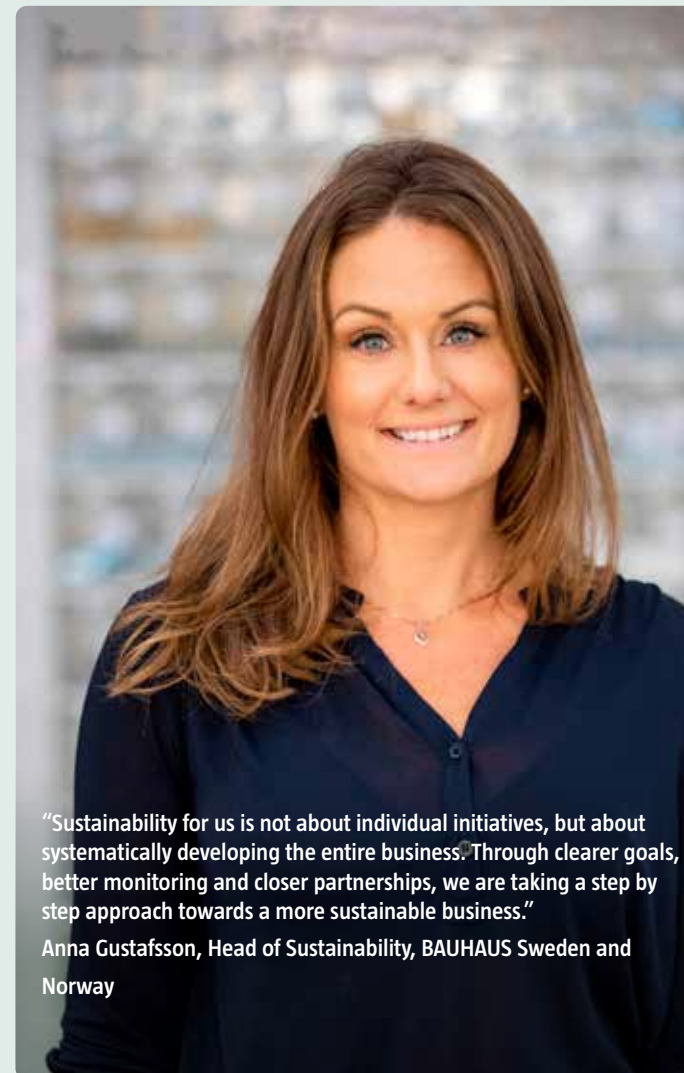
**Offering an attractive
workplace**



**Develop a climate-
smart business**



**Enhanced collaboration
for environment
and health**



“Sustainability for us is not about individual initiatives, but about systematically developing the entire business. Through clearer goals, better monitoring and closer partnerships, we are taking a step by step approach towards a more sustainable business.”

Anna Gustafsson, Head of Sustainability, BAUHAUS Sweden and Norway

Progress and priority challenges

SOME STEPS WE HAVE TAKEN

- Tested a new system for energy management of our stores.
- Merged e-commerce warehouses and central warehouses for more efficient logistics.
- Introduced monthly pulse surveys to monitor commitment and work environment.
- Further developed our purchasing process for supplier monitoring and risk assessments.
- Increased our waste sorting and recycling rate in our stores.

WHERE WE NEED MORE FOCUS

- Increase the share of fossil-free transport in our logistics flows
- Further develop circular offerings for customers
- Strengthen the monitoring of supplier requirements in the value chain
- Continue to develop the work environment and employee commitment
- Improve data collection and monitoring of sustainability work



Governance and responsibility

Code of Conduct

BAUHAUS' Code of Conduct clarifies the principles that govern how we act – towards each other, our customers, suppliers and society in general. It is an important part of our corporate culture and a practical support in everyday life.

The updated version implemented in 2023 applies to all employees in Sweden and Norway. The Code of Conduct is part of the annual performance review and is discussed on an ongoing basis at workplace meetings, where we jointly reflect on its content and application. All employees must read, understand and follow the Code of Conduct. As a complement, there are clarifying policies, guidelines and process descriptions that concretise our requirements and expectations.

Clear goals and monitoring

Sustainability is an integral part of BAUHAUS' business management. Our management system includes goals, KPIs, and action plans for each priority area.

The work is followed up on an ongoing basis and the status is regularly discussed in the management team. In some areas, we have come a long way, in others we continue to raise our ambitions and develop our work methods.

Division of responsibilities

The CEO is ultimately responsible for sustainability work. The Sustainability Manager coordinates the work and ensures that the management team is kept up to date on activities and goal fulfilment.

Operational managers in each area monitor goals and KPIs within their areas of responsibility. At the same time, sustainability work is a shared responsibility. We want all employees to have knowledge of how they can contribute to achieving BAUHAUS' sustainability goals in their roles.

Reporting non-compliances

All employees are encouraged and expected to report non-compliance or suspected violations of our policies and guidelines. Questions can primarily be raised with your immediate supervisor, but it is also possible to report to HR via the intranet. Non-compliances can also be reported anonymously through our whistleblower function.

All cases are documented and, if necessary, action plans are drawn up to prevent similar situations in the future.



Risks and opportunities

We continuously monitor changes in our operations and in the operating environment. Risks are identified, evaluated and managed in different parts of the organisation. The management team regularly discusses risks and changes as an integral part of corporate governance. The table on the next page presents some of our most significant risks and how we manage these.

RISKS	CONSEQUENCE	MANAGEMENT	ASSESSMENT*
SOCIETAL CRISES AND DISASTERS	Societal crises 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 developments in the world around us and have established procedures for crisis management and continuity planning. The organisation has defined crisis roles and contingency plans to ensure delivery capability and personnel safety.	● Impact ● Probability ● Priority
STRICTER REGULATIONS	Strict requirements (such as sustainability reporting, supply chain transparency, credit authorisation and personal data management) require continuous oversight and updating of internal processes to ensure regulatory 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 actively monitor changes in regulations, including sustainability and product legislation, and update our internal processes on a regular basis. Competence is strengthened through both internal resources and external expertise.	● Impact ● Probability ● Priority
CHANGED BUYING BEHAVIOURS	Economic downturns, changing consumer trends and lifestyle changes can lead to changes in purchasing behaviour, such as reduced purchasing power or inadequate supply of products and services to 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.	● Impact ● Probability ● Priority
SHORTCOMINGS 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 involve violations of workers' rights, occupational accidents and environmental degradation. This can also result in damage to reputation.	We develop and apply a structured risk assessment model for suppliers and monitor compliance with our Code of Conduct through dialogue and checks.	● Impact ● Probability ● Priority
EFFECTS OF CLIMATE CHANGE	Natural disasters, rising average temperatures, extreme weather conditions and loss of biodiversity have a negative impact on nature, stock 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 work with climate mapping, energy efficiency and optimised transport flows to reduce our exposure to climate-related risks. The supplier base is reviewed to reduce vulnerability.	● Impact ● Probability ● Priority
NEGATIVE ENVIRONMENTAL IMPACT	Our own operations have a negative environmental impact through, for example, shortages, waste and harmful substances in products that can lead to health and environmental damage. 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.	We reduce environmental impact through energy efficiency in stores and warehouses, improved waste management and structured optimisation of transport volumes and flows.	● Impact ● Probability ● Priority
NEGATIVE IMPACT ON HUMANS	High workload can lead to stressed 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 work environment management and have during the year introduced a model with monthly employee surveys to identify risks earlier and strengthen commitment and well-being.	● Impact ● Probability ● Priority
BUSINESS ETHICS SHORTCOMING	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 Audits monitor compliance.	● Impact ● Probability ● Priority
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 currencies, we take into account possible changes in exchange rates. We prioritise partnerships with Swedish suppliers and purchasing directly from manufacturers instead of retailers.	● Impact ● Probability ● Priority

