

Sustainability Report

BHG Group AB (publ)

Nasdaq Stockholm: BHG

The Sustainability report is a part of Directors' Report in the Annual Report 2025

General disclosures

ESRS 2

BP-1 – General basis for preparation of the sustainability statement

BHG's statutory sustainability report in the management report constitutes the group's sustainability statement in accordance with the Annual Accounts Act. The report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the Taxonomy Regulation.

Unless otherwise stated, the report has been compiled on the same consolidation basis as the financial statements, meaning all subsidiaries and their employees are included. In the value chain, both upstream and downstream impacts have been considered. No information related to intellectual property, know-how, or results of innovation has been omitted.

BP-2 - Disclosures in relation to specific circumstances

The 2025 sustainability report has for the first time been prepared in accordance with the CSRD and the associated ESRS.

The Group has applied the time horizons defined in ESRS 1, where short-term refers to one year, medium-term from one to five years, and long-term five years or more, unless otherwise stated. The reported data includes the entire value chain, including both upstream and downstream. Where primary data for certain metrics is unavailable, data is partly based on estimates and averages, for example, regarding value chain emissions. Details on the types of estimates and where they are used are described under accounting policies in each section.

Potential sources of high-uncertainty methodologies are also described. To reduce margins of error, we plan to collect more comprehensive primary data with value chain partners. We will also demand higher transparency from property owners regarding energy consumption. Apart from the EU Taxonomy, the report does not include disclosures linked to other directives or legislation.

BHG has, supported by the phase-in opportunities introduced in the ESRS during 2025, chosen to postpone all reporting linked to Workers in the Value Chain (S2) and Consumers and End-users (S4). Additionally, the Group is phasing in disclosures regarding financial effects (see table below). Supplementary information related to S2 and S4 is found on page 68.

Phased-in disclosures of expected financial effects

ESRS 2 General Disclosures, SBM-3 paragraph 48 e

E1 Climate Change, E1-9

E5 Resource use and circular economy, E5-6

Phased-in disclosures of all disclosure requirements

S2 Workers in the value chain

S4 Consumers and end-users



GOV-1 - The role of the administrative, management and supervisory bodies

ROLES & RESPONSIBILITIES OF THE BOARD

The Board has overall responsibility for the company's governance and strategic direction, including how sustainability is integrated into the business model. Responsibility is based on the Impacts, Risks and Opportunities identified as material.

- **Strategy approval**—Ensuring that the sustainability strategy and actions align with BHG's overall strategy and that any sustainability targets are consistent with business objectives.
- **Risk monitoring**— Verifying that ESG-related risks are identified, assessed, and managed effectively, and ensuring that risks such as climate change, supply chain disruptions, and regulatory compliance are integrated into decision-making processes.
- **Performance monitoring**— Holding the CEO and management team accountable for the implementation of sustainability strategies. Ensuring that adequate resources are allocated to support sustainability initiatives within the Group.
- **Reporting and transparency** - Ensuring that the Group complies with legal and regulatory requirements regarding sustainability and ensuring that targets and performance are communicated through transparent and accurate reporting. Ultimately responsible for ensuring that operations are conducted in an ethical and responsible manner.
- **Setting of frameworks** - Annually approving the Group's Code of Conduct, which constitutes the foundation for our ethical conduct and includes principles regarding anti-corruption, bribery, and conflicts of interest.

Role and responsibilities of the Audit Committee

The responsibility for quality assuring the Group's sustainability reporting and internal control environment has been delegated by the Board to the Audit Committee. The Committee's primary responsibilities include:

- **Monitoring the reporting process**— Monitoring the sustainability reporting process, including the collection of quantitative data and compliance with the European Sustainability Reporting Standards (ESRS).
- **Internal control and risk management**— Reviewing the effectiveness of the company's internal control and risk management systems regarding sustainability matters, including risks linked to business conduct, corruption, and human rights.
- **Incident reporting and whistleblowing**— Ensuring that appropriate actions are taken by the Board, through the Audit Committee, by receiving regular reports regarding the company's whistleblowing function and any incidents related to business conduct.

- **Health and safety**— Receiving reports concerning work-related incidents and near-misses within the Group's operational activities, to ensure that corrective actions are implemented promptly.
- **External assurance** - Responsible for the dialogue with the company's external auditors regarding the statutory sustainability assurance and following up on the auditors' findings and recommendations.

Role and responsibilities of the Remuneration Committee

The Remuneration Committee has a strategic role in ensuring that the Group's incentive schemes promote BHG's long-term sustainability strategy and ethical values. The Committee's primary responsibilities include:

- **Linking remuneration to sustainability targets** - Responsible for designing and evaluating principles for remuneration to senior management, where a portion of the variable remuneration is linked to sustainability targets.
- **Promoting sustainable value creation** - Ensuring that the remuneration policy encourages decision-making that supports the Group's long-term sustainability agenda and discourages short-term risk-taking that could harm the company's reputation or its environmental and social impacts.
- **Monitoring social sustainability** - Reviewing that remuneration systems are fair and promote equal opportunities as part of the governance of workforce matters.
- **Expertise and advice** - Ensuring the Board has access to the necessary expertise to understand how sustainability matters should be integrated into remuneration models in a manner consistent with current market practice and regulatory requirements.
- **Compliance with the Code of Conduct** - Monitoring that incentive structures do not unintentionally create incentives that conflict with the Group's Code of Conduct or principles for business conduct.

The Group's Board of Directors consists of six non-executive board members. Accordingly, there are 0 executive and 6 non-executive members. Of the members, 50% are women and 50% are men. Five of the six members (83%) are independent in relation to the company and its management, and five of six (also 83%) are independent in relation to the company's major shareholders.

BHG's administrative, management and supervisory bodies and management team possess collective experience and perspectives from leading positions in international organisations across several different industries, and one of the board members holds a qualification in Sustainability Management from the University of Cambridge. In previous years, the Board has been briefed on its responsibilities under CSRD, and the Group has access to external advisory expertise across all material matters.

Role and responsibilities of the management team

The management team consists of 6 men and 1 woman, all of whom work operationally within the Group. The management team is jointly responsible for managing identified Impacts, Risks and Opportunities. Their duties include, among others:

- **Strategy development and implementation**– Driving the sustainability strategy work within the management team through the strategy process. The CEO and Head of Sustainability are responsible for communicating the sustainability strategy and any actions to the subsidiaries. Implementation occurs primarily through the CEOs of the subsidiaries, who are responsible for day-to-day operations.
- **Setting targets and performance monitoring** – Defining direction and evaluating performance in the subsidiaries and taking corrective actions where necessary.
- **Resource allocation and budget** – Setting budget frameworks and ensuring that adequate resources, tools, and support are in place.
- **Stakeholder dialogue** – Conducting the primary communication with the Group's key stakeholders to ensure that sustainability efforts align with stakeholder expectations. This occurs both directly and indirectly depending on the type of stakeholder and the involvement of the subsidiaries.

- **Compliance** - Responsible for the operational implementation of the Code of Conduct and ensuring that internal control systems are effective in preventing business conduct risks, as well as ensuring that the Group complies with sustainability-related laws and regulations.
- **Reporting** – Responsible for the external reporting of the Group’s sustainability performance, as well as monitoring and ensuring that systems and procedures are functional through annual reporting of all metrics in the sustainability statement. Reporting to the Board regarding the status and progress of the Group’s sustainability work occurs once a year.

A description of the work of the Board of Directors and the Group Management related to impacts, risks and opportunities can be found under IRO-1. Neither the Board nor the management team has formal representation of workers. BHG currently monitors its sustainability work through its group-wide reporting system.

Composition of the Management team



Composition of the Board



Number of independent board members (5)





GOV - 2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Group's administrative, management and supervisory bodies regularly discuss sustainability matters to ensure a continued focus on the area. Reporting to the Board occurs annually through a presentation of sustainability activities by the Head of Sustainability. This year, the Board was informed about the results of the work performed regarding BHG's impacts, risks and opportunities related to sustainability matters in the updated double materiality assessment. The Board provided feedback, which was incorporated into the final results of the assessment.

The revision of the Group's future sustainability targets has also been subject to discussion and decision-making. The final decision regarding the DMA and sustainability targets was made at a board meeting after the reporting year but before the completion of the sustainability statement. The Head of Sustainability has also provided regular updates at the Audit Committee's recurring meetings, focusing on the progress of the work to report in accordance with CSRD.

As we are still in an early stage of our long-term work regarding impacts, risks and opportunities, we have not yet fully integrated the outcome into the annual strategy process, which we aim to develop during 2026.

The list of material impacts, risks and opportunities presented to the Group's administrative, management and supervisory bodies can be found in its entirety under SBM-3



GOV- 3 - Integration of sustainability-related performance in incentive schemes

For 2025, BHG has defined sustainability-related incentives linked to compliance and reporting in line with EU directives and Swedish law for group management and the CEOs of selected subsidiaries. These incentives aim to ensure accurate, consistent and transparent sustainability reporting within the Group in connection with the first year of reporting under CSRD.

The achievement of targets is assessed through the auditor's opinion on whether the Group has compiled the complete and accurate sustainability reporting required by EU directives and Swedish law at the time of preparing the 2025 sustainability report. These thus constitute short-term incentives directly linked to BHG's governance and regulatory compliance in the area of sustainability. The incentive scheme consists of an annual variable remuneration where 5% of the target achievement is based on the sustainability reporting described above.

At present, no components of remuneration are directly linked to GHG emission reduction performance, and the administrative, management and supervisory bodies are therefore not assessed against GHG emission reduction targets in accordance with ESRS E1-4.

The design and terms of current incentive schemes are determined and updated by BHG's Board through the Remuneration Committee.

Over the coming years, BHG intends to develop incentives that include climate-related targets and relevant sustainability metrics, in conjunction with the Group setting its new climate targets and further developing methods to monitor emission-related performance. The objective is for incentives linked to climate and other sustainability matters to support the Group's long-term strategy.

GOV-4 - Statement on due diligence

BHG's Supplier Code of Conduct shall be followed and signed by all strategic suppliers. The content of the Code is based on internationally recognised principles, including the UN Guiding Principles on Business and Human Rights and other relevant global frameworks. However, BHG has not conducted a formal due diligence process in accordance with the OECD Guidelines for Multinational Enterprises. Instead, a general and risk-based approach is applied, focusing on identifying and managing potential risk areas in the value chain, without this constituting a full OECD-based due diligence process. The emphasis is on areas where the risk of adverse impacts is assessed to be the greatest.

Central elements of Due Diligence	Paragraphs or pages in the Sustainability Report
Integration of due diligence into governance, strategy and business model	E1 - 2 Policies related to climate change mitigation and adaptation E5 - 1 Policies related to resource use and circular economy S1 - 1 Policies related to own workforce
Engagement with affected stakeholders	SBM-2 - Interests and views of stakeholders
Identification and assessment of adverse impacts on people and the environment	IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities
Actions to address adverse impacts on people and the environment	S1 - 3 - Processes for remediating negative impacts and channels for own workers to raise concerns E1 - 3 - Actions and resources in relation to climate change policies E5 - 2 - Actions and resources related to resource use and circular economy
Tracking the effectiveness of these actions	E1 - 5 Energy consumption and mix E1 - 6 Gross Scopes 1, 2, 3 and Total GHG emissions E5 - 4 Resource inflows E5 - 5 Resource outflows S1 - 6 Characteristics of the undertaking's employees S1 - 9 Diversity metrics S1 - 14 Health and safety metrics S1 - 16 Remuneration metrics S1 - 17 Incidents, complaints and severe human rights impacts



GOV-5 - Risk management and internal controls over sustainability reporting

Sustainability reporting for a group of BHGs size and decentralized structure involves specific challenges. The main risks have been identified as poor data quality due to limited access to primary data, the use of incorrect calculation methodologies, a high reliance on estimates, and potential variations in the maturity level of the subsidiaries' internal processes for preparing documentation. To mitigate these risks, risk management is defined at the group level and covers all subsidiaries. Below is a description of how BHGs chosen methods and tools address these specific risks:

Methods and Tools for Risk Minimisation

- Uniform methodology descriptions** – To mitigate the risk of incorrect calculation methodologies and ensure a uniform application of ESRS, the Group has developed common methodology descriptions for all reporting points. These guide the subsidiaries in the selection of input data and formulas.
- Group-wide digital reporting system** – To manage the large volume of data from subsidiaries and reduce the risk of manual errors, a central digital tool is used. The system enables traceability and aggregation of data in a controlled manner.
- Structured dialogue and guidance** – To proactively address the limited access to primary data and reduce the reliance on estimates, ongoing communication is maintained with the subsidiaries. This includes support in identifying new data sources and quality assuring the assumptions underlying necessary estimations.
- Control through the “four-eyes principle”** – To ensure high data quality, the principle is applied that all reporting must be reviewed and validated by at least two individuals prior to final consolidation.

Process for identifying and detecting risks

The work of identifying risks is carried out in close collaboration between the Group's central sustainability function and reporting officers in the subsidiaries. For each reporting period, a structured evaluation of the previous year's process is conducted to identify areas for improvement, while the upcoming period is planned based on known uncertainties. Sustainability-related reporting risks may also be raised within the scope of the Group's regular internal control process, which is led by the Group's risk manager.

Future integration into internal control activities

As 2025 constitutes the Group's first reporting year in accordance with ESRS, the processes are currently under development. From the next financial year, identified risks linked to the sustainability statement will be integrated into the Group's general risk management and internal control function.

Risks will then be systematically assessed based on likelihood and impact on the operations. Existing controls will be evaluated as effective, partially effective, or ineffective. In cases where controls are assessed as deficient, action plans will be established to implement a risk mitigation strategy.

Reporting of risks and internal controls for sustainability data will henceforth follow the annual internal control plan and be reported to the Audit Committee and the management team on a regular basis.



SBM – 1 – Strategy, business model and value chain

BHG is one of the largest e-commerce players in the Nordic region within DIY (Do-It-Yourself), furniture and home furnishing. Through a large number of subsidiaries with more than 100 online stores, complemented by a limited number of physical stores, we offer the market's leading range of well-known external and strong own brands, primarily to private customers in the Nordics, but also in the rest of Europe and in selected Asian markets.

Our range comprises over 1.5 million products and constitutes a comprehensive offering within DIY, furniture and home furnishing. The operations are organised into three strategic business segments that cover various customer needs and price categories for the home. This structure enables synergies in procurement and logistics, while each segment maintains a sharp customer focus.

- **Home Improvement** – Provides specialist products for DIY, gardening, construction and renovation. Operates, among other things, through a drop-shipping model and primarily targets homeowners and DIY consumers in the Nordic region and Northern Europe.
- **Value Home** – Provides private customers in the Nordics and Europe with furniture and interior products with a focus on price and availability.
- **Premium Living** – Offers a wide range of exclusive interior decor, design furniture, lighting, and kitchenware from leading Scandinavian and international brands to design-conscious customers in the Nordics and the rest of the world.

