



SØSTRENE GRENE'S  
**RESPONSIBILITY REPORT**

2020/2021





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A WONDERFUL WORLD

## ABOUT SØSTRENE GRENE

Søstrene Grene is a Danish retail chain which has been working since 1973 to spread joy and encourage moments of 'hygge' through innovative and aesthetic designs. The renowned Danish name is used in all of the approx. 240 stores in 14 European countries, and the unique store experience is the same, no matter where in the world you visit Søstrene Grene.

In Søstrene Grene's stores and webshop you will find a broad assortment of home interior products, furniture, hobby items, kitchen accessories, candles and napkins, party accessories, gift wrapping, stationery, accessories, home furnishings for children's rooms and toys – to bring joy to people of all ages.

We design many of our products ourselves, drawing inspiration from our Nordic roots. We believe that aesthetics lies in the details and are therefore always mindful of the importance of the materials and colours chosen. We firmly believe that being surrounded by high aesthetic quality helps bring joy into everyday life.

New products land on the shelves at Søstrene Grene every week. Our ever-changing product assortment and displays ensure a new and wonderful experience for our customers every time they visit us. But as Anna and Clara always kindly remind our customers: *'Please remember, only buy what you need.'*



## WHO ARE ANNA AND CLARA?

'Søstrene' refers to the two hosts, sisters Anna and Clara, who represent the company in all written narratives. Anna is the creative sister with a highly developed sense of aesthetics, while Clara is the practical and orderly sister.

Together, they are behind the diverse experience that Søstrene Grene always has to offer. They also represent qualities such as decency and integrity, respect for fellow human beings and the surrounding world, and the courage to act and take responsibility for a more sustainable future.





# NEW STRATEGY WITH CIRCULAR FOCUS

At Søstrene Grene, we have great aspirations in relation to sustainability, and strive to take a responsible approach to everything we do.

This year we launched a new responsibility strategy, with a strong focus on the circular mindset in all our product development. We will focus on ensuring our products can be used several times, and that the materials in them can be separated and recycled or reused. We will therefore work towards having a product assortment where each product and its components can be part of a cycle, giving life to new products again and again.

The choice and combination of materials have a major impact on how a product can be sorted for recycling. The same applies to product packaging, which must be easy to sort so that it can be recycled, rather than ending up as waste.

## **NO HAZARDOUS CHEMICAL SUBSTANCES**

As part of this process, we have a strong, ongoing focus on ensuring that our products do not contain any hazardous chemical substances. This for the sake of the human health, but also because these substances must not circulate when products and materials are recycled. Pure and natural products

also mean our customers can feel safe bying our products. To make the choice even easier for the customer, we have decided that the vast majority of our products must have a recognised product certification in the future, such as FSC®, GOTS, OEKO-TEX® or Nordic Swan.

## **SINGLE-USE PLASTIC PHASE-OUT**

We have also made a key decision to phase out all single-use plastic from our product assortment over the next few years. For example, from 1 April 2022, single-use plastic gift ribbon will no longer be available from Søstrene Grene. In the past we have sold large

volumes of single-use plastic gift ribbon every year, but we will now offer our customers alternatives instead, such as satin ribbon and jute twine, which can be used again and again. We are proud of this decision, as we believe it is a big step in the right direction.

We will continue to make decisions like this in the coming years, so we constantly reduce our footprint throughout the value chain – process by process and product by product – and continuously move towards becoming even more circular in the development of the products for the wonderful world of Anna and Clara.

*Cresten and Mikkel*

CRESTEN GRENE AND MIKKEL GRENE,  
OWNERS OF SØSTRENE GRENE

MINIMISING WASTE

## CIRCULAR FOCUS

All over the world, more natural resources are being consumed than our planet can sustain, and all eventually end up as waste. In the future, we therefore need to use natural resources better and more responsibly, and reduce the volumes of waste. This demands a more circular mindset in terms of how products are manufactured.

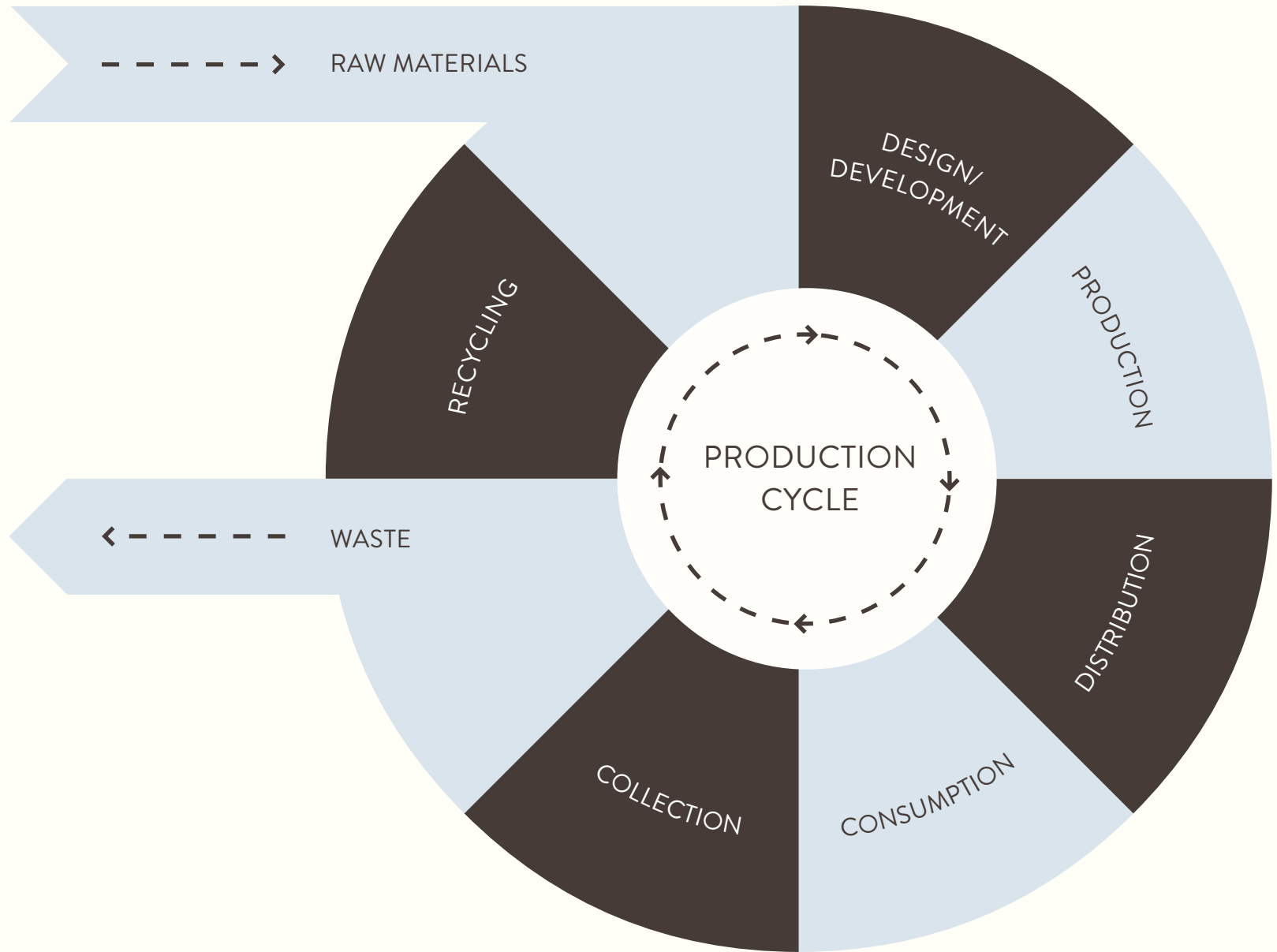
At Søstrene Grene, we want to support this trend. The circular mindset must be the foundation of our design and procurement phase. We must strive to ensure that products and materials can be preserved in the cycle for as long as possible, so that as little waste as possible is generated. Søstrene Grene's products must be of such high quality that they can be used again and again.

In the future, we will therefore focus on reducing the number of single-use products, and especially on phasing out single-use plastic. We will strive to ensure that our materials do not create negative impacts on human health or the environment. We will therefore increase our assortment of certified products, which are subject to even stricter requirements in relation to hazardous substances and their effects on health and the environment than are set in the legislation. It must be safe to recycle the materials in the production cycle.