*Assessment of the impact on BAUHAUS' operational goals, 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

We integrate sustainability requirements into the purchasing process and collaborate with suppliers to ensure responsible production. Through product range development, clear product information and gradually stricter requirements, we are strengthening the proportion of products with documented sustainability requirements.

6 CLEAN WATER AND
SANITARY
CONDITIONS FOR ALL



8 DECENT WORKING
CONDITIONS AND
ECONOMIC GROWTH



12 SUSTAINABLE
CONSUMPTION
AND PRODUCTION



13 COMBAT CLIMATE
CHANGE



15 ECO-SYSTEM AND
BIODIVERSITY



Sustainability requirements for suppliers

A large part of BAUHAUS' impact is in the supply chain – from raw materials and manufacturing to transport and finished product. We operate in a market where price, quality, availability and sustainability must be weighed against each other - which is difficult. Our biggest challenge is our wide range and large number of suppliers.

We set requirements for our suppliers through our Code of Conduct, agreements and risk assessments. The work includes working conditions, human rights, choice of materials and environmental impact. Through dialogue, we develop cooperation with our suppliers over time. Since the supply chain is global and often complex, long-term work is required. The goal is to reduce risks and build strong and responsible business relationships.

“Our biggest challenge is our wide product range.”

Against this background, we set a goal of reducing production in high-risk countries by 10% for our own brands. The goal was based, among other things, on the fact that we have moved our entire production of bathroom furniture from China to Sweden and Europe.

In other product groups, however, it has been more challenging, as we have not been able to fully balance customer demand for low prices with the ambition to reduce production in high-risk countries.

At present, we therefore do not envisage that we will achieve the goal to the extent that we initially planned. Instead, we continue to develop our work by setting clear requirements for suppliers, monitoring working conditions and optimising logistics and purchasing in order to gradually reduce our negative impact.



SUB-GOALS 2025	GOAL FULFILMENT 2025	SUB-GOALS TO BE ACHIEVED IN 2026
■ All purchasing agreements include our Code of Conduct for Business Partners. ■ All suppliers contracted in Sweden and Norway have undergone a risk assessment. ■ A new purchasing agreement has been implemented. ■ Reduce production in high-risk countries by 10% for our own brands.	● ● ● ●	■ All purchasing agreements include our Code of Conduct for Business Partners. ■ All suppliers contracted in Sweden and Norway have undergone a risk assessment. ■ Implementation of a new business system by our Asian sourcing team. ■ Optimisation of product modules in the stores.
● Goal achieved ● Goal partially achieved ● Goal not yet achieved		

Supplier Code of Conduct

We work with nearly 300 contracted providers in BAUHAUS, Sweden and Norway*. Most are based in Europe, while production takes place in both Europe and Asia. Therefore, clear requirements, risk assessments and monitoring are an important part of our purchasing work.

“BSCI gives us a common ground for improvements throughout the supply chain.”

The Code of Conduct includes requirements in the areas of human rights, working conditions, the environment, climate and business ethics. It is part of our agreements and also applies to our subcontractors. The Code of Conduct is based on the amfori Business Social Compliance Initiative (BSCI) and includes requirements in areas such as human rights, working conditions, the environment and business ethics. Through the Code of Conduct and BSCI, we work in a structured way with risk assessment and monitoring of our suppliers.



THE CODE OF CONDUCT INCLUDES REQUIREMENTS IN:

- Human rights
- Working conditions
- Health and safety
- Environment and climate impact
- Business ethics and anti-corruption
- Structured sustainability work



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

Risk assessment

Our supply chain is global and includes several stages. Risks can arise both in raw material extraction and in the manufacturing stage. We carry out risk assessments based on internationally recognised indices, including the World Governance Indicators, the ITUC Global Rights Index and Transparency International's Corruption Perception Index. The risk classification then forms the basis for how we prioritise monitoring and requirements.

"Risk analysis helps us to set the right priorities in a global supply chain."

In 2024, we carried out a validation of all production countries and analysed the risk exposure based on how our production is distributed. The work has given us a clearer picture of where the risks are greatest and where the need for close monitoring is greatest. As a result, we are gradually strengthening our presence in Europe. By moving parts of production closer, we can reduce risk exposure, increase insight into the supply chain and at the same time create more flexible and efficient logistics flows. This gives us better conditions to both ensure quality and develop the business in the long term.



IN SOME REGIONS AND INDUSTRIES, THERE ARE RISKS ASSOCIATED WITH:

- Overtime and poor working conditions
- Forced labour and limited freedom of movement
- Shortcomings in the work environment and safety
- Limited freedom of association
- Inadequate pay conditions
- Discrimination

The risk assessment forms the basis for prioritising monitoring and setting requirements.



Structured risk assessment

During the year, we further developed our purchasing process to strengthen our work on sustainable sourcing and product safety. The focus has been to anchor and adjust the process in the organisation so that it works in practice.

This work method means that we put greater focus on the selection and monitoring of suppliers. All new suppliers are risk assessed by BAUHAUS' Sustainability and Compliance Department before contracts are signed and annually thereafter.

The risk assessment includes, among other things, the supplier's structure for sustainability work, compliance with relevant regulatory frameworks, as well as product-related documentation and safety requirements. This work is an important part of the adaptation to the new European Product Safety Legislation (GPSR), which entered into force on 13 December 2024.

Clearer responsibility in the supply chain

All suppliers contracted by BAUHAUS in Sweden and Norway must undergo a risk assessment. This means that we set clear and uniform requirements already in the selection process and ensure that they are complied with over time through ongoing monitoring.