The Group's subsidiaries, within the segments above, procure products from more than 2,000 suppliers, primarily in Europe and Southeast Asia. BHG has no in-house manufacturing, and its own operations primarily comprise procurement, warehousing, marketing, and sales.

Our subsidiaries employ approximately 2,000 people who work daily to create value through effective assortment management, supplier collaboration, logistics, and delivery capacity for the best possible customer experience. Own operations are primarily located in the Nordics (1,458 employees) and in Europe (503 employees). The Group combines commercial development and growth with responsible business conduct, where sustainability is integrated into the strategy.

BHG's strategy for profitable growth is rooted in a tech- and data-driven business model where sustainability is viewed as a catalyst for efficiency and long-term value creation. Integration occurs primarily through our three strategic layers:

Operational Excellence

Our core strategy is based on continuous improvements in processes and technology to enable scalability and a competitive cost structure. By optimising operational processes and logistics flows, we reduce the business's relative resource consumption and climate footprint. Our decentralised structure means that each subsidiary is responsible for developing its offering based on local customer needs, which includes resource-efficient improvements close to the customer.

Strategic Initiatives

We focus on initiatives that strengthen our operations by further increasing automation and efficiency. This enables us to secure competitive advantages in our cost structure, for example through the implementation of AI solutions that enhance our operational efficiency without expanding our physical footprint.

We also aim to better leverage the large volumes of data generated to drive growth, efficiency and customer experience. This enables a more intelligent and sustainable consumption model, creating growth opportunities through new revenue streams that do not require increased use of physical resources or raw materials.

Acquisitions

Acquisitions are a central part of our growth strategy and are characterised by strong financial and strategic discipline. When identifying and evaluating potential acquisitions, we apply clear processes to ensure that new operations are integrated in a way that strengthens the Group's overall profile and synergies.

Targets & Monitoring

To drive and monitor our performance, BHG has established concrete sustainability targets within the following main areas:

- **Climate and environment** – Targets for the reduction of GHG emissions in own operations.
- **Responsible procurement** – Targets for the proportion of strategic suppliers that have signed our Code of Conduct.
- **Employees and culture** – Targets regarding the signing of the Code of Conduct.



The Group's revenue is primarily generated through the sale of products via e-commerce and related services such as delivery options and installation. All revenue occurs within the sales and trade sector.

BHG's operations are based on a decentralised model where the overall strategy is defined at Group level, then translated by segment managers into local strategies and executed by the respective CEO of each subsidiary. During the year, no major changes have occurred regarding main markets, customer groups or product offerings. In formulating targets, we have taken into account the interaction of affected stakeholders within our business model and our value chain, as described below. BHG's business model is based on inputs such as purchased goods and materials from external suppliers, transport and logistics services, packaging materials, energy for warehouse and distribution operations, digital infrastructure, as well as workforce and expertise.

These inputs are transformed into outputs in the form of sold products, delivery of orders to customers and related services such as customer support, return solutions and information flows regarding product data and order management.

The operations give rise to outcomes in the value chain, where the most significant environmental impacts typically relate to climate impact from manufacturing and transport, resource use and waste from materials and packaging. Social and governance outcomes include, among other things, risks and impacts linked to working conditions and human rights in the supply chain, health and safety in warehouse and logistics operations, product safety and accurate customer information, as well as requirements for compliance, traceability and information security.

Value chain

UPSTREAM

Input materials

The upstream chain begins with the extraction and production of raw materials and input products such as wood, metals, plastics, textiles and electronic components. These inputs are used by BHG's suppliers in the manufacturing of finished products. BHG has no direct influence or visibility regarding raw material extraction or components, and impact occurs indirectly through supplier requirements and Codes of Conduct.

Manufacturing

The products are manufactured by an extensive network of external suppliers in Europe and Asia. Manufacturing primarily comprises products from established external brands where product design, material selection and processes are controlled by the brand owner, as well as own-brand products, where manufacturing is to a very large extent based on the suppliers' standardised catalogue products. For the vast majority of the product range, BHG has no operational control over manufacturing processes or material composition. The manufacturing stages include, among other things, the processing of raw materials, machining, surface treatment, assembly and packaging.

Inbound transport

Inbound transport of finished products from suppliers' production facilities to BHG's own warehouses or warehouses belonging to third-party logistics (3PL) partners takes place via road, rail and sea, depending on the origin according to the following flows:

- **Production in the EU** – Nordic warehouse: road/rail
- **Production in Asia** – Nordic warehouse: sea freight and road transport

OWN OPERATIONS

Procurement and warehousing

BHG is responsible for assortment selection, negotiation of purchase agreements, price, volumes and delivery terms. Procurement is conducted from many suppliers, reducing dependency on individual actors. Products are stored in own or outsourced warehouses in several locations, primarily in southern Sweden. Warehouse operations include receiving, storage, picking and packing. For the parts of the Group that conduct drop-shipping operations, products are not stored in warehouses at BHG's disposal but are instead sent directly from the supplier to the end customer.

Marketing and sales

Marketing is primarily digital via e-commerce platforms, social media and search advertising. Sales occur mainly through e-commerce from our large number of online stores, but also through a few physical stores in Sweden and Europe. The companies are responsible for pricing, customer communication and campaigns. Order management includes receiving customer orders, payment processing and coordination of delivery. Customer service handles inquiries, complaints, returns and after-sales services via digital and telephone-based channels.

Support functions and administration

Finance departments ensure accounting, reporting, compliance and internal governance. IT departments support e-commerce platforms, ERP systems, logistics solutions and data security. HR departments are responsible for recruitment, competence development, work environment and personnel administration.

DOWNSTREAM

Delivery to customers

Delivery to end customers takes place through a large number of carriers and logistics partners covered by our own or the suppliers' transport agreements. Deliveries can be made to home addresses, pick-up points, or stores, depending on the customer's preference.

Customer use of products

After delivery, the products are used by the end customer. The environmental impact of the use phase varies significantly due to the vast breadth of the offering, as the impact is highly dependent on the product category purchased by the customer (materials, energy use, lifespan) and the market in which the customer is located.

Returns

A percentage of the products are returned by our customers for various reasons. Returns entail additional transport, handling and, in some cases, disposal.

Waste management and disposal

At the end of the product's life cycle, waste is managed through recycling, energy recovery or landfill, depending on the materials and local waste management systems. BHG has very limited influence over this stage but can exert influence through information and the product offering

SBM – 2 - Interests and views of stakeholders

BHG actively engages with stakeholders to ensure that its business model, strategy, and operations meet their expectations and needs.

The companies maintain ongoing dialogues with stakeholders throughout the year, in addition to the specific stakeholder dialogues conducted as part of the double materiality assessment.

KEY STAKEHOLDERS & DIALOGUE

- **Customers** – Our customers, who purchase products via our e-commerce and physical stores, are one of our most important stakeholder groups. Dialogue with customers takes place primarily through the subsidiaries' various touchpoints, such as customer service, and through customer surveys. Customers' perspectives and rights inform and influence our strategic work and daily operations.
- **Employees** – Dialogue with employees occurs through employee surveys, annual performance reviews, and various collaboration forums. Their views are taken into account in dialogues with HR managers or CEOs and are captured as input for our strategy and business model.
- **Investors & owners** – Investor dialogues take place quarterly in connection with interim reports, as well as through investor meetings and capital markets days. The perspectives of investors and owners and their influence on the strategy are managed naturally through Board activities as well as well-established channels such as IR (Investor Relations).
- **Authorities** – We monitor local and international authorities to ensure compliance with environmental legislation, labour law, and corporate governance standards. As our subsidiaries operate in various countries, we must comply with both local laws as well as EU regulations and laws.

- **Suppliers and workers in the value chain** – Dialogue with suppliers occurs through the subsidiaries' recurring contacts and supplier screening. Our greatest impact on workers in the value chain occurs through our procurement decisions and supplier relationships. The material rights and interests we address include fair working conditions, health and safety, and compliance with human rights in accordance with our policies, which feeds back into our strategy through risk-based governance of supplier selection.

ROLE IN MATERIALITY ASSESSMENT

BHG's key stakeholders played an important role in the process regarding this year's sustainability statement and the double materiality assessment that forms the basis of the report. Most stakeholder groups, such as suppliers, workers, and customers primarily have contact through the subsidiaries, and therefore indirect representation was used. Detailed information linked to the role of stakeholders can be found in section IRO-1.

INFORMATION SHARING

The flow of information between stakeholders is ensured by the Group Headquarters through regular meetings with subsidiaries, where views from the local operations and their stakeholders are raised. Simultaneously, the Group informs the subsidiaries of the views of investors, owners, and regulatory authorities.

When necessary, this information is escalated by the management team to the Group's Board of Directors. When relevant or affecting BHG's strategic work, the Board is informed of stakeholder views as part of the annual sustainability update. The dialogues conducted during the year have not resulted in any material changes to BHG's business model.



SBM – 3 - Material impacts, risks and opportunities and their interaction with strategy and business model

BHG has identified material impacts, risks and opportunities (IROs) through its double materiality assessment. IROs are identified upstream in production, in own operations linked to working conditions, energy and business ethics, and downstream through product use, inclusion, returns and waste management. The Group intends to review the list of IROs annually to ensure relevance.

IDENTIFIED IMPACTS, RISKS AND OPPORTUNITIES

E1 – Climate change

Material impacts:

- **GHG emissions from BHG's value chain** – GHG emissions from BHG's supply chain, own operations, and distribution contribute to climate change, affecting both people and the environment.
- **Energy consumption** – Energy use in BHG's own operations drives Scope 2 emissions and contributes to climate impacts affecting both people and the environment.
- **Waste in the value chain** – Waste generated in BHG's warehouse operations and during customers end-of-life management leads to negative environmental impacts through increased resource extraction and emissions linked to waste handling and landfill.

Financial opportunity:

- **Reduced returns** – Proactive work with product information can lead to reduced returns and improved cost efficiency in the customer segment.

Financial risks:

- **Costs related to climate compensation** – Potential costs for climate compensation and carbon credits within Scope 1 and 2 pose a financial risk to the Group, as price volatility and increased market requirements may impact operating costs. These risks arise from the company's energy use and emission-intensive activities in its own operations.
- **Volatile energy prices** – Volatile energy prices represent a financial risk to BHG through increased and fluctuating operating costs in own operations, as well as indirect cost increases in the supply and distribution chain, which over time may affect pricing, margins, and investment priorities.

E5 – Circular economy

Material impacts:

- **Resource inflow of products** – BHG contributes to resource consumption through the use of virgin materials in the wide range of products that the Group procures and sells.
- **Resource inflow of packaging** – The Group's procurement of virgin packaging material results in resource consumption.
- **Resource outflow** – Products with a short lifespan lead to accelerated resource outflow. This means that materials leave the economy prematurely, necessitating new resource extraction and increasing the total environmental burden.
- **Health & safety** – Impacts occur in office, retail, and warehouse environments where physical and psychological strains may occur, necessitating measures to strengthen work environment management, training, and preventive actions.
- **Secure employment** – Impact occurs primarily within logistics, customer service, and IT, which utilize temporary personnel. These impacts arise from differences in rights and benefits between consultants and permanent staff.
- **Equal opportunities** – A lack of access to equal opportunities can affect employees' well-being, development opportunities, and engagement, particularly regarding issues such as flexible working hours and access to benefits. Impact arises through internal work routines and organizational structures and can lead to unequal conditions between different groups in the workforce.
- **Diversity** – A lack of diversity and inclusion, particularly at senior management levels, can affect employees' perception of fairness, career opportunities, and belonging, while also weakening the organization's capacity for innovation and decision quality. Impact arises through recruitment and promotion processes and internal structures.

S2 – Workers in the value chain

Material impacts:

- **Working conditions in the value chain** – Inadequate working conditions in parts of the supply chain and in certain warehouse functions result in negative impacts on workers' health and safety, as well as risks of human rights violations. Impacts arise through physically demanding tasks and hazardous processes in factories and warehouses, often in high-risk countries where protection levels vary.
- **Equal treatment and opportunities in the value chain** – BHG's supply chain can affect workers' rights and well-being, particularly in high-risk countries where protection levels and working conditions vary. Impacts arise through business relationships with suppliers and sub-suppliers and can lead to discrimination and limited opportunities for certain groups.
- **Other work-related rights in the value chain** – Impacts on child labour and other work-related rights in BHG's global supply chain represent serious negative impacts on children's health, safety, and development opportunities.

S4 – Consumers and end-users

Material impacts:

- **Access to quality product information** – Inadequate or misleading product information can negatively affect consumers' ability to make informed choices, thereby creating safety-related consequences.
- **Product safety** – Deficiencies in product safety and the presence of hazardous substances can cause harm to people and lead to significant impacts.
- **Social inclusion and accessibility** – Through its role as an e-commerce player, BHG has an impact on inclusion and accessibility across our online destinations.

Financial risks:

- **Costs related to inadequate information/data management** – Incorrect or inadequate product information can lead to increased return costs and the risk of fines for misleading marketing.
- **Costs related to product safety and inclusion** – Inadequate product safety represents a financial risk, as injuries caused by defective or dangerous products can lead to significant fines, recalls, and compensation costs.

- **Fines related to pricing** – Incorrect or inadequate pricing in relation to prevailing legislation can lead to fines and penalties.

G1 – Business conduct

Material impacts:

- **Inadequate whistleblower protection** – Insufficient protection for whistleblowers may result in irregularities going unreported, thereby risking ethical, legal, and work-environment-related consequences. Impact arises through internal reporting processes and the culture surrounding transparency and security.
- **Deficient relationships with suppliers** – Differences in the level of maturity and the allocation of responsibility for supplier screening among the Group's companies can lead to risks in the supply chain not being identified or managed consistently. This can have negative social and ethical consequences for workers at suppliers.

Financial risks:

- **Corruption and bribery** – The risk of incidents related to corruption and bribery arises primarily in the interaction between our subsidiaries and their suppliers, where there is a risk that improper compensation is used to influence supplier selection and thereby affect the group's financials.

EFFECTS ON STRATEGY AND BUSINESS MODEL

Interaction with business model and decision-making

At the time of completing this report, BHG has not made, and does not currently plan, any material changes to its overall strategy or business model as a direct result of identified impacts, risks, or opportunities. The assessment is that the current business model possesses the necessary flexibility to manage these issues within the framework of existing processes.

While no structural changes have been made to the business model, the identified risks and opportunities are integrated into ongoing decision-making through:

- **Strengthened supplier monitoring** – Focus is placed on ensuring compliance with the Supplier Code of Conduct to manage risks in the supply chain.
- **Data-driven optimization** – Within the framework of existing digital infrastructure, the Group is working to map material flows to identify future opportunities for resource optimization.
- **Continuous monitoring** – The Board and management regularly monitor the financial and operational risks linked to sustainability matters to enable adjustments to strategic priorities as necessary.



