



When it really matters.



better. sustainable. living.

Sustainability report 2020/2021

About this report

BAUHAUS Germany's first sustainability report is based on the motto "better. sustainable. living." We will show you the goals we are committed to in order to fulfil our social responsibility and give you examples of our commitment to a better and more sustainable life. You will also find out what we intend to do in the future and how we measure our performance and goals. The report is aligned with the standards of the Global Reporting Initiative (GRI).

Reporting period

The reporting period comprises the financial years 2020 and 2021, which extend from 1st January to 31st December. This sustainability report represents the first of its kind from BAUHAUS Germany. Unless otherwise stated, the graphs refer to the year 2021.

Reporting limits

The details in this report relate to the business activities of BAUHAUS Germany. This includes BAUHAUS AG and BAHAG AG with the registered office in Mannheim (hereinafter BAUHAUS). BAUHAUS AG consists of regional companies in which the specialist centres are aggregated (www.bauhaus.info/gesellschaften). BAHAG AG constitutes the buying company and is servicepartner to BAUHAUS AG in the areas of Human Resources, Law and Compliance, Finances and IT.

Content

2
Foreword

4
BAUHAUS chronicle

6
Company portrait

10
Sustainability strategy

1
Page 20
Products and supply chain

2
Page 30
Customers and market

3
Page 40
Logistics and building

5
Page 56
Employees

6
Page 68
Region and society

4
Page 48
Company management

76
Data

80
Legal disclaimer

better. sustainable. living.

We provide a better, more sustainable life by helping our customers to create an ecologically valuable and healthy home through our products and services. For our home and garden focus workshop, we provide examples in this sustainability report of how we support people to build in an environmentally-friendly way, to garden in a bee-friendly way or repair defective objects.

Sustainable crafts



Natural gardening



Climate-friendly living



Foreword of the Board of Directors



»At BAUHAUS, sustainable business and future-orientated actions form the basis of our success. For me, sustainability means successfully aligning the company for the future. This includes a resource-saving and climate-friendly set-up.«

Bernd Baus



»We are determined to make BAUHAUS sustainable and future-proof in the long-term, yet we are aware of the challenging path ahead. I am optimistic and curious about the tasks that lie ahead of us and look forward to implementing them together with our employees.«

Dr. Peter Lutz



»We want to be measured not only by what we have always done, but also by how we can contribute to a better living environment. Our first sustainability report is therefore both: a list of what we have already achieved and a description of our ambition. For a sustainable home.«

Céline Baus

Dear readers,

As a forward-looking family business, it is in our DNA to plan and act for the long-term. That is why we at BAUHAUS take responsibility. For our company. For the environment, society and a sustainable home. From our point of view, sustainability means nothing less than: acting in such a way that our children and grandchildren and all future generations also benefit. This includes ensuring that our entrepreneurial actions conserve the limited resources of our planet, that our ecological footprint is as small as possible and that our company lasts in the long-term. We have made the decision to create the right prerequisites today.

In close dialogue with our customers, suppliers, employees and experts, we have formulated goals and decided on measures over the past two years on the basis of these discussions in order to position our company sustainably and securely for the future. This sustainability strategy has also been embedded as a central component of our corporate mission statement. It is our aim to anchor sustainability in each of our business segments. This includes our specialist centres, products, supply chains and, of course, our employees and responsible corporate governance.

For the systematic and consistent implementation and execution of our sustainability strategy throughout the company, we have established sustainability management in 2020. Our experts within the sustainability team direct strategy, bundle activities and aggregate them within systematic reporting. As the central point of contact for all our sustainability efforts, all measures,

initiatives and ideas are brought together here. The operational implementation of the measures and their regular reflection are carried out together with the colleagues from the departments.

We are pleased to present our first sustainability report and to show where our focus lies on the path to becoming a sustainable company. We report on the initiatives and measures we have already implemented and present our goals and ambitions for the future.

In our dynamic business environment, we only manage to achieve our goals if we think innovatively and creatively. We need new approaches to meet the many challenges on the way to a sustainable BAUHAUS. This is our biggest lever for sustainable development, this is our contribution to a better and sustainable home.

We hope you enjoy reading it.



Dr. Peter Lutz

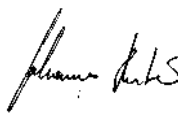


Bernd Baus

Board of Directors



Dieter Bien



Johannes Harter



Stefan Wolsiffer

Company management

BAUHAUS chronicle



In 1960, the BAUHAUS success story begins in Mannheim: By bundling various specialist ranges under one roof and combining this with a self-service concept, BAUHAUS sets new standards for the trade. Comprehensive product selection, first-class quality, cheap prices, competent advice and good accessibility of our specialist centres have been part of our basic principles from the very beginning. And this still forms the basis for success as a family business.

1960

On 9th April 1960, the first BAUHAUS shop opens in Mannheim city centre at Quadrat U 3, 21-22, and is the first of its kind in Germany. There are six departments with around 2,500 products on a sales area of 250 square metres.



1968

After opening additional shops in Mannheim, Heidelberg and Karlsruhe, locations outside the home region follow from 1968 onwards. The specialist centre in Karlsruhe's city centre still exists today, as does the fourth BAUHAUS nationwide in Berlin, Bayreuther Straße.



1972

The shops are divided into 15 specialist departments, a division that basically still applies today.



1973

BAUHAUS constructs the first building according to its own planning in Viernheim, with a sales area of 3,600 square metres.



1981

BAUHAUS is growing and growing: the 50th specialist centre in Germany opens in Cologne.



1993

With the opening of the Mannheim-Mallau branch, BAUHAUS sets new standards and since then offers an even more comprehensive shopping experience in the large area.



1997

The largest specialist centres to date are launched in Düsseldorf-Gerresheim and Frechen. The sales space is almost 30,000 square metres in each.



2003

BAUHAUS builds the first Cross-Docking Center (CDC). By bundling goods, transportation is reduced and resources in the specialist centres are conserved.



2003

The first DRIVE-IN ARENA is inaugurated in Ludwigshafen am Rhein. Today, there are DRIVE-IN ARENAS at 66 locations.



2010

To mark the company's 50th anniversary, BAUHAUS opens a specialist centre with over 20,000 square metres of sales space in Heidelberg's Bahnstadt district – Germany's largest passive house. In social terms, BAUHAUS is involved nationwide in the anniversary year with the "BAUHAUS macht Schule" project.



2013

Specialist centres certified in accordance with the Green Building Standard are opening in Gießen and Singen. From then on, every new specialist centre will meet the KfW-55-Standard.



2014

The BAUHAUS online shop goes live.



2016

With an area of around 100,000 square metres, the new import warehouse in Krefeld will become the central hub for our products.



2018

BAUHAUS obtains its plants from nurseries that are committed to safe and sustainable agricultural production via the GlobalG.A.P. or MPS standards.



2019

With the Germany-wide campaign "Save the Insects", BAUHAUS focuses on the active protection of bees and insects. The first WorkersPoint, a professionally equipped creative and repair workshop for craft enthusiasts and professionals, opens in Reutlingen.



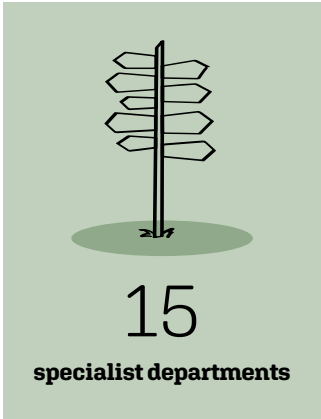
2020

BAUHAUS celebrates its 60th anniversary and launches the nationwide climate forest campaign to plant one million trees.



BAUHAUS: partner for your workshop, home and garden

As a family-run retail company, BAUHAUS offers high-quality products for the workshop, home and garden. BAUHAUS employs more than 15,000 people and operates 159 specialist centres in Germany as well as a central warehouse (ILW) in Krefeld and five cross-docking centres (CDC) spread across Germany. The BAUHAUS Service Centre Germany (SCDE) in Mannheim supports the German specialist centres as a service partner and provides various internal services.



The reference date is 31.12.2021 in each case.

The BAUHAUS principle

We owe our steady company growth to a concept that is as successful today as it was 60 years ago: branded products from a wide variety of specialist ranges under one roof, in specialist trade quality and at the best prices, combined with expert advice.

Over the decades, BAUHAUS has built up a range of around 160,000 products in 15 specialist departments. In addition to branded products from well-known manufacturers, BAUHAUS also carries its own quality brands that are available exclusively from us. In addition, there is a delivery service, assembly services, the rental of machines,

trailers and e-cargo bikes as well as special services such as wood or tile cutting as services for tradespeople and do-it-yourselfers. We have developed special focal points within the product and service range into specialist shops. In these we combine expert knowledge with a wide range of products and customised services.

Since 2014, BAUHAUS has also been represented online. Customers have around 130,000 products available to them in the online shop.

BAUHAUS specialist stores at a glance

BATHROOM WORLD

BAUHAUS supports customers in planning new bathrooms and bathroom renovations with its shop-in-shop approach. High-quality products are complemented by inspiring showrooms, an all-round service, advice and installation from a single source.

Stadtgarten Garden Centre

In the Stadtgarten Garden Centre, BAUHAUS has everything for the garden, balcony and greening of the living area.

DRIVE-IN ARENA

We make heavy or bulky products such as building materials and tiles available to craftsmen, tradesmen and private customers in large quantities ready for collection at the DRIVE-IN ARENA.

NAUTIC

Sailing and motorboat enthusiasts can find water sports accessories in 52 BAUHAUS specialist centres. With over 5,000 products for ship and crew, we are now one of the largest suppliers in this segment.

TILES ARENA

BAUHAUS offers tiles for all application areas and in all colours and shapes. If required, our employees can cut them to size in the store.

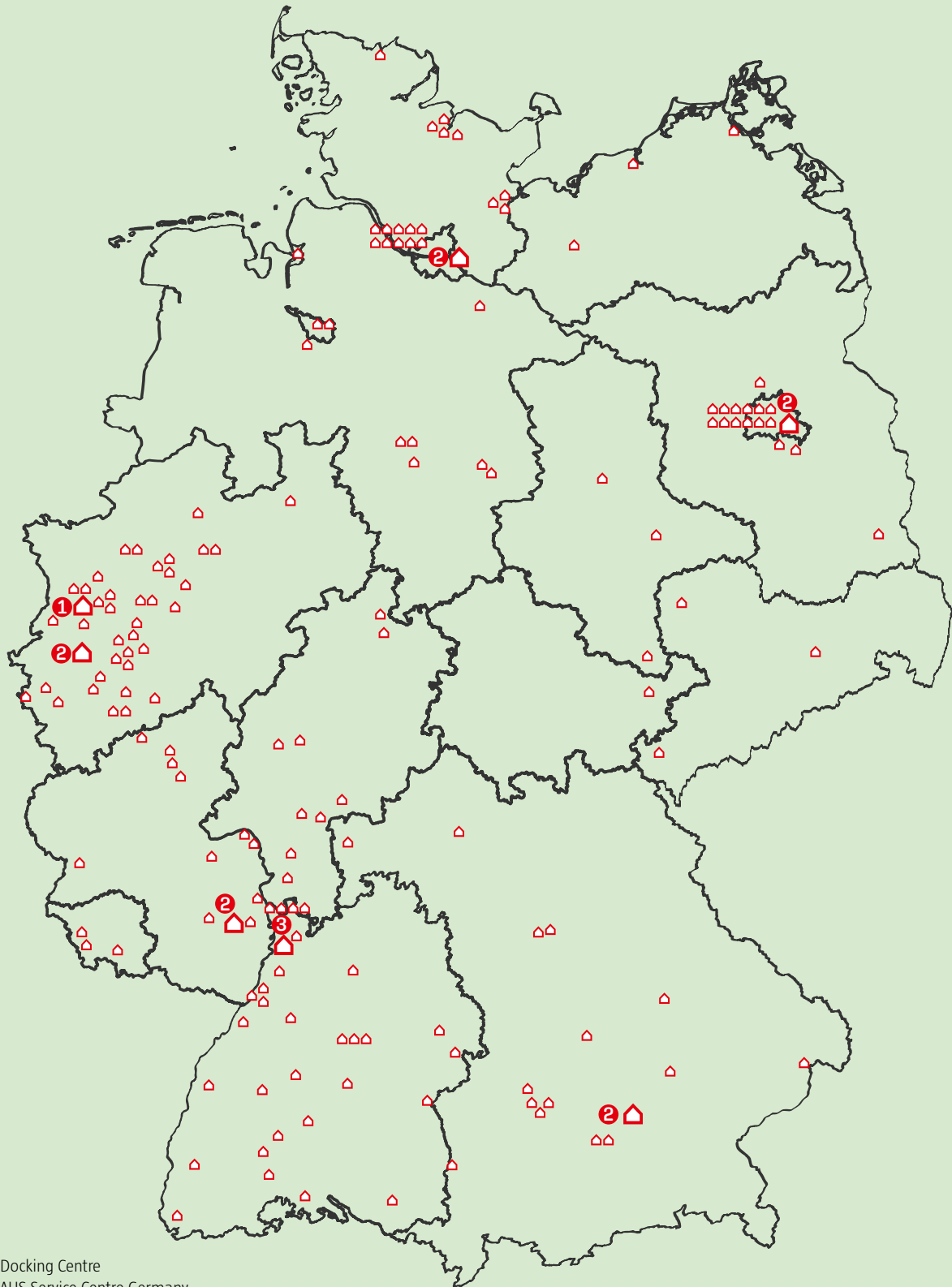
PROFI DEPOT

BAUHAUS offers amateurs and professionals alike a wide selection of construction equipment, scaffolding, construction chemicals, insulation material and much more.

Pro Clean

Our range of professional cleaning products includes more than 800 products and the corresponding accessories.

Specialist centres in Germany



- ① ILW
- ② Cross Docking Centre
- ③ BAUHAUS Service Centre Germany

The logistics locations in Kassel, Lutterberg and Lovosice are not considered in this report as they are operated by external service providers.

BAUHAUS corporate mission statement



Purpose
For a better home



Vision
BAUHAUS is the right partner for your workshop, home and garden any time and anywhere.



Core values
Quality
Responsibility
Integrity

For a better home

Our corporate purpose is: for a better home. This means we want to be the right partner at all times and everywhere for workshop, home and garden. The basis is formed by our core values: quality, responsibility and integrity. Our thoughts and actions focus on the wishes and needs of our customers, the quality and sustainability of our products and services, and compliance with ethical values. We have laid this down in our corporate mission statement, which serves as orientation for all BAUHAUS employees.

BAUHAUS Europe: the national companies

The BAUHAUS concept is not only successful in Germany. After the foundation of the first national company in Austria in 1972, expansion to Denmark followed in 1988. Denmark was followed by Sweden (1997), Finland (2001), Norway (2007) and Iceland (2012). With the founding of national companies in Spain (1989) and Turkey (1996), we opened up new regions in the south. BAUHAUS has also had a presence in Eastern Europe since the 1990s: the opening of the first specialist centre in the Czech Republic in 1993 represents a particular milestone. Bulgaria, Estonia, Croatia, Slovenia, Hungary and Slovakia followed later. We are also represented in Switzerland, the Netherlands and since 2016 in Luxembourg. BAUHAUS currently operates more than 270 specialist centres in 19 European countries – always taking into account country-specific conditions and local traditions. In this way, BAUHAUS fits into the local economic structure and is a welcome partner.

More than

270

specialist centres
in 19 European
countries



Our sustainability strategy

Ecologically and socially sustainable action is one of the central elements of BAUHAUS' corporate philosophy. We implement sustainable strategies and thus make our contribution to a future worth living.

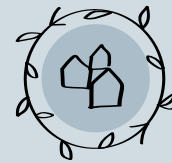
Products and supply chain

Our product range and our brands stand for quality, sustainability and exclusivity. Our supply chain is socially and environmentally responsible.



Company management

We are a sustainable family business with strong innovation and integrity.



Customers and market

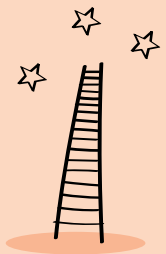
We enable all customers to have a sustainable and healthy home through our products and services.



Our claim

Employees

We offer opportunities for all talents in retail. Performance, competence and experience are what distinguishes our employees.



Logistics and building

We keep the ecological footprint of our buildings as small as possible. Our logistics are efficient and climate-friendly.



Region and society

We are a strong partner and good neighbour.



What we are working on

What is really important

In order to systematically bundle our measures to date, BAUHAUS developed a sustainability strategy together with the specialist departments in 2020. We have identified six fields of action, each of which follows a guiding principle. Clear operational goals and measures will drive us here in the coming years. A chapter is dedicated to each of the six fields of action in the following. In the chapters we describe what we intend to do in the coming years and what we have already achieved.

Products and supply chain

- ☆ Procuring quality brands according to sustainable criteria
- ☆ Establishing guidelines and training sessions on sustainability in purchasing
- ☆ Designing product packaging for our quality brands in an environmentally-friendly way
- ☆ Demanding environmental and social standards in the supply chain

Company management

- ☆ Further developing sustainability management in the company
- ☆ Entering into regular dialogue with claim groups
- ☆ Boosting economic success with sustainable products
- ☆ Expanding internal communication platforms

Customers and market

- ☆ Satisfied and loyal customers
- ☆ Being perceived a competent partner in terms of sustainability
- ☆ Informing customers about sustainable products
- ☆ Increasing sustainability in online retail

Employees

- ☆ Give employees the skills to become sustainability ambassadors
- ☆ Promoting leadership skills
- ☆ Supporting and further developing employees and talent
- ☆ Ensuring health and occupational safety
- ☆ Support a Work-Life-Balance

Logistics and building

- ☆ Implementing climate protection and energy efficiency in all specialist centres
- ☆ Building new specialist centres according to high ecological standards
- ☆ Arranging logistics intelligently and eco-efficiently
- ☆ Optimising transport packaging with regard to sustainability

Region and society

- ☆ Engaging socially as a company
- ☆ Promoting the voluntary engagement of employees.
- ☆ Continuing to accept regional responsibility as an employer

Focussing on the essentials

The starting point for reporting and strategy development at BAUHAUS was a materiality analysis. On the one hand, issues where our business activities have the greatest economic, environmental and social impact and, on the other hand, issues that have the greatest influence on our business activities are understood to be fundamental. We have looked at all these issues from both an internal perspective and from the point of view of our external stakeholders. This corresponds to the procedure in accordance with recognised sustainability standards such as the Sustainability Standards of the Global Reporting Initiative (GRI) or the German Sustainability Code.