In 2026, we will expand our work to include suppliers contracted by other purchasing departments within the Group (with the exception of suppliers where BAUHAUS Germany is the contracting country). This is an important step to ensure that all suppliers within the Group meet our requirements and are approved for the Swedish market.

By strengthening the work on risk assessment and monitoring, we gain better insight into the supply chain, increased transparency and standardise requirements – regardless of where in the organisation purchases are made. It also gives us better conditions to work proactively and manage risks at an early stage.

Responsibility in the supply chain

Since 2022, we have been a member of the amfori Business Social Compliance Initiative (BSCI), which supports the work on social responsibility in the supply chain through a common supplier code, training and factory audits.

All Asian factories that we deal with directly must have a valid BSCI audit report. During the year, monitoring took place in close cooperation with our purchasing partner in Hong Kong.

**“Collaboration within
BAUHAUS and with our
suppliers strengthens the
entire value chain.”**

In 2025, together with BAUHAUS Germany, we have reviewed our supplier requirements and working methods to further strengthen work on the supply chain. The focus has been on working hours and the work environment, clearer requirements for product safety and strengthened monitoring of compliance. The work has also been about improving our internal procedures and ensuring that the requirements of the Code of Conduct are followed in practice.

Good suppliers are a prerequisite

We work with suppliers who comply with legislation, provide safe products and operate under acceptable working conditions. In case of non-compliance, we may require action plans or terminate partnerships. In 2025, two partnerships were terminated due to shortcomings in sustainability work.

Partnerships with building contractors

Through partnerships with local construction contractors, we offer installation services to our customers. The construction industry is a sector exposed to risk, especially with regard to work-related crime and rogue actors.

That is why we have a special Code of Conduct for contractors that complements our supplier requirements. Monitoring takes place through control of certificates, authorisations and documented legal compliance.



Our own brands

Our own brands give us the opportunity to influence the entire value chain – from material selection and production to transport and aftermarket. This means not only greater responsibility, but also better opportunities to steer towards quality, sustainability and long-term profitability. We regularly review our product range to identify areas for improvement, such as choice of materials, service life, recyclability and country of manufacture.

Strengthened control through local production

During the previous year, we took an important step by moving the production of our bathroom furniture from China to Sweden. The aim was to strengthen control over the value chain, reduce climate impact and create more stable deliveries. The transition has now been completed and the results have been positive. The closer proximity to production and development has also improved our flexibility and quality monitoring.

We have also seen a positive response from our customers to our own bathroom brands, where the combination of quality and affordability has been well received.

“Private brands give us better control over quality, sustainability and deliveries.”

Sustainable development of our own brands

With better control over production and supply chains, we can work more systematically with material selection, resource efficiency and reduced environmental impact – not least linked to transport.

The transition is part of a long-term strategy. In the coming years, we will evaluate more product areas where increased local production or changed delivery arrangements can contribute to strengthened quality, lower climate impact and better business conditions. We see working with our own brands as a central part of our sustainable development – where business, quality and responsibility go hand in hand.



“Through increased proximity to production, we strengthen control over quality, delivery and sustainability throughout the value chain.”

– Viktor Millstam, Category Manager for Camargue

Rental and reuse

Many projects in the home, workshop and garden require tools and machines that are used occasionally. By offering rentals, we create a more resource-efficient alternative to buying new and make it easier for customers to carry out their projects.

During the year, we continued to develop the offering and clarified the benefits – financially, practically and environmentally. A KPI for monitoring and developing rentals is being developed and the work will continue in the coming years.

Extended service life through reuse

For several years, our e-commerce has been working to extend the service life of products that are difficult to sell in regular channels, for example due to damaged packaging, return flows or minor defects.

Instead of discarding the goods, they are sent on to an external actor for resale in their own channels. Products that cannot be sold go to recycling. In this way, resources are utilised and more products have a longer life.



SUB-GOALS 2025

- Set goals to increase rental of tools.

GOAL FULFILMENT 2025



SUB-GOALS TO BE ACHIEVED IN 2026

- Set goals to increase rental of tools.

● Goal achieved

● Goal partially achieved

● Goal not yet achieved

We offer an attractive workplace

Our ambition

We want to be a safe, inclusive and developing workplace. Through systematic work environment management, continual monitoring and skills development, we strengthen commitment, leadership and well-being in the organisation.

3 GOOD HEALTH
AND WELL-BEING



8 DECENT WORKING
CONDITIONS AND
ECONOMIC GROWTH



Inclusive corporate culture and skills development

We want to be a workplace where people thrive, develop and take responsibility – for business, for each other and for society. Our culture is characterised by commitment, clear expectations and close cooperation. With short decision-making paths and a strong customer focus, we create the conditions for both performance and development.

Developing our employees' skills is an important part of our work. Through introductions, training, ongoing dialogue and annual performance reviews, our employees are given the opportunity to grow in their roles. During the year, we have also continued to develop our internal forums for leadership and sharing of experience.

A common set of values

Our Code of Conduct describes how we are expected to act – towards each other, our customers and our partners. It applies to all employees in Sweden and Norway and is part of induction, training and performance reviews.

We work actively to ensure that the Code is part of everyday life, including through dialogue at workplace meetings and in leadership. Responsibility for compliance exists throughout the organisation.



Zero tolerance for corruption

We do not accept any form of corruption or unethical behaviour. Clear internal guidelines guide our employees in business decisions and partnerships. We follow the Swedish Code To Prevent Corruption In Business and work continuously with information and training to ensure that our requirements are known and complied with.

Assurance to speak up

All employees should feel safe reporting non-compliances or suspected violations. Our whistleblower function makes it possible to report anonymously and we have a clear prohibition against retaliation. Drawing attention to shortcomings is part of our improvement work.

An equal rights and Inclusive work environment

We know that different experiences, perspectives and competencies contribute to innovation and development. That is why we work actively for diversity, gender equality and equal opportunities throughout our business. This work includes recruitment, promotion, working conditions and leadership.

In 2025, the proportion of women in senior management was 14%. In the retail stores' management teams in Sweden and Norway, 45% of managers were women. We follow developments on a regular basis and work long-term for more gender equality.

“The Code of Conduct clarifies our values”

Zero tolerance for harassment and discrimination

We have zero tolerance for harassment and discrimination, which is made clear in our Code of Conduct. During the year, we have further developed our procedures to make it easier to report unfair treatment and harassment. The increased accessibility has meant that more reports are coming in, which we see as positive because it gives us better conditions to act and work preventively. In 2025, two cases have been confirmed after investigation and handled in accordance with our internal guidelines. As part of this preventive work, we have also implemented a new alcohol policy to strengthen safety in work-related contexts.