BHG intends to continuously evaluate whether the future effects of identified IROs require more extensive changes to the business model or strategy as baseline data for the material areas are established and analysed.

Current financial effects

The identified IROs already have a certain impact on BHG's financial performance and cash flow. Variations in energy and transport costs continuously affect operating expenses and can create margin volatility. Risks linked to product information, product safety, and compliance entail potential costs for returns, complaints, handling, and potential fines, which directly impact the result as they arise. At the same time, efforts to improve product information and reduce returns contribute to increased cost efficiency and positive effects on cash flow. These financial effects are managed within the framework of BHG's established processes for risk management, budgeting, and ongoing monitoring of costs and profitability.

SOCIAL

BHG's material impact on its own workforce arises from the business model's dependence on warehouse operations, customer service, and digital competence, which affects how the work environment, employment types, and equal opportunities are managed. This impact and these risks are used in ongoing strategic decision-making, primarily through the development of work environment routines, talent acquisition, and work on diversity and inclusion, even though they have not required structural changes to the business model.

All groups within the own workforce are covered including permanent employees, temporary employees, and personnel from third-party providers. Negative impact is assessed to be incident-based and not systemic, and since BHG operates in jurisdictions with strong labour law, there are no identified risks of forced or child labour in its own operations. Positive effects include competence development, internal career paths, and an inclusive corporate culture that strengthens employees' opportunities.

The transition towards a more resource-efficient and climate-neutral business is not assessed to lead to material negative effects on the own workforce, such as restructuring or job losses. Identified risks and opportunities are primarily linked to specific groups. For example, physical risks for warehouse personnel, lower job security for temporary employees, and underrepresentation of women in leading roles.

RESILIENCE ANALYSIS

As part of the updated double materiality assessment, BHG conducted a climate-related resilience assessment of the Group's strategy and business model during 2025. The analysis covered the entire operations and included the supply chain, warehouse operations, energy use, logistics flows, and assortment structure. The purpose was to assess how both physical and transition climate risks may affect BHG's ability to maintain operations, profitability, and customer value over time.

The resilience analysis was conducted through a qualitative assessment of risks and opportunities, supplemented by the scenario analysis based on three established climate scenarios: a Paris Agreement-aligned scenario (RCP 1.9, 1.5°C), a more severe warming scenario (RCP 4.5, 2-3°C), and a high-warming scenario (RCP 8.5, over 4°C). These scenarios were used to highlight potential effects on supply chains, energy costs, demand, material availability, and logistics.

The analysis was carried out in conjunction with the materiality assessment and supported by relevant external risk assessments, climate data, and expert input. A full quantitative scenario modelling according to scientific projections has not yet been conducted but is expected to be developed in future reporting cycles.

The results of the resilience analysis show that BHG's business model is resilient in the short to medium term for scenarios with low to medium warming (up to approximately 3°C). The primary risks are assessed to be transition-related, such as increased energy costs, carbon reporting requirements, and tightened legislation regarding transport and products. Physical climate risks are expected to appear primarily in the longer term and primarily affect external logistics and supplier tiers and secondarily own operations. With a diversified assortment and global supplier base, BHG is considered resilient. In more extreme scenarios with over 4°C of warming, global logistics chains, commodity flows, and customer behaviour are assessed to be affected in a way that requires more extensive changes to the business model.

TABLE OF IDENTIFIED IMPACTS, RISKS, AND OPPORTUNITIES

BHG has identified 25 material impacts, risks, and opportunities within six ESRS topical areas through its double materiality assessment. IROs arise in different parts of the value chain, upstream, own operations, downstream and can be positive or negative, as well as actual or potential. For each IRO, there is a brief overview and a time horizon assessment: short term (up to 12 months), medium term (2 - 5 years), and long term (more than 5 years). More information is available in the respective sections for climate and environment, social impact, and business conduct.

ESRS	IRO	Negative	Positive	Risk	Opportunity
E1	GHG emissions from BHG's value chain	●			
	Costs related to climate compensation			●	
	Energy consumption	●			
	Volatile energy prices			●	
E5	Resource inflow of products	●			
	Resource inflow of packaging material	●			
	Resource outflow at sale	●			
	Reduced returns				●
	Waste in the value chain	●			
S1	Health & safety	●			
	Secure employment	●			
	Equal opportunities	●			
	Diversity	●			
S2	Working conditions in the value chain	●			
	Equal treatment and opportunities in the value chain	●			
	Other work-related rights in the value chain	●			
S4	Access to quality product information	●			
	Fines related to pricing			●	
	Costs related to inadequate information/data management			●	
	Opportunity to reduce returns and complaints				●
	Product safety	●			
	Social inclusion and accessibility	●			
	Costs related to product safety and inclusion			●	
G1	Inadequate whistleblower protection	●			
	Deficient relationships with suppliers	●			
	Corruption and bribery			●	



IRO - 1 - Description of the process to identify and assess material impacts, risks and opportunities

In 2023, BHG conducted its first double materiality assessment, supported by external expertise, to identify the Group's most significant impacts, risks, and opportunities. At the request of the Board, the analysis was updated in 2025 to reflect the Groups current status.

The process was divided into three main phases: identification, assessment, and validation.

Identification

We performed a mapping of potential and actual impacts, risks, and opportunities (IROs) along our value chain. This included:

- **Upstream (Supply Chain):** Environmental impacts related to raw materials, production, and transport, as well as social risks in the supply chain.
- **Own Operations:** Energy consumption, logistics, waste management, and the work environment.
- **Downstream (Customer Segment):** Product safety, circular business models, and waste management.

Assessment

Each identified IRO was assessed from two perspectives:

1. Impact Materiality

The assessment of BHG's impact on people and the environment is based on the following criteria:

- Scale
- Scope
- Irremediable character (for negative impacts)
- Likelihood

2. Financial Materiality

The assessment of the environment's effect on BHG is based on the following criteria:

- Financial effect
- Likelihood

When assessing impact, the criterion of irremediability applies only to negative consequences and is used to evaluate the extent to which a negative impact can be remediated or restored. Negative impacts are prioritized based on their relative severity (scale, scope, and irremediable character) in combination with likelihood. Likelihood is assessed for both impacts and financial risks/opportunities based on known exposures in the value chain, historical data/incidents, geography, and industry risk, as well as the degree of governance and control within the operations.

Thresholds and Prioritization

To determine whether a topic was material, BHG applied defined thresholds. A topic was considered material if it achieved a score of at least 3 out of 5 in either impact materiality or financial materiality.

All assessments used the ESRS definitions for the short, medium, and long term as a methodological basis. This mapping enabled the identification of areas with an elevated risk of negative impact. The assessment covered impacts arising from both own operations and through business relationships in the upstream and downstream segments. Our key stakeholders, such as employees, customers, suppliers, owners, investors, and workers in the value chain, were involved primarily through indirect representation. This was achieved through numerous meetings with a broad range of representatives, mainly from subsidiaries but also from group functions and owners.

The process included a series of interviews and meetings with representatives for various stakeholder touchpoints, who either directly or indirectly represented BHG's key stakeholders. Participants in these meetings and interviews included subsidiary CEO's, logistics managers, procurement managers, customer service managers, IR, legal and risk managers, and owners.

The assessments were based on internal policies, processes, and historical reporting, supplemented by financial data and subject matter expertise. The analysis covered all subsidiaries, major product categories, and the geographies where BHG operates. In parts of the value chain where complete data was lacking, conservative assumptions were made.

Responsibility for the implementation of the materiality assessment lies with the Group's sustainability function, in close collaboration with the finance, risk, and legal functions, and scoring and data foundations were validated internally. Controls primarily consisted of data review, validation of the scoring methodology, and a review of assumptions. The results of the material impacts, risks, and opportunities were established and presented to the Board of Directors after the reporting year but prior to the finalization of this report.

As 2025 is the first reporting year under CSRD, sustainability-related risks are not yet fully integrated into the Group's overall risk management process. However, they will be gradually integrated into formal risk management work, where controls related to risks and opportunities are managed through the company's internal control framework and annual self-assessment process.

Moving forward, BHG's risk department will be responsible for ensuring that self-assessments of defined controls are performed and reported to the Audit Committee and BHG's Board once a year. Measures will be taken by management in accordance with the decisions of the Audit Committee. A description of the analyses conducted and the information sources used for each area can be found on the following pages.

Climate Change E1 IRO-1

BHG identified and assessed climate-related impacts, risks, and opportunities as part of the Group's double materiality assessment. The work covered the Group's own operations as well as the upstream and downstream value chain. The Group's impact on climate change was identified through greenhouse gas emission calculations in accordance with the Greenhouse Gas Protocol. The assessment covered the entire value chain, where Scope 3 emissions, linked to purchased goods and services and transportation, were identified as the most material source of climate impact.

Climate-related transition and physical risks were identified through a scenario analysis. The assessments covered the short, medium, and long term. The scenario analysis was first conducted in 2025 and will be subject to regular review thereafter. The scenario work focused on identifying climate-related physical and transition risks that could affect BHG's own operations or its value chain. To identify and assess our climate-related risks and opportunities, we have chosen to base our analysis on three different RCP scenarios (Representative Concentration Pathways): RCP 1.9, RCP 4.5, and RCP 8.5.

The choice of these scenarios aims to cover a broad spectrum of possible futures to test the business's resilience against both transition risks and physical climate risks. The results of the scenario-based analyses were used as a basis for assessing material climate-related risks and opportunities, as well as for prioritizing actions and governance. Based on this analysis, climate change under ESRS E1 was assessed as material.

Pollution E2 IRO-1

BHG conducted a screening of the Group's sites and business activities to identify potential pollution-related impacts, risks, and opportunities linked to air, water, and soil, as well as the use of substances of concern in its own operations and the value chain. The screening was based on a review of the Group's operational sites, primarily offices and warehouses, and a risk-based evaluation of the upstream value chain, including logistics flows.

As a retailer without its own production, the Group's direct emissions to air, water, and soil were assessed to be limited and primarily related to property operations and transport services. Emissions linked to fuel combustion were managed within the framework of ESRS E1 Climate Change. The assessment of the value chain showed that potential air pollution was mainly localized to supplier regions and associated with activities with low emission intensity compared to heavy industrial processes. Potential impacts on soil were assessed as local and limited, as the suppliers' manufacturing processes and the Group's product range did not involve high-intensity chemical processes. Impacts linked to forestry were assessed within the framework of Biodiversity (ESRS E4) to avoid double counting.

Regarding water, the risk of significant emissions was assessed as low, as most purchased products are manufactured through dry processes and because purchase volumes are spread across an extensive supplier base. Consequently, pollution under ESRS E2 was assessed as non-material, as the identified impact in the value chain was primarily concentrated in the supplier tier and was not assessed to constitute a material impact or financial risk for the Group as a whole. No targeted consultations with affected local communities were conducted during the financial year, as no pollution-related hotspots were identified in connection with the Group's own facilities or specific geographical areas.

Water and Marine Resources E3 IRO-1

To identify actual and potential impacts, risks, and opportunities related to water consumption and marine resources in own operations and the value chain, a geographical analysis of the Group's own facilities, primarily offices and warehouses, and a category-specific risk assessment of the supply chain were conducted.

The analysis utilized established tools for water risk analysis, including the WWF Water Risk Filter, to identify whether the Group's operations or key suppliers were active in areas of high-water stress. For own operations, water consumption was considered to be limited to sanitary use in office and warehouse environments and thus did not entail any material environmental impact or financial risk. Furthermore, the Group's primary biogenic input, wood, was assessed to be rainwater-fed (green water) and therefore does not compete for blue water in water-scarce regions. Industrial inputs, such as metals and ceramics, were assessed to primarily use non-consumptive cooling water, which limited exposure to water scarcity and price volatility in the supplier tier.

Based on this analysis, water and marine resources under ESRS E3 were assessed as non-material, as the identified impacts and financial dependencies were assessed to fall below the materiality threshold in relation to the Group's total business profile. No targeted consultations with affected local communities were conducted during the financial year, as the screening did not identify any significant impact on local water supplies or marine resources in connection with the Group's own operations. Dialogue with suppliers took place within the framework of regular monitoring.



Biodiversity and Ecosystems E4 IRO-1

Actual and potential impacts, risks, and opportunities linked to biodiversity and ecosystems in own operations and the value chain were assessed based on an analysis of the supplier base, core product categories, and the Group's logistics and office properties. The assessment criteria included geographical location, resource intensity in the raw material stage (such as wood and textiles), and potential land use.

The Group identified an indirect dependency on ecosystem services for the production of nature-based materials but assessed that, given a broad product range and a geographically diversified supplier base, this does not constitute material financial risks or systemic risks to the business model. Against this background, no material transition risks, physical risks, or opportunities linked to biodiversity and ecosystems were identified. No specific scenario analysis for biodiversity and ecosystems was conducted during the financial year, as the initial assessment showed the area to be of low priority relative to other environment-related sustainability matters.

The Group also screened its own operational sites in relation to protected areas and biodiversity-sensitive areas. None of BHG's facilities were assessed to be located in or in direct proximity to such areas, and the operations were therefore not deemed to contribute to the degradation of natural habitats or the disturbance of protected species that would require specific measures under applicable legislation.

No consultations with affected local communities were conducted, as the screening did not identify any material negative impact on biodiversity or ecosystems. Consequently, biodiversity and ecosystems under ESRS E4 were assessed as non-material for BHG.

Circular economy E5 IRO-1

To identify and assess material impacts, risks and opportunities related to resource use and circular economy, the Group screened its operations as well as the upstream and downstream value chain with a focus on resource inflows, resource outflows and waste. Resource inflows were assessed to consist primarily of purchases of finished products and packaging materials for repacking, while resource outflows relate to the lifespan and quality of the products reaching the end user. Waste was assessed as being linked to scrap generated in own warehouses and end-of-life products.

BHG has applied a life-cycle perspective to analyse where the largest resource flows occur and to identify the potential for circular solutions, such as increased product longevity and optimised packaging. Despite limited data availability from the value chain, estimates of the impact of our operations and the breadth of our product range have led us to assess several areas within E5 as material.

Business Conduct G1 IRO-1

The analysis and assessment of material impacts, risks, and opportunities related to business conduct were based on criteria considering geographical location, type of activity, sector affiliation, and transaction structure.

Risks of corruption and bribery, as well as unethical business practices, were assessed based on where suppliers were established and which parts of the operations were most exposed. The analysis focused primarily on procurement activities, which were deemed particularly vulnerable, but also included marketing and sales. Furthermore, specific characteristics of the retail and e-commerce sectors were considered, including increased regulatory requirements linked to consumer protection and digital ethics.

The transaction structure was analysed regarding complexity in the supply chain, where direct purchases from manufacturers were assessed as having a different risk profile than transactions via agents or intermediaries with limited visibility into the final recipient level.