Identification and prioritisation of fundamental topics

In an internal workshop, the company management, department and regional management as well as the sustainability management of BAUHAUS identified and prioritised 40 essential topics. Then we established the points of view on the issues in dialogue with our stakeholders. We surveyed employees and customers online and conducted interviews with other key stakeholders. These included business partners, suppliers and representatives from civil society, industry and trade associations, the media, politics and science.

The results of the stakeholder dialogue clarify for us the internal and external expectations of BAUHAUS' contribution to sustainability. From the results, we derive measures for the further development of our sustainability strategy. The materiality matrix is a central tool in this process, as it brings together the results from the stakeholder dialogue and the internal workshop.

The colour gradient in the materiality matrix demonstrates the magnitude of the need for action on those sustainability issues identified as material.

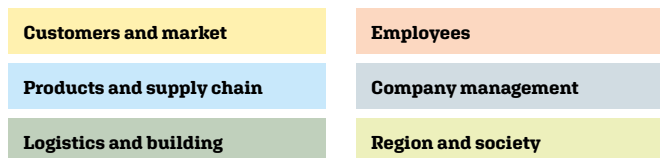
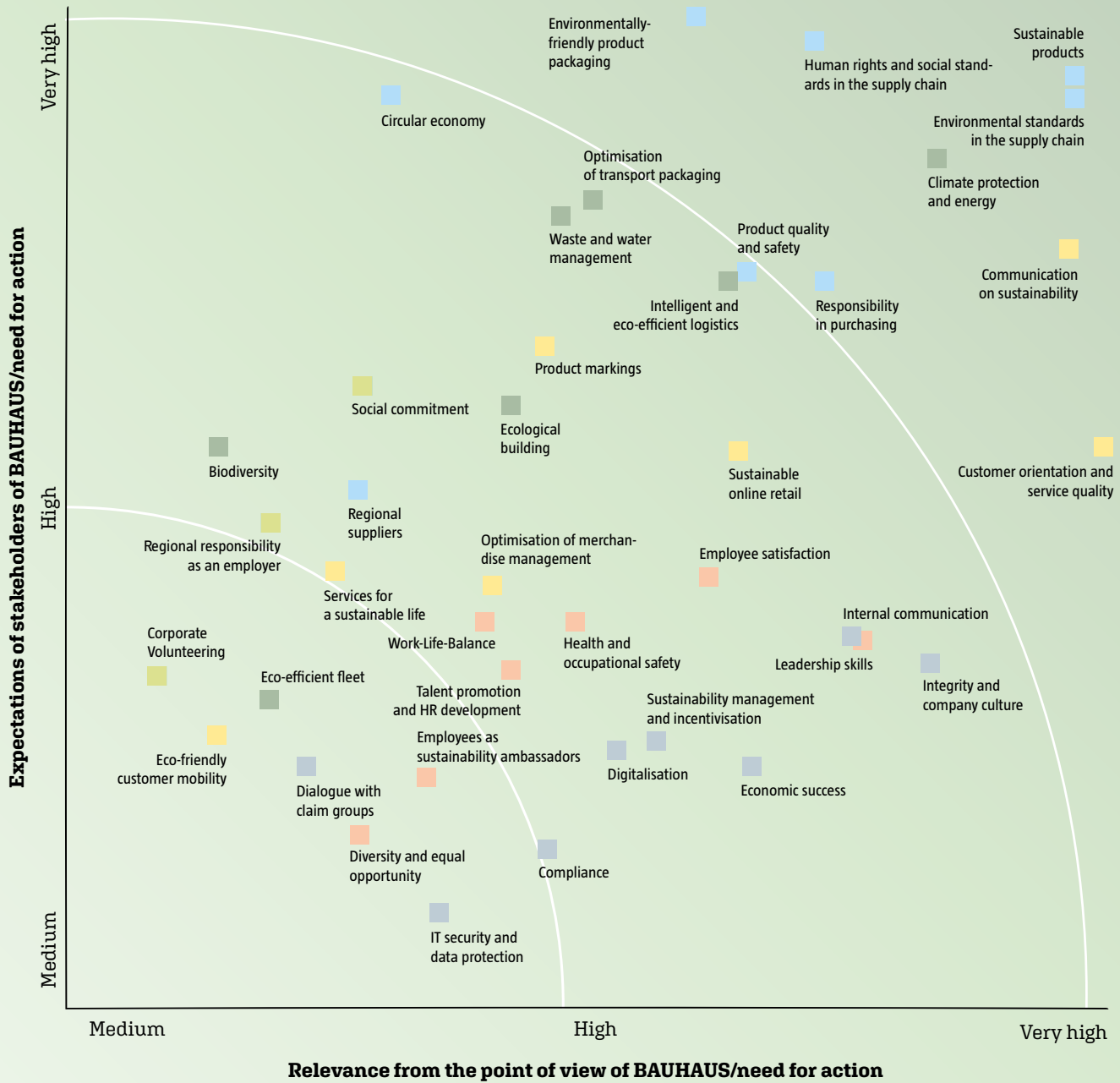
Interpretation of results

In the evaluation of the topics from the perspective of BAUHAUS management and stakeholders, there is a high level of agreement overall: both groups rate the topics "Sustainable products", "Environmental standards in the supply chain", "Human rights and social standards in the supply chain", "Climate protection and energy" and "Communication on sustainability" highest. This shows how important the issue of sustainability is in our core business – that is, in our products and in the supply chain. Through communication, we can also raise people's awareness of sustainability issues.

Our stakeholders also rate the topic of "Circular Economy" highly. With our efforts for more durability, reparability, recyclability and eco-friendliness of our products, we are increasingly addressing this challenge.

For BAUHAUS, sustainability is a continuous development process. We have a lot of work ahead of us over the next few years in order to live up to our own standards. To this end, we will continuously review progress on the key topics identified in 2020. The responsible areas annually evaluate the target programme based on materiality analysis, monitor the achievement of targets and formulate new operational targets and measures for themselves.

BAUHAUS fundamental matrix



Fields of action and essential topics



Products and supply chain

Product quality and safety

Top priority goes to the quality and safety of products and services. With a comprehensive quality management system, we ensure that we comply with legal regulations and standards for product safety and also fulfil internal requirements that go beyond these.

Environmentally-friendly product packaging

We are continuously looking for more sustainable product packaging that also ensures the integrity of the products. Here we focus on less plastic, higher recycling percentages and the use of recyclable materials.

Responsibility in purchasing

We define transparent and standardised sustainability criteria for purchasing. To this end, we develop purchasing guidelines with sustainability criteria and train our buyers. We follow the same sustainability criteria for our own needs.

Sustainable products

We strive to offer customers ecologically valuable and energy-efficient products as sustainable alternatives.

Circular economy

For our own brands, we are increasingly focusing on durability, repairability, recyclability and more environmentally friendly materials in the spirit of the circular economy. We systematically examine how and where our products and services can contribute to the circular economy. Renewable and recyclable materials are the focus.

Social standards in the supply chain

We are a member of the amfori Business Social Compliance Initiative (BSCI). Here, we are actively engaged in the compliance and improvement of social standards and working conditions within the international supply and production chains.

Environmental standards in the supply chain

As a member of amfori, we are part of a leading corporate initiative to improve sustainability in global supply chains. In the coming years, we want to introduce the environmental standards according to the Business Environmental Performance Initiative (BEPI) to our suppliers.

Regional suppliers

The shorter the journey of our products, the fewer CO₂ emissions are produced. Our claim is therefore to procure more products from Europe wherever possible.



Customers and market

Communication on sustainability

We reach many people through almost 160 specialist centres, as well as our brochures, the BAUHAUS online shop, the information and inspiration platform richtiggut.de, the customer magazine passt! and at customer events. This gives us a great lever to raise awareness of the issue of sustainability.

Services for a sustainable life

With the BAUHAUS WorkersPoint customer workshop, the rental service and the free hire of e-cargo bikes, we ensure more sustainability for our customers. We are continuously exploring further opportunities for sustainable services.

Customer orientation and service quality

We gear our products to the needs of our customers. We offer fair prices and provide excellent customer service. This allows us to ensure high customer satisfaction.

Product markings

Where there is sustainability in it, there should also be sustainability on it. We therefore provide many of our products with information about sustainability in the form of seals that are awarded according to transparent criteria. In this way, we enable customers to make conscious and informed purchasing decisions.

Optimisation of merchandise management

We optimise our inventory management so that as few products as possible break or spoil.

Sustainable online retail

We design our online shop in such a way that sustainable products are particularly visible to customers, for example with the help of seals. We also reduce our ecological footprint with sustainable transport logistics.

Eco-friendly customer mobility

We hire out e-load bikes to customers free of charge at selected locations, are testing the rental of e-transporters and are expanding the fast-charging infrastructure for more e-mobility at our specialist centres throughout Germany.



Logistics and buildings

Waste and water management

Unavoidable waste from transport packaging is generated in our specialist centres and in logistics. We use intelligent waste collection and separation systems and reduce the amount of packaging as much as possible.

Climate protection and energy

Avoiding greenhouse gas emissions is a high priority for us. We have equipped most of our specialist centres with modern heating systems, LED technology and daylight zones. In the future, we will increasingly equip them with photovoltaic systems and charging stations for e-mobility.

Ecological building

BAUHAUS takes great pains to use ecological and energy-efficient construction methods when building its specialist centres. We are modernising existing specialist centres as required with a view to maximum energy efficiency. We equip all new specialist centres with photovoltaic systems right from the start.

Biodiversity

We are also committed to preserving biodiversity beyond our products. We are planting one million trees throughout Germany, organising campaign days to protect bees and planting insect-friendly roofs on our specialist centres to improve the microclimate.

Eco-efficient fleet

Our vehicle fleet offers a decisive adjusting screw for reducing our emissions. We intend to increase the proportion of company vehicles with alternative forms of propulsion in the coming years.

Intelligent and eco-efficient logistics

Our logistics have an impact on the environment. Through efficiently planned and fully utilised transports, we specifically reduce our CO₂ emissions.

Optimisation of transport packaging

We want to reduce our transport packaging, without affecting its protective function. For this, we are increasingly using reusable systems.



Company management

Integrity and company culture

As a value-oriented family business, a corporate culture based on sustainability is important to us. The corporate mission statement includes a clear commitment to our responsibility for the environment, society and a sustainable home.

Sustainability management and incentivisation

We have defined clear responsibilities and processes for sustainability management. We continuously develop the sustainability strategy and the programme of measures in a systematic exchange with the specialist departments. All employees can contribute ideas for improving internal processes to our idea exchange.

Digitalisation

In the coming years, we want to introduce digital processes wherever they make sense. We prioritise digital meetings. Employees can work remotely for a certain number of days if their tasks allow it.

IT security and data protection

We ensure the legally compliant handling of customer and other personal data, regularly train our employees on data protection and continuously review our technical infrastructure.

Economic success

We want to increase the share of sustainable products in sales. We also promote the company's innovative strength in order to be successful on the market in the long-term.

Compliance

Through consistent compliance management, we ensure that we always act in accordance with applicable regulations. Since compliance with guidelines and laws also depends on our employees, we regularly train them on compliance issues. A code of conduct gives them orientation in everyday work.

Internal communication

Our employees are active across the company at around 200 locations. Internal communication therefore represents a big challenge. One of the ways we are addressing it is by establishing and expanding mobile solutions such as our employee portal.

Dialogue with claim groups

The systematic participation of our stakeholders is an essential component of successful implementation. We enter into a structured exchange with our internal and external stakeholders through a stakeholder dialogue that also includes employee and customer surveys.



Employees

Health and occupational safety

The health of our employees enjoys top priority with us. Therefore, we train them on the topic of occupational safety and offer additional company health benefits. We are also planning to establish a company and company-wide health management system.

Talent promotion and HR development

Young talents will find attractive prospects for a career in retail with us as apprentices, students and trainees. With a mentoring programme, we specifically promote the development of junior staff. We strengthen the competences of all employees with further education programmes, training courses and e-learning.

Employees as sustainability ambassadors

Our staff in the specialist centres are very competent. We are increasingly training them on the topic of sustainability, for example on the products in the "Healthy Living" range, so that they can make customers even more aware of sustainable purchasing decisions.

Diversity and equal opportunity

Respect is an indispensable corporate value for BAUHAUS. We understand diversity as an opportunity. We offer diverse jobs for a diverse team with different origins, backgrounds and orientations. This enriches us as a company and leads to better results.

Leadership skills

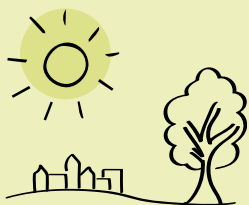
Leaders play a key role in our company. We continue to build leadership skills with internal management guidelines and regular training in all areas.

Work-Life-Balance

We create the conditions within which our employees can combine their professional and private lives in the best possible way. By providing opportunities for remote working, entitlement to part-time work and flexible working time models, we promote the work-life balance and take into account the special situation of working parents.

Employee satisfaction

As a future-oriented company, we want to offer our employees long-term prospects through permanent employment contracts and above-average salaries. We promote a sense of belonging with activities such as the annual company run and other events.



Region and society

Social commitment

We also make valuable contributions to society beyond our business activities. We support local associations and projects, participate in regional and nationwide fund-raising campaigns and initiate sustainable campaigns, such as currently the planting of one million trees.

Corporate Volunteering

Many of our employees are involved in charity work. This is something we actively promote. For example, we initiated a BAUHAUS-wide Corporate Challenge to collect money together for charity.

Regional responsibility as an employer

We are represented throughout Germany with our specialist centres. In this way, we maintain and create jobs, contribute to securing prosperity and make a contribution to liveable and future-oriented regions.

Our contribution towards the achievement of Sustainable Development Goals

With the 2030 Agenda, the United Nations has created a framework for sustainable development. The Agenda focuses on 17 Sustainable Development Goals (SDGs). The SDGs are intended to show how economic development and social justice can be combined worldwide without overstepping ecological boundaries. Governments, civil society, science and businesses alike are called upon to contribute to the 2030 Agenda. BAUHAUS has a particular impact on six SDGs through its business activities.



Ensure inclusive, equitable and quality education and promote lifelong learning opportunities for all

BAUHAUS offers all employees the opportunity for development.

Our contribution:

- We offer all employees a broad programme of training courses, e-learning and further education as part of the internal BAUHAUS Academy.
- We enable young people to enter professional life: with eleven apprenticeships, a dual study programme and trainee programmes.
- We promote young talent through a structured junior management programme.
- We offer dedicated employees at the logistics site the opportunity to train alongside their job with full pay.

★ More information on p. 59–62



Ensure access to affordable, reliable, sustainable and modern energy for all

We are actively supporting the energy transition.

Our contribution:

- We generate renewable energy through photovoltaic systems, both at our newly built specialist centres and properties and at existing specialist centres, as far as technically possible.
- We support customers in their e-mobility by expanding the fast charging points at specialist centres.

★ More information on p. 33, 43–44



Promote sustained, inclusive and sustainable economic growth, full and productive employment and humane work for all

We are contributing to strengthening the region through new and secure jobs.

Our contribution:

- We offer secure jobs and mainly permanent employment contracts.
- We are growing as a company, thereby creating new jobs.
- We obligate our suppliers to comply with human and labour rights.

★ More information on p. 26, 57, 70



Ensuring sustainable consumption and production patterns

We are making consumption more sustainable.

Our contribution:

- We offer a wide range of ecologically valuable and energy-efficient products, healthy products for the home and certified products with sustainability seals.
- We are working with our suppliers to offer more sustainable product and packaging alternatives in the future.
- We are contributing to the circular economy, through products made from renewable or recycled materials.
- We are committed to upholding social and environmental criteria in the supply chain.
- We offer sustainable services, including machine hire stations, the WorkersPoint customer workshop and free e-bike hire.
- We are reducing the packaging of our quality brands.
- We work to create awareness among customers for sustainable and responsible consumption.



★ More information on p. 20–29, 32–33



Take immediate action to combat climate change and its impacts

We are reducing our CO₂ emissions.

Our contribution:

- We are building modern specialist centres according to high ecological and energy-efficient standards such as KfW 55 or BEG 40, with LED technology, daylight zones, photovoltaic systems and charging stations for e-mobility.
- We are modernising existing specialist centres with regard to energy efficiency.
- We use almost completely CO₂-neutral shipping for packaged goods ordered in the online shop from our warehouses.
- We organise our plant logistics to be almost completely CO₂-neutral, from the nurseries to the wholesalers to the specialist centres.
- We make our logistics eco-efficient by optimising the utilisation of transports, bundling of goods and picking.



★ More information on p. 24, 34–35, 43–44

Protect, restore and promote sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, end and reverse land degradation and put a stop to biodiversity loss.

We promote sustainable forestry.

Our contribution:

- We offer a wide range of certified wood products (FSC® or PEFC).
- We support sustainable forestry through our Chain of Custody certification according to FSC® and PEFC standards.
- We are planting one million trees nationwide and thus make an important and verifiable contribution to the sustainable conversion of the German forest.



★ More information on p. 22



Products and supply chain

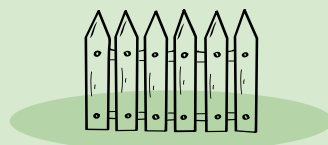
We want to offer all of our customers a better home. For us, better also means environmentally conscious, socially responsible and sustainably good. We are meeting this claim with our products and quality brands. We keep the environmental and social footprint of our offer as small as possible. At the same time, we are taking a closer look at our supply chains.