Collective agreements

All employees in Sweden and Norway are covered by collective agreements. We are affiliated to relevant employer and industry organisations and comply with applicable legislation and agreements in each country. Within the framework of anti-discrimination legislation, regular salary mappings are carried out in both Sweden and Norway. The purpose is to ensure objective and equal pay. The latest mapping showed that the median pay gap between women and men at company level is 0%.

Skills development and Talent Programme

Personal responsibility, development opportunities and clear career paths are an important part of our corporate culture. We primarily recruit leaders internally and offer a structured Talent Programme for managers and key personnel. The programme combines training, coaching and practical exercises in areas such as leadership, communication, work environment and labour law. Over 80% of our future managers have participated in our Talent Programme. In 2025, a total of 302 employees participated. By investing in the development of our employees, we strengthen both our culture and our long-term competitiveness.



Regular employee performance reviews

All employees are offered annual performance reviews where goals, development plans and work environment are discussed. During the year, we have redesigned the structure of how the My Status calls are carried out in the retail stores to increase quality and the implementation rate. This work is followed up on an ongoing basis and increasing the proportion of completed meetings remains a prioritised focus in 2025.

Employee survey and pulse surveys

From 2025 onwards, we will conduct the larger employee survey annually, supplemented with monthly pulse surveys. The aim is to be able to identify trends more quickly and work with concrete improvement measures.

A key indicator is the eNPS (Employee Net Promoter Score). In Sweden, the feedback score increased from -20 to +9 during the year. We are very pleased with the development, which shows that the measures implemented have had an effect and that we are now close to our goal of +10.

We also measure and follow the Commitment Index on a monthly basis. In 2025, the full-year result increased to 3.8 compared to 3.6 in the previous year. The ongoing pulse surveys have given us a better basis and the opportunity to work in a more structured way on improvement measures. The results vary between retail stores, but a recurring challenge is perceived stress. Work environment and leadership therefore continue to be prioritised areas, as is the objective of primarily recruiting managers internally.

Staff turnover

As of 2025, we have changed the calculation method in Sweden and now include all forms of employment. According to the new method, employee turnover in 2025 stood at 40.6%. If we calculate according to previous years' method, employee turnover in 2025 was 12% in Sweden, compared to 13% in the previous year, which means that we reached our target of an employee turnover rate of less than 15%. In Norway, staff turnover was at 25%.

An employee turnover rate target below 15% remains for comparable units, but will be reviewed and updated in next year's report when we have better data to start from.

Health, values and positive energy

During the year, we launched the Health Wheel and strengthened our work on our values, Code of Conduct and key goals. We want to highlight the positive energy and momentum that exists in the organisation and strengthen community spirit in daily life.

In 2025, six lectures were held together with an external partner, available both physically and digitally. As one of Sweden's largest sports sponsors, we also offer employees the opportunity to participate in selected fun runs. In the retail stores, several fitness activities have been organised where employees have been able to walk, run or cycle to raise money for



"I am incredibly proud of the work that the retail store management has done to increase the satisfaction and the commitment of our employees."

Hampus Åkerlund, Sales Director, BAUHAUS Sweden

charities. Through theme days and joint activities, we want to strengthen both health and team spirit.

WORK CLIMATE

	SWEDEN			NORWAY		
	2025	2024	2023	2025	2024	2023
Staff turnover	12%	13%	18%	25%	18%	10%
Employees in the Talent Programme	297	292	214	5	13	13
Reports of unfair treatment or harassment.	48	31	9	2	0	0

EMPLOYEE SURVEY

	SWEDEN			NORWAY		
	2025	2024	2022	2025	2024	2022
Employee Net Promoter Score (eNPS)	+9	-20	0	-2	-25	+10
The employee survey is carried out every two years and eNPS is the employee recommendation score on a scale of -100 to +100.						

COMMITMENT INDEX 2025

The commitment Index is measured monthly. For the full year 2025, we reach 3.8 out of 5, which is an increase compared to the 2024 result of 3.6. We continue to work to increase the feedback score further and aim to reach 3.9 in 2026.

FOCUS AREAS 2025 TO INCREASE EMPLOYEE SATISFACTION



Further training of retail store management



The Health Wheel for increased well-being

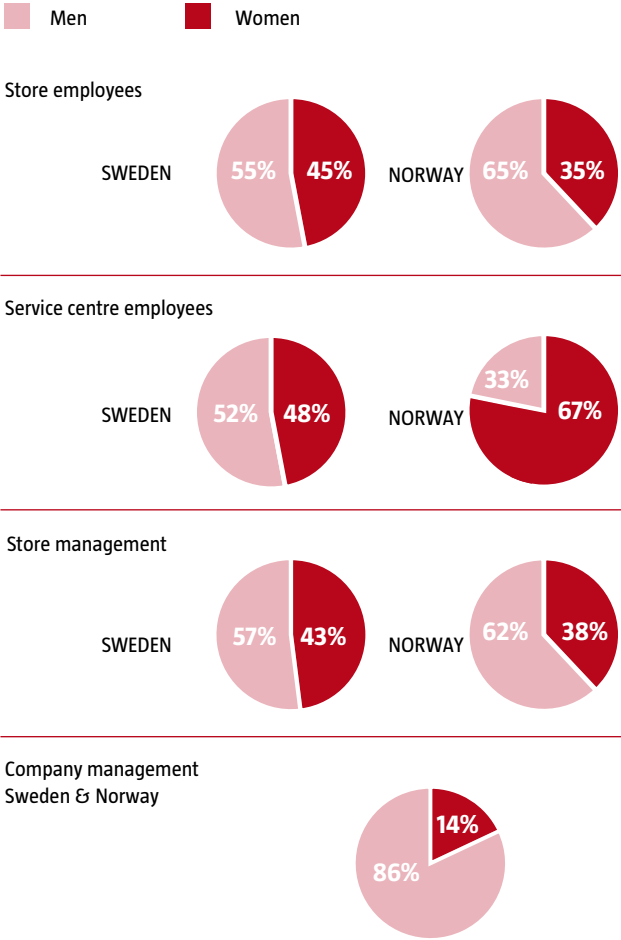


Training for our employees



Initiatives for the work environment

GENDER DISTRIBUTION PER BUSINESS AREA 2025



A safe and healthy work environment



A safe and healthy work environment is a major priority for us. No one should feel bad get injured because of their job. Through structured and systematic work environment management, we identify, assess and address risks in our stores. The HR Division, safety representatives and BAUHAUS' central work environment group continuously monitor risks and ensure that preventive measures are implemented.

The most significant risks in the physical work environment relate to forklift operation, falls and heavy lifting – for example, when handling worktops at the checkout.

Systematic safety work

To strengthen both the employee work environment and customer safety, we are gradually renovating our stores so that worktops are handled horizontally instead of vertically.