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement are presented in the Appendix at the end of the sustainability report.

SCENARIO ANALYSIS

RCP 1.9 – LIMITED WARMING TO BELOW 1.5°C

Physical risks	Time Horizon	Transition risks	Time Horizon
Increasing but manageable extreme weather events, such as heatwaves and floods, result in higher costs for supply chains and transportation.	Mid	Gradual increases in carbon taxes and new sustainability reporting requirements necessitate adaptations of the business model.	Short
Climate-related disruptions can affect the transport of products and materials, which may lead to temporary delivery delays or production halts.	Mid	The transition to renewable energy sources and energy efficiency requirements entail increasing costs.	Mid
		Price volatility and scarcity of certain raw materials drive the need for new products and impacts within recycling and material substitution.	Mid

RCP 4.5 – MORE SEVERE WARMING SCENARIO 2–3°C

Physical risks	Time Horizon	Transition risks	Time Horizon
Recurring extensive damage to roads, ports, and warehouses leads to permanent logistics challenges and increased transport costs.	Long	Severe government measures, such as bans on fossil-fuel transportation and requirements for circular models, necessitate a total transition of business processes.	Short
Recurring extreme weather events cause prolonged delivery disruptions and production halts in Sweden, the EU, and supplier countries.	Mid	Heavy fines and the risk of operational bans due to non-compliance increase the pressure on governance and control.	Mid

RCP 8.5 – HIGH-WARMING SCENARIO - ABOVE 4°C

Physical risks	Time Horizon	Transition risks	Time Horizon
Large parts of the infrastructure may be rendered inoperable, making international e-commerce difficult to sustain.	Long	Legislation may become difficult to enforce as the focus shifts toward local crisis management.	Long
The loss of buildings, warehouses, and transport routes in vulnerable areas results in prolonged operational disruptions.	Long	International trade could contract significantly, making operations increasingly dependent on local resources.	Long
Widespread societal issues and population displacements can negatively impact production, logistics, and demand.	Long		

E1 – CLIMATE CHANGE

As the Nordics' largest e-commerce player, BHG has a role in limiting energy consumption and greenhouse gas (GHG) emissions, both within our own operations and by influencing external parties, both upstream and downstream. The Group has no internal manufacturing; instead, it procures finished products from business partners, suppliers, or via agents in the Nordics, Eastern Europe, and Asia. A significant part of BHG's impact is found in the supply chain, related to the manufacturing of the goods sold by our companies. Climate and the environment are affected by our suppliers' manufacturing, which causes GHG emissions that contribute to climate change.

Material Impacts, Risks and Opportunities	IRO	Place in Value Chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short	Mid	Long
ESRS E1 – Climate change							
<ul style="list-style-type: none"> Greenhouse Gas (GHG) Emissions from BHG's Value Chain GHG emissions from BHG's supply chain, own operations, and distribution contribute to climate change, affecting both people and the environment. 	Actual Negative Impact	●	●	●	●	●	●
<ul style="list-style-type: none"> Costs Related to Climate Compensation Potential costs for climate compensation and carbon credits within Scope 1 and 2 constitute a financial risk for the Group, as price volatility and increasing market requirements may impact operating costs. These risks arise from the company's energy use and emission-intensive activities in its own operations. 	Financial Transition Risk		●		●		●
<ul style="list-style-type: none"> Energy Consumption Energy use in BHG's own operations drives Scope 2 emissions and contributes to climate impacts that affect both people and the environment. 	Actual Negative Impact		●		●	●	●
<ul style="list-style-type: none"> Volatile Energy Prices Volatile energy prices constitute a financial risk for BHG through increased and fluctuating operating costs in its own operations and indirect cost markups in the supply chain and distribution segments. In the long term, this may affect pricing, margins, and investment prioritization. 	Financial Transition Risk		●		●		●

E1 – 1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

As of this reporting period, the Group has not yet implemented a formal climate transition plan. However, we have established a baseline target to reduce absolute Scope 1 and Scope 2 emissions by 30% by 2030, using 2025 as our base year.

Our current assessment indicates that this 30% reduction rate does not yet fully align with the 1.5°C global warming trajectory. This target was developed in consultation with subsidiary CEOs, Board and owners, reflecting the Group's current technical and financial capabilities. To bridge this gap, BHG will conduct annual reviews to increase our ambition levels as technical solutions and infrastructure continue to mature.

Decarbonization Levers

To achieve the 30% reduction target, the Group focuses on the following primary decarbonization levers:

- **Scope 1** – HVO Conversion and Electrification: A phased transition from fossil diesel to HVO100 and partial electrification of the company's own truck fleet between 2026 and 2030.
- **Scope 2** – Renewable Energy: A complete transition to certified renewable electricity for all warehouses, offices, and stores where BHG has operational control.

Management of Scope 3 and Prioritized Actions

BHG has currently chosen not to set quantified reduction targets for Scope 3. This decision is based on an analysis of data quality in the value chain, which is currently deemed to involve too much uncertainty to allow for credible target-setting and monitoring. This applies particularly to emissions linked to purchased goods and services and external logistics flows.

In coming years, the focus will be on improving primary data collection from suppliers and harmonizing calculation methodologies. BHG's ambition is to communicate a Scope 3 target as soon as data quality ensures a fair representation of the Group's climate impact in the value chain.

Financial Resources and Investments

The implementation of the transition plan is supported by:

- **CapEx:** Potential investments in new vehicle types and charging infrastructure at logistics facilities. Quantification of these investments is not possible at this stage.
- **OpEx:** Budgetary space for the additional costs of renewable energy (guarantees of origin) and the expected price premium for HVO fuel compared to fossil diesel. Detailed quantification of these costs is not possible at this stage.

Governance and Monitoring

The Group's Head of Sustainability is responsible for operational monitoring, while the Board of Directors reviews progress toward the 2030 target on an annual basis.

Lock-in Effects

We have certain existing lock-in effects within our current vehicle fleet and existing electricity contracts. For future truck acquisitions, leasing alternatives will be evaluated to avoid long-term lock-in to fossil fuel technology (e.g., shorter contract periods for diesel vehicles while awaiting electrified alternatives).

E1 – 2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

BHG has established a framework of governing documents to manage material environmental and climate-related impacts, risks, and opportunities. This framework primarily consists of the Group's Environmental Policy, Code of Conduct, and Supplier Code of Conduct. These policies define the Group's commitments to mitigating climate change and managing environmental risks throughout the value chain. Within the Group, subsidiary CEOs are responsible for implementation, with the Group CEO holding ultimate responsibility.

Environmental policy

BHG shall minimize negative environmental and climate impacts across the entire value chain. As the greatest impact occurs indirectly via suppliers and transportation, collaboration with these parties is central. The Group promotes environmentally friendly technology and energy-efficient solutions with low emissions and sustainable material choices. Emissions and energy consumption in own operations shall be measured, monitored, and minimized. For business travel, environmental impact shall be considered, and digital alternatives prioritized.

Code of Conduct

Environmental considerations, including our impact on climate change, shall be integrated into all key decision-making processes. BHG should strive to minimize its negative impact on the environment and limit its contribution to climate change. The Group shall promote the development and use of environmentally friendly technology, contribute to a circular economy, and work to limit the use of resources, particularly those derived from fossil-based materials.

The Group should monitor, measure, and actively work to reduce greenhouse gas emissions caused by our business activities. Climate actions are also addressed in the Supplier Code of Conduct, where suppliers are expected to identify, monitor, and reduce emissions, with a specific focus on GHGs and select transport methods with the lowest environmental impact.

Climate change mitigation is addressed in all three policies and specifically covers areas such as logistics, transport, energy, and emission reduction. Since the majority of BHG's emissions occur in the value chain, working with the supplier and distribution tiers is essential to reducing emissions related to the production and transport of goods.



E1 – 3 ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

The Board of Directors establishes the framework for climate and environmental work, and Group Management is responsible for implementation, while the CEO's of each subsidiary execute actions in line with the Group's decentralized governance model.

During the year, the Group strengthened its resources through improved work processes for climate data collection, training programs in climate reporting as well as developed procedures for ESG managers within the subsidiaries. These measures aim to enhance the capacity for monitoring climate-related actions and enable a more uniform and consistent way of working over time. The climate-related actions implemented during the reporting year have primarily been an indirect result of the Group's ongoing work with efficiency and cost optimization, rather than actions undertaken with the primary purpose of reducing climate impact. These actions can be categorized into the following areas:

Transport and Logistics

Efforts have been made to consolidate warehouse facilities and streamline transport solutions to improve delivery flows and resource efficiency. These measures were not specifically designed or monitored with a focus on emission reductions; however, they have the potential to impact greenhouse gas (GHG) emissions in both own operations and the value chain. To date, no achieved or quantified emission reductions have been identified.

Value Chain Actions and Data Quality

Work has focused on improving the data quality of value chain emissions through developed routines and contract templates in dialogue with suppliers and subsidiaries. These actions aim to improve transparency and monitoring capabilities. This work is considered a prerequisite for being able to identify and assess actual emission reductions in the long term.

Summary and Monitoring

The actions are qualitative in nature and primarily have a short- to medium-term time horizon. Currently, the implemented climate actions have not resulted in quantifiable, verified GHG emission reductions. However, they are expected to contribute to reduced emissions over time. Monitoring the effectiveness of these actions is currently conducted through qualitative indicators, such as changes in transport solutions and improved reporting from suppliers. Methods for quantitative monitoring of achieved and expected emission reductions are planned for development as data availability improves and the Group's climate reporting reaches greater maturity and consistency. The actions are expected to span several years and align with the emission reduction targets.

Financial Resources and Investments

The implemented climate actions have not required any significant climate-related investments and have been funded within existing operating and development budgets.

BHG has therefore not identified any material CapEx or OpEx items linked to climate actions during the reporting year. As the climate strategy evolves, future investments may become relevant. Future actions are described under the E1-1 Transition Plan.

E1 – 4 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

BHG has awaited actual reporting for 2025 to establish a new baseline. Supported by this data, the Group has revised previous targets and established new climate targets to govern its efforts in reducing its climate impact. The targets are set in absolute terms and focus on the activities where the Group maintains direct operational control. The base year is considered representative, as no significant anomalies or unusual events impacted emissions during this period.

Description and Scope

The Group's target is to reduce absolute greenhouse gas (GHG) emissions within Scope 1 and Scope 2 (market-based) by 30% by 2030, compared to the base year 2025.

- **Scope 1:** Includes emissions from the own truck fleet as well as company cars.
- **Scope 2:** Includes purchased energy for the Group's warehouses, offices, and stores.
- **Methodology:** Targets have been calculated according to the GHG Protocol Corporate Standard. No carbon removals have been offset to achieve the target.

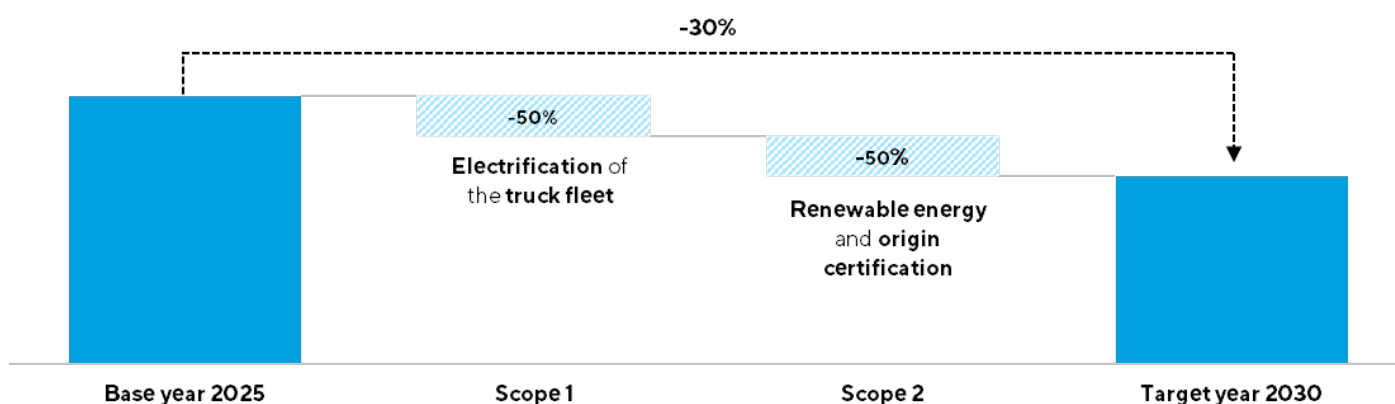
At the time of this report's preparation, BHG's target of a 30% reduction by 2030 is not fully aligned with the goal of limiting global warming to 1.5°C. According to established scientific frameworks (such as SBTi), a linear annual reduction exceeding the Group's current plan is generally required to reach net-zero in accordance with the Paris Agreement. The target reflects current technical and economic feasibility, with a specific focus on the infrastructure for alternative fuels in Eastern Europe. BHG maintains the ambition to revise and potentially increase the target as market conditions improve.

To ensure Scope 1 and 2 targets are met, the Group has identified the following primary decarbonization levers: These consist of energy measures in the form of a transition to 100% renewable electricity via Guarantees of Origin in all geographical markets, as well as a fuel switch through a phased conversion from fossil diesel to HVO100 within the Group's own logistics operations. Additionally, the Group is considering investments in the electrification of last-mile distribution where suitable charging infrastructure is available.

Scope 3

BHG has not set a quantified Scope 3 target due to insufficient value chain data quality. In the coming years, the Group will prioritise replacing proxy data with primary data from suppliers and logistics partners. A Scope 3 target will be established once data quality enables accurate monitoring.

Target Scope 1 & 2



E1 – 5 ENERGY CONSUMPTION AND MIX

BHG's energy consumption totaled 22,862 MWh in 2025. Energy consumption is primarily linked to energy use in our facilities, such as offices and warehouses, and secondarily to the vehicle fleet within one of the Group's subsidiaries. Energy procurement is managed within each respective subsidiary and is not administered by the central Group function. This leads to potential uncertainty in the collected energy data, which BHG intends to improve moving forward to ensure consistent and comparable reporting across our subsidiaries. We belong to NACE code G.47.91, classifying our operations as retail sale via the internet. Consequently, all our net revenue falls within NACE sector G, which according to ESRS is categorized as a high-impact climate sector. The information within E1 has not been validated by an external party.