“  
*The circular approach must be the foundation for our design and buying phase, and we must always have as a goal that products and materials remain in the cycle as long as possible, so the amount of waste is kept at a minimum.*

”

**MIKKEL GRENE**  
CO-OWNER AND CEO,  
SØSTRENE GRENE.



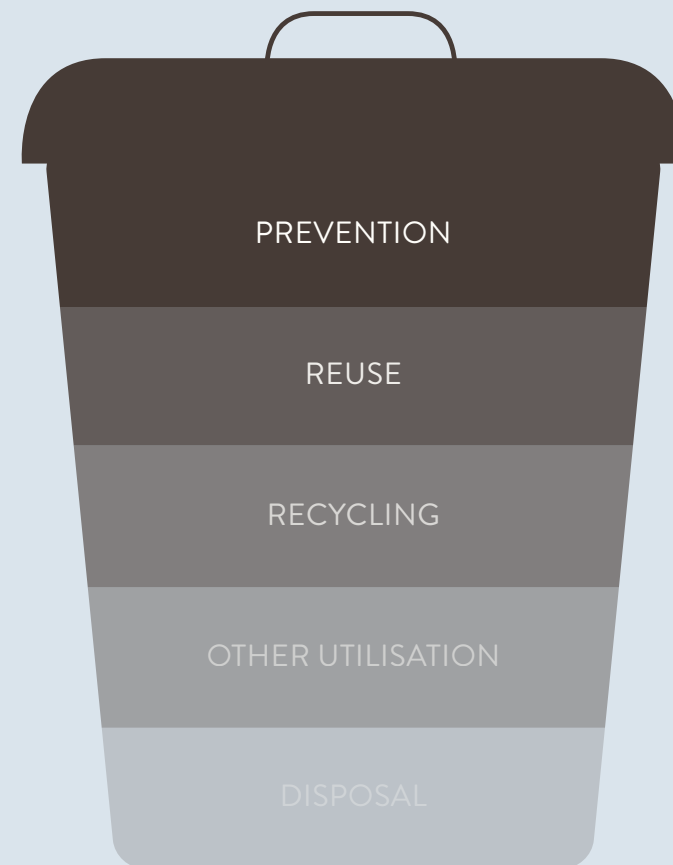
## LESS WASTE

Even when we design, produce and consume based on a circular mindset, waste will still arise. Søstrene Grene has a general goal of striving to prevent as much waste from being generated.

However, waste will always arise, and it is therefore important to look at whether the waste can be reused or recycled. Only if this is not possible should the waste be utilised in other ways, or disposed of responsibly.

The waste hierarchy is therefore an important guide for us, and a tool we can use in our efforts to minimise waste.

We will also strive to make it easier to sort products and materials when they cease to be used. The focus will therefore be on keeping materials as homogenous as possible, so it is possible to separate the materials when sorting waste.



### WASTE HIERARCHY

The waste hierarchy functions as a prioritisation tool in waste policy in Denmark and the EU. Waste prevention must receive the highest priority, followed by reuse, then recycling and then other utilisation. Disposal must be given the lowest priority and be avoided as far as possible.

# UN SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals define a global agenda for sustainable development, where greater consideration is given to people, the climate, nature and society.

Our aim of selling safe and responsible products supports the UN Sustainable Development Goals. We have therefore chosen to work actively with the goals, as we believe that in so doing we can contribute to a world where we together set the agenda and ensure action is taken.

On the right you can see the nine Sustainable Development Goals we have chosen to work actively with.

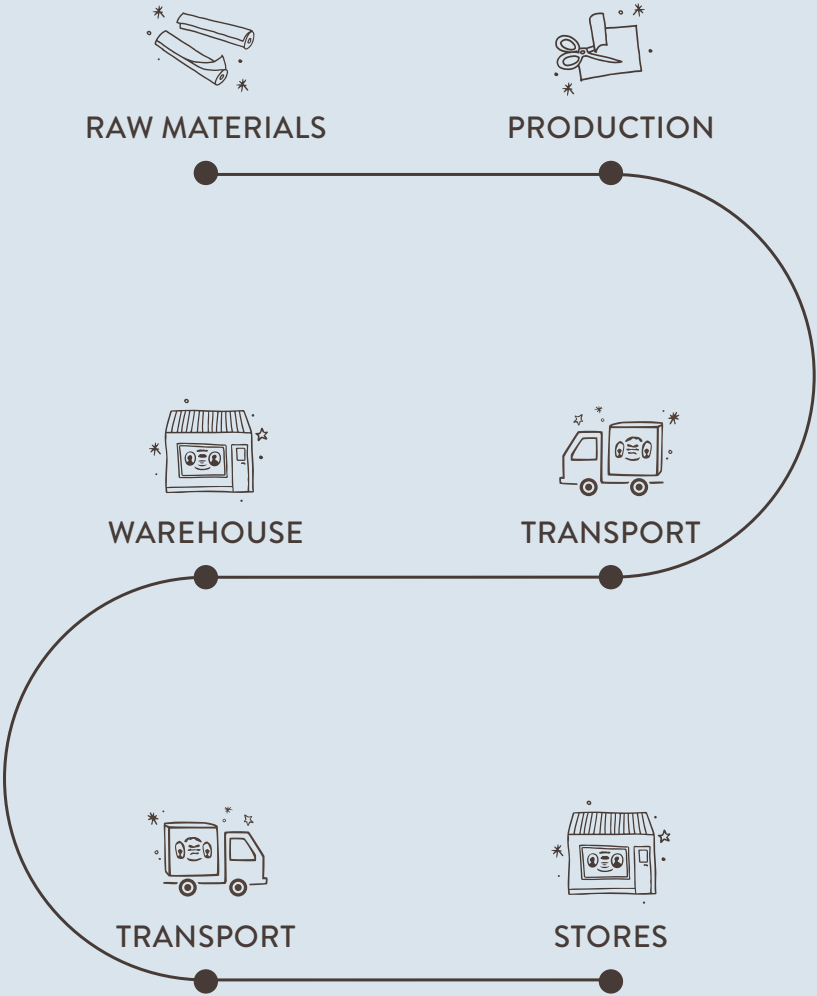


SØSTRENE GRENE'S  
**VALUE CHAIN**

Søstrene Grene works with responsibility across all links in the value chain.

We require our suppliers to produce our products with respect for human rights and to focus on the working environment, social conditions, climate and the environment. Moreover, the entire value chain must be free of corruption and bribery.

The products must meet Søstrene Grene's quality requirements and comply with health, safety and environmental requirements.



## SUSTAINABILITY & PRODUCT COMPLIANCE

Søstrene Grene's department for Sustainability & Product Compliance works to ensure that Søstrene Grene's products are evaluated, tested and quality assured in line with our own and regulatory requirements. We monitor developments in health, safety and the environment for chemical substances, materials and products.

The department's primary tasks are to monitor that the products are safe to use and comply with the legislation, and that suppliers comply with all requirements. This includes ensuring that the people who produce our products are treated with respect and work under proper working conditions.

“  
*It is important to us not only to comply with international and national legislation. We also follow the development in this area, so we always remain one step ahead of the legislation. This so our customers can feel safe when buying products in Søstrene Grene.*  
”

**LIV VESTERGAARD**  
HEAD OF SUSTAINABILITY & PRODUCT COMPLIANCE, SØSTRENE GRENE.



BY CRESTEN GRENE, CO-OWNER AND CREATIVE  
DIRECTOR, SØSTRENE GRENE.

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NATURAL AESTHETICS

## **NATURAL MATERIALS IN ANNA AND CLARA'S UNIVERSE**

At Søstrene Grene, we have a strong focus on natural materials when we design and create products for the wonderful world of Anna and Clara. Co-owner and Creative Director, Cresten Grene, explains how the use of natural materials is firmly rooted in Søstrene Grene's design and product strategy.

>



As we design and create products for our universe, it's very important to us to start with nature's own materials. Natural materials have a natural durability and often a long life. They also frequently become more beautiful with years of use. A patina gives the product a story – its own unique narrative which can be passed on year after year, and perhaps even from generation to generation.

### **BEAUTY LIES IN THE NATURAL DETAILS**

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Nature has so much to offer and has a great impact on us. For Søstre Grene, the beauty lies in the natural detail. Nature has created so much beauty, and continues to surprise us with new patterns, colours, structures and tactility. This is rejuvenating in itself, but natural materials also

create calm, contemplation and warmth. Many people yearn to find peace, and nature is good at promoting a sense of calm. It is this feeling that we want to add through our choice of materials.

One can become fascinated by a grass species, a leaf or a simple shape during the design process. The tiny details that make up nature's own design. Consider a cotton twig, or catkins on a branch, with their fascinating shape and structure. There are beautiful shapes and expression everywhere in nature. This is where we draw inspiration as we design and choose materials, when we draw patterns, and when we choose hues for our products. Behind all the choices lies a deeper thought – a narrative in which we want to cultivate aesthetics and love of nature's own art.