This change reduces the risk of accidents and makes the work more ergonomic. We have also updated our procedures for forklift operation and goods handling. Restrictions on forklift operations late in the day and stacking heights are part of the preventive work. Safety inspections are carried out regularly and are supplemented by annual audits in Sweden and Norway, where work environment risks are a central aspect.

Training and ongoing monitoring

Work environment issues are a recurring issue at workplace meetings and in health, safety and psychosocial work environment training. Through dialogue and monitoring, we create a culture where risks are raised in time and improvements are team-driven.

SUB-GOALS 2025	GOAL FULFILMENT 2025	SUB-GOALS TO BE ACHIEVED IN 2026
■ No serious accidents, incidents, or work-related illnesses. ■ No recorded cases of sexual harassment. ■ Less than 5% absence due to illness. ■ Improved outcome on eNPS, +10. ■ Commitment Index 3.6 out of 5.	● ● ● ● ●	■ No serious accidents, incidents, or work-related illnesses. ■ No recorded cases of sexual harassment. ■ Less than 5% absence due to illness. ■ Less than 15% employee turnover. ■ Commitment Index 3.8 out of 5.
● Goal achieved ● Goal partially achieved ● Goal not yet achieved		

Reporting of incidents and accidents

We encourage all employees to report incidents and accidents – even minor incidents. Through our internal systems, experiences can be shared in the organisation and preventive measures can be implemented in time.

During the year, 464 accidents with bodily injury were reported, compared to 409 in the previous year. We do not believe that the increase is due to more accidents occurring, but rather that the propensity to report has increased – even minor injuries are reported to a greater extent. We see this as positive, as it gives us a better basis for improvement work.

Crush injuries are still the most common cause of injury. Therefore, we place great emphasis on communicating and monitoring the habit of wearing gloves. The message has been clarified, like on the water bottles that are handed out to employees, as a daily reminder at work.

During the year, we have been reported to the Swedish Work Environment Authority more than before. Several of these reports have been forklift-related. The centrally developed risk assessment for forklift operation has therefore been adapted specifically for each store. Forklift operation takes place in complex environments where customers are also present, which places high demands on safety and planning.

“Together, we create a safer workplace.”

All employees who operate forklifts have undergone mandatory operator training. In 2025, we have digitised the operating licences for better structure and monitoring. We have also set up more mirrors in the stores and introduced refresher training with the goal of reducing forklift-related accidents.

Support around mental health

A safe work environment also includes a psychosocial aspect. To support employees with stress or other mental illness, we collaborate with the digital psychologist platform Mindler. All employees in Sweden have the opportunity to anonymously and free of charge receive professional counselling as well as digital programmes and lectures.

In the first quarter of 2026, Mindler will also be launched for operations in Norway, strengthening our support for employees throughout the organisation.



EMPLOYEE DATA

	SWEDEN			NORWAY		
	2025	2024	2023	2025	2024	2023
Number of employees	2,359	2,358	2,516	253	281	313
Proportion with full-time contract	54.1%	44.3%	45%	66%	67%	62%
Average age	35	35	34	36	35	35
Proportion of employees covered by collective agreement	100%	100%	100%	100%	100%	100%
Number of employees in stores	2,142	2,136	2,312	232	235	286
Number of employees in service centres	217	222	204	9	37	27
Number of employees in distribution*	93	80	75	0	9	10

HEALTH AND SAFETY

	SWEDEN			NORWAY		
	2025	2024	2023	2025	2024	2023
Accidents resulting in physical injury	464	409	305	16	15	17
Incidents and accidents of a serious nature	13	3	4	0	0	0
Sick leave	5.41%	5.61%	5.7%	7.2%	11.18%	9.7%

*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 reduce the climate impact of operations, transport and energy use through energy efficiency, optimised logistics flows and an increased proportion of fossil-free transport. This work is monitored through clear goals and KPIs.

7 SUSTAINABLE
ENERGY FOR ALL



12 SUSTAINABLE
CONSUMPTION
AND PRODUCTION



13 COMBAT CLIMATE
CHANGE



LÅGPRIS
GARANTI

VI DÖR AV
12%

LÄS MER PÅ BAUHAUS.SE

ÖPPETTIDER

Måndag-fredag

6 - 20

Lördag-söndag

9 - 18

BAUHAUS

UTGÅNG

Energy optimisation in our stores

A large part of our business is conducted in large, energy-intensive retail stores with generous opening hours, which means extensive needs for lighting, heating and ventilation. This places high demands on us to work systematically and long-term with energy efficiency.

For several years, we have implemented measures to reduce energy consumption in our properties. Through preventive maintenance, improved roof insulation, optimised and more energy-efficient lighting, and modernisation of ventilation systems, we are seeing clear results. This work is an important part of our transition towards a more climate-smart and resource-efficient business.

Systematic optimisation of energy use

In 2025, BAUHAUS has carried out a pilot project together with SmartWatt, a company specialising in energy optimisation and intelligent control of building systems. SmartWatt works to analyse, monitor and optimise energy use in commercial properties through data-driven operational control of, for example, ventilation, heating, cooling and lighting. The purpose of the partnership is to reduce energy consumption, reduce climate impact and at the same time ensure an indoor climate in our retail stores.

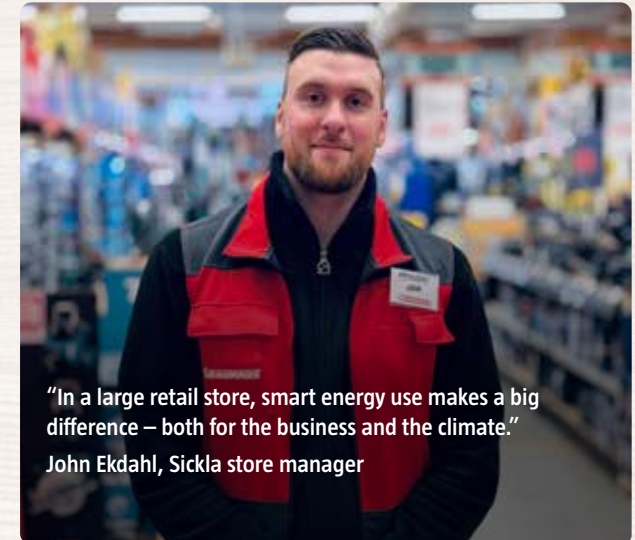
During the year, BAUHAUS chose to test the solution in a newly built store. The choice fell on a modern

property built in 2023, as technically updated buildings are generally more complex to optimise compared to older properties. By starting from an already energy-efficient building, we were able to more clearly evaluate SmartWatt's actual optimisation potential.

