



ENVIRONMENTAL POLICY



POLICY
Environmental policy

POLICY OWNER
CHRO, ESG & Communications

LAST UPDATE
2021-12-10



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2. ENSURING SUSTAINABLE BUSINESS CONDUCT

BHG Group, hereafter BHG, shall conduct business in an environmentally responsible manner and limit its negative impact on the environment. This Environmental Policy lays down the framework for how employees and other stakeholders around BHG should conduct themselves as environmental stewards. The content of the policy is based on UN Global Compact environmental principles and the underlying Rio Declaration on Environment and Development.

The Environmental Policy is meant to guide employees and stakeholders at BHG in how to minimise the environmental impact. The Policy regulates how BHG manages activities related to environmental responsibility as well as defines roles and responsibilities for the area.

3. SCOPE AND RESPONSIBILITY

3.1 CORPORATE RESPONSIBILITY

This Policy applies to and is expected to be upheld by all managers, employees, workers, contracted workers, affiliates and other contractual partners associated with or representing BHG. The Policy applies to all employees and workers within all BHG's companies.

It is the responsibility of BHG Group's CHRO, ESG & Communications to implement, revise and update the Environmental Policy, or other function as assigned by the CHRO, ESG & Communications. The Policy is shared and communicated to the CHRO, ESG & Communications and management of BHG's companies who are responsible for the continuous implementation and compliance of the policy in their companies.

4. LEGAL COMPLIANCE AND THE POLICY

BHG always complies with all applicable national laws and regulations, as well as laws and regulations by the European Union. If there is a conflict between national legislation and this Policy, national legislation prevails. However, if the principles in this Policy are stricter than national legislation, the Policy applies.

5. ENVIRONMENTAL GUIDANCE

5.1 ENVIRONMENTAL IMPACT

BHG shall strive to minimise negative impact on the environment and climate. As an e-commerce company within the home improvement industry, the business specific environmental impact and risks include the direct impact from operations and indirect impact in the supply chain as well as the impact that results from using products and services. The environmental impact includes consumption of resources, such as material, energy, and water, as well as emissions of greenhouse gases and waste generation. As an e-commerce

company, freight and forwarding purchases also account for a share of BHG's environmental footprint. The majority of the environmental impact is indirect and occurs mainly in the supply chain. Therefore, BHG works continuously with suppliers and logistics partners to understand the environmental impact in the supply and distribution chains. For further environmental standards and requirements on suppliers, please see the Supplier Code of Conduct.

5.2 THE PRECAUTIONARY PRINCIPLE AND ENVIRONMENTAL RISK ASSESSMENT

The precautionary principle shall be applied in situations where risk or uncertainty of the safety of a product, substance or compound prevails, with regards to the environment and public health. Biodiversity and ecosystem resilience shall not be decreased due to BHG's business activities, and all negative impact shall be reduced and kept to a minimum.

Any business decisions taken in situations of significant environmental risks shall be clearly motivated and documented.

5.3 ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

BHG shall promote the development, use and spread of environmentally friendly technologies. The use of machinery, appliances, and solutions that are energy efficient, have low greenhouse gas emissions and that enable efficient and sustainable use of resources and water, and that are made of sustainably sourced materials, shall be prioritised.

5.4 EMISSIONS AND ENERGY IN BHG'S OPERATIONS

BHG shall work to minimise the direct and indirect greenhouse gas emissions and energy consumption caused by operations. Energy use and emissions resulting from energy, fuel and gas consumption in operations shall be monitored, measured and managed.

Business travel

BHG should consider transportation methods with the least negative environmental impact. Employees shall evaluate alternatives to travel, using other medias such as telephone or videoconference.

5.5 SUSTAINABLE USE OF RESOURCES IN BHG'S OPERATIONS

BHG shall use resources efficiently in operations.

Waste and materials

BHG shall contribute to a circular economy by working proactively to reduce the generation of waste in operations. BHG shall strive to reduce, reuse, and recycle, in that order of priority. Waste generation shall be monitored, measured, and managed. BHG shall maintain accurate recycling facilities at all company offices and locations and ensure the correct recycling or handling of any waste generated. Hazardous waste shall be managed according to the highest environmental and safety standards.



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When selecting packaging materials, BHG shall to the largest extent possible use recycled and recyclable materials. BHG should also work to limit redundant packaging materials.

Chemicals and Hazardous Substances

Chemicals and hazardous substances shall be eliminated when possible or kept to an absolute minimum. If chemicals or hazardous substances are used, BHG shall ensure safe handling, storage and disposal of the substances. BHG continuously ensures that no substances listed in REACH are included in BHG's products and/or product offering.

Water and effluents

BHG shall foster responsible water stewardship and minimise water consumption. Water consumption and wastewater (effluents) management shall be handled with precaution, in accordance with applicable legislation and care for aquatic and terrestrial ecosystems.

6. PROCUREMENT OF PRODUCTS AND SERVICES

BHG strive to develop, source and purchase products and services that have low environmental impact both in manufacture and during use.

For private label products, each BHG company shall define environmental criteria to be incorporated in the product specification such as:

- Materials that are recycled, can be recycled and/or reused and upcycled
- Wood materials or products containing biomass may not be derived from endangered or threatened species, high value forests or contributing to deforestation
- Products may not contain chemicals listed in the REACH regulation candidate list of hazardous substances and the RoHS regulation
- Energy efficient products

When sourcing for suppliers, BHG companies shall select suppliers with regards to environmental requirements. BHG shall choose the supplier that has proven environmental management and performance, if reasonable from a time and cost perspective, and chose suppliers using low-carbon transportation methods and actively working to minimise emissions from their delivery services.