Energy consumption and mix ¹	2025
(1) Fuel consumption from coal and coal products (MWh)	-
(2) Fuel consumption from crude oil and petroleum products (MWh)	7,849
(3) Fuel consumption from natural gas (MWh)	196
(4) Fuel consumption from other fossil sources (MWh)	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	11,147
(6) Total fossil energy consumption (MWh)	19,191
Share of fossil sources in total energy consumption (%)	83.9%
(7) Consumption from nuclear sources (MWh)	-
Share of consumption from nuclear sources in total energy consumption (%)	0.0%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	3,671
(10) The consumption of self-generated non-fuel renewable energy (MWh)	-
(11) Total renewable energy consumption (MWh)	3,671
Share of renewable sources in total energy consumption (%)	16.1%
Total energy consumption (MWh)	22,862
Energy intensity (MWh/ net sales MSEK)²	2.16

¹ Accounting principles pages 53–54

² Net Sales note 4



E1 – 6 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

The table below includes emissions from all units in the Group, regardless of ownership share. BHG has no joint ventures, associates, or other non-consolidated operations, meaning all Scope 1 and Scope 2 emissions originate from the Group's subsidiaries. Scope 3 emissions cover emissions in the upstream and downstream value chain, including product manufacturing, transportation, and the use of sold products. Since the base year for the emission reduction targets is set to 2025, there are as yet no movements toward the target to report. Reporting principles are provided on the next page. Biogenic emissions during the year amounted to 106 tCO₂ in Scope 1, and 0 tCO₂ in Scope 2 and 3.

	2025	Base Year	Change %	Target 2030	Target 2050	Annually 2030 %
Scope 1 GHG emissions						
<i>Gross Scope 1 GHG emissions (tCO₂eq)</i>	2,074	2,074	-	-	-	-
<i>Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)</i>	-	-	-	-	-	-
Scope 2 GHG emissions						
<i>Location-based GHG emissions (tCO₂eq)</i>	424	424	-	-	-	-
<i>Market-based GHG emissions (tCO₂eq)</i>	803	803	-	-	-	-
Total emissions Scope 1 and 2 (market based)	2,877	2,877	-	2,014	-	-6%
Total Gross indirect GHG emissions (tCO₂eq)						
1. Purchased goods and services	187,175	187,175	-	-	-	-
2. Capital goods						
3. Fuel and energy-related activities						
4. Upstream transportation and distribution	8,775	8,775	-	-	-	-
5. Waste generated in operations						
6. Business traveling						
7. Employee commuting						
8. Upstream leased assets						
9. Downstream transportation	4,015	4,015	-	-	-	-
10. Processing of sold products						
11. Use of sold products	47,775	47,775	-	-	-	-
12. End-of-life treatment of sold products						
13. Downstream leased assets						
14. Franchises						
15. Investments						
Total GHG emissions						
Total GHG emissions (location-based) (tCO₂eq)	250,235	250,235	-	-	-	-
Total GHG emissions (market-based) (tCO₂eq)	250,614	250,614	-	-	-	-
Total GHG emissions (market-based) per net sales (ton CO ₂ e/MSEK ³)	23.6					
Total GHG emissions (location-based) per net sales (ton CO ₂ e/MSEK ³)	23.7					

³ Net Sales note 4

ACCOUNTING PRINCIPLES FOR E1

Background

The collection and reporting of sustainability data within our decentralized Group is characterized by significant complexity. BHG comprises many subsidiaries with significantly different conditions regarding size, organizational maturity, and geographical footprint, resulting in heterogeneous data sources, varying quality, and different levels of reporting capacity. To ensure Group-wide comparability and compliance, it has therefore required principle-based, broad definitions, standardized yet flexible processes, and the use of estimation methods.

Energy

The Group has chosen to apply a conservative approach when reporting renewable energy sources. This means that energy is classified as renewable only if its origin can be verified through valid Guarantees of Origin or energy contracts. In 2025, this share was 16.1%.

Scope 1

Scope 1 includes stationary and mobile combustion. Emission factors are sourced from DEFRA, IEA, and AIB.

- **Mobile combustion:** Refers to emissions from vehicles owned or leased by the Group and its subsidiaries. Supplier-specific data was primarily used to determine fuel consumption and emissions. Where such data was unavailable, calculations were based on logbooks, information from HR systems, and well-founded estimates.
- **Stationary combustion:** Refers to emissions from combustion in own premises, which occur on a small scale.

Scope 2

Scope 2 covers indirect emissions from purchased electricity, district heating, and other energy supplies used in the Group's warehouses, offices, and other business premises. Reporting is primarily based on actual consumption according to metered data from energy and grid suppliers. Where metered data was unavailable, energy consumption was estimated based on available documentation and average consumption values per square meter for the respective energy type.

Emissions are calculated using emission factors from DEFRA, IEA, AIB, and Energiföretagen. For district heating, the supplier's actual emission factors are used. When electricity is part of a heating solution, emissions are reported according to the same principles.

Calculations are performed using both the location-based method, which is based on average emission factors for national electricity grids, and the market-based method, which accounts for specific electricity purchases and associated Guarantees of Origin.

For parts of the operations, electricity consumption is covered by agreements or Guarantees of Origin (GOs) for renewable energy. Where there are no specific electricity purchases with associated guarantees of origin, the residual mix is applied.

Scope 3

Scope 3 includes indirect greenhouse gas (GHG) emissions generated in our value chain that lie outside our direct control. 3.8% of the emissions have been calculated using primary data. The emissions are reported within the following categories:

1. Purchased goods and services

Emissions in this category are calculated exclusively using a spend-based method. The Group has defined several relevant accounts in the chart of accounts for reporting, and each subsidiary subsequently specifies the geographical region from which the expenditure originates. This has largely been done by using the supplier's region rather than the location of product manufacture. Emissions are then calculated using emission factors from Exiobase 3.9. This method ensures high comparability between companies and minimizes the risk of local estimates and methodological differences, which is deemed particularly important given that Category 1 constitutes a significant portion of the Group's total emissions.

4 + 9. Upstream and Downstream Transportation and Distribution

This category includes emissions primarily from freight, but also from third-party warehouses and related logistics services. In this context, upstream is defined as transportation and services paid for by the Group, while downstream refers to transportation funded by another party. Subsidiaries have made this distinction in their reporting. Where reliable data for this division was unavailable, the freight coverage ratio (the share of freight costs recharged to the customer) has been used as a proxy. The collection of emission data has primarily been based on documentation from transport and logistics providers. In the absence of supplier data, subsidiaries have made their own estimates, and as a final resort, a cost-based method has been used to cover any data gaps. For emission factors, Exiobase 3.9, IEA, and AIB have been applied.

11. Use of Sold Products

Through its subsidiaries, BHG's assortment includes over 1.5 million products, a significant proportion of which require electricity during use. Given the vast variation in product types and energy profiles, the Group function has identified approximately twenty product categories deemed to have the greatest potential energy consumption and, consequently, climate impact during the use phase. These categories include, for example, dishwashers, heat pumps, and electric tools.

For each selected category, assumptions have been made regarding both average lifespan and annual electricity consumption. These assumptions are based on available product information, industry data, and the Group's internal assessments. Subsequently, these parameters have been used to calculate the total emissions from the use phase for each respective category, which together constitute the Group's reported emissions in this part of Scope 3.



Methodology framework

Calculations follow the GHG Protocol Corporate Standard and its guidance for Scopes 1 – 3. All emissions are reported as CO₂e and include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and relevant F-gases as defined by the GHG Protocol.

Scope 3 categories excluded

The following categories within Scope 3 were assessed as not material, either based on their size, where the materiality threshold was set at 1% of the Group's total emissions, or based on lack of relevance to the business model. The Group intends to re-evaluate this assessment in the future as needed.

- *Capital goods*
- *Fuel- and energy-related activities (not included in Scope 1 or 2)*
- *Waste generated in operations*
- *Business travel*
- *Employee commuting*
- *Upstream leased assets*
- *Processing of sold products*
- *Downstream leased assets*
- *Franchises*
- *Investments*

Reporting Uncertainty

Scope 1, Scope 2, and Energy – Uncertainty in the reporting of underlying data for Scope 1, Scope 2, and energy consumption stems primarily from the diverse data collection and calculation methodologies applied within the Group. To ensure that all subsidiaries can provide the requested information, we currently permit the use of supplier-specific methods, average-data methods, and spend-based calculations.

We are aware of the challenges arising from consolidating data based on several different methodological approaches, particularly within the framework of a decentralized Group structure. Moving forward, we will therefore continue to work on harmonizing reporting, to the extent possible, to strengthen comparability and data quality.

Scope 3 – The reporting of Scope 3 emissions involves significant challenges and is managed in two primary steps:

1. **Harmonization between subsidiaries and Group reporting:** Depending on their organizational and operational conditions, subsidiaries may need to use different methods to report the same type of data. This creates variations in the underlying data, which can lead to uncertainty in the final results.
2. **Inherent uncertainty in emission factors:** The precision of emission factors can vary depending on factors such as geographical region and product category.

BHG has, to the extent possible, established conservative and clearly aligned reporting definitions for Scope 3 to minimize the risk of significant errors, particularly within Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products), where emission levels are most significant. However, this methodology may entail a certain risk of underestimating total emissions.

The Group works continuously to develop calculation methods, improve data collection, and strengthen processes across all parts of ESRS E1. Our objective is to ensure high transparency, robust data quality, and reliable monitoring of emission data over time.

E5 – CIRCULAR ECONOMY

As an inherent part of the business model, BHG manages a significant inflow and outflow of finished products. Therefore, our efforts include enhancing product information for customers and optimizing packaging to minimize the number of returns. In our analysis of impacts, risks, and opportunities, we have considered both the upstream, own operations and downstream value chain and incorporated feedback from our stakeholders.

Material Impacts, Risks and Opportunities	IRO	Place in Value Chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short	Mid	Long
ESRS E5 – Resource use and circular economy							
<ul style="list-style-type: none"> Resource Inflow of Products BHG contributes to resource consumption through the use of virgin materials in the extensive range of products that the Group procures and sells. 	Actual Negative Impact	●			●	●	●
<ul style="list-style-type: none"> Resource Inflow of Packaging The Group’s procurement of virgin packaging material entails resource consumption. 	Actual Negative Impact		●		●	●	●
<ul style="list-style-type: none"> Resource Outflow Products with a short lifespan lead to accelerated resource outflow. This means that materials exit the economy prematurely, which necessitates new resource extraction and increases the overall environmental burden. 	Actual Negative Impact			●	●	●	●
<ul style="list-style-type: none"> Reduced Returns Proactive efforts regarding product information can lead to reduced returns and improved cost-efficiency within the customer segment 	Financial Opportunity		●		●		
<ul style="list-style-type: none"> Waste in the Value Chain Waste generated in BHG’s warehousing operations and during end-of-life disposal by customers results in a negative environmental impact through increased resource extraction and emissions associated with waste management and landfill. 	Actual Negative Impact	●	●	●		●	●



E5 – 1 Policies related to resource use and circular economy

BHG has established several policies addressing resource use and the circular economy. The following policies apply to all subsidiaries within the Group, and each respective CEO is responsible for their implementation.

Environmental policy

The Environmental Policy outlines how the Group manages material environmental issues and integrates environmental responsibility into its operations. The policy promotes the development and use of sustainable materials. It regulates the efficient use of resources with a focus on the circular economy by prioritizing the principles of reducing, reusing, and recycling materials.

Waste and hazardous substances must be handled according to high environmental and safety standards. In procurement, BHG sets requirements for products and suppliers, such as the use of recycled materials and the exclusion of hazardous chemicals.

Corporate social responsibility

This policy describes how suppliers shall work to minimize their negative impact on the environment and climate. It specifies, among other things, that waste must be managed according to the principles of reduce, reuse, and recycle.

Code of conduct

The Code of Conduct details how BHG shall contribute to a circular economy and limit the use of resources, particularly non-fossil materials. Where relevant, recyclable materials shall be used. Chemicals and hazardous substances are to be eliminated whenever possible or kept to an absolute minimum. BHG shall ensure the safe handling, storage, and disposal of these substances, and all hazardous waste must be managed in accordance with applicable environmental and safety standards.

E5 – 2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

BHG has not adopted any specific actions or allocated dedicated financial resources directly linked to resource use and circular economy during the reporting period.

The reason for this is that the Group is currently in an initiation phase, where the focus is on harmonizing data collection from subsidiaries and identifying the most significant material flows in the value chain.

The Group intends to evaluate and prioritize relevant circular measures in the coming years, such as the optimization of packaging materials and improved return flows, based on the results of this mapping.

E5 – 3 TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

BHG has identified resource use and circular economy as a material area for the Group. As of the 2025 financial year, however, the Group has not yet established any quantified targets for this area. The Group discloses that no specific targets regarding resource use or circular economy have been adopted for the current reporting period. The

Decision to postpone setting targets is based on the following factors:

Need for robust baselines

BHG is currently prioritizing the establishment of a reliable database for resource inflows and product outflows. Since current data is primarily based on total weight, it lacks the granularity (e.g., proportion of recycled material or technical lifespan) required to set meaningful and measurable circularity targets.

Data quality in the value chain

Part of our impact is linked to the products we distribute. Before setting targets, we want to ensure that we have a methodology in place that allows us to measure actual progress rather than relying on generic proxy data. During the phase-in period, BHG intends to explore the possibility of establishing formal targets for resource use and circular economy by initiating a mapping of material composition for key product categories.

The absence of established targets does not imply a lack of governance. The Group takes continuous measures to optimize resource use, primarily through the efficiency of packaging and strictly managed waste handling in our own logistics centers. These measures serve as preparation for future targets.

E5 – 4 RESOURCE INFLOWS

BHG has identified resource inflows of packaging materials within its own operations as a material area linked to the Premium Living segment's relatively extensive repackaging of home furnishing products for design-oriented end customers.

For the 2025 financial year, we have compiled data for the two dominant material flows: corrugated cardboard and plastic. The total amount of packaging material consumed in the Premium Living segment during the period amounts to 940 tonnes. To determine the origin and degree of circularity of the resources, the Group has applied recognized industry standards as proxies where primary data from suppliers is not yet complete

Material type	Total weight (tons)	Renewable (%)	Recycled (%)	Recycled (tons)
Corrugated cardboard	871	100%	75%	653
Plastic	69	0%	30%	21
Total	940	93%	72%	674

As complete material specifications from all packaging suppliers are currently being collected, this year's reporting relies on the following assumptions and recognized proxies:

- **Renewable content (Corrugated cardboard):** Based on ISO 14021, where paper fiber is classified as a renewable biological resource.
- **Recycled content (Corrugated cardboard):** A conservative estimate based on FEFCO (European Federation of Corrugated Board Manufacturers) industry averages for European corrugated board, where the circular share (secondary fiber) historically amounts to at least 75%.

- **Renewable content (Corrugated cardboard):** Based on ISO 14021, where paper fiber is classified as a renewable biological resource.
- **Renewable content (Plastic):** All plastic in this report has been classified as non-renewable (fossil-based), as certified bio-plastic could not be verified to a sufficient extent.

BHG has also identified resource inflows in the form of products from the upstream value chain as a material area. For the 2025 financial year, the Group reports the total weight for these inflows but is currently unable to provide a full breakdown into categories such as renewable, recycled, or sustainable material.