“

*It is nature's artistic expression that we draw inspiration from as we design and choose materials, when we draw patterns, and when we choose hues for our products. Behind all the choices lies a deeper thought – a narrative in which we want to cultivate aesthetics and love of nature's own art.*

”

**CRESTEN GRENE**  
CO-OWNER AND CREATIVE DIRECTOR,  
SØSTRENE GRENE.



“  
*We have the deepest respect for nature’s resources. Our products made from natural materials must therefore be durable and have long lifetimes, so they can continue to tell nature’s story year after year.*  
”

**CRESTEN GRENE**  
CO-OWNER AND CREATIVE DIRECTOR,  
SØSTRENE GRENE.

## **MATERIALS WITH A LONG LIFETIME**

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Natural materials are pleasant to the touch, and usually age with grace. They can often be repaired for an even longer lifetime, and reused for other purposes. We want to inspire our customers to see that after using their products for many years, they can perhaps be used for other purposes. We believe that everything has value if you look at it with creative eyes. If you have a wooden frame that you can no longer use, perhaps you can disassemble it and use the pieces as garden stakes?

Wood is a natural material with a very long lifetime. Wood should not simply be discarded. It can age with grace and develop a patina, or be assigned a new purpose. At Søstrene Grene, we have wood products in all shapes and sizes, and products made partly of wood.

We also work a lot with grass species, such as straw. We have baskets made of seagrass, and also work with bamboo, which is a stronger grass species.

## **NATURAL EXPRESSION IN THE SISTERS’ UNIVERSE**

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Natural elements are a constant theme in our store interiors – in our Søstrene Grene boxes of pine, our flax skirts and our linoleum floors. Linoleum is made of resin and beeswax, and can be polished again and again, lasting for many years. So we seek to create a natural mood in every part of Anna and Clara’s universe. We do all this with the deepest respect for nature’s resources. Our products made from natural materials must therefore be durable and have long lifetimes, so they can continue to tell nature’s story year after year.



# PRODUCTS

## PRODUCT SAFETY

# THE SAFE CHOICE

At Søstrene Grene, the product is the entire focal point and the core of our business. It is very important to us that our customers feel safe choosing our products.

All Søstrene Grene's products must meet our own internal requirements, as well as the regulatory health, safety, environment and quality requirements.

This is ensured in part through our close cooperation with our suppliers. We systematically test and monitor the content and materials of all products in cooperation with each supplier.

Besides this, the products undergo control before they are put up for sale in the physical store or online.



# TESTING AND QUALITY CONTROL



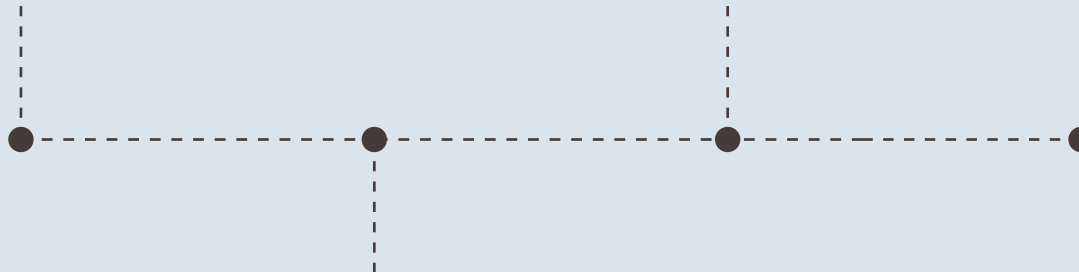
## DEVELOPMENT/DESIGN

Assessment of materials and risk in relation to health, safety and the environment.



## PRODUCTION

Physical quality control for safety and technical specification requirements.



## TEST LABORATORY

Chemical, physical and microbiological tests and collection of all documentation about the product.



## WAREHOUSE

Inspection of products in warehouse in Denmark before they are shipped to the store.

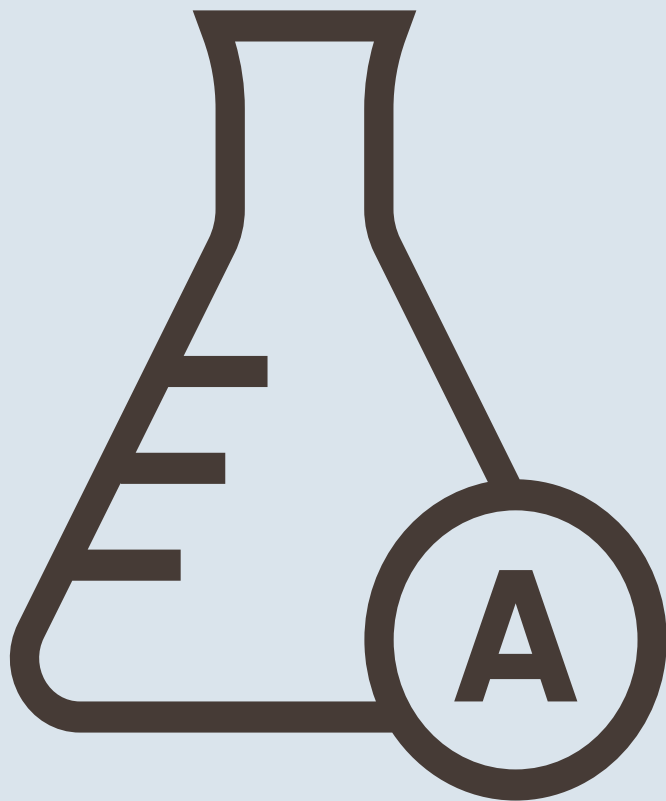




## NO HAZARDOUS CHEMICAL SUBSTANCES

We do not want any hazardous chemical substances in our products, and therefore set strict requirements for the content of such among our suppliers. The day the materials become waste and may be recycled, they must be able to circulate freely without any hazardous chemical substances.

It is therefore important to us to monitor developments in relation to chemicals, so that we always stay one step ahead of legislation. This applies not only in Denmark, but in all countries where we sell our products. The strictest law in a country forms the basis of our requirements.



Forbrugerrådet  
Tænk **Kemi**

## BEST RATING

Søstrene Grene is very proud that a number of our care products have been given an 'A-kolbe' rating in the Danish Consumer Council THINK Chemicals 'Kemiluppen' app. These are in our PureBliss bath and care series for children and adults\*.

The 'A-kolbe' is a quality stamp confirming that the products do not contain various problematic chemicals suspected of being allergenic or endocrine disruptors, as well as perfumes or chemicals that may be harmful to the environment.

The products thus do not contain:

- Perfumes
- Plant extracts that can cause allergies
- Substances suspected of being endocrine disruptors
- Environmentally harmful substances
- Other allergens

Read more about the 'Kemiluppen' app at [www.kemiluppen.dk](http://www.kemiluppen.dk)

\* Except for the hand cream in the series (due to aluminium packaging).

## WE SUPPORT THE FIGHT AGAINST HAZARDOUS FLUORINATED SUBSTANCES

Søstrene Grene has joined with a large number of other companies in choosing to support phasing out hazardous fluorinated substances (PFAS).

We have joined ChemSec, a Swedish non-profit organisation which is working towards phasing out and banning a number of harmful chemicals, including PFAS. We do not want hazardous fluorinated substances in our products, and by supporting the work of ChemSec, we are joining the fight to have PFAS phased out and banned throughout Europe.



“

*We are happy and proud that Søstrene Grene have chosen to join the PFAS Movement. As more and more companies become aware of the PFAS problem and support the initiative, our opportunities to influence legislation increase.*

*The single biggest challenge with PFAS is that they – with very few exceptions – are perfectly legal to use. Here, we believe that our initiative can be of great help to companies that want to phase out PFAS from their products and engage suppliers as well as consumers in the issue.*

”

**DR. JONATAN KLEIMARK**  
SENIOR CHEMICALS AND BUSINESS  
ADVISOR, CHEMSEC.

### **WHAT ARE FLUORINATED SUBSTANCES?**

The problematic fluorinated substances are often referred to as PFAS (organic fluorinated substances), which are a large group of per- and polyfluoroalkyl compounds.

### **WHAT ARE THEY USED FOR?**

These substances are used for impregnation, as they have water, dirt and fat repellent properties. They are used in clothes, shoes, food packaging and care products.

### **HOW DANGEROUS ARE THEY?**

The substances are problematic as they do not easily degrade, and can accumulate in the environment and in humans, leading to harmful effects on health. Several of the substances are suspected of causing cancer and hormonal disorders, and generally weakening the immune system.