BAUHAUS range

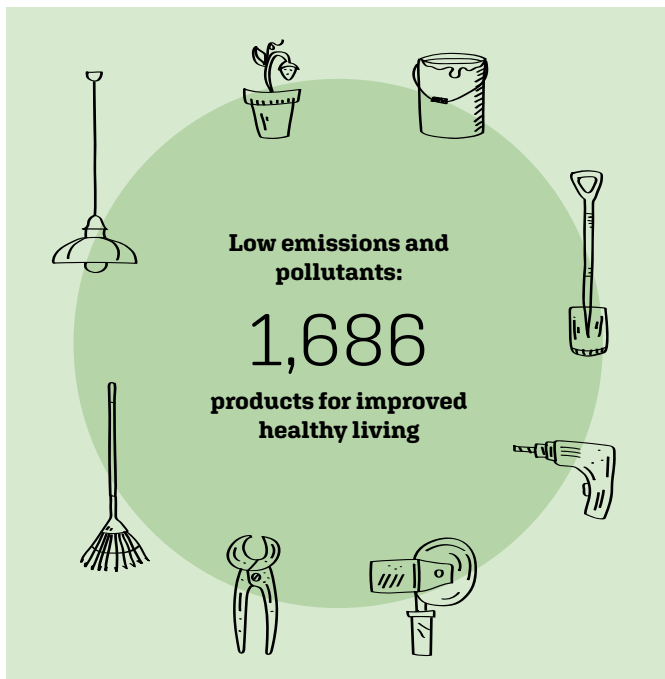
7,061

FSC®-certified products



2,346

PEFC-certified products



Our products – the biggest lever for sustainability

Anyone who shops at BAUHAUS will find products that provide an immediate benefit for more sustainability, such as rainwater tanks. But that alone is not enough to fulfil our claim to sustainable products. We also make sure that the products themselves are manufactured in the most sustainable way possible. This includes environmentally-friendly contents as well as sustainable packaging. At the same time, we strive to enforce sustainability standards along the entire supply chain.

Our quality brands constitute our greatest leverage for sustainability. Because we have these products produced exclusively for us, we can work particularly closely with the manufacturers here and jointly develop sustainable solutions. Some products are not sustainable as such: we are therefore not afraid to remove such products from our range. In the past, this applied, for example, to products containing glyphosate or to fireworks.

Healthier products for healthy living

Floor coverings, adhesives, paints or wallpapers often contain substances such as preservatives, plasticisers, binders and solvents that can get into the indoor air and damage health. Our range

therefore also includes particularly low-emission and low-emission products. We identify these products with the BAUHAUS “Healthy Living” logo. The criteria for health assessment often go beyond the legal requirements.

We have the properties of the products we label externally tested and appraised. The Sentinel Haus Institut (SHI) – a renowned expert and certifier for healthy living, building and renovation – has checked our range of “Healthy Living” products in 2021 for harmful substances and emissions using strict criteria. Around 1,700 BAUHAUS products now stand for certified healthy living. In three pilot specialist centres, these products have been labelled with the new seal since the beginning of 2021. The Germany-wide labelling of the range is planned for 2022. In addition, we have trained our staff specifically on the “Healthy Living” products so that they can provide sound advice. As an independent body, TÜV Saar audits the completeness of the product range and the quality of on-site advice.

◆ bauhaus.info/gesund-wohnen





Sustainable Christmas trees

What would Christmas be without a Christmas tree? Christmas trees from organic cultivation have been part of the BAUHAUS range for several years. Since 2021, we have even been exclusively offering sawn Christmas trees with the quality seal of the Verband natürlicher Weihnachtsbaum e. V. (Natural Christmas Tree Association). Trees with this seal come from environmentally friendly and socially responsible cultivation. In order to receive the seal, producers must comply with 23 criteria, including biodiversity, environmental protection and occupational health and safety. For every tree harvested, a new tree is planted.



Wood, but with a forest check-up

The use of wood is omnipresent in the trades, and many of our products are also made from this renewable raw material. Wood products that we procure should in principle be certified in accordance with the internationally recognised rules of the Forest Stewardship Council® (FSC®) and the Programme for the Endorsement of Forest Certification (PEFC). Both certifications assess criteria such as the sustainable management of the forest, the protection of biodiversity or the establishment of site-appropriate tree species. In total, more than 9,400 of our products in the range are certified according to FSC® or PEFC. All purchasers receive binding and transparent guidelines for the procurement of sustainable timber with our purchasing guideline for timber and are trained on this topic.



Natural stones from responsible production

Natural stones are used, for example, as floor tiles, gravel or façade cladding. We attach particular importance to responsible production, because natural stones largely come from developing and emerging countries, where human rights violations and breaches of environmental protection are a recurring problem. Since 2018, we have therefore been using the sustainability standard WiN=WiN Fair Stone, an international social and environmental standard for natural stone imports. All natural stones imported by BAUHAUS in the area of horticultural materials have since been certified accordingly. In this way, we ensure that human rights are respected in quarries and stone processing plants, that good working conditions are guaranteed and that the environment is protected. Our products only receive the seal after independent auditors have verified compliance with standards in the supply chain. Audits are carried out annually with increasing requirements. The Siegelklarheit platform, an initiative of the German government, rates the quality of WiN=WiN Fair Stone as "very good".

Discontinuation of palm oil in candles

Palm oil production accelerates the clearing of rainforests and often creates ecological or social problems in the growing regions. At BAUHAUS, the raw material is mainly found in the candle range. That is why we have decided to procure only palm oil-free candles from 2023 onwards. As of now, already three quarters of the candles are free of palm oil. The remainder contains palm oil from sustainable cultivation.

Plenty of green: our Stadtgarten Garden Centre

Plants from certified nurseries

As a matter of principle, we obtain our plants from nurseries that have undergone certification in accordance with the Global G.A.P. or MPS standards and thus meet strict sustainability standards, including in the areas of environmental protection, animal welfare and reduced use of pesticides. We only fall back on suppliers without such a certificate in case of supply bottlenecks. On average, about 98 % of our plants came from sustainably certified nurseries

at the end of 2021. We also oblige supplying nurseries to refrain from using insecticides that are harmful to bees, so that customers can also act in the interest of bee protection in their gardens. Our plant protection range complies with the specifications of the Federal Office of Consumer Protection and Food Safety (BVL) and is classified as "not dangerous to bees".

Around 80 % of our herbs and vegetable plants are certified according to EU organic guidelines. No chemical pesticides or mineral fertilisers are used in production. In the coming years, we want to further expand our organic range: From 2022 on, almost all herbs and vegetable plants are to be grown completely organically – that is more than one million plants per year.

Around

80 %

of our herbs and vegetable plants are certified according to EU organic guidelines.



Change to peat-free soils

Common gardening soil is mainly made of peat. To break down these nutrient-rich, incompletely decomposed plant remains, moors are drained, which is harmful to the climate (see info box). This is why BAUHAUS is gradually reducing the peat content in garden soil and also offers peat-free alternatives, with substitutes made from wood fibres, compost or bark. At the end of 2021, of the 125 products in the potting soil range, 30 were completely peat-free and a further 50 peat-reduced. From 2025, all products should be completely free of peat.

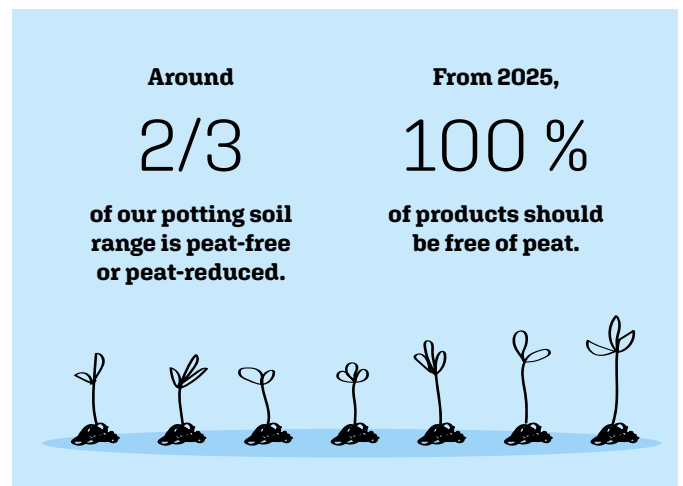
Closing cycles

House plants and garden plants are usually sold in plastic pots. Here we pay attention to sustainable solutions. We have switched the majority of the plant pots to recyclable material, which in turn consists of around 90 % recycled plastic.

From 2022 on, we will also offer plants in compostable pots, especially vegetable plants and herbs. The pots are made from renewable raw materials such as potato starch, so they are free of petroleum-based plastic and harmful ingredients. The pots can be planted directly in the soil and decompose there after a few weeks – a perfect cycle. Annually, we want to sell around one million compostable pots. This saves us around ten tonnes of plastic compared to conventional pots.

CO₂-compensated plant logistics

We also pay attention to sustainability in plant transport. All our ornamental plants arrive climate-neutral at the BAUHAUS specialist centres. We offset the emissions associated with the deliveries through climate protection projects, for example by reforestation of forests or the renaturation of moors. In 2021, we neutralised over 4,600 tonnes of CO₂ for this purpose (2020: 3,700 tonnes). The emissions we offset have increased in recent years (see graphic on p. 25). This is mainly due to the fact that, since 2020, we no longer only compensate for transport from wholesalers to the specialist centres, but also for deliveries from the nurseries.

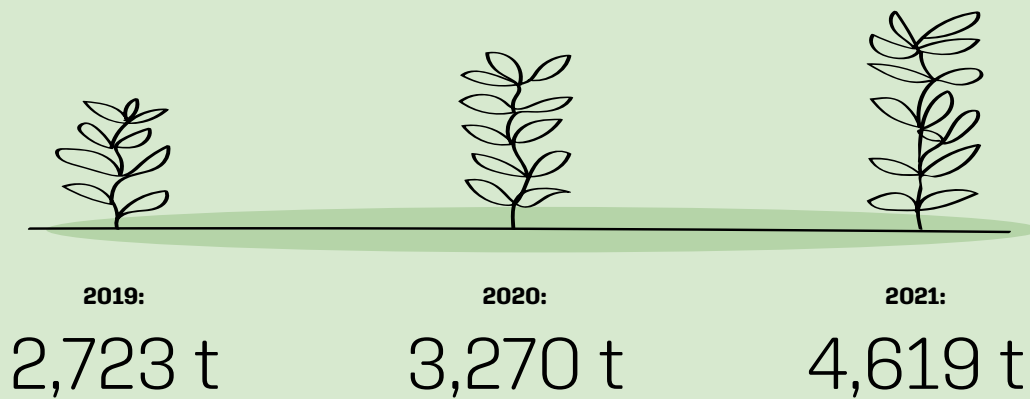


What moors have to do with climate change

Moors cover only 3 % of the global land area, but absorb twice as much CO₂ as all the forests on our planet put together. The draining of moors – for example for the extraction of peat – releases large amounts of CO₂, twice as much annually as global air traffic. In addition, a natural habitat for many plants and animals is disappearing.



Compensated CO₂ emissions from plant logistics



Top priority: product quality and safety

We stand for the highest quality and safety of our products. As part of our quality management, all products go through an approval process that ensures that legal and internal requirements are met in equal measure. We check the quality in our internal laboratory on a random basis. In addition, we commission accredited external institutes to assess our products for safety, harmful substances and suitability for use.

In addition to quality control, quality development plays an important role at BAUHAUS. For our quality brands, we work closely with suppliers and producers to ensure that our high standards of product quality are met right from the production stage. Through systematic product optimisation, we are also continuously extending the service life of our quality brands. The ability to repair the products and the possibility to replace individual parts also improves quality in our view. Greater satisfaction on the part of our customers is coupled here with the principle of sustainability.





Our supply chain at a glance

Standing up for sustainability standards

As a responsible company, we ensure within the international supply and production chains that social standards are complied with and that appropriate working conditions prevail. To achieve this goal, in 2016 we joined amfori's Business Social Compliance Initiative (BSCI), a leading international business association for free and sustainable trade. As a member, we commit our suppliers to actively participate in the BSCI process and to comply with the BSCI Code of Conduct. This code commits to anti-discrimination, fair pay, prohibition of child labour, occupational health and safety. The Code of Conduct is based on international agreements, including the core labour standards of the International Labour Organization (ILO), the United Nations Global Compact and the UN Convention on the Rights

of the Child. External certification companies audit the affiliated suppliers at regular intervals. Should the auditors find deficits or uncover violations of the BSCI Code of Conduct, the suppliers are obliged to take appropriate countermeasures. In 2021 around 230 production sites of our quality brands were audited using the BSCI system.

In 2021, we also introduced our own Code of Conduct, which obliges our suppliers to respect human rights, comply with labour protection standards and avoid negative impacts on the environment.

Since the manufacture of many of our products involves an interference in nature, we also review our supply chain from an ecological perspective. In 2022, we will join the amfori Business Environmental Performance Initiative (BEPI), which supports and promotes environmental protection in global supply chains.

In addition to our commitment to amfori, we rely on further cooperations with external organisations for critical product groups. In the natural stone sector (see p. 22), we work with WiN=WiN Fair Stone to ensure an ecologically and socially responsible supply chain. Which sustainability seals can be found at BAUHAUS is explained in the chapter "Customers and market" (see p. 33).

◆ amfori.org

Our goal: in 2030

50%

of our quality brand products will be certified according to sustainability standards.



FSC® and PEFC-certification of BAUHAUS

In 2021, BAHAG AG, the purchasing company of BAUHAUS, received certification according to the FSC® and PEFC standards. The successful certification proves that throughout the entire product chain, from the forest to the labelled finished product, we ensure that all FSC® and PEFC certified materials remain identifiable right back to their origin. In doing so, we can guarantee that all products that have certification come from sustainable forestry.

In order to proceed even more systematically in the future, we are establishing our own multi-level risk management system for our global supply chain in 2022. In this way, we will in particular take into account the requirements of the upcoming Supply Chain Duty of Care Act in good time.

Sustainability for our own needs

Even though we see the greatest leverage for sustainability in our products, we also focus on sustainability in the procurement of our own needs. Therefore, all furnishings for the specialist centres that are made of wood or are wood-based come exclusively from FSC® and PEFC-certified forestry.



Plastic saved in 2021



128 t

in pallets



45 t

in screw bags

9 t

in herbs



Sustainably packaged

One common goal

In 2020 we developed a guideline for sustainable packaging. This states that product packaging must offer qualified product and user protection throughout the entire supply chain, i.e. from the supplier to our customers, so that no damage or quality impairments occur. At the same time, all packaging components should be easy to separate and recyclable. We reduce the amount of packaging material down to essentials. And we prefer so-called monomaterials that can easily be returned to the resource cycle.

In the annual discussions with our suppliers, the focus in 2020 was on the topic of sustainable product packaging. We have set out to continuously develop solutions to optimise packaging, reduce the proportion of plastic, make greater use of recycled material (recyclate) and switch to certified sustainable materials.

Better without plastic

In the plant segment, we used around 750,000 paper and cardboard eco-pallets in 2021, replacing plastic pallets that we previously used to transport pots. This enabled us to save around 130 tonnes of plastic in one year (2020: 120 tonnes). During the reporting period, we also eliminated plastic packaging for fresh

herbs, avoiding nine tonnes of plastic annually. We switched our Christmas tree nets to a compostable, organic material in 2021. We also made progress in our small parts range in the area of packaging. For the sale of loose screws, we replaced plastic bags with bags made of glassine. This change allows to save around 45 tonnes of plastic per year.

We aim to reduce the amount of plastic packaging used by our quality brands by

20%

by 2025 compared to 2019 levels.



Our intentions



Essential topic	Objective	Deadline	Status (end of 2021)
Sustainable products	50% of our quality brand products are sustainably certified	2030	In implementation
	Further optimisation of the supply chain of natural stones in the horticultural materials sector within the framework of WiN=WiN Fair Stone certification	∞	100 % of the natural stones imported by BAUHAUS in the horticultural materials sector are certified according to WiN=WiN Fair Stone
	Development of the "Healthy Living" range	2022	Around 1,700 products in the range
	Change to 100 % peat-free soils	2025	Around 24 % peat-free soils, 40 % peat-reduced soils
	Changeover to 100% palm oil-free candles	2023	74 % of the candles are palm oil-free, 23 % contain palm oil from sustainable cultivation
Environmentally-friendly product packaging	Reduction of plastic packaging by 20% in quality brands in comparison to 2019	2025	In implementation
Product quality and safety	Tests for safety, harmful substances and usability by accredited testing institutes	∞	Continuous
Environmental and social standards in the supply chain	Introduction of a multi-level risk management system to monitor sustainability risks at suppliers worldwide	2022	In planning
	100% of quality brand suppliers comply with environmental standards [based on amfori BSCI].	2025	In planning
	Introduction of environmental standards according to amfori BEPI at quality brand suppliers	2023	In planning
	Ensure 100% of quality brand suppliers comply with environmental standards [based on amfori BEPI].	2030	In planning
	Exchange on the topic of sustainability with the top 100 suppliers	∞	In 2020 and 2021, the focus will be on the exchange of information on sustainable packaging.
Circular economy	Introduce quality brand products made from renewable or recycled materials	∞	In implementation
Responsibility in purchasing	100% FSC® and PEFC-certified wood for furnishings in the specialist centres	∞	In implementation
	Use of 100 % certified paper in the SCDE and in specialist centres	∞	In implementation

2

Customers and market

We want to be the right partner for our customers in the workshop, home and garden at all times and in all places. In order to fulfil this claim, we offer high-quality products, rely on excellent advice and attach importance to a wide range of service offers and services. Sustainability provides the guideline for our customer-orientated actions. For example, we not only make sure that the products in our range are manufactured in an environmentally compatible manner. Customers can also expect services that offer them added value for a more sustainable life.



A BAUHAUS specialist centre consists of

15

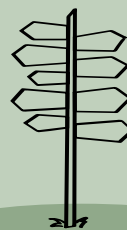
specialist departments and up to

7

specialist stores

Our

specialist stores:



**BATHROOM WORLD
Stadtgarten
Garden Centre
DRIVE-IN ARENA
TILES ARENA
PROFI DEPOT NAUTIC
Pro Clean**

Happy when our customers are

The BAUHAUS concept

The satisfaction of our customers is at the heart of everything we do. We have developed innovative sales concepts for this purpose: BAUHAUS branches are divided into 15 specialist departments as standard, including tiles, paints and hardware, and are also supplemented by up to seven specialist shops all under one roof. BAUHAUS uses them to combine expert knowledge, a large product selection and customised services.

We ensure the high quality of advice through our ten "Golden BAUHAUS Rules", which serve as a guide for all employees. This states, for example, that customers are the most important people for us and that their care always takes priority. Our Contact Centre also provides telephone and online counselling for customers who cannot or do not wish to visit a specialist centre.