For this part, the Group is utilizing the option to limit disclosures regarding the value chain during the first reporting years where primary data is not available without undue cost or effort. As a leading e-commerce player with an extremely extensive and diversified range, our upstream value chain consists of a significant number of suppliers and manufacturers globally. Currently, there is a lack of a uniform infrastructure for collecting verified primary data regarding material composition (such as the proportion of recycled or renewable content) for all product categories.

To still provide a true and fair view of our resource use, we report the total weight for purchased goods, which amounts to 118,715 tonnes. This is based on product weights in our systems as well as estimates in cases where reliable data is missing. BHG aims to successively improve data quality in the value chain during the three-year phase-in period. Despite the lack of detailed quantitative data, BHG assesses—based on the composition of the product range (primarily furniture, home and garden products, and building materials)—that the most significant material categories consist of:

- Wood and wood-based materials.
- Metals (steel and aluminum).
- Plastics and textiles.

E5 – 5 RESOURCE OUTFLOWS

BHG reports here on the resources leaving the Group's operations regarding waste generated within its own operational activities.

The Group is utilizing the option during the first three reporting years to omit detailed disclosures regarding the circular design of products, as we currently have limited access to data on product lifespan, durability, reparability, and material performance. In many cases, this information is missing and must be requested from our 2,000 suppliers. As a retailer with a broad and ever-changing product range, collecting and systematizing material data from suppliers requires extensive effort. BHG has initiated a plan to increase transparency regarding the expected lifespan and circularity potential of products during the phase-in period. The Group aims to successively improve data quality in the value chain during the three-year phase-in period.

Reduced returns

The Group is implementing AI tools to automate large scale generation of informative product descriptions. By also allowing AI to analyse patterns in return data, we can proactively identify and correct insufficient information where it is most needed. Providing detailed and accurate product information creates realistic customer expectations, which reduces the risk of misunderstandings and leads to fewer returns, lower costs and increased customer satisfaction.

Management of operational waste

In contrast to product outflows, BHG has access to more complete data regarding waste from its own warehouses, return centers, and offices. All waste is handled by authorized partners and reported in accordance with statutory requirements. The effectiveness of our waste management measures is not monitored separately outside of existing routines. Currently, we have not defined any qualitative or quantitative ambitions beyond existing legal requirements, and consequently, no base year has been set for measurement.



Waste quantities and treatment methods

The Group's relevant waste streams are primarily linked to warehousing and logistics operations and consist largely of packaging waste, such as corrugated cardboard, cartons, plastic packaging, and wooden pallets. Smaller quantities of waste arise from damaged or returned products (wood, plastic, metal, electronics), office and retail operations (paper, plastic, aluminum, general business waste), and, in some cases, small volumes of construction-related fractions. The materials included in the waste are mainly paper/cardboard, plastic, wood, metal, electronics, and glass. No critical raw materials are present, and most of the waste is non-hazardous. The table below reports operational waste categorized by treatment methods in accordance with the waste hierarchy. BHG generated no radioactive waste during 2025.

	2025
Total weight of waste generated	1,945
Total weight of waste diverted from disposal	1,579
- Preparation for re-use	15
- Recycling	896
- Other recovery operation	668
Hazardous waste	3
Non-hazardous waste	1,576
Total weight of waste directed to disposal	366
- Incineration	244
- Landfill	111
- Other disposal operations	10
Hazardous waste (disposed)	7
Non-hazardous waste (disposed)	359
Share of non-recycled waste [%]	18.8%

ACCOUNTING PRINCIPLES FOR E5

Resource inflows

Packaging material

The data reported for packaging material is based exclusively on data from Nordic Nest, which is the subsidiary within the Group accounting for most of such purchases. This is due to the fact that all non-bulky products are repackaged within our own operations. The underlying data is based on specifications from the company's supplier.

Total weight

Due to BHG's decentralized structure, a uniform method for data collection regarding the weight and distribution of purchased goods was not feasible during 2025. Methods used by subsidiaries therefore include supplier data, data from freight partners, product data, and estimates based on standardized proxies.

Resource outflows

Waste

Data has primarily been collected from waste management contractors in terms of weight, waste type, and treatment method. In the absence of primary data, estimates have been made based on conservative assumptions. The report covers waste generated from our operational activities.

Reporting Uncertainty

There is significant uncertainty in the reporting of the total weight of resource inflows. This uncertainty stems primarily from the absence of an established data collection methodology, as the Group has not yet implemented a comprehensive system for calculating these volumes. For instance, variations may occur regarding the inclusion of manuals, accessories, or packaging. BHG intends to strengthen both data quality and comparability across subsidiaries. The information presented under E1-E5 has not been validated by an external third party.

EU-TAXONOMY

Background

The Taxonomy Regulation (EU 2020/852), adopted on June 18, 2020, by the European Parliament and the Council, establishes a common classification system. This system allows companies to demonstrate which economic activities are environmentally sustainable and report the proportion of their turnover and costs (CapEx and OpEx) that qualify as sustainable. The objective is to provide investors and the market with better information regarding companies' efforts to transition to an economy that meets EU goals, and to facilitate investments necessary to fulfill the Paris Agreement.

For an economic activity to be classified as environmentally sustainable, it must: Substantially contribute to at least one of the six defined environmental objectives, do no significant harm to any of the other environmental objectives and comply with Minimum Safeguards as stipulated in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

We are subject to the EU directive on non-financial reporting, which obligates us to disclose the extent to which our economic activities meet the taxonomy requirements. In this context, we also apply the simplified reporting requirements adopted by the European Commission on July 4, 2025, which entered into force in January 2026. These requirements aim to reduce the administrative burden on companies through simplified reporting templates and more proportionate data collection, while maintaining the taxonomy's core climate and environmental objectives. These changes, adopted through a delegated framework, apply to reporting for the 2025 financial year and onwards.

Significance for BHG

The EU Taxonomy is designed to direct capital toward the parts of the economy that are most significant for climate and environmental impact, as well as the activities that function as enablers in the transition to a low-carbon, resource-efficient, and resilient economy. Taxonomy-eligible activities specifically include the operations defined in the delegated acts for which technical screening criteria exist, creating a clear structure for how companies should assess and report their contribution to the EU's environmental objectives.

For BHG, this means that only a limited portion of our business is classified as Taxonomy-eligible, as our core business consists of e-commerce, logistics, and digital services that are currently not covered by the Taxonomy's criteria.

The Taxonomy contains wording and definitions that are still subject to some interpretative uncertainty. This means that established practice and corporate interpretations may evolve as the EU further clarifies criteria and guidance.

BHG's interpretation of the Taxonomy's relevance and applicability to our operations is therefore disclosed in the following sections, including how we identify Taxonomy-eligible activities and determine the extent to which these can be classified as Taxonomy-aligned.

Assessment of Eligible Activities 2025

The following activities have been considered as Taxonomy-eligible:

7.7 Acquisition and ownership of buildings

Investments in office buildings primarily linked to new lease agreements for offices and warehouse facilities.

7.2 Renovation of existing buildings

Includes minor improvement works in our premises.

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

Includes our investments in the vehicle fleet.

7.3 Installation, maintenance and repair of energy efficiency equipment

Sales of installation services for heat pumps, which occurs within one of the Group's subsidiaries.

Turnover

The Taxonomy-eligible portion of turnover is attributable to activity **7.3 – Installation, maintenance and repair of energy efficiency equipment**. As this activity accounts for less than 10 per cent of BHG's total turnover, we apply the permitted simplification rule, which means that companies do not need to proceed with assessing Taxonomy alignment for turnover categories that fall below this threshold. Accordingly, we have not performed an alignment assessment for turnover within category 7.3.

Capex

The Taxonomy-eligible portion of CapEx exceeds the 10 per cent materiality threshold established by the EU, requiring a further evaluation of potential Taxonomy alignment. The activities identified as Taxonomy-eligible refer to:

7.7 Acquisition and ownership of buildings

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

BHG has evaluated these economic activities against the technical screening criteria, including substantial contribution to an environmental objective, the Do No Significant Harm (DNSH) requirements, and minimum safeguards. Based on the information available during the reporting period, our assessment is that none of the activities can be classified as Taxonomy-aligned.

This is due to the Group's broad portfolio of subsidiaries combined with our decentralized structure, which results in limited access to necessary data from external parties (e.g., property owners), and that in several cases we lack sufficient documentation to assess how the activities relate to the DNSH criteria. Work to improve data availability and quality will continue in the coming years.

OpEx

The total cost base defined as OpEx under Article 8 of the Taxonomy Regulation amounts to less than 1 per cent of BHG's total OpEx (defined as personnel costs, other external costs, and other operating expenses). In accordance with the simplified reporting rules, which explicitly allow companies to omit the OpEx KPI when Taxonomy-relevant OpEx is immaterial to the business model, BHG has chosen not to assess or report Taxonomy eligibility or Taxonomy alignment for OpEx. BHG is not a manufacturing company and does not have a significant amount of investments requiring maintenance. Instead, we disclose the total OpEx value along with the explanation that OpEx is to be considered immaterial for Taxonomy reporting purposes.

Accounting principles

Our accounting principles for the EU Taxonomy are based on the definitions in the Taxonomy Regulation and supplementary guidance from EU publications as well as external expertise. Interpretations may evolve as the EU's guidelines and practices for the Taxonomy are clarified.

Turnover

Defined as external revenue under IFRS and corresponds to the revenue reported in the Consolidated Statement of Comprehensive Income on page 93. The portion of turnover classified as Taxonomy-eligible is based on the activities identified in accordance with the Taxonomy's delegated acts.

CapEx

Comprises the year's investments in tangible and intangible assets before depreciation, amortization, and changes in value, see note 14 and 15. CapEx also includes right-of-use assets reported in accordance with IFRS 16, but excludes goodwill. CapEx is classified as Taxonomy-eligible if it relates to economic activities covered by the Taxonomy.

OpEx

Refers to costs that are not capitalized, such as maintenance, repairs, short-term leases, and other operating-related costs required to maintain the functionality of property, plant, and equipment. As Taxonomy-relevant OpEx is considered immaterial to our business model, the simplified rules are applied, which allow the OpEx KPI not to be reported.

Financial year
(2025)

KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy eligible activities	Proportion of Taxonomy aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (2024)	Proportion of Taxonomy-aligned activities in previous financial year (2024)
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Text	Currency	%	Currency	%	%	%	%	%	%	%	%	%	%	Currency	%
Turnover (SEKm)	10,583	0.2%	0	0%										0	0%
CapEx (SEKm)	327	76.8%	0	0%										0	0%
OpEx (SEKm)	9	0%	0	0%										0	0%

CapEx
Financial year (2025)

Economic Activities	Code	Taxonomy-eligible capital expenditure	Taxonomy-aligned capital expenditure	Taxonomy-aligned capital expenditure (%)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text	Text	%	Currency	%	%	%	%	%	%	%	E	T	%
Acquisition and ownership of buildings	CCM 7.7	71.5%	0	0%									
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5.3%	0	0%									
Sum of alignment per objective		0%											
Total		76.8%	0	0%									

S1 – OWN WORKFORCE

Our employees, at both the Group and subsidiary levels, are our most valuable asset, and our success is built on their competence and drive. We strive to offer a safe, stimulating, and developing work environment with opportunities for professional development, contributing to the company's continued success. In this way, we ensure that we are an attractive employer where our employees thrive. Our Code of Conduct, which is based on the UN Human Rights, forms the foundation of a healthy workplace. All employees shall be treated fairly and without prejudice or discrimination, regardless of gender, ethnicity, religion, disability, sexual orientation, or age. We renounce all forms of discrimination in recruitment, remuneration, professional development, promotion, termination, or in our daily interactions.

Material Impacts, Risks and Opportunities	IRO	Place in Value Chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short	Mid	Long
ESRS S1 – Own workforce							
<ul style="list-style-type: none"> Health and Safety Impacts occur in office, retail, and warehouse environments where physical and psychological strain may arise. This necessitates measures to strengthen work environment management, training, and preventive initiatives. 	Actual Negative Impact		●		●	●	●
<ul style="list-style-type: none"> Secure Employment Impacts may arise primarily within logistics, customer service, and IT-areas that utilize temporary staff and stem from differences in rights and benefits between contractors and permanent employees. 	Potential Negative Impact		●		●	●	●
<ul style="list-style-type: none"> Equal Opportunities A lack of equal opportunities can affect employee well-being, development prospects, and engagement, particularly regarding flexible working hours and access to benefits. These impacts are driven by internal work routines and organizational structures, potentially leading to unequal conditions between different groups within the workforce. 	Actual Negative Impact		●		●		●
<ul style="list-style-type: none"> Diversity A lack of diversity and inclusion, particularly at senior management levels, can affect employees' perceptions of fairness, career opportunities, and sense of belonging, while also weakening the organization's capacity for innovation and decision-making quality. Impacts arise through recruitment and promotion processes as well as internal structures. 	Actual Negative Impact		●		●		●

S1 – 1 POLICIES RELATED TO OWN WORKFORCE

BHG and its subsidiaries operate in several geographical areas, each with specific HR requirements. Our policies apply to the entire Group and provide a uniform framework for personnel-related issues, ensuring fair and equal treatment of all employees.

HR policy

BHG's HR policy aims to promote equality, diversity, and inclusion, ensure a safe working environment, and offer fair conditions for recruitment, development, and remuneration. The policy also emphasizes the Group's pursuit of a balanced gender distribution across all parts of the organization. It is designed to contribute to social sustainability and respect for human rights.

Corporate Social Responsibility

BHG's Social Responsibility policy addresses, among other things, personnel-related issues aimed at promoting equal opportunities regardless of ethnicity, religion, nationality, gender, disability, age, sexual orientation, or other status. The policy describes the obligation to provide a safe and inclusive work environment free from discrimination, harassment, and unfair treatment, as well as providing all employees access to training, development, and career opportunities. All employees, particularly managers, are responsible for ensuring these principles are followed in their daily work.

Code of Conduct

BHG's Code of Conduct ensures that internationally recognized human rights and labor laws are respected. All employees shall be treated with dignity and have the right to equal pay for equal work, as well as statutory vacation, sick leave, and parental leave. The policy prohibits discrimination in all forms and promotes diversity and equal treatment in recruitment, remuneration, professional development, and promotion. It includes a clear prohibition of harassment, bullying, and all forms of physical or psychological violence. It also prohibits all forms of child labor and forced labor. Minors may only be employed in accordance with applicable legal requirements regarding safety, working hours, and supervision, and employment must not affect compulsory schooling. All forms of exploitation of vulnerable groups are prohibited.