### **IS FLUORIDE IN TOOTHPASTE DANGEROUS?**

The fluoride in toothpaste is not part of the PFAS group. Fluoride in toothpaste is inorganic fluoride, which does not have the same problematic properties as the organic fluorides.



## UNWANTED CHEMICALS

Some chemical substances are naturally occurring, while others are synthetically produced, and both non-hazardous and hazardous compounds are found in both categories.

Søstrene Grene's compliance specialists work actively to ensure that Søstrene Grene's products do not contain substances which may be harmful to the environment or to human health.

We critically evaluate the chemical substances and materials in our products, and place strict demands on our suppliers regarding which chemicals we do not want in our products.

### EXAMPLES OF CHEMICALS WE DO NOT WANT IN OUR PRODUCTS:

- Azo dyes
- Bisphenol-A
- Lead
- Brominated flame retardants\*
- Cadmium
- Formaldehyde
- Phthalates
- Chromium VI
- Nickel
- Nonylphenol and nonylphenol ethoxylate
- Organic fluorinated substances
- Substances of very high concern

\*Since it is required under national legislation in the UK, we add EU-approved flame retardants to all textiles for this particular market, and only this market.

“

*It is highly important to us that our customers feel safe when buying our products and that the products do not have a harmful impact on the environment or human health. Therefore, it's one of our top priorities to ensure that our products do not contain any harmful chemical substances.*

”

**LIV VESTERGAARD**

HEAD OF SUSTAINABILITY & PRODUCT COMPLIANCE, SØSTRENE GRENE.





## PLASTIC PLASTIC WITH CARE

Plastic is a material used for many different things, with many good properties. For example, it is a lightweight material, which means that it saves fuel when transported. As food packaging, plastic protects the food and extends its shelf life, minimising food waste. For toys, it is strong and easy to clean.

There is a strong focus on plastic at Søstrene Grene. Plastic should be used with care, and only where there are no other alternatives. Preventing the generation of plastic waste and reducing the consumption of plastic is the most eco-friendly policy according to the waste hierarchy. It is therefore important that if we choose plastic for products, this must be plastic that can be used again and again, or that has been recycled.

But even if the product is reused several times, it will one day become waste. When that time comes, it is important that the plastic materials can be separated, and that the product consists of homogenous types of plastic, so that the materials can be sorted correctly for recycling. This will allow the products to remain in the production cycle for as long as possible.

“

*All single-use plastic is unnecessary plastic. Therefore, we have decided that we do not want products of single-use plastic in our product assortment.*

”

**MIKKEL GRENE**  
CO-OWNER AND CEO,  
SØSTRENE GRENE.

## **ACHIEVED**

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We have phased out selected single-use plastic products and found alternative products for many of them. We have increased our focus on multiple-use plastic products and recycled plastic in general. By the end of 2021, we will have purchased ten different products made of recycled plastic for our assortment.

## **AIM**

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In cases where plastics are the obvious material choice, we will continue to focus on ensuring these products can be used multiple times, and that the material is recycled or recyclable.

WE WILL PHASE OUT  
**SINGLE-USE PLASTIC**  
**PRODUCTS** FROM OUR  
ASSORTMENT DURING 2022.

## SINGLE-USE PLASTIC PHASE-OUT

Based on the principle that all single-use plastic is unnecessary plastic, Søstrene Grene has chosen to phase out virtually all single-use plastic products. But there will be some exceptions where there is no alternative, such as tape.

The following single-use plastic products will be or have been removed from our assortment. The products will be sold until the dates specified, so we can sell out our stocks and avoid major environmental waste.

- Single-use plastic gift ribbon (1 April 2022)
- Transparent plastic wrap for gift wrapping (1 April 2022)
- New Year's Eve tooters with plastic mouthpieces (1 April 2022)
- Single-use plastic rain ponchos (1 July 2022)
- Foil balloons (1 January 2023)
- Single-use bags for food items sold by weight (1 January 2023)

In 2019, we sold over 5,000,000 metres of single-use plastic gift ribbon.

From 1 April 2022, single-use plastic gift ribbon will no longer be available in our stores.

We want to offer alternative products instead, such as satin ribbon and jute twine, which can be used again and again.



CIRCULAR JOY

## RECYCLED PLASTIC PRODUCTS

To reduce plastic consumption and make use of waste products, we have introduced products made from recycled plastic. The plastic might originate from used consumer products, or from used PET bottles, which are used to make polyester.

### ◀ GRS CERTIFIED PRODUCTS

Our recycled plastic products carry the GRS (Global Recycle Standard) label, which means that they contain at least 50% recycled material. GRS also guarantees that the recycled material is only discarded material that would otherwise have ended up as waste.



Certified by GCL  
GCL-4GR3349

GREAT ASPIRATIONS

## **VOLUNTARY CERTIFICATIONS AND LABELLING SCHEMES**

Voluntary certifications and labelling schemes often support the circular mindset, as many of these schemes set strict requirements for hazardous chemical substances, the environment, resources, social factors, recyclability, etc.

When a product or material has a certification or label, it is easier for the customer to make an informed choice. It is therefore our goal to further increase the number of products with voluntary certifications in the coming years. And we have great aspirations in this area. For example, all our textile and wood products must have a certification by the end of 2023.

You can read about several of our product categories on the following pages, including what certifications and labels they carry.

**WOOD AND PAPER** · PAGE 34

**TEXTILES** · PAGE 40

**BATH AND CARE PRODUCTS** · PAGE 42

**FOOD PRODUCTS** · PAGE 44



The mark of responsible forestry

## WOOD AND PAPER SUSTAINABLE FORESTRY

Søstrene Grene has many products made from natural materials, including wood and paper. It is very important to us that these are manufactured with great consideration, and that we help take good care of our environment and climate.

Using paper and wood products from sustainable forestry and other controlled sources is a vital factor in this regard. That is why we are an FSC® member, and FSC®-certified as a company. This ensures independent documentation, as we are audited every year by an independent certification body.

### ACHIEVED

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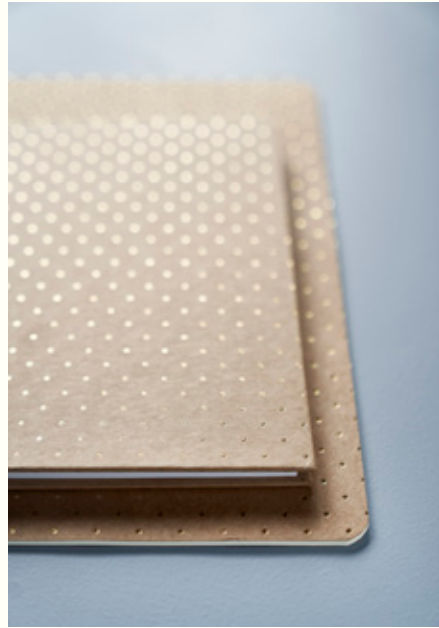
In 2020/21, we achieved our goal that all our toys and children's products made of pure wood should be FSC®-certified. In 2020/21, we also came closer to our goal that all our furniture and kitchen products made of pure wood should be certified.

### AIM

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All our wood and paper products made of pure wood/paper or partly of wood/paper must be FSC®-certified\* by the end of 2023. All our furniture and kitchen products made of pure wood must be certified by the end of 2022.

\*Except for grass species such as rattan/bamboo/seagrass etc.



FSC® (Forest Stewardship Council) is a certification which guarantees that the forest from which the material originates is managed sustainably, and that no more timber is felled than the forests can reproduce naturally.

FSC® is a guarantee that flora and fauna are protected, and that forestry workers are trained, have the right safety equipment and receive decent wages. There are various FSC® labels. At Søstrene Grene we work with the following three:

**FSC® 100%**

The 100% label means that the material comes from FSC®-certified forests.

**FSC® MIX**

The MIX label means that the material contains one or more of the following materials: recycled materials, FSC® controlled wood or new wood from FSC®-certified forests.

**FSC® RECYCLED**

The Recycled label means that the material consists of recycled material.

INTERVIEW MORTEN BRODDE, CONSULTANT  
AND RELATION MANAGER, FSC® DANMARK.

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SUSTAINABLE FORESTRY

## **WOOD AND PAPER PRODUCTS MADE WITH CARE AND RESPONSIBILITY**

We work closely with FSC® Danmark on certification of our products and the responsible use of wood and paper. We spoke with Morten Brodde, Relation Manager and Consultant at FSC® Danmark, about FSC® and our partnership.