The advice we provide is supplemented by a wide range of services. We offer a locksmith service, a sharpening service and a wood cutting service at the specialist centres, we deliver and assemble, hire out machines, trailers and e-cargo bikes and provide the necessary spare parts for defective equipment. In many specialist centres, customers can use the BAUHAUS Profil Express to have profiles and pipes cut to size individually and with millimetre precision. The BAUHAUS windowsill cutting service even allows windowsills to be customised in-store. To further improve the shopping experience, we want to introduce a BAUHAUS customer app in 2022. With just a few clicks, customers can discover current offers and promotions, get DIY tips or view invoices.

We see it as part of our responsibility to actively make our customers aware of achieving more sustainability. To this end, we advise them in all manners possible, on site as well as on the phone and online. In addition, we also disseminate important information about sustainable products in the online shop, in our newsletter and in brochures. In addition, we communicate with our customers via our information and inspiration platform richtiggut.de and in the customer magazine *passt!*, which comes out six times a year. The magazine gives valuable advice on how to make your home sustainable and specifically names the products you need to achieve it.

Reaching everyone

We want to introduce our customers to DIY and handicrafts and support them in their projects. To this end, we regularly organise specialist seminars on changing topics such as tiling or creative wall design and events such as lawn consultation days and a barbecue academy. At evening events, professionals discuss current trends in bathroom design or new pool concepts. Inspiration and tips are also offered by our Women's Night Booklets, which are issued twice a year. We also offer craft courses for specific target groups. Due to the Covid-19 pandemic, many events had to be cancelled during the reporting period. In part, we were able to implement them as online seminars as a substitute.

Children should also feel at home. That is why we organise a Kids Club, a craft session for children from the age of four, once a month at many of the specialist centres. While the little ones make birdhouses, door signs or stuffed animals under supervision, their parents can go shopping. Our special commitment to families is also confirmed by others: according to a study by Service Value in cooperation with the newspaper Welt am Sonntag and Goethe University Frankfurt, BAUHAUS is the most family-friendly company in the industry. The analysis confirms our family-friendly range of products and services and certified BAUHAUS as having particularly child-friendly employees.

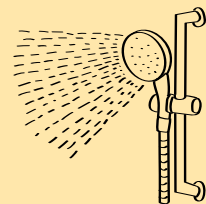
◆ Interested in the Women's Night or Kids Club? Further information and dates are available on our homepage:

◆ bauhaus.info/service/veranstaltungen



25 years of BATH-ROOM WORLD

Since 1996, we have been offering a 360-degree service from bathroom planning to installation in our specialist centres. Since the company was founded, we have designed over 40,000 bathrooms – from family bathrooms to barrier-free bathrooms for people with disabilities.



40,000
bathrooms designed



A reliable partner – even in times of crisis

The Covid-19 pandemic was and still is a challenge for our customers and for us. With the outbreak of the 2020 pandemic, we quickly implemented comprehensive hygiene and security measures in stationary retail. When we had to close our specialist centres due to the tense situation with the pandemic, our online shop and our “reserve and collect” offer were important points of contact for customers needing home and craft supplies. After all, during the lockdown many people had the time and inclination to beautify their home or garden. In turn, tradespeople were continuously dependent on the supply of products to keep their businesses going. We have, of course, fully passed on the Federal Government’s interim reduction in VAT to strengthen purchasing power.

◆ bauhaus.info/service/leistungen/reservieren-und-abholen

Knowing what our customers want

As part of our stakeholder dialogue on sustainability at BAUHAUS, we asked our customers in 2021 about the sustainability issues that are most important to them (see p. 12-13). The majority of respondents would like to see more sustainable products (55 %), 57 % are in favour of visible labelling of such products. The respondents see the greatest potential for sustainable products in the areas of building materials (76 %) and garden and leisure (69 %). 50 % are interested in sustainable services. This confirms our intention to offer rental stations for small and large equipment as well as customer workshops (WorkersPoints) in further specialist centres. We also see the results of the survey as an incentive and motivation to continue to pursue our goals and offer a sustainable home for all.

Services for a sustainable life

Turning old into new

Our services are designed to help customers lead a more sustainable lifestyle. We consistently focus on reuse, repair and upcycling of products. For this purpose, our customers have been able to use a so-called WorkersPoint at the Reutlingen site since October 2020. In the 2,500 square metre customer workshop, craft enthusiasts can repair broken items, use rarely needed machines and build new things. As the concept in Reutlingen was very well received, we intend to open more WorkersPoints. The next one is expected to be built in 2023 at the new specialist centre in Mannheim.

Another prototype will be launched in a shopping centre in Berlin in 2022. There we will open a creative workshop where customers can put DIY projects into practice with the support of BAUHAUS expert advisers.

Rent the items you don't need often

Another contribution towards sustainability is also made by our rental service. Instead of having to buy equipment that is rarely used, customers can currently

borrow tools, machines and construction equipment at 115 specialist centres. This is not only inexpensive, but also saves resources, as fewer products are in circulation.

We currently offer the rental service in cooperation with our partner Loxam in 21 specialist centres. This allows us to provide an even wider range of rental equipment. By 2025, we want to expand this offer to at least 60 sites. Another plus for climate protection: many machines that are traditionally powered by diesel will soon be offered by our partner Loxam in an electrically powered version as well.

Green mobility for our customers

At BAUHAUS, customers can not only borrow tools:

**Free rental
of e-cargo bikes at**

**28
locations**



we rent out e-bikes free of charge at 28 BAUHAUS locations close to towns. This way, shopping can be transported home in an uncomplicated and climate-friendly way. If the purchase is larger or heavier, rental vans are available. We will gradually increase the number of e-vans in our fleet in the coming years.

Everyone who visits us with their own e-car will be well supplied with electricity at BAUHAUS in the future. By 2023, we will install fast-charging stations with up to 300 kilowatts of power at 106 BAUHAUS locations in cooperation with the energy supplier EnBW. Anyone who spends 20 minutes in the specialist centre can charge up to 400 kilometres of range in this time. The charging stations use 100 % eco-power.

Knowing what it is all about

Our customers want to know how sustainable the products they buy from BAUHAUS are. And we do everything we can so that they find out. That is why we label our products according to their origin, composition, use and disposal – and not only within the framework of legal regulations. Where available, we display sustainability seals such as the Blue Angel, Bio, PEFC or FSC®. This allows customers to see at a glance whether a product meets higher






sustainability standards than comparable conventional products. In the coming years, we also want to introduce our own BAUHAUS sustainability seal in order to be able to show across various categories which products in the range stand out as particularly sustainable.



Selection of BAUHAUS product sustainability seals

Sustainability seal

Criteria (selection)

FSC® 	<ul style="list-style-type: none"> ⇨ Forest Stewardship Council ⇨ Certification system for wood from responsibly managed forests 	<ul style="list-style-type: none"> ☆ Maintaining or improving the social and ecological services of the forest ☆ Protection of the rights of indigenous peoples ☆ Avoidance or mitigation of negative impacts on the environment
PEFC 	<ul style="list-style-type: none"> ⇨ Programme for the Endorsement of Forest Certification Schemes ⇨ Certification system for wood and paper products from responsibly managed forests 	<ul style="list-style-type: none"> ☆ Maintaining and improving the health and vitality of the forest ☆ Preservation and improvement of the protective functions of forests (especially with regard to soil and water) ☆ Preservation and improvement of biological diversity
Fair Stone 	<ul style="list-style-type: none"> ⇨ Natural stone (granite, sandstone, basalt) from reliable and traceable supply chains 	<ul style="list-style-type: none"> ☆ Compliance with ILO core labour standards ☆ Occupational health and safety ☆ Traceability back to the factory ☆ Environmental protection
„Healthy living“ products 	<ul style="list-style-type: none"> ⇨ Products tested for low emissions and pollutants for living, building and renovating ⇨ Recommendation of healthy living products by the Sentinel Haus Institute 	<ul style="list-style-type: none"> ☆ Compliance with limit values for pollutant contents beyond the legal requirements ☆ Minimisation of consumables with hazardous properties ☆ Exclusion of certain substances harmful to health
Blue Angel 	<ul style="list-style-type: none"> ⇨ Environmentally-friendly products 	<ul style="list-style-type: none"> ☆ Low use of resources in production ☆ Good recyclability of products ☆ Manufacture from sustainably produced raw materials
Organic seal 	<ul style="list-style-type: none"> ⇨ Organic products from controlled ecological agriculture 	<ul style="list-style-type: none"> ☆ Avoidance of chemical-synthetic plant protection products and fertilisers ☆ Animal welfare ☆ Ban on genetic engineering

We regularly train our employees so that they can provide customers in our specialist centres with the best possible information about sustainable products. For our "Healthy Living" range, specialist advisers receive appropriate training in online or

face-to-face format. In 2021, we also developed an e-learning offer together with FSC® and PEFC, which will further improve the advisory expertise and quality of our advice on the two seals.

More sustainability in the online shop

In our online shop, customers can choose from around 130,000 products, which they can have delivered to their homes or pick up in specialist centres. We identify sustainable products in the online shop via various sustainability seals.

Optimising shipment

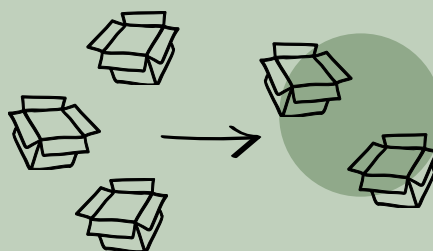
In online retail, shipment packaging is simply unavoidable. Here, we save resources by largely using plastic-free material. Boxes, as well as corrugated board, consist of at least 79 % recycled material. In order to optimise packaging, we measure the parcels by machine and cut the boxes individually to the corresponding size. As a result, we were able to reduce the carton volume of parcels from an average of 90 litres in 2019 to around 60 litres in 2021, without products being damaged more frequently during transport.

The majority of our parcel shipments were handled by DHL and its GoGreen service. This means we can guarantee climate-neutral delivery right to your doorstep. To this end, DHL GoGreen supports various climate protection projects that reduce greenhouse gases in the atmosphere and thus offset the CO₂ emissions generated during transport. This allowed us to offset the equivalent of around 858 tonnes of CO₂.

Reducing returns

People who order online have to return items every now and then. As this causes transport costs and greenhouse gas emissions, we want to keep the number of returns as low as possible. Our customers therefore also receive tailored advice online to prevent incorrect purchases. We also use the return form to analyse why products were returned. We use this knowledge, for example, to adapt product descriptions. Anyone who shops at BAUHAUS can also exchange their products at the specialist centre. This also prevents complicated returns to our warehouses.

**In our online shop,
we offer around**
7,000
**products with
sustainability seals.**



**Since 2019, the carton
volume in online retail
has been reduced by a**

1/3 .



In 2021, an equivalent of
858 t
of CO₂ has been offset
with climate-neutral deliveries.

In 2021, the returns rate increased slightly. It was almost 7 %, in comparison to around 5 % in the previous year. The reason: since we had to close specialist centres temporarily due to the pandemic, customers switched to the online shop. When ordering from an online shop, there is generally an increase in returns because products that customers have not been able to inspect beforehand turn out to be unsuitable more often.

Returned goods do not end up in the bin at BAUHAUS. We check every product that customers return to ensure that it is intact and in good working order. Grade-A goods that are fully functional are usually repackaged before going back on sale. We sell goods that are functional but have visual defects to commercial recyclers at a lower price. Only when products are defective do we dispose of them properly. We want to continually increase the proportion of A-returns. Our focus is on qualified returns evaluation and secure transport solutions for return shipping.

Even more sustainable – thanks to digitalisation

Since 2021, our parcels no longer include a delivery and returns slip. In case of a return, customers can report a large number of our products for return via the returns portal in the online shop, simply by scanning a QR code.

Our voucher cards have been made from recycled materials since November 2020. From 2023,

digital
vouchers with a redemption code will also be available.



Behind the scenes: optimising merchandise management

Intelligent procurement

We stock a range of over 160,000 different products in around 160 specialist centres. Ensuring the availability of products whilst avoiding a goods surplus presents us with special challenges. This applies in particular to perishable goods, especially plants, which we have to dispose of after some time at the specialist centre.

Thanks to improved logistics and optimised supplier and purchasing management, we were able to reduce the ratio of spoiled plants by more than a fifth between the years 2017 and 2021.

We are continually improving merchandise management. In 2020, we introduced an intelligent ordering system for automated goods procurement, which enables us to reorder products at shorter intervals and also for smaller purchase quantities as required. A positive side effect: our employees have more time to look after and advise our customers.

Reducing product breakage

Products can not only wither or fade, they can also break. To prevent breakage during transport, we use break-proof reusable transport containers and secure our product displays with collision protection.



Our intentions



Essential topic	Objective	Deadline	Status (end of 2021)
Customer orientation and service quality	Introduction of a customer app	2022	In planning
	Regular customer surveys to improve the offer of goods and services	∞	In implementation
Product markings	Development of the BAUHAUS sustainability seal	2025	In planning
Services for sustainable living	Opening of a second customer workshop in Mannheim	2023	In planning
	Offer of rental stations for small and large equipment in cooperation with Loxam at 60 locations	2025	In implementation; currently 21 rental stations
Eco-friendly customer mobility	Offer 100 % of vans with alternative drives for hire	2030	In implementation
	Expansion of fast-charging points for e-mobility at 106 specialist centres	2023	In implementation
Communication on sustainability	Provision of information on the various sustainability seals	2022	In implementation
	Establishing a digital customer platform for sustainability	2025	In planning
Sustainable online retail	Continuous reduction of the returns rate	∞	2021: 7 % 2020: 5 %
	Increase the proportion of products that are returned to stock after being returned.	2025	In implementation
	Develop a concept for CO ₂ -neutral returns	2023	In planning
	Offer 100 % climate-neutral shipping	∞	In implementation; parcel shipping from BAUHAUS warehouse almost 100 % climate neutral
	Keep average carton volume in online shipping permanently below 60 litres	∞	In implementation; currently approx. 60 litres
	Introduction of digital vouchers	2023	In planning
Optimisation of merchandise management	Maintaining the low level of spoiled plants and continuous testing of further improvement measures	∞	In implementation



DIY made easy

Everyday objects can often be given a second life with the right tools. This not only makes the craftsman's heart beat faster, but also saves valuable resources and thus benefits the environment.

Through upcycling, repair and DIY projects, our customers prove time and again how creative and sustainable they are.

BAUHAUS gives you the support you need.

Lots of ideas, hints and tricks for DIY projects can be found on our inspiration page richtiggut.de



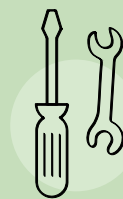
The average household in Germany has around

10,000 items.



On average, every German produces more than

450 kg waste per year.



53%

of Germany would rather repair an item than buy another one.

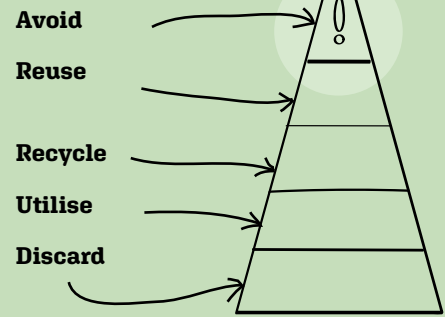
From a throwaway society to a circular economy

Only a small part of the waste that Germans produce is recycled and thus forms valuable resources for the production of new goods. The transition from a throwaway to a circular economy is about using products, raw materials and consumables again and again for as long as possible. Our customers play an important part in this respect by refurbishing old furniture or getting broken machines up and running again.

The best rubbish is none at all – waste avoidance takes priority.



Waste hierarchy:



In 2020, **reparatur-initiativen.de** counted

1,000

local repair initiatives in Germany. That is

10 times

more than in 2014.

Throw away? Fix it!

What can you do when your table wobbles or the lawnmower goes on strike? Throw it away and buy a new one? People are increasingly starting to think that isn't an option. Repairing is fun, saves money and is sustainable. We support our customers with tips and tricks, in specialist seminars and workshops, and with the right range of tools and materials. After all, we are convinced that valuable objects don't belong in the bin.

We demonstrate possible uses and how to handle tools in our guide to tools and machines.



♦ bauhaus.info/ratgeber/werkzeug-maschinen

Turning old into new

Upcycling means not only returning old objects to their original state, but enhancing them or giving them a new purpose. So an old chair becomes a side table, the discarded shirt a cushion cover, the former packaging a purse. Upcycling is a sustainable hobby for everyone who wants to create something new from old things with fun and creativity. Our inspiration page richtiggut.de provides advice and support on upcycling projects.

How can you transform an old fruit crate into a stylish vintage table?



♦ richtiggut.bauhaus.info/inspiration/diy-ideen/daggis-upcycling-kiste



DIY – don't buy, build yourself

Building things yourself instead of buying them ready-made saves money and conserves resources – our customers can reuse materials and look out for sustainably certified products. In our YouTube videos you will find practical ideas and instructions for building workbenches or an entire garden shed yourself.

DIY instructions on YouTube:



♦ youtube.com/c/BAUHAUS-GERMANY/videos

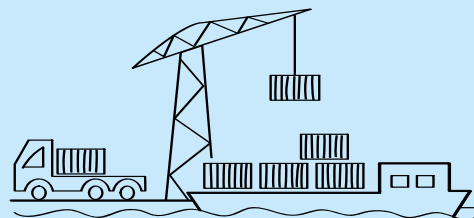
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Logistics and building

We operate around 160 specialist centres and several administrative and logistics locations in Germany alone. As a retail company, we transport products day after day between warehouses and branches. In doing so, we want to keep our ecological footprint as small as possible. Another lever for climate protection is in the operation of our facilities. Efficiency and sustainability often go hand in hand.



Utilisation of distribution transport



83%

road transport CDC

119%

road transport ILW

96%

sea freight

Our logistics: intelligent and eco-efficient

Worldwide, national and regional

To ensure that our customers can always find a wide range of products, many of our products have to travel long distances: around 70 % of the products we sell in our specialist centres are sourced from outside Europe. For transport, we mostly use sea or land routes, and only in exceptional cases by air. Once in Europe, around three quarters of the imported goods arrive at our central warehouse in Krefeld (ILW) via the Rhine. We deliver the remaining products without stopping in Krefeld by truck via distribution centres or so-called cross-docking centres (CDC) to the individual specialist centres.