The policy guarantees the right to freedom of association and collective bargaining, and it sets requirements for a safe and healthy work environment focusing on work-life balance. Finally, the policy covers the protection of personal privacy and data protection in accordance with GDPR to ensure employee confidentiality. The Group shall comply with the ten principles of the UN Global Compact in the areas of human rights, labor, environment, and anti-corruption. These principles are based on the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration, and the UN Convention Against Corruption.

A revision of policies during 2026 will ensure compliance with the OECD Guidelines for Multinational Enterprises. Principles for worker engagement are described in S1-2, and procedures for remediation are described in S1-3. Compliance with personnel-related policies is ensured through employee surveys, induction training, recruitment documentation, and the signing of the Code of Conduct, as well as through annual internal controls. Through these guidelines and follow-ups, we contribute to a sustainable work environment. Local adaptations are made by the CEO of each respective company in accordance with prevailing laws. Management is responsible for policy compliance and ensuring that local routines harmonize with Group guidelines. All policies are shared with the CEO of each respective subsidiary, who is responsible for further distribution.

A significant part of BHG's staff works in warehouse operations, which may involve certain physical risks. Workplace safety routines are described in detail in the company's HR policy, and any workplace accidents are managed and followed up through internal reporting channels. Furthermore, most of the Group's companies are covered by directives from the Swedish Work Environment Authority or equivalent authorities, depending on the geographical area.

S1-2 PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

BHG conducts annual performance reviews at the Group level and recommends this practice to its subsidiaries. For both the Group and its subsidiaries, the respective CEO is responsible for ensuring that performance reviews are conducted and holds ultimate responsibility for employee engagement. The Group views active dialogue with employees and their representatives as a prerequisite for effectively identifying and managing material impacts. Collaboration occurs through established structures that extend beyond individual performance reviews to ensure collective influence.

Formal Forums for Collaboration - The Group utilizes several structured forms of dialogue regarding material sustainability issues:

- **Health and Safety Committees**- In accordance with the Swedish Work Environment Act (AML), subsidiaries with more than 50 employees have health and safety committees where management and employee representatives jointly plan and evaluate work environment initiatives. These committees handle issues concerning risk assessments, ergonomics, and preventive healthcare.
- **Safety Representatives** - Employees are represented by appointed safety representatives who actively participate in work environment management, including local risk assessments during changes to work processes or premises.



- **Trade Union Collaboration** - Where applicable, subsidiaries maintain an ongoing dialogue with relevant trade union organizations through collaboration forums. These forums are used to gather employee perspectives during major organizational changes or when revising internal policies, such as the Code of Conduct.

Employee Perspectives in Decision-Making Processes -

Information and insights are integrated into the Group's decision-making as follows:

- **Operational Measures** - Feedback from safety representatives and employees forms the basis for decisions regarding new equipment and technical aids to improve ergonomics and safety.
- **Risk Management** - Actual incidents and near-misses reported by employees lead to immediate corrective actions and the revision of local safety regulations.

S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

The Group has established routines and guidelines to ensure that employees can raise concerns and report suspected misconduct in a safe and structured manner. Reporting can take place via the immediate manager, HR, a trade union representative, or through an independent whistleblowing system that enables anonymous reporting.

Reported concerns are documented and undergo a structured assessment to determine the nature of the case, its severity, and the need for action. Cases are handled at the appropriate organizational level and escalated to company or Group management as necessary. In serious or sensitive cases, external expertise may be engaged. Investigations are conducted confidentially and objectively. Based on the assessment or investigation, decisions are made regarding corrective and preventive measures, which are followed up to ensure the intended effect.

The Group applies a zero-tolerance policy toward retaliation. Employees who report concerns in good faith are protected from negative consequences. Information regarding reporting channels and the whistleblowing function is communicated continuously to employees, and insights from received cases are used to strengthen preventive work environment initiatives. The effectiveness of the processes is ensured through management by an independent third party, and cases are reported to the Audit Committee and followed up on. The Head of Legal is responsible for the process and for involving the necessary stakeholders..

Whistleblowing system

The Group's independent whistleblowing system is available on our website and allows all employees to report irregularities anonymously. The reporting system for whistleblowing consists of a channel managed by an independent third party, KPMG AB. Reporting can be done via an online link, by telephone, or by booking a physical meeting with KPMG representatives at one of KPMG's offices. If the whistleblower chooses to remain anonymous, no information that could identify the person is shared. When a report is received, KPMG provides a summary of the case, whether it is covered by the Whistleblowing Act, and a recommendation on how the case should be handled to BHG Group. The report and recommendation are received by BHG's Head of Legal and Risk Manager, who are responsible for leading the investigation together with relevant individuals within the affected subsidiary. In complex or particularly serious cases, external independent expertise may be engaged for the investigation. BHG undertakes to investigate reports fully, fairly, promptly, and confidentially to the extent circumstances permit. The scope and duration of the investigation depend on the nature of the case. Examples of investigative measures include inventory, financial reviews, employee interviews, and background checks. If the whistleblower has chosen not to be anonymous, an interview with the reporter is included in the investigation.

Confirmation of receipt of the case is provided promptly, and no later than 7 days after receipt. Feedback to the reporter is always provided via KPMG within 3 months. The employee is informed of steps taken when possible but must keep this information strictly confidential. No one shall be subjected to negative consequences, harassment, discrimination, or retaliation for reporting a breach of BHG Group's Code of Conduct and ethics in good faith. BHG takes measures to protect the reporter by limiting internal access to the information. Anyone who subjects a whistleblower to retaliation risks disciplinary action, including termination or dismissal. If the reporter chooses to disclose their identity, this information is not shared internally more than is absolutely necessary to handle the case.

If a reported concern proves to be valid, the Group may take measures such as referring the case to the Board of Directors, to the relevant external regulatory authority, or to the police. Should the investigation reveal deficiencies, the Head of Legal and Risk Manager ensure that necessary measures are communicated to the affected CEO and implemented in the relevant subsidiaries. The use of the whistleblowing system is reported annually in our Annual and Sustainability Report.

S1-4 TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

BHG has developed action plans that support initiatives linked to our identified impacts, risks, and opportunities (IROs). Our subsidiaries are responsible for taking relevant measures to ensure compliance with these plans. Each company measures and, when necessary, reports the effectiveness of its actions to the Group.

To identify and design measures in response to actual or potential negative consequences for our own workforce, we conduct systematic work aimed at ensuring that actions are proportionate to the severity of the consequence and that they address the root cause.

When a negative impact is identified, for example, via employee surveys, the whistleblowing system, or safety walks, an analysis is initiated to understand the scope. A central part of the process is the dialogue with affected parties (e.g., employees, trade union representatives, or safety representatives) to gain insight into their perspectives on appropriate solutions.

Decisions on measures are made at the level where the impact arises (locally within the subsidiaries) but are escalated to the Group level if the impact is deemed systemic or of a particularly serious nature. Prioritization is based on the principle of addressing the greatest negative impact first, where health and safety is always given the highest priority.

Decided measures are followed up to verify that they have had the intended effect. While we have not allocated specific financial resources for this work, the central HR function as well as local CEOs and HR managers are actively involved.

Health and Safety of Employees

The Group focuses on minimizing physical and psychosocial risks, particularly within warehouse and logistics operations where manual handling and heavy lifting occur.

- **Preventive Measures** - We have conducted risk assessments during the introduction of new logistics solutions and technical infrastructure.
- **Training** - Operational staff have undergone safety training for the correct use of mechanical equipment.
- **Incident Monitoring** - The Board receives, via the Audit Committee, regular reports regarding incidents and near-misses to ensure that corrective actions are implemented promptly.

Employment relationships and working conditions

BHG strives to prevent precarious employment and to ensure fair conditions across all operations.

- **Internal Control** - Management is responsible for the operational implementation of the Code of Conduct to effectively prevent risks associated with unequal working conditions.

- Measures to manage risks associated with the conditions of seasonal workers have been limited during the year but are intended to be developed moving forward.

Equal Opportunities and Diversity

Promoting equal opportunities is an integral part of the Group's business ethics.

- **Governance** - The Board approves the Group's Code of Conduct annually, which forms the foundation of our work against discrimination and for the promotion of diversity.
- **Whistleblowing System** - Through our whistleblowing system, we provide employees with an anonymous channel to report suspected violations of our ethical guidelines or deficiencies in equal treatment.

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The Group has established a target that all employees within the Group shall have familiarized themselves with the content and signed the Code of Conduct during 2026 to increase awareness and thereby mitigate impacts and risks primarily related to equal opportunities and diversity. No other time-bound targets for the remaining IROs have yet been identified, but we are working toward our overall ambitions and strategic shifts, such as a zero vision for both serious workplace accidents as well as for discrimination and harassment. In light of the above, no other base year has been defined.

Our employees have not been directly involved in the design, suggestions for improvement, or follow-up of the targets; however, the CEOs of the subsidiaries are responsible for ensuring target fulfillment together with their respective teams.

We also monitor the effectiveness of our policies and actions through qualitative indicators and existing HR processes. This includes, among other things, incident reporting and work environment statistics in the subsidiaries, employee dialogues, eNPS measurements, as well as results from internal controls and management audits. These indicators are used to assess whether our measures lead to the intended results and to identify the need for further initiatives.

The Group intends to investigate the prerequisites for developing additional structured and harmonized targets within the S1 area over the coming years. This work will progress as data collection improves, processes and definitions are harmonized between subsidiaries, and a common methodology for follow-up is established.



S1-6 CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

All tables below are based on head count, which represents the average number of employment contracts during the period. The total figure differs from the number of employees reported in Note 9, as the latter is calculated based on the sum of hours worked (Full-Time Equivalent/FTE). BHG's workforce primarily consists of employees at the subsidiaries' offices as well as warehouse staff. There is also a smaller proportion of retail employees within the Group. The information presented under S1 has not been validated by an external third party. The data for reporting is based on each subsidiary's HR management system and includes full-time, part-time, and temporary employees.

Number of employees - gender

2025

Men	1,039
Women	933
Non-binary	1
Totalt	1,973

Number of employees - region

2025

Sweden	1,458
Rest of Europe	503
Rest of World	12
Total	1,973

Number of employees - type

	Men	Women	Non-binary	Total
Employees	1,039	933	1	1,973
Permanent employees	943	819	1	1,763
Temporary employees	61	90	0	151
Non-guaranteed hours	35	24	0	59
Full-time employees	847	680	1	1,528
Part-time employees	192	253	0	445

Employee turnover

2025

Number of employees who left the company	398
Employee turnover rate, %	20.2%

S1 – 9 DIVERSITY METRICS

Management BHG	2025	Age distribution	2025
Men	6	Aged <30	791
Men %	86%	Aged 30–50	1,006
Women	1	Aged >50	176
Women %	14%	Total	1973

BHG's Group Management, defined in the same manner as in the Corporate Governance Report, comprised six men and one woman at year-end, corresponding to a distribution of 86 and 14 per cent respectively. The number of employees by age group is defined in the same way as in S1-6, i.e. as the average number of employment contracts.

S1 – 14 HEALTH AND SAFETY METRICS

Occupational Health and Safety - BHG Group has identified health and safety as a material area with actual negative impacts, primarily linked to the Group's warehouse and logistics operations.

Identified risks and incident types - The primary safety risks for personnel in our warehouse operations are related to the manual handling of goods, heavy lifting, and interaction with forklifts and automated systems. Typical incidents occurring in the operations include slips, trips, and falls; musculoskeletal disorders; and crushing risks during sorting and packaging.

Occupational Health and Safety Management System - To manage these risks, systematic work environment management is applied, based on national legal requirements in the countries where we conduct warehouse operations, such as the Swedish Work Environment Act (AML) in Sweden.

Preventive measures - This includes regular safety walks, risk assessments when introducing new equipment, and mandatory safety training for all personnel in operational environments.

Follow-up and incident management - The Board and management receive regular reports regarding work environment incidents and near-misses. We encourage an open reporting culture where incidents are logged centrally to enable analysis and prevent recurrence. Serious incidents are reported promptly to the relevant authorities in accordance with applicable legislation.

Coverage and Health Systems - Within the Group, 100 per cent of employees are covered by a legislated health system, and 100 per cent of non-employees. Health-related initiatives may vary between subsidiaries and are decided by the respective CEO; however, these initiatives must always comply with the Group's overall policies and current local legislation.

Accidents - Work-related accidents are reported annually to the Group via the sustainability reporting tool and amounted to 28 during 2025, corresponding to a rate of 10.4 per 1,000,000 hours worked. Cases of work-related ill health amounted to 6, corresponding to 2.2 per 1,000,000 hours worked. Zero (0) fatalities occurred during work or as a result of work-related mental ill health during 2025. In total, the Group recorded 768 lost workdays attributable to work-related accidents, work-related mental ill health, and fatalities.

S1 – 16 REMUNERATION METRICS

The gender pay gap between men and women amounted to 14.4 per cent in 2025, in favour of men. The result was calculated as a weighted average based on the number of employees, gross hourly wages, and subsidiaries.

The ratio between the highest-paid individual's total annual remuneration and the median total annual remuneration of all other employees amounted to 3.0 during the year, calculated as an average across the Group and its subsidiaries.

S1 – 17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

During the year, three cases were reported through the Group's whistleblowing system, of which one was assessed to fall within the scope of the Whistleblowing Act. All cases have been investigated and handled in accordance with applicable procedures. None of the investigations resulted in fines, sanctions, or damages. During the year, no serious incidents relating to human rights involving the company's employees were identified. Nor were any cases of discrimination or harassment reported.



S2 – WORKERS IN THE VALUE CHAIN

BHG provides a high-level report on S2 – Workers in the value chain and applies the phase-in rules (transitional provisions) according to the "Quick fix" for this standard.

Within the framework of the double materiality assessment, BHG has assessed sub-areas within Workers in the value chain as material. This assessment is based on the Group's business model, where a significant share of value chain activities occurs both upstream and downstream. BHG strives to minimize negative impact in the value chain and applies policies that actively support this work, primarily through the Code of Conduct, Purchasing Policy, and Social Responsibility Policy.

Measures linked to these policies include supplier evaluations and internal controls, where social aspects are integrated into our risk management. During 2025, 67 per cent of our new suppliers signed our Supplier Code of Conduct, representing an improvement from 66 per cent the previous year. BHG has adopted a target that 100 per cent of strategic suppliers shall have signed the Supplier Code of Conduct by the end of 2027.

S4 – CONSUMERS AND END-USERS

BHG provides a high-level report on S4 – Consumers and end-users and applies the phase-in rules (transitional provisions) according to the "Quick fix" for this standard.

Within the framework of the double materiality assessment, BHG has assessed that sub-areas related to consumers and end-users are of material importance, based on the products provided by the Group.