>



## **WHY ARE FSC®-CERTIFIED PRODUCTS IMPORTANT?**

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FSC® sets requirements for social, economic and environmental sustainability in forestry. This is more important than ever before. Our founding principles are based on the whole CSR mindset. This means that timber is felled legally in FSC®-certified forests, while consideration is given to the local population and forestry workers have proper working conditions. Requirements are also set for wildlife protection and sustainable logging. Forests must continue to be forests, so that we can protect biodiversity and benefit from their many functions. Overall, forests are also important in relation to climate challenges, as they absorb and store CO<sub>2</sub>.

## **CAN YOU TELL US A BIT ABOUT FSC® DENMARK'S WORK?**

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Our role is to increase awareness of FSC® among end consumers, companies and public bodies that buy wood products, so that more forest ultimately becomes FSC®-certified. We focus on certifying wood products and other

forest-based materials such as natural rubber and cork, and guide companies in understanding the requirements in relation to FSC® certification. This leads to more sustainable forestry, so that future generations can also use and benefit from forests. We are part of an international FSC® network with approx. 50 national offices spread all over the world, and work with companies and NGOs.

## **CAN YOU SAY A FEW WORDS ABOUT THE PARTNERSHIP WITH SØSTRENE GRENE?**

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Søstrene Grene became FSC®-certified in 2017 – one of the very first trading companies in Denmark to do so. We make regular contact to look at how you are working with FSC®. We also get input from you as a company in relation to your experience of being FSC®-certified. We work together on FSC® campaigns and on communicating FSC® to customers. We are pleased about the partnership and your participation in various contexts, where you share your experiences with other companies.

## **EXTENDED REQUIREMENTS FOR WORKING CONDITIONS**

FSC®'s basic workers' rights requirements are now being extended and will apply to all FSC®-certified companies, from the sawmill to the timber wholesaler, the many certified trading companies, manufacturing companies and certified dealers. The following four main requirements have been set:

- Companies are not allowed to use child labour.
- Companies must abolish all forms of forced or compulsory labour.
- Companies must ensure that there is no discrimination in working and employment conditions.
- Companies must respect freedom of association and recognise the right to collective bargaining.

Everyone throughout the entire chain must document compliance with the requirements. The new requirements are based on the ILO's labour rights requirements. The amfori Business Social Compliance Initiative (BSCI) requirements are also based on these. Read more about amfori BSCI on pages 51-52.

“

*We must protect wood as a resource. This means that those who use wood have an obligation to ensure that it comes from sustainably managed forestry, which not only complies with legislation, but is also socially and environmentally sustainable.*

”

**MORTEN BRODDE**

CONSULTANT AND RELATION  
MANAGER, FSC® DANMARK.



**IN 2018, SØSTRENE GRENE RECEIVED THE FSC® 100% AWARD. CAN YOU TELL US WHAT THE AWARD RECOGNISES?**

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We are pleased to have members who have concrete sustainability aspirations and dare to make them public. We want to acknowledge this. They can be companies that have already come a long way with their FSC® assortment, or are only just beginning, and that are helping to inspire other companies in that direction. The award acknowledges a good FSC® policy and visible purchasing aspirations in this area.

**CAN THE WORLD RUN OUT OF FSC®-CERTIFIED WOOD DUE TO HIGH DEMAND, AND WHAT ARE YOUR THOUGHTS ON THIS?**

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There is growing demand for FSC®-certified materials from many sectors. This can make it difficult for people to get hold of as much FSC® material as they would like at certain times. But we also know that increased demand for FSC® has led to more FSC®-certified forests and more FSC® wood over time, as FSC® wood gains greater commercial value for forest owners. At the same time, we are working to increase the

volume of recycled materials in our system and promote more circular processes in the timber trade. We are doing this in part via the two labels – FSC® MIX and FSC® Recycled. Only recycled materials may be used in FSC® Recycled products, and in FSC® MIX, recycled materials may be used in equal proportion to new wood from FSC®-certified forests. This can help to extend the life of the wood fibres and utilise forestry resources as efficiently as possible.

**HOW SHOULD COMPANIES RESPOND TO THIS?**

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Through the FSC® system, companies like Søstrene Grene have the opportunity to contribute to more wood recycling, for example, by requesting FSC® Recycled. We must protect wood as a resource. Wood is in high demand because it has some very unique properties compared to other materials – in relation to carbon emissions and the climate, but also as a material in general. This means that those who use wood have an obligation to ensure that it comes from sustainably managed forestry, which not only complies with legislation, but is also socially and environmentally sustainable.





## TEXTILES

# TEXTILES WITH CARE

Søstrene Grene has many textile products, and it is our aim to ensure that these textiles are made from fibres that are as homogenous as possible. It is difficult to recycle textile products if they are composed of many different fibres. We also want to help ensure that no hazardous chemicals recirculate in the production cycle. Strict requirements must be set in relation to health, the environment, social factors, recycling of materials, etc. in textile production.

## ACHIEVED

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The majority of Søstrene Grene's textiles for kitchens, children's bedrooms and bathrooms, and many of our home interior products, are OEKO-TEX® and/or GOTS certified.

## AIM

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All\* textile products must have a voluntary certification that sets requirements for hazardous chemical substances, the environment, social conditions, recycling, etc. by the end of 2023.

\*except for textiles for selected furniture and decorations.



Søstrene Grene makes use of the following labelling schemes for textiles:

**OEKO-TEX®**

There are various OEKO-TEX® certifications, including Standard 100 by OEKO-TEX®, which indicates that the product complies with strict requirements for levels of chemicals that can be hazardous to health or the environment, so consumers can use it with confidence.

**GOTS**

GOTS (Global Organic Textile Standard) is a globally recognised labelling scheme for organic textiles that sets a number of strict requirements in relation to the environment, working conditions and animal welfare throughout the production cycle.

**GRS**

GRS (Global Recycle Standard) is an international label. The label indicates that products contain at least 50% recycled material, and guarantees that production of the recycled material has taken place under proper working conditions.

**OCS**

OCS (Organic Content Standard) is an international, voluntary standard that sets requirements for third-party certification of organic materials.





## BATH AND CARE PRODUCTS PURE WELL-BEING

We always carry a large assortment of care products bearing the Nordic Swan Ecolabel and the Asthma and Allergy Nordic label. All our care products for children must bear both the Asthma Allergy Nordic label and the Ecocert label. Anna and Clara's washing-up liquid, finger paint and a number of colouring books and napkins also bear the Nordic Swan Ecolabel.

### ALLERGENIC PERFUMES

For products containing perfume, such as care products and scented candles, we stipulate that the 26 allergenic perfume substances defined by the EU must all be below the limit for declaration on the packaging. This means that the values are so low that the EU does not consider it necessary for them to be declared on the packaging.

### AIM

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All bath and care products must be of European origin and must have a certification by the end of 2022.

Soaps originating outside Europe that contain allergenic perfumes will be phased out by July 2022.



Søstrene Grene makes use of the following labelling schemes for bath and care products:

#### THE NORDIC SWAN ECOLABEL

Ensures that the product is manufactured with consideration for the environment and human health.

#### ASTHMA ALLERGY NORDIC

Ensures that the product does not contain perfume and minimises the risk of allergies.

#### THE VEGAN TRADEMARK

Ensures that the product does not contain ingredients of animal origin.

#### ECOCERT – COSMOS ORGANIC

Ensures that the product is made using ingredients of natural origin and with consideration for the environment.





## FOOD ITEMS

### PEACE OF MIND

For Søstre Grene, it is essential that our food is produced under proper conditions that take into account both people and the environment. The vast majority of our food is produced in Europe. However, some of the ingredients used in some of our products come from places in the world where production and working conditions are generally not as good as in Europe. These are commodities such as coffee, cocoa, sugar etc.

To ensure that these ingredients are produced under decent conditions, we have the general goal of increasing the number of voluntary certifications that take into account social conditions and the environment in production. We will focus on adding more products with the Fairtrade mark to the assortment. The Fairtrade mark ensures good working conditions for farmers and workers, while also taking the environment into account.

### ACHIEVED

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Around 25% of our food assortment is currently organic.

### AIM

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One third of our products should have one or more voluntary certifications, such as the Fairtrade mark, the Danish organic label ('Ø-label') or EU's organic label.



## FOOD SAFETY

Søstrene Grene takes food safety very seriously. Our food suppliers are based in Europe, and must all monitor their production sites when they produce food. Production is also checked by the authorities as prescribed by law.

## ALL STORES

All our stores in Denmark are inspected by the Danish Veterinary and Food Administration. Our stores in other EU countries are subject to similar monitoring.