To achieve efficient logistics, we bundle products at the starting points and destinations. This means we regularly collect products from different manufacturers and retailers and transport them together in a container or truck. We also merge transport routes wherever possible to minimise the number of trips and CO₂ emissions.

Greater efficiency generally results in increased sustainability. In addition to the bundling of goods, the utilisation of transport capacities is also crucial in this respect. In recent years, we have been able to achieve a truck utilisation rate of up to 119 % for our deliveries from the central warehouse in Krefeld. This means: Through intelligent loading, we were able to use more than the standard specified loading spaces in the trucks. The trucks transporting products from the CDCs to our specialist centres achieved an average utilisation rate of 83 % during the reporting period.

To avoid empty runs, we also transport products and transport containers on the return trips from the specialist centres to the CDC or to the central warehouse in Krefeld. We have reached our goal of increasing the utilisation of these return transports to 90 % in 2021. For transports by sea container, the utilisation rate in 2021 was 96 % (2020: 94 %). However, we are aiming for 100 % capacity utilisation for containers. Through transport collaborations, we also manage to return sea containers almost fully loaded.

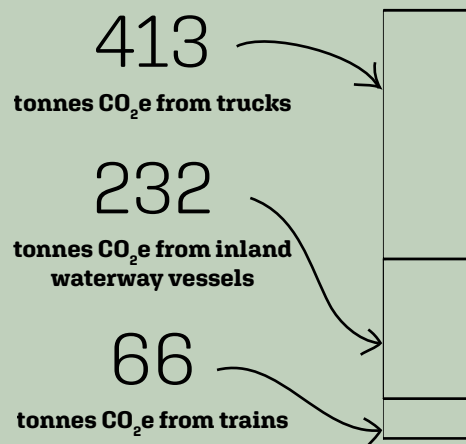
Alternative transport

Retail companies like BAUHAUS can greatly reduce their ecological footprint through efficient logistics. That is why we focus on this issue with particular intensity: In 2021, we determined the emissions for what is known as hinterland transport, i.e. for the routes from the receiving port on the European coast to the central warehouse in Krefeld or to our specialist centres. At this logistics section, we emitted a total of around 711 tonnes of CO₂ equivalents in 2020. Road transport accounted for the largest share at 58 %, followed by inland waterway shipping at 33 %. Rail transport accounted for the lowest emissions with a share of 9 %.

◆ CO₂-offset plant logistics (p. 24)

To reduce emissions from transport, we want to switch 10 % of all transport to trucks and seagoing vessels with alternative propulsion systems by 2025. In addition, we are currently working on minimum requirements for a more sustainable use of diesel and petrol-powered vehicles and want to include them in our transport criteria in the future. This concerns, among other things, pollutant classes, CO₂ emissions and the use of driver assistance systems.

Emissions from transport logistics*



*Emissions that occurred in 2020 as a result of transport from the receiving port in Europe to the central warehouse or to the specialist centres.

On-site efficiency

Our central warehouse in Krefeld and our five CDCs throughout Germany are the hubs for transporting our products. With a total storage area of around 100,000 square metres, order picking, i.e. the compilation of the required items, is a particularly complex process that we want to make fully automated by 2024. To this end, our latest milestones include our automated high-bay warehouse in Krefeld and packing robots tests. In addition to speed, automated order picking also increases efficiency during loading and thus serves sustainability.

In order to relieve our employees and improve working conditions, we are currently testing various exoskeletons in our logistics warehouses. These are mechanical support structures worn on the body that simplify lifting and carrying goods. They can prevent strain and accidents at work that may lead to injury. Pending initial analysis, we are planning further tests with a revised version of the exoskeletons for 2022.

Another building block for improving efficiency in logistics is the coordination of the arrival of products at the warehouse and at our specialist centres. If lots of trucks deliver at the same time, unnecessary waiting times occur. In order to better coordinate deliveries, we therefore introduced time window control systems in the German specialist centres in 2020: Here, the forwarders book time slots, can view waiting times and plan their routes accordingly. This avoids traffic jams, reduces waiting times, cuts costs and protects the climate.

Reuse instead of single-use

Packaging is not just an important issue for our products and deliveries to customers (see p. 34). Logistics also requires a large quantity of transport packaging and pallets. To conserve resources, we use reusable pallets as much as possible: since the reusable pallets normally available in logistics are only suitable for standard sizes, we developed our own system for particularly long products in 2021, which will be deployed across the board in 2022. Compared to single-use pallets, this alternative saves us around 1,250 tonnes of sawn timber per year.

For sustainable transport, we have recently also started using so-called SmartCubes, special mesh boxes, which we use to replace conventional Europallets. In the long run, cage pallets save valuable resources, as they are more durable than wooden load carriers. For smaller deliveries, which we currently bundle on a pallet, we have tested reusable transport containers as an alternative in two specialist centres. This allows us to pick from the exact shelf without producing additional packaging waste. Our goal: we want to reduce the consumption of transport materials by 30 % by 2030.

To this end, we have also joined forces with other companies through our membership of Handelsverband Heimwerken, Bauen und Garten e. V. (BHB). In the working group for the reduction of transport packaging, we exchange ideas on how we can optimise our transport packaging together, in order to reduce waste and conserve resources. Finally, as a member of the Stiftung Initiative Mehrweg (Reusable Initiative Foundation), we work together with other market participants to develop reusable transport systems for plant logistics.



Optimisation of loading and unloading

As part of an EU-funded project, we are evaluating a technology for the automatic loading and unloading of trucks together with Bremen University of Applied Sciences and Procter & Gamble. The goal of this solution approach is to increase the safety and speed of goods receipt and dispatch in the warehouse and at the loading bays.





Ecological construction

Build new, build sustainable

We always design and construct new buildings and conversions in accordance with the latest recognised energy standards. In 2021, BEG 40 replaced the KfW-Standard Effizienzhaus ("efficiency house") 55 as the general efficiency standard for our buildings. Newly built specialist centres, as recently in Haßloch and Mönchengladbach, are now always equipped with a photovoltaic system. The energy thus generated helps us in two respects: we use it as a climate-friendly electricity supply and thus reduce CO₂ emissions compared to conventional electricity. At the same time, we also use the electricity for our heat pumps and thus also reduce the load on the heating systems. With our photovoltaic systems, we generated around 694,200 kilowatt hours of electricity in 2021 (2020: 240,400 kilowatt hours) – a value that we will continuously increase with future new buildings.

In September 2021, construction work began on our new administration building at the Mannheim site. The building will be completed by 2023 and will be built in accordance with the KfW Efficiency House 55 standard in force at the time of planning completion. The use of several photovoltaic systems installed on the roof allows us to generate climate-friendly electricity. For building heating and cooling, we use district heating and a heat recovery solution. Intensive roof greening ensures a near-natural design of the new building. An open interior design, cafés, modular spaces and meeting points encourage flexible and collaborative working.

Our pride and joy:

the pilot specialist centre in Haßloch

In 2020, we completed a new specialist centre in Haßloch, which has one particular ecological advantage. It was also built according to the KfW Efficiency House 55 standard and equipped with a green roof and a photovoltaic system. The approximately 2,700 square metre PV system – more than a third of the area of a football pitch – generated an electricity volume of around 554,000 kilowatt hours in 2021. The specialist centre uses around 54 % itself. We feed the remaining 46 % into the local distribution grid via direct sale. The building also has other ecological features: rainwater is collected and used ecologically, a state-of-the-art heating system and LED technology for all lighting systems save energy, and daylight zones reduce the need for artificial lighting.

The specialist centre in Haßloch won the EHI Energy Management Award 2020 in the category "Energy-efficient/Sustainable Pilot Branch". The expert jury of the EHI Retail Institute, the central research and educational institution for the retail industry in Germany, praised the building's high level of energy efficiency. The jury was also impressed by the exemplary features of the centre: the high technical standards can and should also be implemented in future specialist centres.

Energy-efficient specialist centres

Our specialist centres consumed a total of around 109,400 megawatt hours in 2021 (2020: 106,700 megawatt hours), accounting for 96 % of our total electricity consumption. In order to successively reduce electricity and heat consumption, we always construct new facilities according to particularly high efficiency standards and renovate and modernise existing buildings. Since 2017, we have converted the lighting in 103 specialist centres to energy-efficient LED lamps. In this way, we save up to 50 % energy compared to conventional light sources, depending on the specialist centre. In individual specialist centres, daylight zones and remote monitoring of the heating systems contribute to greater energy efficiency.

The record so far: we were able to reduce electricity consumption by around 25 % from 2016 to 2021, mainly due to LED retrofits (2020: 24 %). We will soon be converting another 23 specialist centres, which will complete our conversion to LED. Electricity consumption will then have fallen by a total of 30 % compared to the reference year 2016. This corresponds with a reduction of 38,600 megawatt hours.

In addition to electricity, in 2021 we consumed around 132,200 megawatt hours (2020: 104,600 megawatt hours) of natural gas and district heating to heat our specialist centres. The increase in heat consumption is due to the fact that we introduced more fresh air into the specialist centres during the Coronavirus pandemic and had to heat them more accordingly. The changeover is expected to be reversed in mid-2022. In order to achieve savings in heat consumption, we will successively replace the heating and ventilation systems of our specialist centres from 2022. Our aim is to convert ten specialist centres each year.

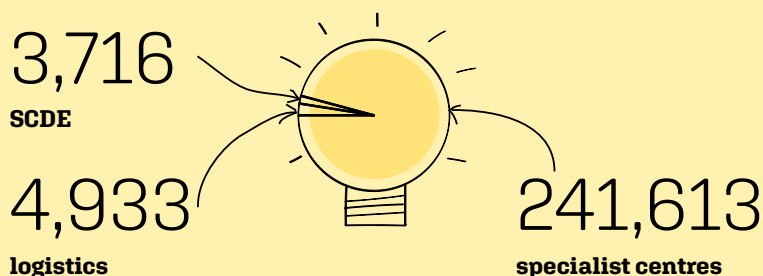
We also want to generate solar energy on the roofs of existing buildings. Here, however, we face technical difficulties because many of our roofs are not designed to carry the extra weight. In 2021, we started initial investigations on our existing buildings. We will equip all buildings, where technically feasible, with photovoltaic systems by 2025.

We will reduce our electricity consumption by

30 %
by the end of 2022
(reference year: 2016).



Energy consumption 2021 in Megawatt hours



Energy consumption and energy intensity*

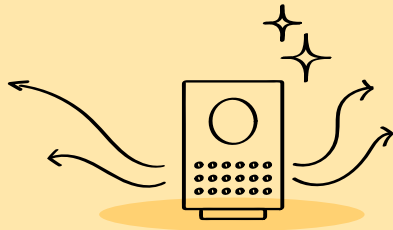
	2019	2020	2021
Electricity consumption in MWh	124,472	112,145	114,341
Heat consumption in MWh	108,716	108,113	135,921
Total energy consumption in MWh	233,188	220,259	250,262
Sales space in thousands of square metres	2,069	2,109	2,108
Energy intensity (total consumption/sales areas)	113	104	119

* For a small number of sites, we do not have direct supply contracts with the suppliers. In these cases, the electricity and heat consumption was estimated according to the average values of all locations for which we have concluded contracts with the energy suppliers, or assumptions were made regarding the heat source.



Improving air quality

The Coronavirus pandemic has demonstrated how important high air quality is indoors. Since 2003, all our specialist centres have been equipped with control technology that has sensors for checking the air quality. In the BAUHAUS specialist centres Berlin and Haßloch we use a patented technology that enables us to reduce particulate matter and odour emissions as well as lower energy requirements.



**Green roofs
with an area of**

277,000 m²

**in 26 locations,
which corresponds to around**

39

football pitches

Protection of species

With 30,000 to 40,000 square metres, our specialist centres have a large footprint. In building projects, we take into account the preservation of biodiversity and strive to design properties that are close to nature. We provide many of our buildings with green roofs or façades, creating additional habitat for insects.

Green roofs with a total area of approximately 277,000 square metres are currently located at 26 sites. Our construction plans, which we develop together with the local communities, include individual species protection measures, such as the renaturation of streams, the construction of nesting boxes for birds or the installation of fish ladders. In this way, we ensure that disruption of the natural world is kept to a minimum.

When building new specialist centres, we take care to avoid the use of undeveloped land as far as possible. Accordingly, we always prioritise so-called brownfields for construction. This allows us to reduce our impact on nature. We are particularly proud of a brownfield development of the former marshalling and freight yard in Heidelberg. Here, in 2010, we constructed

a specialist centre in the form of the first passive house of its size in the whole of Germany. We have already succeeded several times in integrating specialist centres into listed and historically valuable properties.

When developing new sites, we go to great lengths to keep the transformation of undeveloped natural areas into building and traffic zones to a minimum and, in the best case, to avoid it completely. Since 2021 we have, to this end, been a network partner of Brownfield 24, a network platform for the use and revitalisation of brownfields. In 2022, we intend to join the German Brownfield Association (DEBV) in order to work together with politicians to identify practicable solutions in the context of land scarcity. The redevelopment, revitalisation and use of brownfield sites is particularly important for this.

Sustainably mobile

Transport of goods, customer mobility, business appointments – at BAUHAUS there are many starting points for making mobility sustainable and climate-friendly. We used around 397,000 litres of fuel for our fleet in 2021 (2020: 505,000 litres). In the future, we want to make our vehicle fleet more sustainable: from 2027 onwards, all company cars will be powered by alternative engines. To ensure that they are supplied with sufficient electricity, we are expanding our charging infrastructure. There are currently already twelve charging points at the BAUHAUS Service Centre Germany, with a further 43 planned for 2022. By expanding the charging stations at our specialist centres, we are also helping customers and employees to switch to alternative drives.

In logistics, too, we want to make greater use of trucks and seagoing vessels that run on alternative drives. We are already one step further with our own logistics vehicles: the forklift trucks we use to move products in our warehouses are already fully battery-powered since 2020. Through efficient management of the charging cycles, we also relieve the strain on the grids of the local energy suppliers.



From
2027,
all company cars should be
powered by alternative engines.

A simple line-art icon of a car with a charging cable plugged into its side, set against a light green background.

Waste and water management

In 2021, we will have generated around 60,000 tonnes of cardboard, garden waste, scrap metal, used paint, starter batteries and other waste (2020: 63,800 tonnes). By far the largest share is generated by the delivery of products to our specialist centres. In addition to packaging materials, our centres also accept waste from customers for disposal, including light bulbs, household batteries and old electrical appliances. Waste from logistics consists largely of mixed wood pallets. Looking to the future, we want to replace them with multiple-use pallets. Cardboard, building materials and stretch film for securing transports also accumulate as waste in our warehouses.

In terms of environmental protection, we attach great importance to the separation of waste by type. Collection containers for eleven types of waste are available in the incoming goods department of our specialist centres. Disposal instructions and coloured floor markings help to ensure they are filled correctly. The social rooms of the specialist centres are also equipped with special containers and markings. In

order to reduce the volume of waste and the number of transports, we use press containers for the disposal of paper/cardboard/cardboard (PPK) at almost all specialist centres. At our logistics site in Krefeld, the horizontal baler is used for this purpose. In specialist centres with a very high volume of wood waste, we also use roller compactors that compress wood waste for transport.

Save water, protect the environment

Careful use of water is important to us. We use water mainly for plant irrigation and the sprinkler systems in the town garden, for sanitary purposes and for cleaning purposes. The consumption, which was around 162,300 cubic metres in 2021 (2020: 183,000 cubic metres), is largely attributable to our specialist centres (94 % in 2021). To promote the groundwater conservation and prevent flooding, we use infiltrative paving in the car parks of all sites built since 2001.

Our intentions



Essential topic	Objective	Deadline	Status (end of 2021)
Intelligent and eco-efficient logistics	100 % utilisation of sea containers	∞	2020: 93.5%, 2021: 95.5%
	Increase the utilisation rate of return freight distribution transports in land transport from the specialist centres to the CDCs or to the ILW to 90 %.	2025	2020: 79.9 %, 2021: 90 %
	Conversion of 10 % of truck and ship transports to alternative drives	2025	2021 alternative drive concepts for use in logistics were investigated
	Implementation of specially defined requirements for more sustainable transport logistics	2025	First requirements were defined in 2021
	Fully automated order picking in the central warehouse ILW	2024	Test of packing robots, use of an automated high-bay warehouse
Optimisation of transport packaging	Reduction of transport packaging through reusable systems by 30 %, with the same or better packaging quality (reference year: 2020)	2030	Reusable system introduced for long goods in 2021, planned for smaller units by 2024
	Reduction of electricity consumption in the specialist centres by 30 % compared to 2016	2022	Savings of 25% by 2021
Climate protection and energy	Feeding electricity from own photovoltaic systems into the power grid	∞	2020: 216 MWh, 2021: 408 MWh
	Renewal or optimisation of the heating and ventilation systems at ten specialist centres per year	∞	2020: 12, 2021: 3
	Improvement of benchmarking for energy consumptions of specialist centres	2022	In planning
	Raise awareness of ecological energy consumption among staff in the specialist centres.	2022	In implementation; development of an instructional brochure
	Optimisation of the separation and return system for accumulating transport packaging and other waste introduced in 2020	∞	Continuous
Ecological construction	New buildings and conversions of the specialist centres according to ecological and energy-efficient standards (e.g. BEG 40 or KfW 55)	∞	Under construction; currently building the new SCDE according to KfW 55
	Implementation of photovoltaic systems in existing specialist centres	2025	Initial investigations into equipping the specialist centres with FV systems completed in 2021
	All new buildings equipped with photovoltaic systems	∞	Currently seven photovoltaic systems
Eco-efficient fleet	Installation of 55 charging stations for e-vehicles for the SCDE	2022	Currently twelve charging stations
	Fleet of 100 % company cars with alternative engines	2027	In planning
Biodiversity	Natural design of properties in all new buildings, if technically and economically feasible	∞	In implementation

4

Company management

Responsibility is one of the core values of our company. We are therefore committed to sustainable corporate governance. For us, this means that we are establishing sustainability management. We value transparent communication in the company and externally. We maintain a continuous dialogue with our most important stakeholders, with customers, employees, business partners and society. We strive for continual improvement. That is the standard we aim for.