Within the Group, measures to strengthen product quality, safety, and data security are an integrated part of the operations. During 2025, for example, workshops on GDPR were organized by the Group, aimed at improving and aligning work between the Group's subsidiaries. We have also implemented measures across all platforms to ensure compliance with the Accessibility Directive and taken steps to improve product data quality. We also have an Information Security Policy linked to our data management work. These measures contribute to increased customer satisfaction, a reduced return rate, and improved data handling. Apart from this, specific policies for identified IROs are currently lacking, and there are no targets or metrics in this area. However, we intend to review this during 2026.

The Group has not established specific quantitative and time-bound targets regarding consumers and end-users for the 2025 financial year. This includes areas such as product safety, personal privacy, and customer health. The reason the Group has not yet established Group-wide targets for the S4 area is twofold:

Decentralized business model: BHG consists of a large number of subsidiaries with varying product categories. Each category has unique safety requirements and customer interfaces, making it complex to define uniform targets relevant to all units without the risk of them becoming too generic.

Focus on baseline data: During 2025, the Group's focus has been on harmonizing data collection and identifying the most critical touchpoints in the customer journey. Setting targets before a reliable baseline has been established is not considered to be in accordance with the principle of a true and fair view.

BHG is utilizing the option during the initial three-year reporting period to limit information concerning the value chain (downstream to the consumer) where primary data is not yet fully available. The Group is using this transition period to develop the internal processes and systems required to monitor impacts on consumers in a systematic way, which is a prerequisite for setting meaningful targets.

Despite the absence of quantitative targets, BHG is guided by an overarching ambition to ensure the highest possible product safety and customer satisfaction. To formalise this work, the Group intends, during the phased-in period, to conduct an analysis of customer-related risks and evaluate the possibility of establishing Group-wide targets for priority areas.

G1 – BUSINESS CONDUCT

BHG has identified several key areas within responsible business conduct, including corporate culture, whistleblowing systems, and supplier relations.

BHG’s Board of Directors holds the ultimate responsibility for the Group’s business practices and for ensuring that operations are conducted responsibly. This responsibility is primarily exercised through the establishment of Group-wide policies and ongoing monitoring of compliance. The Board annually adopts BHG’s Code of Conduct as well as associated policies for anti-corruption and supplier management. These documents form the foundation of the Group’s work on business ethics.

The Board’s Audit Committee has a specific responsibility to monitor the effectiveness of the company’s internal control systems and risk management related to business practices. The Committee regularly receives reports from Group Management regarding incidents, whistleblowing cases, and risks associated with corruption or bribery. Group Management is responsible for the implementation of the Code of Conduct. This includes ensuring that processes are in place to identify and manage business ethics risks in daily operations, as well as conducting training initiatives throughout the organization. To effectively monitor and manage business ethics, BHG ensures that the relevant bodies possess the appropriate competence and experience.

Members of the Board have broad experience from senior positions in other listed companies and international environments, ensuring a deep understanding of compliance and good business practice. The Audit Committee possesses specific financial and regulatory expertise necessary to assess risks linked to business ethics. When necessary, the Board engages external experts and legal advisors to handle complex issues regarding business ethics and compliance, ensuring that decisions are made on a well-informed basis.

Material Impacts, Risks and Opportunities	IRO	Place in Value Chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short	Mid	Long
ESRS G1 – Business conduct							
<ul style="list-style-type: none"> Lack of whistleblower protection Insufficient protection for whistleblowers can lead to irregularities not being reported, thereby risking serious ethical, legal, and work-environment-related consequences. Impact arises through internal reporting processes and the culture regarding transparency and safety. 	Actual Negative Impact		●		●	●	●
<ul style="list-style-type: none"> Deficient relationship with suppliers Differences in the level of maturity and the allocation of responsibility for supplier screening among the Group's companies can lead to supply chain risks not being identified or managed consistently. This can result in negative social and ethical consequences for workers at suppliers. 	Potential Negative Impact		●		●	●	●
<ul style="list-style-type: none"> Corruption and bribery – The risk of incidents related to corruption and bribery arises primarily in the interaction between our subsidiaries and their suppliers, where there is a risk that improper compensation is used to influence supplier selection and thereby affect the group's financials. 	Financial Risk	●			●	●	●



G1 – 1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

BHG has established several policies aimed at regulating business practices and corporate culture. These policies apply to the entire Group and constitute fundamental guidelines for our business conduct across all parts of the value chain.

Code of Conduct

The Code of Conduct is designed to provide guidance on expected behavior within and outside BHG. The Group has a zero-tolerance policy toward all forms of corruption, including bribery, extortion, nepotism, cronyism, fraud, money laundering, tax evasion, and market manipulation, in accordance with the United Nations Convention against Corruption.

The Code also stipulates that all agreements with suppliers, customers, and other parties must be in writing, signed by authorized representatives, and contain clear terms. The policy prohibits improper benefits, bribes, and facilitation payments, and states that gifts and representation may only occur within reasonable limits. Any risk of a conflict of interest must be reported immediately to the nearest manager, and business decisions must never be guided by personal relationships. The policy also includes requirements for fair competition, compliance with competition laws, and accurate tax returns, and prohibits activities that could distort the market or involve financial irregularities. The Code is available on BHG's website.

Procurement policy

The Procurement Policy serves as a governing document for all purchasing activities within BHG and its subsidiaries. This policy, together with local laws and regulations, forms the basis for handling procurement in all countries where the Group operates.

The objective is to ensure the Group receives the best possible value for all products and services purchased, to guide employees in maintaining integrity and objectivity in supplier relationships, and to prevent late payments.

Whistle-blower policy

The purpose of the Whistleblower Policy is to offer a safe and confidential way for employees and other stakeholders to report misconduct or irregularities of public interest within BHG and its subsidiaries. See further description under S1.

Implementation and Corporate Culture

The CEO of each subsidiary is responsible for ensuring that all employees in their respective company are informed about these policies. BHG develops and promotes its corporate culture by actively leading and working in accordance with its values. Currently, the Group has not established a structured method for evaluating its corporate culture;

instead, assessments are made indirectly based on stakeholder feedback.

In addition to the whistleblowing function, both internal and external stakeholders can raise concerns regarding illegal behavior to the Group via direct contact with Group Management.

As an e-commerce group, BHG assesses that the greatest risks related to corruption and bribery are found within the procurement process. Currently, there is no formal policy for training in business ethical behaviour.

G1 – 2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

BHG has a large number of suppliers through its subsidiaries. The nature of these relationships varies between the companies and can occur through direct contact or agents. The Group's suppliers are primarily located in Europe and Asia. The subsidiaries are generally considered smaller actors in these supplier relationships.

In accordance with the same policy, social and environmental risks, as well as environmental requirements, must be considered by following our Environmental Policy and Code of Conduct. These requirements should be raised during negotiations and factored into supplier selection and contract awards, where the supplier's social conditions and environmental performance are key factors.

All employees interacting with suppliers or approving purchases are responsible for identifying risks and taking appropriate measures when risks are assessed as significant. Business decisions must always be free from bias, and employees are expected to act ethically, with competence and integrity, and to avoid conflicts of interest. The principle of a balanced relationship with suppliers also applies to the social dimension of the collaboration.

G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

BHG has established processes to prevent, detect, and handle incidents related to corruption and bribery. This work is based on the Group's Code of Conduct and Procurement Policy, which serve as the primary governing documents for ethical business conduct.

Reporting and Whistleblowing System

The Group encourages an open corporate culture where suspected irregularities can be reported without risk of retaliation.

Reporting occurs primarily through internal channels to the immediate manager or via the Group's external whistleblowing system (see detailed description under S1-3). Upon receipt of a report, an investigation is initiated. Depending on the severity of the case, an action plan is established. Serious incidents are reported directly to BHG's Board of Directors. The CEO of each respective subsidiary is responsible for communicating policies and ensuring understanding among identified key personnel

Training and Communication

BHG works to raise awareness of anti-corruption throughout the organization. During 2025, the Group began the process of formally defining "at-risk functions" in a uniform manner for all subsidiaries. This assessment is based on the employees' degree of contact with external parties, their mandate in supplier selection, and their geographical location.

For the 2025 financial year, the Group cannot report an exact percentage of trained employees within at-risk functions. The reason is the current decentralized structure, where training initiatives are managed locally within subsidiaries and where centralized collection of training statistics per function has not yet been fully implemented. During the year, anti-corruption training has occurred ad-hoc within the framework of the subsidiaries' own induction programs and management meetings. Due to the lack of a centralized database for training history, this year's reporting constitutes a qualitative description rather than a quantitative compilation.

To ensure complete reporting in accordance with G1-3 in the future, we intend to strengthen our training and follow-up efforts.

Targets and Monitoring

As of 2025, BHG has not established Group-wide quantitative or time-bound targets for anti-corruption. The Group's decentralised structure, with companies operating in various industries and markets, results in varying risk profiles. This makes it challenging to define uniform quantitative targets that are relevant and comparable for all units. The Group operates based on a zero vision toward corruption and bribery. This vision serves as the primary steering instrument. The effectiveness of this work is monitored through qualitative indicators, such as the handling of whistleblowing cases and internal controls. The results of these controls are reported to the Audit Committee.

G1-4 INCIDENTS OF CORRUPTION OR BRIBERY

BHG monitors and reports all confirmed incidents of corruption and bribery to ensure transparency and continuous learning.

Results for the 2025 Financial Year

During 2025, BHG has identified the following regarding corruption and bribery:

Convictions - The number of convictions for corruption or bribery amounted to 0.

Fines and sanctions - No fines or financial sanctions related to anti-corruption or anti-bribery procedures were imposed during the year.

BHG considers the absence of convictions and sanctions as an indication that the current policies and control environment are functioning as intended. However, the Group continues its work to strengthen preventive measures in accordance with the plans outlined in G1-3.



APPENDIX

This appendix is an integral part of sustainability reporting.

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BHG has identified which disclosure requirements and data points to include based on an assessment of information materiality in accordance with ESRS 1. Only information necessary to provide a clear and sufficient understanding of each material impact, risk and opportunity has been included. Data points that are not relevant for this understanding have been omitted.



DATAPPOINTS DERIVED FROM OTHER EU LEGISLATION

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference/ Relevance
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816 (4), Annex II		33
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ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (5) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii I	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818 (6) Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	49
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		49
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ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				51
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I				51

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference/ Relevance
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				51
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		52
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		52
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Non-material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Non-material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1 Indicator number 7 Table #2 of Annex 1				Non-material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Non-material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Non-material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference/ Relevance
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Non-material
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Non-material
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Non-material
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Non-material
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Non-material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Non-material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Non-material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Non-material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				58
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				58
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				42
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				42
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				63
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		63
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				63
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				63
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				64
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		67
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				67
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		67
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				67
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				67

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference/ Relevance
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		67
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Phase-in
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Phase-in
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex I				Phase-in
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Phase-in
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Phase-in
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Phase-in
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				Non-material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Non-material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Phase-in
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Phase-in
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				Phase-in
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				70
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				70
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II)		Non-material
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				Non-material

Auditor's report

To the general meeting of the shareholders of BHG Group AB (publ), corporate identity number 559077-0763

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of BHG Group AB (publ) for the year 2025 except for the corporate governance statement and the statutory sustainability report on pages 79- 91 and 30-77 respectively. The annual accounts and consolidated accounts of the company are included on pages 23-137 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 79-91 and 30-77, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the consolidated statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been

provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matter**Valuation of intangible assets**

With reference to note 2 and note 14.

Goodwill and other intangible assets with an indefinite useful life represents a significant part of BHG Group's assets. The company performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units in which goodwill and other intangible assets are reported.

This impairment test is based on a high level of judgements and assumptions regarding future cash flows. Information is provided in note 2 and note 14 as to how the company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate, profit margins, overheads, working capital requirements, investment requirements and discount factor (cost of capital).

It is presented that no impairment requirement has been identified based on the assumptions undertaken

How our audit addressed the Key Audit Matter

In our audit, we have evaluated the calculation model applied by management and conducted that the model is compatible with acceptable valuation techniques.

We have reconciled and critically tested essential assumptions against budget and strategic plan for the Company. We have analyzed the accuracy on how previous years assumptions have been met and assessed any adjustments to assumptions compared to previous year, as a result from changes in the business and external factors.

We have tested the sensitivity analysis for key assumptions in order to assess the risk of need for impairment.

We have also assessed the correctness of the disclosures included in the financial statements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-22, 144-152 and the Sustainability Report 30-77. The other information also includes the Remuneration Report 2025, which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors'



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BHG Group AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for BHG Group AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of BHG Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report. The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts [and consolidated accounts]. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

Malmö, 7 April 2026

Öhrlings PricewaterhouseCoopers AB

Eric Salander
Authorized Public Accountant
Auditor in charge

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 79-91 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, Box 4009, 203 11 Malmö, was appointed auditor of BHG Group AB (publ) by the general meeting of the shareholders on the 6 May 2025 and has been the company's auditor since the financial year 2016.

Vicky Johansson
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Auditor's limited assurance report of BHG Group AB (publ)'s statutory sustainability statement

To the general meeting of the shareholders of BHG Group AB (publ), corporate identity number 559077-0763

CONCLUSION

We have conducted a limited assurance engagement of the sustainability statement for BHG Group AB (publ) for the financial year 2025. The sustainability statement is included on pages 30-77 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in ESRS 2: General information in the sustainability statement, and
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

BASIS FOR CONCLUSION

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 The auditor's limited assurance engagement of the statutory sustainability statement. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

OTHER MATTER

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement and no review of the comparative figures in the sustainability statement for the year 2025 has therefore been performed.

OTHER INFORMATION THAN THE SUSTAINABILITY STATEMENT

This document also contains other information than the sustainability statement and is found on pages 1-29, 78-137 and 144-152. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12-12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12-12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement

and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We are independent of BHG Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of people responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

THE REVIEW PROCEDURES PRIMARILY INCLUDE:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
 - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
 - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process in ESRS 2: General information in the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and

information systems relevant to the preparation of the information in the sustainability statement.

- Evaluate whether the information identified as material, through the process the company has carried out to determine the content of the sustainability statement, is also included.
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Perform substantive assurance procedures based on a sample of selected information in the sustainability statement;
- Through inquiries and analytical procedures, obtain supporting evidence regarding the methods used to develop material estimates and forward-looking information, and how these methods were applied;

Obtain an understanding of the process to identify economic activities that are applicable (and aligned) with the EU Taxonomy and the corresponding disclosures in the sustainability statement.

- The review of taxonomy disclosures included, but was not limited to, the following review procedures:
 - Evaluated whether the presentation of the taxonomy tables is consistent with the requirements of the EU Taxonomy and the corresponding disclosures;
 - Made inquiries with company management and other relevant personnel to obtain an understanding of the process and sources of the information used in the taxonomy disclosures;
 - Performed analytical review procedures regarding selected taxonomy disclosures.

LIMITATIONS

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of BHG Group AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by BHG Group AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Malmö, 7 April 2026
Öhrlings PricewaterhouseCoopers AB

Vicky Johansson
Authorized Public Accountant