## HEAD OFFICE AND WAREHOUSES

Søstrene Grene's head office, webshop and warehouse facilities are also covered by the Smiley scheme. This means that documentation and the storage and handling of food in warehouses are inspected annually.







“  
Products with a voluntary  
and recognised certification or  
labelling scheme make it easier for our  
customers to make an informed choice.  
Therefore, we want to certify  
more products.”

**LIV VESTERGAARD**  
HEAD OF SUSTAINABILITY & PRODUCT  
COMPLIANCE, SØSTRENE GRENE.

AIM	ACTION	YEAR	STATUS	UN GOAL
<b>SAFETY AND QUALITY REQUIREMENTS</b> Focus on product safety when developing and purchasing products.  Set specific requirements for all products in terms of inspection and testing.	Trained specialists must ensure compliance with legislation, risk assessment, prepare test programmes, monitor research etc. for all Søstre Grene's products. All product orders are inspected and risk assessed.	Ongoing	100%	 
	Perform quality control for the following product groups: <ul style="list-style-type: none"> <li>Furniture, natural products</li> <li>Selected home interior products</li> <li>Toys</li> <li>Children's products</li> <li>Electronics</li> </ul>	Ongoing	100%	
<b>CHEMICAL SUBSTANCES</b> No hazardous chemical substances in Søstre Grene's products.	<ul style="list-style-type: none"> <li>Control and risk assessment of chemical substances in all products.</li> <li>Comply with Søstre Grene's internal requirements regarding chemical substances. In many cases, Søstre Grene's internal requirements are stricter than the legislation in various areas.</li> </ul>	Ongoing	100%	 
<b>CERTIFICATIONS</b> Increase the number of certifications for the following product areas: <ul style="list-style-type: none"> <li>Textiles</li> <li>Wood and paper</li> <li>Bath and care products</li> <li>Food items</li> </ul>	<b>TEXTILES</b> <ul style="list-style-type: none"> <li>All textile products for children's rooms and bathrooms must have an OEKO-TEX® or GOTS certification (does not apply to toys).</li> <li>All textile products* must have a voluntary certification that sets requirements for hazardous chemical substances, the environment, social factors, recycling, etc.</li> </ul>	Ongoing	100%	   
	<b>WOOD AND PAPER</b> <ul style="list-style-type: none"> <li>All stationery products made of paper must be FSC®-certified.</li> <li>99% of party items must be FSC®-certified.</li> <li>All toys and children's products made of pure wood must be FSC®-certified.</li> <li>All furniture and kitchen products made of pure wood must be FSC®-certified.</li> <li>All products made of pure wood or paper and products made of partly wood or paper must be FSC®-certified**.</li> </ul>	2023	70%	
	<b>BATH AND CARE PRODUCTS</b> <ul style="list-style-type: none"> <li>Increase the proportion of certified bath and care products to 60%.</li> <li>All bath and care products must be of European origin and have a certification.</li> </ul>	2019	100%	
		2019	100%	
		2021	95%	
		2022	90%	
		2023	70%	
		2020	100%	
		2022	60%	
	<b>FOOD PRODUCTS</b> <ul style="list-style-type: none"> <li>The proportion of organic products must be 25%.</li> <li>One third of our food assortment must have one or more voluntary certifications, such as an organic or fairtrade label.</li> </ul>	2021	100%	
	2023	75%		

\* Except textiles for selected furniture and decorations. \*\* Except for grass species such as rattan/bamboo/seagrass etc.

## REPORTING PRODUCTS

AIM	ACTION	YEAR	STATUS	UN GOAL
<p><b>PLASTIC WITH CARE</b> Minimise the proportion of single-use plastic products. Focus on multi-use, recycling and re-use.</p>	<p><b>SINGLE-USE PLASTIC</b> Review other single-use plastic products to be phased out.</p> <p>The following products will be removed from stores by the dates specified:</p> <ul style="list-style-type: none"> <li>• Single-use plastic gift ribbon (1 April 2022)</li> <li>• Transparent plastic wrap for gift wrapping (1 April 2022)</li> <li>• New Year's Eve tooters with plastic mouthpieces (1 April 2022)</li> <li>• Single-use plastic rain ponchos (1 July 2022)</li> <li>• Foil balloons (1 January 2023)</li> <li>• Single-use bags for food items sold by weight (1 January 2023)</li> </ul>	2021	100%	   
	<p>The following products are being phased out in stores:</p> <ul style="list-style-type: none"> <li>• Straws</li> <li>• Food sticks, flag sticks, balloon sticks</li> <li>• Cutlery</li> <li>• Lid for cups etc.</li> <li>• Plastic party poppers</li> <li>• Christmas stars for gifts</li> </ul>	End of 2021	97%	
	<p>Disposable cardboard tableware (cups/plates) coated with plastic film to be phased out.</p>	End of 2021	90%	
	<p><b>RECYCLED PLASTIC</b> Procure ten products made of recycled plastic.</p>	2021	100%	
	<p><b>HOMOGENOUS PLASTIC</b> Inform customers of the product's plastic type on the packaging or directly on the product, where appropriate.</p>	2022	70%	



# SUPPLIERS

RESPONSIBLE PRODUCTION

## RESPECT FOR THE ENVIRONMENT AND PEOPLE

Søstrene Grene's products are made by suppliers, primarily in Europe and Asia. It is important to us that production takes place under proper conditions, with respect for people and the environment.

We want our customers to feel confident that the products they buy have been produced under good working conditions, and that the people working in the production are treated with respect and in accordance with international law.



## CODE OF CONDUCT SUPPLIER MONITORING

We work with third-party auditors at our suppliers' factories in Asia and Europe, followed up by self-inspection. The self-inspection is performed by our own employees at our national office in Shanghai. Read more about this on pages 54-57.

We are also a member of the amfori Business Social Compliance Initiative (BSCI), an international supplier management system with more than 2,000 members that monitors the working conditions at over 54,000 suppliers based on 13 principles.

The principles prohibit child labour, corruption and discrimination, while driving improvements in the occupational health and safety of workers and protection of the environment.



“

*As a member of amfori, Søstrene Grene can efficiently manage the social and environmental performance of its supply chains and contributes to enhancing better working conditions, that natural resources are managed responsibly and that the global trade is placed in a responsible context.*

”

**GRY MONTIEL**  
NETWORK REPRESENTATIVE DENMARK  
FOR AMFORI

# amfori BSCI Code of Conduct

Our enterprise agrees to respect the following labour principles set out in the amfori BSCI Code of Conduct.

## amfori BSCI Principles



### The Rights of Freedom of Association and Collective Bargaining

Our enterprise respects the right of workers to form unions or other kinds of workers' associations and to engage in collective bargaining.



### Fair remuneration

Our enterprise respects the right of workers to receive fair remuneration.



### Occupational health and safety

Our enterprise ensures a healthy and safe working environment, assessing risk and taking all necessary measures to eliminate or reduce it.



### Special protection for young workers

Our enterprise provides special protection to any workers that are not yet adults.



### No bonded labour

Our enterprise does not engage in any form of forced servitude, trafficked or non-voluntary labour.



### Ethical business behaviour

Our enterprise does not tolerate any acts of corruption, extortion, embezzlement or bribery.



### No discrimination

Our enterprise provides equal opportunities and does not discriminate against workers.



### Decent working hours

Our enterprise observes the law regarding hours of work.



### No child labour

Our enterprise does not hire any worker below the legal minimum age.



### No precarious employment

Our enterprise hires workers on the basis of documented contracts according to the law.



### Protection of the environment

Our enterprise takes the necessary measures to avoid environmental degradation.

READ MORE ABOUT AMFORI BSCI AT [WWW.AMFORI.ORG](http://WWW.AMFORI.ORG)

## EXTRA GUARANTEE OF SOCIAL RESPONSIBILITY

As mentioned in Chapter 1 on products, some of Søstrene Grene's products carry a number of product certifications. Some of these certifications also cover social responsibility, guaranteeing that the product is produced under proper conditions, with respect for people and the environment. The requirements set by these certification bodies are thus an extra guarantee, in addition to the audits performed by our third-party auditors, amfori BSCI, and via self-inspection.

### GOTS

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In addition to a large number of environmental requirements, GOTS sets social criteria that must be met by all manufacturers. These include safe and hygienic working conditions, set minimum wages and defined working hours. Any form of child or forced labour is also prohibited.

### FSC®

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FSC®'s basic workers' rights requirements have been extended, and in addition to forestry workers, they will apply to all FSC®-certified companies, from the sawmill to the timber wholesaler, the many trading companies, manufacturing companies and certified dealers, so that the whole chain is covered.