As a family business, we act in accordance with strong values that serve as orientation for all employees. Our values are as follows:



Quality



Responsibility



Integrity

Driving sustainability

Acting socially and ecologically and taking responsibility is part of our mission statement. But we also know that sustainability is not a foregone conclusion. In 2020, we developed a sustainability strategy based on six fields of action. These fields of action cover all areas in which we at BAUHAUS can contribute to more sustainability (see p. 10-17).

Within these fields of action, we want to systematically make and evaluate progress. A recently established sustainability team steers the strategy, bundles all activities and reports on them. The operational implementation of the measures is the responsibility of the experts in the individual departments.

Sustainability management is firmly anchored in the company's management: the management bodies regularly inform themselves about key issues, measures derived from them and the status of target achievement. The highest responsibility lies with the Board of Directors, the highest body of our company.

Climate protection – a holistic approach

As a company with a multitude of locations, products, transport routes and supply chains, we are currently unable to completely avoid climate-damaging emissions. Our sustainability activities therefore aim to reduce the greenhouse gas emissions we generate. We have already made progress in some areas: for example, through the energy-efficient refurbishment of buildings, efficient transport logistics and largely climate-neutral parcel deliveries to customers.

For us, climate protection is a company-wide, holistic task that we would like to tackle more intensively in the future. In 2022, we will develop a climate strategy with ambitious targets and packages of measures to protect the climate, which will complement our sustainability strategy and contribute to fulfilling the Paris Climate Agreement. We will systematically determine our CO₂ emissions in order to identify possible savings potential. In logistics, a key area affecting climate protection, we have already completed initial analyses (see p. 41).

Internal communication

Reaching all BAUHAUS employees

With over 15,000 employees spread across around 160 specialist centres and several administrative and logistics locations, transparent communication is a key to the successful implementation of sustainable corporate goals. To simplify previous communication, we created a digital employee portal in 2020 for the BAUHAUS Service Center Germany (SCDE), which serves as a central information channel for all topics. In the next step, we also want to open up opportunities for dialogue on the portal in order to promote exchange. As an additional information channel, the portal will also be opened to staff in the specialist centres.



We use various digital and analogue channels where our employees are

informed.

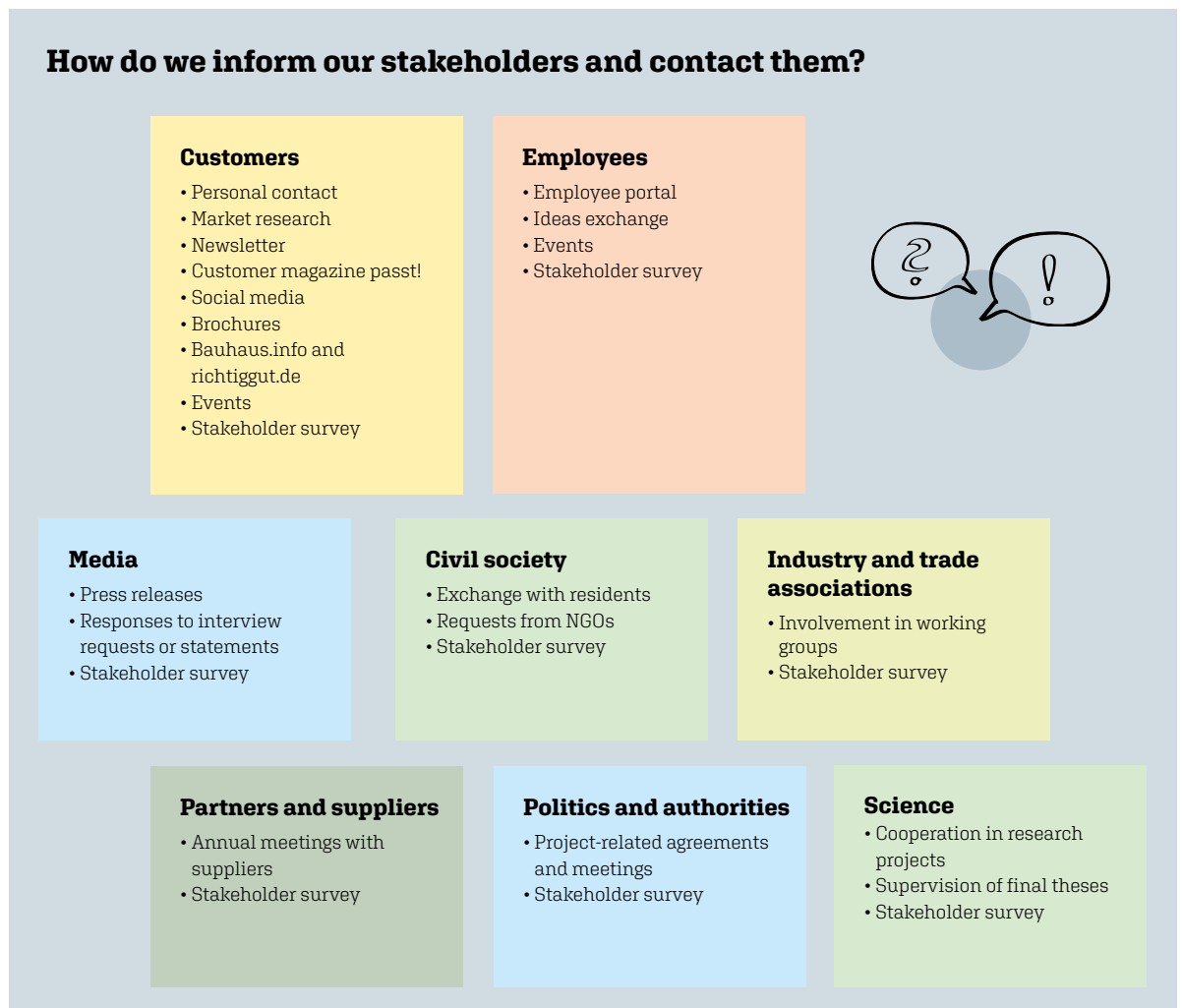
Involving everyone to improve

In dialogue with our stakeholders

In addition to our staff, our most important stakeholders include our customers, suppliers and business partners as well as interest groups, the media, politics and authorities, civil society and science. Our stakeholder groups have one thing in common: their interests are reflected in at least one of our fields of action. Accordingly, dialogue with them is essential in order to achieve the goals we have set ourselves in our sustainability strategy. We reach the various stakeholders by using a range of formats.

Important topics in dialogue with stakeholders

The sustainability issues that come up in discussions with stakeholders are diverse. For our suppliers, the optimisation of product packaging is one of the central topics. During the 2020 annual meetings with our suppliers, we worked together to find solutions that quickly led to savings and more sustainable alternatives (see p. 28). We are also committed to ecologically optimised packaging in the German DIY, Construction and Garden Association (BHB). Here we are working on industry solutions for reusable systems.



We can achieve more with strong partners



BAUHAUS specialist centres are spread all over Germany. Therefore, local dialogue with authorities and residents is particularly important to us. In the context of building projects for the construction of new specialist centres or the conversion of existing sites, we involve the local authorities, the neighbourhood and interest groups in the planning process at an early stage. This enables us to ask about and take into account their expectations and requirements in terms of environmental protection and sustainability. The exchange with local businesses is also crucial to us. For example, we are a member of the Krefeld industrial community, where we employ around 300 people in our largest import warehouse.

We see critical voices as an opportunity to shed light on our service offering and the state of sustainability in our company and to continuously improve it. For example, in a report in 2021, Norddeutscher Rundfunk criticised the quality of advice on FSC® and PEFC labelling of our products. We have taken this as an opportunity to develop a comprehensive training format for technical advisers so that they can offer customers even better advice in future about the meaning, advantages and criteria of FSC® and PEFC labelling.

Stakeholder survey

In 2021, we systematically surveyed customers, employees and selected representatives of other stakeholder groups on the topic of sustainability. One of the pivotal results of this dialogue is this first sustainability report, which represents a milestone in our public relations work. Respondents desired more information about sustainability at BAUHAUS. The high priority of this topic can also be seen in the materiality matrix (see p. 12-13). We will therefore continue to expand sustainability communication into the future.

In general, the participants in the survey still see potential for development in our sustainability efforts. We take this as an incentive and confirmation to continue along the path we have chosen for our ambitious sustainability strategy. The results help us to identify and implement potential improvements.

Improving together

More digital, efficient and ecological

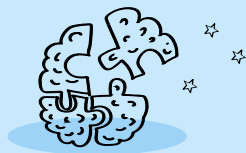
We are always looking for ways to further improve internal processes. In many areas, this is achieved by switching to digital processes and intelligent systems. The introduction of a new ordering system, for example, ensures more efficiency in specialist centres whilst also saving resources. We are increasingly using digital formats for training and meetings. In logistics, automating processes simplifies and saves the often physically strenuous work of our employees.

The switch to digital processes reduces, among other things, the consumption of paper and the number of business trips. This reduces the strain on the environment, strengthens health protection and increases employee satisfaction. In terms of sustainability, our goal is, as far as possible, to switch to a paperless office. Behind digital processes lies the operation of storage systems and data centres. In order to keep power consumption for the operation and cooling of the systems as low as possible, we have introduced

"Green IT systems" and cold aisle containment in recent years. At the beginning of 2022, we will be upgrading to storage systems that consume only half the energy of their predecessors, with almost double the capacity.

Ideas from our own team

Our employees often know best where we can make improvements. They can submit improvement suggestions in a digital Ideas Exchange Platform. The departments responsible for the different subject areas evaluate all proposals, and good ideas are awarded prizes and implemented. This creates incentives in all areas – both in the specialist centres and in the SCDE – to improve and become better together. In 2020, we were able to change the documents, among other things, so that we can process the receipt of goods more efficiently.



In the reporting period,

63

ideas from our employees were rewarded.



For more than

60 years

**BAUHAUS has stood for fairness
in dealings with business partners,
competitors and authorities.**



Integrity: responsible, fair and compliant with the rules

Compliance with laws and rules

BAUHAUS has stood for fairness in dealings with business partners, competitors and authorities for over 60 years. Through free competition, we are able to impress our customers through quality and service. We respect competition and anti-trust regulations, prevent corruption and, in the spirit of sustainable corporate governance, pay attention to occupational, product and information safety together with the company officers and specialist departments.

All the necessary information and guidelines are available to our employees on internal platforms. We document the relevant processes, responsibilities and compliance requirements in our management and compliance guidelines. Managers and technical officers supplement the general guidelines with subject-specific guidelines wherever necessary. In addition, we regularly train on relevant compliance topics and provide e-learning formats. Our officers for data protection, occupational safety and product compliance, as well as the Human Resources and

Legal & Compliance departments, are available as contacts for legal questions and in the event of concerns.

Our Process and Organisational Development and Legal & Compliance departments have developed guidelines that provide our employees with concrete orientation: Based on our value framework, our Code of Conduct for Employees describes which topics we consider particularly important in our conduct – both internally and externally. Another Code of Conduct for Business Partners (see p. 26) complements this guideline and obliges all our partners to comply with these principles. Special compliance guidelines lay out comprehensive requirements for fair competition, consumer protection, corruption prevention and sustainability.

We regularly analyse potential corruption risks, take countermeasures where necessary, develop guidelines and create training concepts.

Our compliance officer enquires about relevant legal risks in our specialist departments. Together with the audit department, he then assesses these risks. We see potential corruption risks, for example, in the area of purchasing. Therefore, employees regularly undergo mandatory training on cartel law regulations. In 2022, the training will be supplemented by the topic of corruption prevention.

All employees are required to inform managers or the Compliance Officer about violations of guidelines. The "BAUHAUS Trust Line" whistleblower platform is available to them for this purpose. They can contact the Compliance Officers or Human Resources in confidence about this, at any time. Within the reporting period, we did not become aware of any material compliance violations.

Protecting sensitive data

Thousands of customers shop in our specialist centres and online shop every day, and over 15,000 employees work for our company. The protection of personal data is therefore essential. We protect sensitive data from unauthorised access through technical and organisational measures. This includes access restrictions, authorisation concepts and organisational instructions. In order to identify and remedy any weaknesses in our IT systems at an early stage, we commission security audits by external providers every year.

Our Data Protection Officer is supported by several data protection managers and data protection operators in the Data Compliance team. Data protection managers document and process every enquiry and complaint related to data protection, if necessary also in coordination with the data protection officer. Where necessary, we take technical and organisational measures and inform the person making the request or also the authorities. The number of complaints in 2020 and 2021 was slightly higher than in previous years, as customers increasingly exercised their right to cancel orders and delete their data due to pandemic-related supply shortages.

Our aim is not only to meet the legal requirements, but also to fulfil our special responsibility towards our customers at all times. To this end, we sensitise our employees to the careful handling of personal data. All employees undergo data protection training when they join the company and on an ongoing basis thereafter. As part of a special IT training course, we inform all employees about the secure handling of passwords, the correct behaviour at the workplace and protection against malware.



Our intentions



Essential topic	Objective	Deadline	Status (end of 2021)
Internal communication	Examination of an extension of the new staff portal to the specialist centres	2022	In planning
	Introduction of a regular newsletter on the sustainability of BAUHAUS	2022	In planning
Economic success	Increase the share of turnover achieved with sustainable products	∞	In implementation
	Complete strategy roll-out of BAUHAUS sustainability standards for national companies	2025	In planning
Digitalisation	Expansion of the digital offer of training and further education	2023	In implementation, currently 161 e-learning offers
	Review of processes in all areas for possible paper savings	∞	In implementation
	Increase use of digital meetings	∞	In implementation
Sustainability management and incentivisation	Further development of the sustainability strategy and the sustainability programme	∞	In implementation
	Production of CO ₂ reporting	2022	In planning
	Development and adoption of a climate strategy	2022/23	In planning
Compliance	Start of training on the corporate values, the Code of Conduct for employees and business partners	2022	In planning
	Review compliance risks and expand training to include new compliance topics	∞	Integration of corruption prevention in training sessions for buyers
IT security and data protection	Regular review of the technical infrastructure and implementation of a wide range of security measures	∞	In implementation
Dialogue with stakeholders	Regular systematic exchange with representatives of key stakeholders	∞	Stakeholder surveys on sustainability in 2021

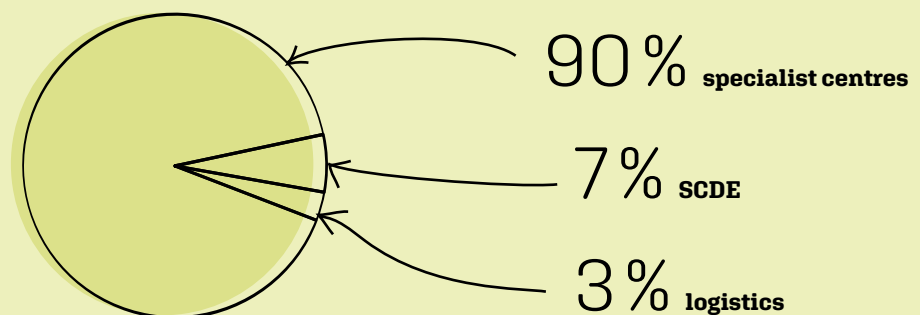
5

Employees

We offer opportunities for all talents and promote the development of our employees from day one. Equitable communication, team cohesion and a passion for work are particularly important to us. Because we are convinced: if our employees are satisfied and motivated, we will be successful as a company in the long-term.



Employees according to company sectors





88 %

**of employees have
a permanent
employment
contract**

**The average service
period of employees is**

9 years



Focussing on the satisfaction of our employees

BAUHAUS, the attractive employer

Every day, our employees make a decisive contribution to the success of the company in our specialist centres, in the online shop, at the customer's premises, on the screen or on the phone. Therefore, it is our endeavour to offer them all attractive workplaces. We guarantee fair remuneration, above the industry average. We also offer additional benefits such as pension subsidies and capital-forming benefits and regularly organise social events such as company parties and the BAUHAUS company run.

We want to offer our employees security through permanent contracts. In the BAUHAUS Service Centre Germany (SCDE), the proportion of employees with permanent contracts in 2021 was 97 %, in the specialist centres 88 % and in logistics 76 %. We generally take on trainees as permanent employees after they have completed their training. In 2021, the retention rate for our apprentices was 80 % (2020: 82 %).

BAUHAUS is growing dynamically. In 2021 alone, we recruited around 2,800 new staff (2020: around 3,500). While only 10,877 people were employed at BAUHAUS in 2010, this figure had been increased to over 15,000 by 2021. High applicant numbers confirm that we are perceived as an attractive employer: in 2021 we received around 50,200 applications (2020: 55,500). To make our employees feel comfortable right from the start, they take part in introductory training. In the specialist centres, new employees undergo induction programmes that are individually tailored to their positions.

As a family business, we value long-term relationships. If someone leaves our company, we ask for the reasons with the help of a questionnaire. This is how we identify potential for improvement. In 2021, the staff turnover rate nationwide was around 17 %, in the SCDE it was around 10 %.

Employees and type of employment

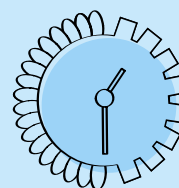
	Specialist centres	SCDE	Logistics	Total
Total	13,757	1,016	454	15,227
of which female	5,902	486	85	6,473
temporary	1,698	35	111	1,844
of which female	668	24	20	712
in part-time	4,122	158	43	4,314
of which female	2,991	126	20	3,137

Work-Life-Balance

We want to enable our employees to combine work and private life in the best possible way, taking into account individual needs and family commitments such as caring for children or family members in need of care. Around 28 % of employees worked part-time in 2021 (2020: 29 %). Taking into account operational necessities, we support flexible working time models, part-time requests and take into account the special situation of working parents. In the SCDE we offer flexitime models, working time accounts and mobile working.

As a family-friendly company, we make childcare available to employees in Mannheim. We run the facility for children aged zero to three years in cooperation with the Familiengenossenschaft eG, it is recognised by the Mannheim Youth Welfare Office. In the future, we also want to give employees at other locations the opportunity to take advantage of external childcare .

28 %
of our employees worked
part-time in 2021.





Our employees can use

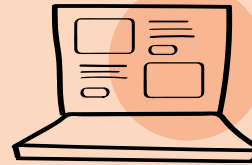
161

e-learning training courses.

In 2021

26,439

e-learning courses were completed.