The results have been very positive. Through adjustment of operating parameters, demand control and continuous monitoring, we have achieved significant energy savings. The project has shown that even newly produced properties have great potential for further efficiency improvements through intelligent control.

Roll-out 2026

Based on the positive results, BAUHAUS has decided to gradually implement SmartWatt's solution in all our retail stores. The implementation will begin in the properties we own, and then gradually expand to the retail stores that operate in rented premises. The



roll-out entails technical challenges as the solution requires integration between building systems and central IT platforms. The work is conducted in close collaboration between our internal property and IT functions as well as external partners. The goal is for the entire business to be covered by the solution in 2026.

SUB-GOALS 2025	GOAL FULFILMENT 2025	SUB-GOALS TO BE ACHIEVED IN 2026
■ 100% renewable heating, cooling and purchased electricity. ■ Implement a new centralised management system.	● ●	■ 100% renewable heating, cooling and purchased electricity. ■ 100% of the stores we own are covered by energy management.
● Goal achieved ● Goal partially achieved ● Goal not yet achieved		

Fully renewable energy in Sweden

Our goal is for all purchased energy to come from district heating and 100% renewable electricity, through wind and hydropower or self-produced solar electricity.

By 2025, we reached the target in all Swedish retail stores. The retail store in Löddeköpinge has now been connected to the district heating network, which meant that the previous gas boiler could be phased out.

Although not all district heating is 100% renewable, as it varies between different district heating networks, it is a more carbon-efficient alternative than your own combustion boiler running on fossil gas.

In Norway, no major investments in the energy sector were made during the year. Given the economic situation, the focus has been on consolidating the business. The work to increase the proportion of renewable energy remains a long-term ambition.

Own solar power – with a long-term perspective

The solar cell plant in Uppsala has given us valuable experience in our own energy production. It shows how we can strengthen control over our energy use and reduce climate impact over time.

The expansion of solar cells in more retail stores is still being evaluated, but is not currently in focus.



-3%

Electricity consumption =
25 tonnes CO₂e

-11%

Purchased
district heating

-59%

Purchased fossil gas

-6%

Total energy use

ENERGY CONSUMPTION (MWH)*	2025	2024	2023
Purchased electricity	27,272	28,162	28,453
Purchased heating	10,403	11,631	12,425
Own heat generation**	83	200	262
Total	37,758	39,993	41,139

* The table shows the total energy consumption for BAUHAUS' operations in Sweden and Norway.

**Own production of heat refers to a boiler, powered by fossil gas, in one of the Swedish retail stores. The boiler was phased out in 2025 and replaced with district heating.

More efficient logistics

Logistics and transportation are a central aspect of Bauhaus' business operations and sustainability work. With increased volumes, more retail stores and a growing e-commerce, it is becoming increasingly important to continuously develop and streamline our transport flows. Through structured monitoring, changed working methods and organisational development, we work to reduce both costs and emissions.

Reorganisation for more efficient flows

At the end of 2025, a major reorganisation was carried out within BAUHAUS' logistics department. The aim was to optimise processes, reduce costs and reduce climate impact through a more coherent and data-driven way of working.

An important change has been that the e-commerce warehouse in Norrköping has been merged with the central warehouse, which is also located in Norrköping. By merging the business in a common structure, we have created a better overall picture of the entire logistics flow and improved conditions for management and planning.

The merger means that internal transport between warehouses has been eliminated, which corresponds to about four truck transports per day. Goods can now be sent directly to customers or stores to a greater extent, which reduces both emissions and costs. The reorganisation has also meant changes in the service center and a clearer division of responsibilities in the flows.

Challenges and focus 2026

One of the biggest challenges in 2025 has been to create profitable and sustainable flows in a complex system. A key question is how often goods should be sent from the warehouse to the stores to ensure good product availability, without running half-full vehicles that generate both unnecessary costs and increased emissions. This is a priority focus area for 2026. The work will focus on optimising delivery frequencies, improving forecasts and developing more data-driven decision-making to balance service level against climate impact.

"When we see the entire flow, we can also improve it - both for the business and for the climate."

Our goal was to establish a logistics hub for transshipment in Europe. We have chosen not to prioritise the work further at this time due to the operational complexity.

SUB-GOALS 2025	GOAL FULFILMENT 2025	SUB-GOALS TO BE ACHIEVED IN 2026
■ 38 m³ of goods per transport from the central warehouse to our stores. ■ Conduct a pilot project for HCT transport. ■ Establish 1 transshipment logistics hub in Europe. ■ Increase the proportion of fossil-free dispatches from central warehouse to our stores from 20% to 25%. ■ 10% of store sales with home delivery go via e-commerce distribution trucks	● ● ● ● ●	■ 38 m³ of goods per transport from the central warehouse to our stores. ■ Conduct a pilot project for HCT transport. ■ Increase the proportion of fossil-free dispatches from central warehouse to stores, from 20% to 25%. ■ Reduce fuel consumption by 10% per e-commerce order. ■ 100% of distribution employees have undergone Eco Driving Training
● Goal achieved ● Goal partially achieved ● Goal not yet achieved		

From fill rate to cubic optimisation

Previously, we have followed up the fill rate as a percentage of truck area. In 2024, a transition to measuring loaded volume in cubic metres was initiated, which provides a more accurate picture of the actual capacity utilisation.

The goal for 2025 was to achieve 38 m³ of loaded volume per transport from the central warehouse to the stores. The score totalled 34.6 m³. The target of 38 m³ therefore remains until 2026.

“To reduce emissions, we need to make better use of transport capacity.”

In 2026, the work on volume optimisation will be intensified through clearer structures, improved monitoring and monthly reporting at management team level. This is an important measure to reduce emissions per unit transported.

HCT and electrification

In 2025, a dialogue was initiated with the supplier regarding HCT (High Capacity Transport). The long-term goal is to be able to increase the load capacity per transport and thus reduce the number of runs. The work has not yet started, but the dialogue continues and the ambition is to evaluate electric HCT as an alternative in the longer term.



Shifting to more sustainable modes of transport

We continue to work on analysing the possibilities of using more climate-smart modes of transport, such as rail and maritime transport, where it is commercially and logistically possible. Previous initiatives in short sea traffic have shown that longer foresight and planning can result in both reduced emissions and lower costs.

We also set requirements for the transition to non-fossil fuels in transports carried out by external carriers, especially in e-commerce distribution. However, the development is partly dependent on access to infrastructure and fuel.

BAUHAUS E-commerce

More efficient transport and reduced climate impact

More efficient transport and reduced climate impact. During the year, we continued our efforts to reduce the climate impact of our transport through more efficient route planning, reduced packaging and lower energy consumption. All distribution employees have undergone training in eco driving, which contributes to more fuel-efficient driving and reduced emissions.