### GRS

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The GRS label guarantees that production of the recycled material has taken place under good working conditions with no forced labour, no child labour, the right to form unions, no discrimination and a focus on health and safety.

### FAIRTRADE

---

The Fairtrade label seeks to ensure better wages and proper working conditions for the world's vulnerable farmers and workers. For example, there is a ban on child labour and there are safety equipment requirements and strict requirements for protection of the local environment, watercourses and biodiversity.

INTERVIEW JUDI FENG, COUNTRY MANAGER,  
CHINA, SØSTRENE GRENE.

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CLOSENESS AND DIALOGUE

## CLOSE COOPERATION WITH LOCAL SUPPLIERS

Søstrene Grene has a regional office in China, from where our own employees work to create close relationships with our Chinese suppliers. Here China Country Manager, Judi Feng, explains more about the work at Søstrene Grene's Shanghai office.



### **WHAT ARE YOUR MAIN FUNCTIONS AT THE SHANGHAI OFFICE?**

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Our main functions are to maintain close relations with our Chinese suppliers, inspect produced orders, perform quality control, check local conditions at the factories and not least to support the buying team back home in Denmark.

### **WHAT ARE THE ADVANTAGES IN HAVING A LOCAL SØSTRENE GRENE OFFICE IN CHINA?**

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Since we are in the same time zone, it's easier to reach suppliers, and communication can be made more efficiently. Also due to the proximity in culture and language, in some cases, communication can be more effective by avoiding unnecessary misunderstandings. Relations are very important in

Chinese culture. Having a local office provides suppliers with more direct and faster access to our company. If they have a problem or difficulty in understanding something or handling something, they can always come to us for quick clarification and assistance.

We also give the suppliers training on the procedure of working with Søstrene Grene. This to make sure they know and follow the rules in relation to working with us. Checking into the production at the suppliers can also help us find and solve any problems at an early stage. Last but not least, when entering into cooperation with new suppliers, we need to know who we are working with as we want to work with the right suppliers and factories. With a local office, we can easily send people to visit a supplier on site to collect more info about the specific supplier or factory.

“  
*Relations are very important in Chinese culture. Having a local office provides suppliers with more direct and faster access to our company.*  
”

**JUDI FENG**  
COUNTRY MANAGER, CHINA,  
SØSTRENE GRENE.

## SØSTRENE GRENE'S COUNTRY OFFICE IN CHINA

### LOCATION

- Shanghai

### EMPLOYEES

- 6

### MAIN TASKS

- Maintain close relations with Chinese suppliers.
- Quality control of production at local suppliers.
- Control of local conditions at the factories to ensure that they comply with our Code of Conduct.
- Advise and help suppliers in getting ready for a BSCI audit.
- Support the Buying team and the Quality & Compliance team at the head office in Denmark.

### HOW OFTEN DO YOU VISIT THE FACTORIES AND WHICH PRO- CESSES DO YOU AUDIT ON SITE?

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Before COVID, we visited the suppliers quite often, say bi-weekly. Before each visit, we normally would have asked the supplier to fill in a supplier profile, which includes basic info on the supplier. So, for the on-site visit, we mainly cross-check the info they pre-provided and make a factory tour as well as check on-site conditions, such as working conditions. During an on-site visit and talk, we normally get a deeper and more accurate idea about the overall business situation of the supplier.

### WHAT IS THE PROCEDURE IF YOU MAKE FINDINGS AT A FACTORY THAT DO NOT COMPLY WITH THE DEMANDS IN PLACE?

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In that case, we will raise a red flag and inform Denmark immediately. Moreover, we will also talk with the

supplier on a possible improvement plan to make them compliant again.

### HOW DOES YOUR WORK COMPLEMENT THE WORK OF THE THIRD-PARTY AUDITORS?

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Normally, at the early stage of considering collaboration with a new supplier, third party auditors are not involved. We make a basic judgement if it's workable to go ahead with the supplier. At this stage, our work is to collect and verify supplier info through email, phone talks and visits.

Before third party audits, we will communicate with the suppliers about our overall requirements on BSCI. We give them a deadline, guide them to the BSCI platform, ask them to schedule an audit plan and timeline, to provide them with the necessary help for them to get prepared for the audit.






“

*We ensure that the suppliers comply with the demands we lay down in relation to cooperating with us. We make on-site visits where we control that they comply with current regulations and demands, e.g. in relation to working conditions.*

”

**JUDI FENG**  
COUNTRY MANAGER, CHINA,  
SØSTRENE GRENE.

## REPORTING SUPPLIERS

AIM	ACTION	YEAR	STATUS	UN GOAL
<p>The majority of our suppliers must work actively to prepare for an amfori BSCI audit.</p> <p>This must be ensured through systematic work with our responsible supplier management organisation.</p>	<ul style="list-style-type: none"> <li>In 2019, Søstrene Grene decided to become a member of the amfori Business Social Compliance Initiative (amfori BSCI), a leading international supplier management system.</li> <li>All our suppliers that produce outside the EU have been reviewed (50% of these have had a BSCI audit).</li> <li>80% of our suppliers outside the EU must work actively to prepare for a BSCI audit*.</li> </ul> <p>*It is not possible to reach 100%, as some suppliers in India are approved under other recognised supplier management systems (such as Sedex/Smeta).</p>	2019	100%	
		2020	100%	
		2023	75%	



# ENVIRONMENT

“ We take our responsibility as a company very seriously, including the consideration for the environment and the climate. This is something we focus on throughout our value chain. ”

**MIKKEL GRENE**  
CO-OWNER AND CEO, SØSTRENE GRENE.



PROTECTING THE ENVIRONMENT

## **CLIMATE AND ENVIRONMENTAL INITIATIVES**

Søstrene Grene has an environment and climate footprint throughout the value chain. We therefore have a major responsibility to reduce our carbon emissions, in view of the future environment and climate changes the world is facing. We strive to take continuous action and help reduce carbon emissions.

On the following pages, you can read about our initiatives in the following areas, where we seek to protect the environment as much as possible:

**PACKAGING** · PAGE 62

**TRANSPORT** · PAGE 67

**ENERGY** · PAGE 70

## PRODUCT PACKAGING

# THE LESS THE BETTER

It has always been one of Søstrene Grene's principles that customers should be able to see, feel and touch the products. This heightens our senses and gives a very different experience of the product. The goal has therefore always been to use as little product packaging as possible with Søstrene Grene's products. If the product packaging serves no function, it is not necessary.

But in many cases, product packaging cannot be avoided because it does serve an important function. The packaging often protects the product, is used to provide important information to the consumer about product safety, prolongs the shelf life of food, etc. There will therefore always be product packaging that must be disposed of as waste.

At Søstrene Grene, we basically view all single-use plastic as unnecessary plastic. We have therefore reduced our consumption of plastic for product packaging, especially for non-food products. In some cases, the packaging is simply removed. In other cases, an alternative material, such as cardboard or paper, is used.

When we use packaging, it must be homogenous and easy to separate, so that the consumer can sort it correctly for recycling. This allows the product packaging to remain in the production cycle to be used again.





## ◀ EXAMPLE INITIATIVES

### BEDSPREADS

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All plastic packaging has been removed. Instead of a wide cardboard band, a jute twine is used to hold the bedspread together. Text and price are shown on a small cardboard hang tag.

### WRITING TOOLS

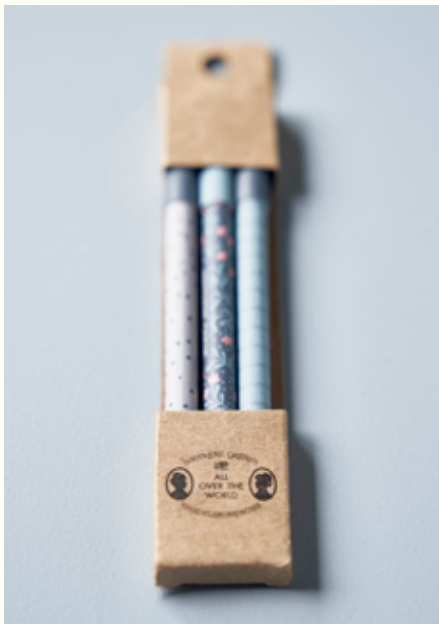
---

Plastic packaging and plastic cassettes for writing tools have been removed. Only cardboard is used and there is no film or plastic covering the writing tools.

### GENERAL

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No plastic packaging, no plastic windows, the product can be seen and felt, jute twine is used instead of plastic ties. Cardboard can be sorted and recycled.