Lifelong learning

Needs-based further training

We give our employees the opportunity to continuously develop themselves. Our internal BAUHAUS Academy offers a broad programme of training and further education for this purpose, including product training, sales seminars and further training on occupational safety. Employees in the purchasing department and in the specialist centres can take part in special supplier training courses, and SCDE employees can take part in language courses and IT seminars. In the specialist centres, we offer app-supported level coaching, in which we teach product- and sales-specific content in each of three phases in order to continuously improve the quality of advice.

In parallel, we have been successively expanding our range of digital training courses – so-called e-learning courses – for several years. Our employees can now choose from 161 e-learning courses. The offer is well received: in 2021 alone, around 26,500 e-learning courses were completed.

In order to adapt our training model even more specifically to different positions and qualifications, we are currently developing a separate learning path for each function in the company. We are increasingly relying on blended learning, i.e. a combination of face-to-face and online training.

We are particularly proud of our training centre at the logistics site in Krefeld, which was built in 2019. We have recreated the central warehouse over 700 square metres of space. With the support of experienced trainers, the employees go through all the important stations in a warehouse from truck loading to order picking. In 2021, we trained 205 people in the logistics training centre (2020: 336 people). They completed an average of 36 hours of training (2020: 34 hours)

Good leadership

In employee development, managers play a crucial role. They can promote professional and personal competences in the team and respond to individual requirements and needs. We sensitise managers to their responsibilities and strengthen leadership skills with a wide range of training courses in the SCDE. We have developed guidelines on interviewing for business managers in the specialist centres and have started with corresponding training courses on how to use them. In future, all managers should optimise their development discussions with the help of the guide.

Finding and promoting talent

Career start made easy

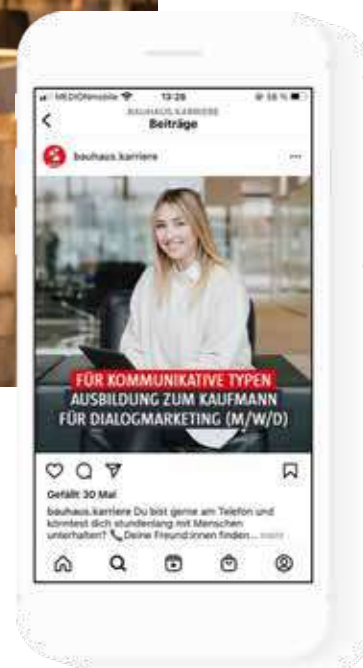
Training, for us, is an investment in the future. Every year, around 400 young people start their professional life at BAUHAUS – through training, dual studies (Bachelor of Arts in Business Administration for Trade) or in the trainee programme. In 2021, we filled 410 training vacancies (2020: 425). In 2020, we took on around 6 % more trainees than originally planned, despite the pandemic.

There is a wide choice for starting a career: in the reporting period, we expanded our existing range of apprenticeships with three additional professions. Two of these focus on digitalisation. We now offer a total of eleven apprenticeships, including sales assistant, IT specialist and e-commerce clerk. We can undertake regular checks to see whether we can expand the offer even more. In 2021, we also launched the "Build your future" campaign: interested parties were able to gain an insight into the world of training at BAUHAUS. Part of the campaign is also "Training Out of the Box". Those who take part first build a mini raised bed using BAUHAUS products. Afterwards, you can test

the knowledge you have acquired in a quiz and get an impression of how customer service can work in our specialist centres.

The Coronavirus pandemic has posed particular challenges for Human Resources. In order to get in touch with potential career starters during the contact restrictions, we organised the BAUHAUS Information Day Digital (BIT Digital) for the first time in 2021. Interested pupils were able to stroll around a virtual fair and find out about training opportunities. The BIT Digital was well received.

In addition, we attend physical exhibitions. In 2021 we attended the Jobs for Future fair in Mannheim where we presented the company on a large stand. At the logistics location in Krefeld, we cooperate with the local secondary school, introduce pupils to logistics as a career field and offer the opportunity for school internships.



◆ Instagram: [bauhaus.karriere](https://www.instagram.com/bauhaus.karriere)



◆ jobs.bauhaus.info





BAUHAUS – award-winning training company



Faire Ausbildung
2021
trendence

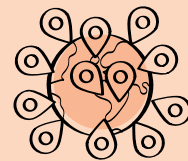
Training – theory and practice

In the training programme, we dovetail theory and practice. Our trainees are firmly integrated into the teamwork from the very beginning and can take on responsibility at an early stage. In addition to the support programme with a fixed contact person, we offer a regular exchange with other trainees, and at various network meetings the trainees can gain comprehensive insights into the world of BAUHAUS. In order to facilitate exam preparation and also support apprentices with learning difficulties, we piloted online learning support in 2021, which runs on iPads. All trainees were provided with a device for this purpose, which they are allowed to keep after the end of their training. From 2022, we will provide the iPads nationwide and offer learning support to all trainees. So that the supervisors can respond to the trainees individually, development meetings take place at least every six months.

The quality of our training programmes has already received several awards. In both 2020 and 2021, BAUHAUS was among “Germany’s best trainers” according to the business magazine Capital. 2021, we also achieved the highest score in the area of dual studies. The independent consulting and market research company trendence has awarded us for “Fair Training”. The award is not only based on a scientific audit, but also on evaluation by our trainees.

Future leaders

At BAUHAUS, apprentices, students, specialists and trainees are prepared in sales for a later function in the management of our specialist centres. As part of a special junior management programme, our talents there go through various modular units that take into account their individual stage of development and guide them to the corresponding target position.



40

**nationalities are represented
in the SCDE.**

BAUHAUS – employer for all

Animated diversity

Those who contribute to our company with motivation are given a secure perspective and can develop their individual personality, regardless of gender, sexuality, origin, religion and other individual characteristics. We do not tolerate discrimination of any kind, at BAUHAUS everyone has the same rights and opportunities. At each location, we have appointed a person of trust to whom employees can turn. In addition, a digital whistleblower platform is available for anonymous reporting of violations. We are not aware of any cases of discrimination from 2020/2021.

Perspectives for all

BAUHAUS creates equal opportunity This conviction gave rise to an in-service training programme in logistics, the ILW Training Programme Plus (IDAP), in 2019. It is aimed at skilled workers at our Krefeld site who are highly committed and perform well, but who have not completed their training.

The special thing about it is that the training can be completed parallel to employment with full pay. The employees in logistics are very receptive to the concept because it offers them a long-term perspective. At the end of 2021, a total of ten people were participating in this training programme (2020: nine people). During 2021, seven people started their training.

We integrate people with language barriers or other restrictions just like all other employees. To make this happen, we support refugees, for example, with an educator who offers German courses at the ILW in Krefeld. We also offer candidates interested in a training contract the opportunity to complete an introductory qualification year (EQJ) with us.

Healthy and safe

Healthy working in times of Coronavirus

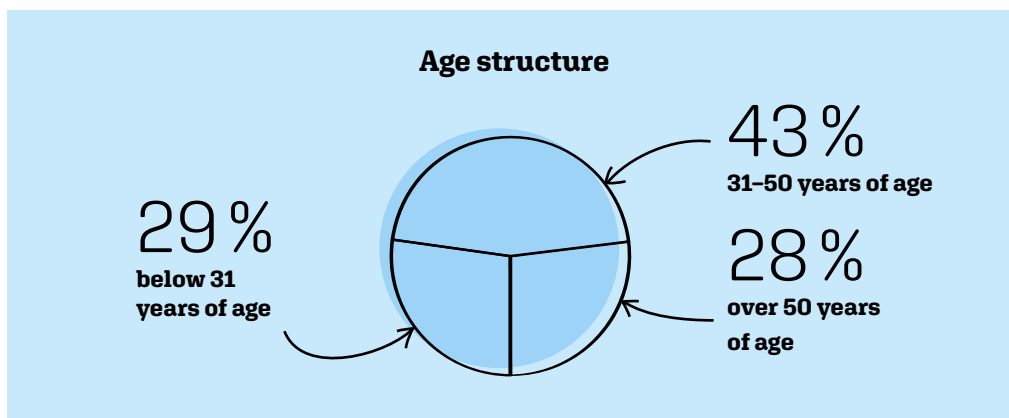
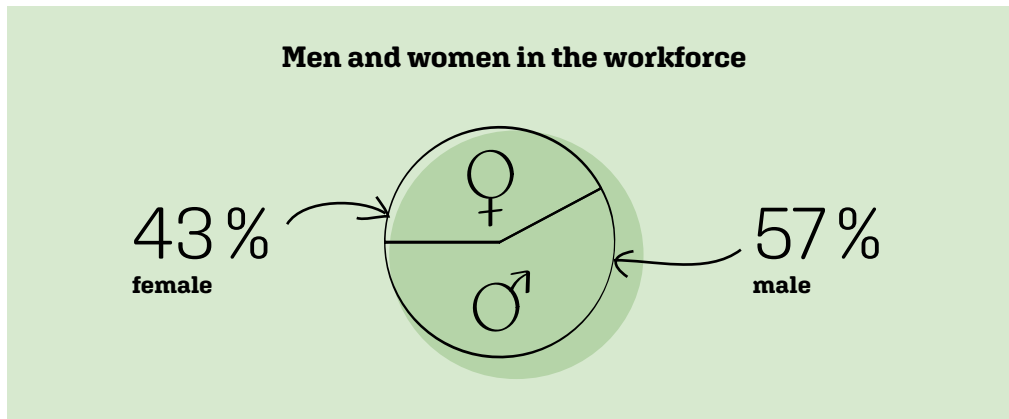
Since March 2020, health management has focused on protecting employees from the Coronavirus. As part of pandemic prevention, we have been relying on our own rapid test strategy since March 2021. We provide all employees in the specialist centres, in the SCDE and at the logistics locations with two – or more, if required – free rapid Coronavirus tests per week. In addition, we have created new operating instructions to protect against viral infections. In 2021, we offered vaccinations and booster vaccinations by the company doctor to employees at all locations where this was possible.

The health of employees has been a top priority at BAUHAUS not only since the outbreak of the pandemic. They all have access to a company doctor and the occupational health service. There, not only are their physical health concerns taken into account, but mental stress is also included in the risk assessment.

The specialist centres implement individual health promotion measures at their locations, such as programmes with fitness studios and health insurance companies. By 2025, we want to establish a company-wide health management system.

Minimising stress

We place a special focus on health protection in logistics, because work in this area involves a high level of physical exertion and therefore carries an increased risk of accidents and illness. Due to the strain of lifting and carrying, back disorders are the main cause of health problems in logistics. Back training helps to prevent ailments. Since August 2021, we have also been testing exoskeletons to protect the musculoskeletal system of the affected persons (see also p. 42).



More prevention for more safety

We want to keep risks that occur in everyday work as low as possible and prevent occupational accidents and injuries. Hazard assessments and operating instructions are available for all activities, work and operating equipment, as well as possible stresses. All documents and online training courses at BAUHAUS are stored in an internal database on occupational safety and are accessible to all employees.

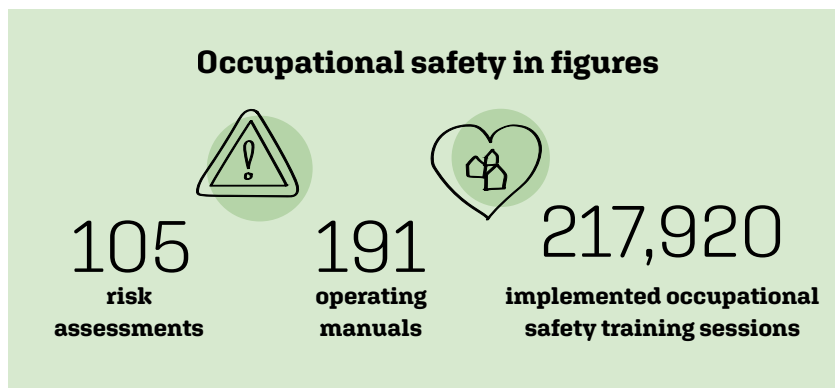
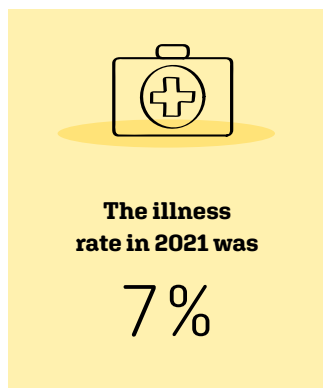
The hazards in logistics are different from those in the specialist centres, and prevention must be different when driving a forklift truck than when providing specialist advice. Therefore, instructions on occupational safety are tailored to the respective activity. Through e-learning, presentations and videos, we show how specific accidents at work can be avoided.

175 safety officers are responsible for occupational safety in our branches. In addition, a hazardous goods and waste management officer has been appointed, as well as five internal occupational safety specialists and an external safety and occupational health service. Four times a year, the company doctor, the occupational safety specialist, the safety officers, the representation of the management of the specialist centres and – if available – the representation of the works council meet in on-site working committees. We provide information about the decisions taken in those

committees via the occupational safety database, in notices and in management guidelines.

Employees report every incident in an electronic first-aid book. In the specialist centres, the information is then received by the management, which checks whether it is a reportable accident. In the SCDE we bring together all incidents throughout Germany and evaluate them. If necessary, we conduct special accident analyses, derive technical and organisational measures, establish them in our processes and adapt the training content. All employees can make suggestions for improvements in occupational health and safety in the Ideas Exchange Platform (see p. 52).

Despite all safety precautions, accidents or injuries can occur. The most frequent incidents were cuts or tripping accidents. In 2021, there were 245 reportable occupational and commuting accidents (2020: 248). That makes 20 accidents per 1,000 employees (2020: 21). The most accidents occurred in the specialist centres. As this is where we have the greatest leverage for more safety, we want to create even more incentives to make the working environment safe. In future, we want to award prizes to sites where there have been no or particularly few occupational accidents.



Occupational accidents in 2021

	Accidents at work and on the way to work	Accidents per 1,000 employees	Fatal accidents
Total	245	20	0
Specialist centres	196	18	0
SCDE	6	7	0
Logistics	43	90	0

Our intentions



Essential topic	Objective	Deadline	Status (end of 2021)
Employee satisfaction	Expansion of employee benefits/discounts	2022	In implementation
Talent promotion and HR development	Offer of 660 apprenticeships and 43 junior management positions	2022	In implementation
	Image campaign to increase the attractiveness of professions	2022	In planning
	Annual BAUHAUS Information Day Digital (BIT Digital)	∞	Digital recruitment fair implemented for the first time in 2021
	Increase presence on job-related social media channels (Xing, LinkedIn)	∞	In implementation
Leadership skills	Introduction of training for (junior) managers to increase competences	2022	In planning
	Introduction of training on conducting staff appraisals in the specialist centres	2022	In implementation
Work-Life-Balance	Construction of a new day care centre and kindergarten near the SCDE site	2025	In planning
	Provide local childcare at additional locations in cooperation with providers.	∞	In planning
	Review of the possibility of taking sabbaticals	2022	In planning
Diversity and equal opportunity	Offer of five apprenticeships per year in the "ILW Apprenticeship Programme Plus (IDAP)".	∞	2020: six vacancies occupied 2021: seven vacancies occupied
	Review the extension of the "ILW Training Programme Plus (IDAP)" to the CDCs.	2022	In planning
Health and occupational safety	Establishment of a company health management with nationwide uniform offers and cooperations	2025	In planning
	All employees regularly take part in occupational safety training	∞	In implementation
Employees as sustainability ambassadors	Appointment of a sustainability officer in each specialist centre	2025	In planning
	Train employees in the specialist centres on sustainability in products.	∞	2021: First training courses on the range "Healthy Living"
	Continuously inform employees in the specialist centres about the BAUHAUS sustainability strategy.	∞	In planning

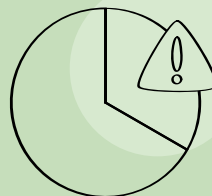


Natural gardening

A sustainably designed garden not only offers a healthy retreat, but is also a valuable habitat for bees and other native insects. To keep things buzzing, crawling and fluttering outside, we need to protect and promote biodiversity. That's why we at BAUHAUS have a product range that enables our customers to do some natural gardening – in the garden, on the balcony or on the windowsill.

80 %

of plants in Germany depend on pollination by bees and other insects.



1/3

of all insects worldwide are at threat of extinction.

20 May

On World Bee Day, the United Nations reminds us how important bees are for humanity and how urgent their protection is.



Why we need species diversity

Diversity in the animal and plant world is falling. And the numbers of bees and insects are also declining. In Europe alone, more than half of all bee colonies died during the past winters. Dwindling habitats, intensive agriculture and forestry, air pollution and advancing climate change are causing problems for the animals.

Many shelves in our supermarkets would be empty without bees. As pollinators, they ensure the diversity and quality of our fruit and vegetables, nuts and oils. Two thirds of the hundred most important crops are wholly or partly dependent on pollination by bees. The good news: with a natural garden, our customers offer bees a valuable habitat.



Our magazine provides more information on the right choice of plants and sustainable gardening:



♦ prospekte.bauhaus.info/fachprospekte/garten/mehr-natur-2022/



Bed and Breakfast: insect hotels

In order to protect the insect population, the animals need not only the right food but also safe shelter. Insect houses, whose construction and materials correspond to the habits of the animals, provide an important wintering aid.

We have bee and insect hotels from BAUHAUS made from natural materials such as hardwood, clay or reeds, in which the animals can settle well. All they need is a sunny location sheltered from the wind and rain.



At the annual BAUHAUS Bee Day, customers can discover even more tips on bee-friendly gardening – and receive a free sample of flower meadow seeds.



Build your own nest box in no time with the BAUHAUS building instructions:



♦ bit.ly/3vekkxax



Hedgehogs, birds and more

Worms and birds are other important species for a lively garden. With bird feed, a mini pond, compost and a bit of overgrowth, you can create a species-rich home in the garden. With the habitat for beneficial insects, our customers also get industrious helpers in the garden that eat pests and loosen the soil.



The brighter the better

Insects need varied range of food. In the BAUHAUS range, our customers will therefore find a variety of nectar-rich flowers, herbs, vegetables and shrubs that bloom throughout the garden year. It is important to note that only if plants are free of bee-harmful pesticides can biodiversity be promoted in the local biotope and the environment be protected when gardening.