“Through training in eco driving and an increased focus on route optimisation, we reduce fuel consumption.”

Our goal for 2025 was that 10% of retail store sales with home delivery would go via e-commerce's own distribution vehicles. However, it has proven technically challenging to measure this reliably, and we have therefore not been able to fully monitor the target.

At the same time, we see that 24% of all retail store deliveries to customers (ship-from-store) go via our regular distribution flows, which means that no extra transport needs to be booked. This contributes to a higher fill rate and reduced emissions per delivery.



In August 2025, our electric trucks were put into operation at the distribution unit in Sickla. Since then, they have contributed to a reduction in carbon dioxide emissions of about 5,000 kg of CO₂. Electrification is an important step in our work to reduce the climate impact of transport.

The ability to scale up the use of electric vehicles is currently limited by the availability of charging infrastructure at our distribution units, which is an important issue in the work to be continued.

Focus going forward

In 2026, the goal is to reduce fuel consumption by 10% per order. The work will focus on the continued development of route planning, increased fill rates and a more efficient utilisation of our transport flows. Together with training initiatives and technical improvements, this creates the conditions for gradually reducing both emissions and costs.

Waste and recycling

BAUHAUS' wide range and large retail stores mean many waste streams. Our goal is to reduce the amount of waste generated and to recycle as much as possible. Waste management is an issue that our employees are keen on – and an important part of our daily improvement work.

“Sorting correctly is an important issue for our staff.”

We work systematically with clear instructions in the stores' waste stations, training for new employees and ongoing monitoring together with our partners. The increased focus from all employees has contributed to us continuously improving our recycling rate.

Efficient flows – give results

We work continuously to reduce unnecessary packaging and streamline our internal flows. When transporting from our central warehouse to our stores, we use circular load carriers (cages) instead of traditional pallets. These are reused internally, reducing the need for single-use packaging and at the same time increasing the fill rate.

Some transport packaging is made of wood, such as the slats between decking boards and planter boxes. Instead of discarding the material, it is sold as waste wood. We also sell broken soil and pellet bags as second grade – an appreciated initiative that both reduces waste and creates value.

Since the end of 2024, we have introduced expanded plastic sorting with new fractions such as PET tapes and polystyrene (PS). By 2025, we have seen a reduction in the amount of plastic in the combustible fraction, which contributes to an increased recycling rate and more resource-efficient flows.



SUB-GOALS 2025	GOAL FULFILMENT 2025	SUB-GOALS TO BE ACHIEVED IN 2026
■ All stores have a recycling rate of at least 40%.		■ All stores have a recycling rate of at least 40%. ■ 96% of the waste is sorted. ■ 20% less wooden pallets and steel cages back to the central warehouse from the retail stores
Goal achieved	Goal partially achieved	Goal not yet achieved

Development in 2025 and focus going forward

BAUHAUS' goal is to reduce the proportion of waste that goes to energy recovery and increase the proportion that is recycled. In 2025, the sorting rate was 95%, which means that we reached our goal. The results show that the structured work in the retail stores has an effect. For 2026, we are therefore raising the target to 96%.

The total recycling rate was 38.87% during the year. Although we have not yet reached the target of 40%, we see a clear positive development. More retail stores are now able to achieve a recycling rate above 50%, which shows that the level is achievable. Therefore, we choose to set 50% as the recycling rate target for 2026.

Variations between retail stores are decreasing

In 2024, five retail stores were below a 30% recycling rate – in 2025, the corresponding figure was two. This shows that targeted efforts, closer monitoring and increased commitment give results.

Special focus on Norway

In Norway, the recycling rate in 2025 was 23.8%. In 2026, we will therefore place increased focus on structure, monitoring and knowledge-enhancing initiatives in our Norwegian operations, with the ambition to gradually approach the Swedish level.

Through clear goals and continued commitment, we are taking steps towards a more resource-efficient and circular management of our waste streams.



PROPORTION PER FRACTION	SWEDEN			NORWAY	
	2025	2024	2023	2025	2024
Energy recovery	55.5%	54.3%	52%	61.8%	72%
Material recycling	38.6%	36.3%	35%	28.4%	23.8%
Further sorting at facility	1.9%	5.0%	7.0%	0%	0%
Landfill	4.0%	4.3%	6.0%	9.1%	3.4%
Biogas/compost	0%	0%	0%	0.8%	0.9%
Incineration	0%	0%	0%	0%	0%

WEIGHT PER FRACTION	SWEDEN			NORWAY*	
	2025	2024	2023	2025	2024
Energy recovery	3,398 tonnes	3,536 tonnes	3,909 tonnes	457 tonnes	466 tonnes
Material recycling	2,363 tonnes	2,363 tonnes	2,633 tonnes	210 tonnes	154 tonnes
Further sorting at facility	114 tonnes	323 tonnes	543 tonnes	0 tonnes	0 tonnes
Landfill	244 tonnes	282 tonnes	414 tonnes	67 tonnes	22 tonnes
Biogas/compost	3 tonnes	0 tonnes	12 tonnes	6 tonnes	6 tonnes
Incineration	2 tonnes	3 tonnes	2 tonnes	0 tonnes	0 tonnes
Total	6,124 tonnes	6,507 tonnes	7,513 tonnes	740 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. We have focused in recent years 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 reported in scope 3, under 'energy and fuel-related activities', in accordance with the GHG Protocol (Greenhouse Gas Protocol), which is the global standard for calculating and reporting climate emissions.

In 2025, we have reduced our total climate impact within scope 1, 2 and 3.3. The total reduction amounts to 12%, corresponding to 631 tonnes of carbon dioxide equivalents, across our retail stores, warehouses and offices in Sweden and Norway. Our direct and indirect emissions in scope 1 and 2 are decreasing overall, while emissions in scope 3 are increasing by 21% as a result of a refined calculation method that was introduced in 2025.

Our direct emissions in scope 1 have decreased in total by 3%. The main reason is that we have phased out our e-commerce trucks in Norway. At the same time, we are seeing increases in other parts of scope 1, including higher petrol use in our company cars.



SUB-GOALS 2025	GOAL FULFILMENT 2025	SUB-GOALS TO BE ACHIEVED IN 2026
■ Reduce emissions from Scope 1 and 2 by 50% compared to 2020.	●	■ Reduce emissions from Scope 1 and 2 by 50% compared to 2020.
● Goal achieved	● Goal partially achieved	● Goal not yet achieved



Within scope 2, we have reduced our emissions by 22% (788 tonnes). The biggest driving force is that more of our Swedish units have switched to district heating and that there has been no replenishment of refrigerants.