6

Region and society

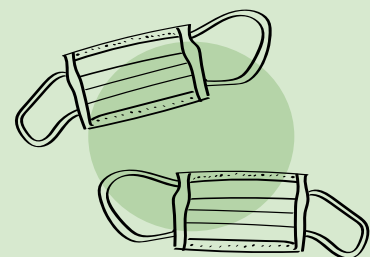
Responsibility in and for the region – BAUHAUS also stands for this. We see ourselves as a strong local partner and want to be a good neighbour. That is why we attach importance to secure jobs in the long-term. We promote economic strength at the locations of our specialist centres. And we actively support local organisations and the community engagement of our employees.



BAUHAUS donation:

100,000

**disposable protective
masks to the city
of Mannheim**



BAUHAUS, a strong partner

From the region, for the region

Since the company was founded, BAUHAUS has been committed to social issues and helps where support is needed. Particularly close to our hearts is the commitment at our locations. Following this idea, we get involved in local initiatives unbureaucratically, directly and often spontaneously. We support kindergartens, social and cultural institutions as well as sports clubs. Each individual specialist centre makes independent contributions to promotion in the local environment through monetary donations, donations in kind and sponsoring. Many organisations also use our outdoor spaces to sell waffles, cake or soup for charitable causes.

Over the years, we have built up trusting partnerships with many institutions, of which we are proud. For example, we have been donating to "Wir wollen helfen e. V." (We want to help) at our founding location in Mannheim for over 30 years – in 2020 and 2021 this was 50,000 euros in each case. The association provides help to people from the region when they are in financial need through no fault of their own and state subsidies are not effective or sufficient.

Being there when you need us

After the outbreak of the Coronavirus pandemic, the introduction of nationwide face mask mandates led to an acute but temporary shortage of protective masks in medicine. In this situation, we donated 100,000

disposable protective masks to the city of Mannheim, which distributed them to medical facilities.

BAUHAUS also acted quickly during the flood disaster in 2021, with donations of over 100,000 euros. The money went directly to the Ahrweiler district administration and to the "RTL – Wir helfen Kindern" foundation, which supported families with children affected by the floods. In order to help with the reconstruction quickly and unbureaucratically, we also granted all residents of the flooded areas a 20 % discount on all products until the end of the year. In addition, many BAUHAUS employees got involved locally on their own initiative. In several specialist centres, they collected donations in kind and money for the team members affected by the flood, other people affected from the surrounding area and local relief organisations.



Animal sponsorships

Zoos were affected by corona-related closures for weeks in 2020. This meant that important income was missing to cover the expenses for the care and keeping of the animals. BAUHAUS donated 15,000 euros each to the zoos in Heidelberg and Landau in the Palatinate so that they could pay the feeding costs for numerous large animals.

Europe-wide corporate challenge



Corporate volunteering – getting involved together

To promote team spirit and cohesion, we organised the BAUHAUS Corporate Challenge for the first time in 2021. In the Challenge, the employees of all European BAUHAUS national companies ran, hiked or cycled to any location in Europe within two weeks and recorded the distance covered with their smartphones. For each kilometre BAUHAUS donated one euro to a good cause. In total, more than 200,000 kilometres were covered. Each national company was free to decide for itself where the donations would go. Most of the management decided to make donations that benefitted children and young people. Around 79,000 kilometres came together in Germany alone.

BAUHAUS Germany rounded up the sum collected in this way and supported the children’s aid campaign “Herzenssache e. V.” by SWR, SR and Sparda Bank with 100,000 euros. A total of 224,880 euros was raised across all European national companies.

Since 2013, we have been supporting aid projects of the RTL Spendenmarathon together with our quality brand LOGOCLIC and collecting donations for children and young people all over the world. In 2021, 50,000 euros were collected (2020: 25,000 euros). To draw attention to the campaign and motivate customers to make additional donations, 45 BAUHAUS employees sweated it out on the treadmill, rowing machine, arc trainer and cycling bike.

Wealth for the region

Responsibility through employment

We also add value to society by creating and maintaining jobs. We provide security and prospects for more than 15,000 employees in our specialist centres, in the SCDE and in logistics – and at the same time strengthen local purchasing power. In the coming years, we want to increase our BAUHAUS team through sustainable growth and expand our status as a strong regional employer.

Boosting the regional economy

As a business customer, BAUHAUS also contributes to regional prosperity. We prefer to procure work clothes and building materials for our specialist centres from

regional suppliers, thus strengthening local businesses. We also prefer to commission tradesmen and other service providers from the region. In times of Corona-virus, it was particularly important for us to support the local economy.

In our staff restaurant at the SCDE in Mannheim, we pay attention to regional and seasonal products. When employees had to work on the move as much as possible to protect against infection, we were forced to temporarily close our company restaurant. In order to prevent the operator from running out of money, we supported him financially during this time.



By the end of 2021,
we will have planted over

826,000

seedlings on 180
plots nationwide.



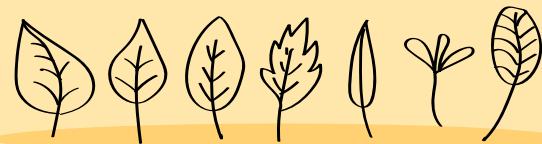
One million trees for our anniversary

Because it's really important

Our goal is to combine success and responsibility and make an important sustainable contribution with a view to a shared future. Our focus is on forest areas, which are becoming increasingly significant in view of the climate crisis. Storms, droughts and insect infestations have damaged or even destroyed large areas of forest. We want to actively help here and launched a tree planting campaign for the BAUHAUS anniversary year 2020.

The starting signal was given in September 2020, and the first planting day took place nationwide in October. Since then, we have reforested the areas surrounding the centres in 16 tree planting campaigns nationwide together with interested parties. The Schutzgemeinschaft Deutscher Wald (SDW) accompanies us in the implementation of this project, documents every single tree planting and, since summer 2021, has also been carrying out area audits to ensure that the forest conversion is proceeding and functioning correctly.

At the heart of the ambitious climate project is the principle "Trees against climate change, tangible and comprehensible for all". Future generations in particular should benefit from this. Our goal is to plant at least one million trees in Germany. In addition, together with the forest owners, we also take care of the trees in the first few years.



Why the forest?

The forest ecosystem is a green multi-functional organ. Forests not only offer a habitat for animals and plants, but also have a positive effect on the climate. In times of forest decline, devastating storms, drought disasters and massive pest infestations, the forest needs our help.



Climate-stable forests

A so-called climate forest is a forest that is prepared for climatic changes. With its commitment, BAUHAUS creates sustainable mixed forests, primarily from local, site-safe and adaptable tree species such as sessile oak, copper beech, sycamore maple or Douglas fir. These forests offer the greatest possible diversity to the local flora and fauna.



Sessile oak



Copper beech



Sycamore maple



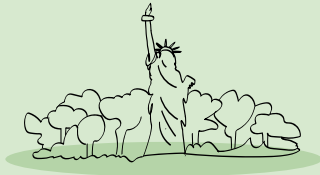
Douglas fir

A campaign to get involved with

We invite interested people to actively support our tree planting campaign and help us with the planting days. In this way, we also raise awareness of the positive impact forests have on our climate and raise awareness of the local flora and fauna. Since the start of the campaign, several thousand interested people have already taken part in the nationwide plantings and participated in 64 forest action days.

Between September and December 2020, we sold so-called climate trees in all specialist centres in Germany as part of the "You buy, we plant" campaign. Customers could symbolically purchase a seedling for the price of 3.85 euros (incl. VAT), which we then planted as part of the campaign, and thus make a personal contribution to the sustainability of our forests. In this campaign, around 83,400 additional seedlings were paid for by our customers. Accordingly, the number of trees planted by us increased to around 1,083,400 as a result of this commitment.

BAUHAUS tree planting campaign



All of the separate, planted areas total around

400 hectares.

That is the same area as Central Park in New York.



More about the BAUHAUS tree planting campaign:

youtu.be/mx-FAPkF_ICE





On behalf of our customers,
we are planting

83,386

additional climate trees.



Our intentions



Essential topic	Objective	Deadline	Status
Social commitment	Continue tree planting campaign until 1,083,386 trees are planted	2022	In implementation, 826,202 trees planted by the end of 2021
	Continuation of tree care after complete planting	2025	In implementation
	Development of a guideline for social and regional engagement	2023	In planning
Regional responsibility as an employer	Retain and create jobs	∞	Continuous
Corporate Volunteering	Organise an annual Corporate Challenge	∞	In implementation



Climate-friendly living

The carbon footprint of a house or flat can often be effectively improved by switching to renewable energies, installing new heating technology, smart building control or even by simply saving electricity. BAUHAUS offers high-quality products and competent advice to ensure that sustainable house building, renovation and conversion to energy-saving technology also succeed.

Emitted CO₂ equivalent per kilowatt hour of electricity (in grams)

75
CO₂e from
photovoltaic



1,140
CO₂e from lignite
power plants

Why climate protection also affects our homes

If we want to preserve our ecosystem and limit climate change, a transition from the use of fossil fuels and raw materials to renewable energy sources is essential. Customers can make a major contribution to sustainable development in their homes by switching to renewable energies or making their houses more efficient with energy-efficient renovations. Buildings are responsible for around 40 % of Germany's greenhouse gases – so there is effective leverage here to counteract climate change.

**More information
in our guidebooks**



♦ bauhaus.info/ratgeber



**The building sector
causes around**

40%

**of the German
greenhouse gas emissions.**

Using the power of the sun

Photovoltaic modules on the roof of a house are a sensible way to generate energy, which pays off better than ever in view of rising natural gas and heating oil prices. In addition, legislators are driving the energy transition forward, in part by supporting investments and introducing corresponding laws. With solar power and solar thermal systems, our customers can make their homes climate- and future-proof. You can also use high-performance solar modules for your garden shed or mobile home.



Upcycling lamp

Solar energy also works on a small scale: why not harness the power of the sun to build a solar lamp with DIY instructions? The instructions are available here:



♦ richtiggut.bauhaus.info/inspiration/diy-ideen/upcycling-lampe

Thermal protection = climate protection

Heat is often lost in houses via the façade, roof and cellar. To insulate buildings optimally, it is best to use building materials with low thermal conductivity. BAUHAUS offers expert advice and a wide range of insulation materials, including those made from renewable raw materials, to ensure that the right material is available for every application. Cork, wood wool or sheep's wool, for example, are ideal for the interior insulation of exterior walls. They are convincing as low-emission and durable natural materials with a good eco-balance.

**Private households
need around**

2/3

**of their energy consumption
to heat the rooms.**



Bright lighting yet energy saving

Efficient light sources that save energy and have a long service life also contribute to climate protection and resource conservation. Light-emitting diodes – LEDs for short – consume up to 90 % less energy than the incandescent or halogen lamps that still exist in many cases. With a service life of around 50,000 operating hours, they also last at least twelve times longer. They do not contain toxic chemicals such as mercury, which is found in energy-saving lamps. BAUHAUS stocks more than 1,800 LED products in various designs and light colours.

Service life of lamps



LED

50,000

hours



Energy saving lamp

10,000

hours



Light bulb

1,000

hours

Data appendix

Sales and transport packaging

	2020	2021
Sales packaging of own brand		
Total [in t]	10,382	7,523
Aluminium	6	4
Paper/cardboard/cardboard (PPK)	7,601	5,361
Ferrous metals	404	301
Glass	1	0
Plastic	2,259	1,764
Composite materials	111	93
Transport packaging*		
Total [in t]	1,396	1,209
Film	111	97
Wood	1,169	995
Cardboard	116	117

* Indicator includes packaging materials used in shipping from our warehouses to the specialist centres.

Energy consumption and energy intensity

Energy consumption	2020				2021			
	Specialist centres	SCDE	Logistics	Total	Specialist centres	SCDE	Logistics	Total
Total [in MWh]*	211,370	3,831	5,057	220,259	241,613	3,716	4,933	250,262
Electricity	106,741	2,560	2,844	112,145	109,402	2,294	2,645	114,341
Natural gas	84,627	84	965	85,676	108,617	83	1,191	109,892
Liquid gas	0	0	1,166	1,166	0	0	1,016	1,016
District heating	20,003	1,187	81	21,271	23,594	1,338	81	25,013
Energy intensity								
Total [in kWh/m²]	104				119			
Sales space [in m²]	2,108,508				2,107,538			

* For a small number of locations, we do not collect energy consumption data, as there are no direct supply contracts with the energy providers. In these cases electricity and heat consumption was estimated according to the average values across all sites for which we have contracts with the energy suppliers.

Direct and indirect greenhouse gas emissions (THG emissions)

	2020	2021
THG emissions		
Total [in t CO₂e]*	79,749	85,708
Scope 1	18,816	22,354
of which heat	17,516	22,354
of which fuels	1,300	1,017
Scope 2	49,684	51,024
of which electricity	46,642	47,447
of which heat	3,042	3,577
Scope 3 (preliminary chain)**	11,499	12,541

* Information in CO₂ equivalents.

** Corresponding to category 3 of Scope 3 according to GHG Protocol (*Fuel- and energy-related activities not included in Scope 1 or Scope 2*)

Water consumption

	2020	2021
Freshwater*		
Total [in m³]	182,996	162,266
Specialist centres	169,472	153,147
SCDE	8,719	4,525
Logistics	4,805	4,594

* Due to the billing cycles for water consumption, the data for 2021 was partly estimated on the basis of the previous year's values.

Produced waste

	2020	2021
Waste*		
Total [in t]	63,759	57,967
Mixed wood	25,890	21,911
Waste for recovery (AZV)/construction waste	15,808	14,311
Paper/cardboard/cardboard (PKK)	10,683	9,037
Building rubble, pure	5,441	5,987
Mixed scrap	1,890	1,794
Green waste	1,374	1,467
PE film	1,205	1,016
Starter/lead batteries	722	485
Pressure impregnation, wood (AIV)	462	428
Old paints/varnishes	231	200
Electronic scrap	48	47
Energy saving lamps	3	2

* Provisional data for 2021.

Information on employees*

Employees	2020				2021			
	Specialist centres	SCDE	Logistics	Total	Specialist centres	SCDE	Logistics	Total
Total [number]	13,802	814	478	15,094	13,757	1,016	454	15,227
of which female	5,919	389	73	6,381	5,902	486	85	6,473
of which male	7,883	425	405	8,713	7,855	530	369	8,754
Trainees	920	13	9	942	955	18	5	978
Employment contract								
Temporary [number]	2,117	42	98	2,257	1,698	35	111	1,844
of which female [in %]	39	48	12	38	39	69	18	39
Permanent [number]	11,685	772	380	12,837	12,059	981	343	13,383
of which female [in %]	44	48	16	43	43	47	19	43
Employment relationship								
Full-time [number]	9,624	676	450	10,750	9,635	858	420	10,913
of which female [in %]	30	41	13	30	30	42	15	31
Part-time [number]	4,178	138	28	4,344	4,122	158	34	4,314
of which female [in %]	71	80	57	72	73	80	59	73

* The data refers to the reference date 31.12. of the respective year. Trainees are included in the total number of employees and are counted as permanent contracts due to the high takeover rate.

New employees and fluctuation

New appointments	2020				2021			
	Specialist centres	SCDE	Logistics	Total	Specialist centres	SCDE	Logistics	Total
Total [number]	3,266	158	130	3,554	2,394	317	93	2,804
of which female [in %]	38	47	10	37	35	18	12	33
Age								
Below 31 years	1,930	76	58	2,064	1,483	162	31	1,676
31-50 years	918	70	62	1,050	653	140	43	836
Above 50 years	418	12	10	440	258	15	19	292
Share of the overall workforce [in %]	24	19	27	24	17	31	20	18
Employees who have left								
Total [number]	2,248	67	87	2,402	2,305	98	122	2,525
of which female [in %]	36	48	15	36	37	57	9	36
Age								
Below 31 years	1,275	20	38	1,333	1,292	50	42	1,384
31-50 years	598	27	38	663	648	35	56	739
Above 50 years	375	20	11	406	365	13	24	402
Proportion of total workforce (fluctuation rate) [in %]	16	8	18	16	17	10	27	17

Parental leave

	2020				2021			
	Specialist centres	SCDE	Logistics	Total	Specialist centres	SCDE	Logistics	Total
Employees on parental leave [number]	543	38	8	589	562	49	11	622
of which female [in %]	63	66	38	63	60	63	45	60
Employees who returned to work in the reporting year [number]	492	37	8	537	488	47	11	546
of which female [in %]	88	96	100	89	99	100	100	99

Occupational accidents and illness rate

	2020				2021			
	Specialist centres	SCDE	Logistics	Total	Specialist centres	SCDE	Logistics	Total
Accidents at work and commuting accidents [number]*	214	2	32	248	196	6	43	245
Accidents per 1000 employees**	20	3	76	21	18	7	90	20
Fatal accidents [number]	0	0	0	0	0	0	0	0
Illness rate [in %]***	7.6	3.6	8.0	7.4	7.7	3.0	8.6	7.4

* Accidents at work and commuting accidents reportable to the trade association.

** Calculation with full-time equivalents.

*** The illness rate includes both days with and without continued pay.

Diversity of employees

	2020				2021			
	Specialist centres	SCDE	Logistics	Total	Specialist centres	SCDE	Logistics	Total
All employees								
Total [number]	13,802	814	478	15,094	13,757	1,016	454	15,227
of which female [in %]	43	48	15	42	43	48	19	43
Age								
Below 31 years	4,124	210	142	4,476	3,962	289	93	4,344
31–50 years	5,903	401	241	6,545	5,863	509	226	6,598
Above 50 years	3,775	203	95	4,073	3,932	218	135	4,285
Represented nationalities								
Total [number]	85	31	46	-	100	40	47	-

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Telephone 0621 3905 1000
www.bauhaus.info

Contact

E-mail: nachhaltigkeit@bauhaus.info

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:response, Inh. Arved Lüth
www.good-response.de
Dr. Isabell Lenz, Sarah Bollinger

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p. 38-39: Statista, Destatis, Federal Environment Agency, Netzwerk Reparatur-Initiativen, Clean Energy Project; p. 66-67: Süddeutsche Zeitung, Deutscher Imkerbund, richtiggut.de; p. 74-75: bauhaus.info, Destatis, BR Wissen, Süddeutsche Zeitung, Federal Environment Agency, Federal Institute for Research on Building, Urban Affairs and Spatial Development (December 2020), Stiftung Warentest, Verbraucherzentrale

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BAUHAUS

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D-68167 Mannheim

www.bauhaus.info