“Our climate impact has been reduced by 12 % in Scope 1-3”

We have good knowledge of our most significant emissions within the operational limits covered by our calculations. The work to gradually expand this scope continues, with the aim of ensuring that our climate report provides a representative and high-quality picture of the current situation from a value chain perspective. Despite challenges linked to both global and national external factors, we are continuing our climate work. In the coming year, we will continue to work in line with our climate strategy and broaden our scope to meet these challenges and further reduce our climate impact.

TOTAL EMISSIONS OF GREENHOUSE GASES (TONNES CO₂E)

	2025	2024	2023
DIRECT EMISSIONS, SCOPE 1			
Trucks (e-commerce)*	696	711	150
Lift trucks	87	84	87
Company cars	78	55	67
Assembly service vehicles	2	2	0
Boiler	17	41	53
Own production of cooling	3	14	0
Scope 1	883	908	357
INDIRECT EMISSIONS, SCOPE 2			
Electricity**	1,966	2,633	3,093
District heating	824	949	1,022
Scope 2	2,793	3,582	4,116
TOTAL SCOPE 1 & 2	3,676	4,489	4,473
Scope 3.3	1,061	880	1,202
TOTAL SCOPE 1, 2 & 3	4,738	5,369	5,675

*Trucks for Norway were sold in 2024 and were no longer available in the 2025 financial year.

**Electricity Scope 2: A new situation in 2025 is that Bauhaus Sweden has some electric E-trucks, which are reported under Scope 2 with residual mix, as per the market-based method. Norway has reduced electricity consumption by 16% due to shutdowns, thereby reducing the climate impact of -15% from electricity (Scope 2 and 3.3 combined).

BIOGENIC EMISSIONS SCOPE 1 (T)

	2025	2024	CHANGE
Sweden	47	50	-6 %
Norway	1	5	-88 %
TOTAL	47	54	-13 %

We enhance collaboration for environment and health

Our ambition

We contribute to community development through long-term partnerships in sport, health and the environment. Our partnerships will create positive local impact and strengthen young people's development and commitment.

3 GOOD HEALTH AND WELL-BEING



13 COMBAT CLIMATE CHANGE



15 ECO-SYSTEM AND BIODIVERSITY



Community involvement

BAUHAUS has for a long time worked actively with partnerships and sponsorships in Sweden. Our commitment extends from grassroots level to larger national contexts and is an important part of our corporate social responsibility. Sports and associations contribute to momentum, community spirit and positive development – something we want to be involved in making possible.

Through our partnerships, we strengthen long-term relationships with both customers, associations and partners. Our sponsorship policy clarifies which organisations we partner with and how the process should be conducted, with a focus on transparency, responsibility and the long-term.

Commitment that creates momentum

Sponsorship work also motivates our employees. During the year, we carried out several activities linked to exercise and health, both inside and outside our retail stores, where employees had the opportunity to participate in fun runs, local initiatives and community fitness activities. Interest varies, but we see a clear willingness to contribute – and in 2026 we will further develop forms of employee participation in our community involvement.



SUB-GOALS 2025	GOAL FULFILMENT 2025	SUB-GOALS TO BE ACHIEVED IN 2026
■ BAUHAUS initiates/participates in sustainability initiatives with business partners that promote the environment and/or health. ■ All stores have held at least one activity day with a local club. ■ 80% of employees have participated in a sustainability activity during work hours.	● ● ●	■ 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 staff have participated in a health-promoting activity during their working hours.
● Goal achieved ● Goal partially achieved ● Goal not yet achieved		



Community involvement through momentum and community spirit

Through various initiatives, we want to contribute to a more active and sustainable society. We like to get involved in activities that promote exercise, health and community spirit.

Clean Sweden – a partnership for a cleaner local environment

For several years, we have collaborated with Städa Sverige and carried out local cleaning events in several locations where we operate. By these means, sports clubs and youth teams get involved in cleaning and taking care of their local environment.

The initiative contributes both to reduced littering and to associations receiving financial support for their activities. Our employees also participate in the activities, which strengthens ties to the local community and creates involvement in everyday life.



“We have long been one of Sweden’s largest sponsors of sports.”

Spin of Hope – together for the Swedish Childhood Cancer Foundation

During the year, we carried out a Spin of Hope in our stores, where both employees and customers participated in the collection for the Swedish Childhood Cancer Foundation. By cycling on site in our retail stores, every kilometre has contributed to the collection. For every kilometre cycled, BAUHAUS has donated money, which together with the participants’ contributions, has created a strong commitment.

This initiative is part of our partnership with the Swedish Childhood Cancer Foundation. For almost fifteen years, BAUHAUS has been their main partner, and the partnership gets both employees and customers involved. Since its inception, we have collectively raised over SEK 30 million for the Swedish Childhood Cancer Fund’s important work.

Focus on inspiration and community spirit

BAUHAUS Sports Club is a non-profit club that we run to inspire exercise, training and community spirit. The club is open to everyone – regardless of age or level – and offers activities such as cycling, running, skiing and triathlon.

“We have long been one of Sweden’s largest sponsors of sports.”

Through the sports club, we create opportunities for both employees, customers and external participants to be active together. We arrange training sessions, competitions and events in various locations, often in connection with our retail stores, which contributes to increased involvement and strengthens ties to the local community. Membership is free of charge for children and young people, and the club offers both a sense of community and opportunities to develop in sports – regardless of whether you are an amateur athlete or a competitor.

We create a joy for exercise with our partners

We work closely with the federations we sponsor, where we together run initiatives that get more people moving with joy. One example is the BAUIS ski school,



which we have developed together with the Swedish Ski Association. During the winter months, ski packs circulate between preschools around the country and give children the opportunity to try out cross-country skiing free of charge. So far, over 10,000 children have participated in the ski school – many of them have had their very first encounter with snow, exercise and the joy of skiing. For us, BAUIS ski school is a way to lower the thresholds for sports and give more children the chance to discover exercise, community spirit and new experiences.

PRINCIPLES FOR OUR SPONSORSHIP WORK

- We support organisations that promote public health or work for the environment.
- We provide sponsorships at both 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.

GRI-index

STATEMENT OF USE	BAUHAUS has reported the information referred to in this GRI Index for the period 1 January - 31 December 2025 with reference to the GRI Standards.
GRI 1- VERSION	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	Workers		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 on 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 energy recovery and disposal		38, 39

GRI 308	SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
308-1	New suppliers that were screened using environmental criteria	All 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 worker hires and worker 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	Employee participation, consultation, and communication on occupational health and safety		29-30
403-5	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 in the value chain		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 worker skills and transition assistance programs		26 - 27
404-3	Proportion of workers receiving regular performance and career development reviews		27

GRI 405	DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1	Diversity of governance bodies and workers		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	Businesses 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	Businesses with local community involvement, 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



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