## PACKAGING FOR FOOD

# SORTING AND RECYCLING

It is essential that food packaging protects the contents and extends the shelf life of the food. This avoids a lot of food waste.

Since food packaging has to meet very strict requirements regarding the content and release of chemical substances, it often has high quality that makes it very suitable for recycling. Food packaging must therefore be designed to allow the packaging to be sorted correctly, so that it can be recycled.

Many suppliers make their packaging using a mix of materials which cannot be separated during disposal. Such packaging cannot be recycled and ends up being incinerated as waste. Søstrene Grene is in ongoing dialogue with our suppliers regarding food packaging, to ensure separation and recycling are possible.

### EXAMPLE >

The supplier has made sure that both the bag and sticker are the same type of plastic, so that the entire packaging can be sorted as plastic and recycled.





## < EXAMPLE

For coffee, it is important that the foil/packaging protects the coffee's aroma and gives it the longest shelf life possible. The packaging must therefore be welded together so that it is airtight. For many years, three layers of foil have been used for coffee packaging:

- An outer foil made of polypropylene (PP).
- A metallised layer that serves as a barrier, so the coffee can last longer.
- A polyethylene (PE) foil that is welded, so that the bag is airtight.

The metallised layer prevents the foil from being recycled. Our coffee supplier has now developed a two-layer foil, in which the middle metallised layer has been removed:

- An outer foil made of polypropylene (PP), which now provides the barrier.
- A polyethylene (PE) foil that is welded, so that the bag is airtight.

The two-layer foil, made of PP and PE (compatible plastic types), can be recycled and sorted as general plastic. The new foil even uses 15% less materials.

## PACKAGED WITH CARE

# TRANSPORT PACKAGING

Søstrene Grene transports many products, and the use of transport packaging is unavoidable. We have therefore set strict requirements and provided instructions to our suppliers regarding packaging of products. Products must be safe to transport, but without using excessive packaging.

### PACKAGING FOR E-COMMERCE

All cardboard boxes used for shipping are FSC®-certified, and we use FSC®-certified wrapping paper to protect the products.

We have a continuous focus on minimising packaging consumption in connection with e-commerce, while ensuring that the products have the best possible protection during shipping.



## TRANSPORT BY ROAD

Søstrene Grene actively prioritises transport carriers with a green profile.

### PART OF DHL'S GOGREEN PROGRAMME

DHL delivers our webshop orders in France, the Netherlands and Germany, where we participate in their GoGreen programme. The programme focuses on green transport solutions, sustainable supply chain management and a general reduction in carbon emissions. DHL aims to reduce all logistics-related emissions to zero by 2050.

### GREENER DELIVERY WITH BRING

Our webshop orders in Sweden and Norway are delivered by Bring. Bring is working towards all their deliveries being fossil-free by 2025. The Bring Group had already achieved their 2022 target for reduced emissions and greater use of bio-neutral vehicles in 2019.

### THINKGREEN WITH GLS

GLS delivers all our webshop orders in Denmark. GLS has their ThinkGreen focus, where they view sustainability as a whole – from environmental, social and economic angles. GLS has the goal of achieving sustainable economic success, while protecting the environment for future generations. GLS reports annually on their environmental accounts and examples of social initiatives across Europe in their responsibility report.





TRANSPORT BY SEA

## **CARBON-NEUTRAL FREIGHT WITH MAERSK**

At Søstrene Grene, we have a responsibility to help reduce carbon emissions. Through our close collaboration with Maersk, we have therefore chosen Maersk's ECO Delivery product. Maersk ECO Delivery uses biofuels produced from recyclable and sustainable biomass that have been certified as sustainable fuels.

Maersk has the stated goal of achieving carbon-neutral shipping by 2050. Søstrene Grene's agreement with Maersk commences on 1 October 2021. We expect this to make a significant contribution to reducing carbon emissions related to our transport by sea.



**MAERSK**

“

*Maersk has committed to net-zero carbon by 2050. We invest heavily to reach this goal, but we cant do this alone. Close collaboration with customers is crucial.*

*Its great to see Søstrene Grene supporting us by using Maersk Eco Delivery to reduce their CO2 emissions. This is real leadership.*

”

**MADS STENSEN**

SENIOR SUSTAINABILITY ADVISOR, MAERSK.



## BRIGHT IDEAS

# ENERGY INITIATIVES

Søstrene Grene has launched some initiatives to help reduce our carbon footprint in relation to energy consumption:

- The power used at Søstrene Grene's warehouses in Årslev and Viby near Aarhus is purchased as 100% wind energy.
- LED lighting is used at Søstrene Grene's logistics centre at Årslev, and in many of Søstrene Grene's stores.
- All light sources at Søstrene Grene's webshop warehouse in Viby were replaced with LEDs in spring 2021.

## RENEWABLE ENERGY IN STORES

The electricity used in all Søstrene Grene's 11 stores in the Netherlands is purchased as 100% renewable energy. The same applies to 17 of Søstrene Grene's 51 stores in Germany. From 1 January 2022, this will apply to all German stores.



# MIT ERNEUERBARER ENERGIE VERSORGT

DIESER LADEN VON  
SØSTRENE GRENE WIRD  
MIT 100 % ERNEUERBARER  
ENERGIE VERSORGT.

FÜR WEITERE INFORMATIONEN ZU DIESER INITIATIVE  
WENDEN SIE SICH BITTE AN UNSER PERSONAL.



[WWW.SOSTRENEGRENE.COM/DE/VERANTWORTUNG](http://WWW.SOSTRENEGRENE.COM/DE/VERANTWORTUNG)

“






*Being a part of the global society,  
we feel it's important that we contribute  
to reducing the carbon footprint in  
all aspects of our business.*

*Having 17 stores on renewable energy  
is only a small step in the right direction,  
and we want all German stores onboard  
as quickly as possible.*

*We must continuously look for new ways  
to reduce our footprint, and we are also  
looking into testing new light sources  
in all stores which can further reduce  
our carbon footprint.*

”

**MOGENS LINK SCHMIDT**  
JOINT VENTURE PARTNER IN GERMANY,  
SØSTRENE GRENE.

AIM	ACTION	YEAR	STATUS	UN GOAL
<p>It is our goal to reduce carbon emissions throughout our entire value chain.</p>	<p><b>PRODUCT PACKAGING</b></p> <ul style="list-style-type: none"> <li>Carefully consider the packaging used for each product sold.</li> <li>Remove plastic packaging, if possible.</li> </ul>	Ongoing	100%	
	<p>The following initiatives are being launched for plastic packaging:</p> <ul style="list-style-type: none"> <li>Make plastic packaging using homogenous plastic types that are easy to sort and recycle (polyethylene, polypropylene).</li> </ul>	Ongoing	100%	
	<p><b>TRANSPORT PACKAGING</b></p> <ul style="list-style-type: none"> <li>Set requirements for suppliers to reduce transport packaging.</li> </ul>	2021	100%	
	<p><b>BAGS IN STORES</b></p> <ul style="list-style-type: none"> <li>Paper bags and candied sugar bags must be FSC®-certified.</li> <li>Self-serve tea leaf bags must be FSC®-certified.</li> </ul>	2020 2021	100% 100%	
	<p><b>PACKAGING FOR E-COMMERCE</b></p> <ul style="list-style-type: none"> <li>Cardboard boxes must be FSC®-certified.</li> <li>Protective paper must be FSC®-certified.</li> </ul>	2020 2021	100% 100%	
	<p><b>WATER BOTTLES</b></p> <ul style="list-style-type: none"> <li>Plan International water bottles are made of 100% recycled polyethylene plastic.</li> </ul>	2020	100%	
	<p><b>ENERGY AND TRANSPORT</b></p> <ul style="list-style-type: none"> <li>The power used at Søstrene Grene's warehouses in Årslev and Viby near Aarhus will be purchased as 100% wind energy.</li> <li>100% LED lighting in Årslev and a number of stores.</li> <li>100% LED lighting in webshop warehouse in Viby.</li> <li>All 55 German stores must buy electricity based on 100% renewable energy.</li> <li>All 11 stores in the Netherlands must buy electricity based on 100% renewable energy.</li> </ul>	2020 2020 2020 2021	100% 100% 100% 30% 100%	



**SOCIETY**

WITH THE HELP OF OUR  
CUSTOMERS, WE DONATED  
DKK **500,000** TO PLAN  
INTERNATIONAL IN 2020.

WARMTH OF HEART

## CHARITY WHERE THE NEED IS GREATEST

At Søstrene Grene, we believe that supporting charity initiatives to aid vulnerable groups contributes to a positive trend – not only for the communities we support, but for the entire global community.

### ACHIEVED

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With the help of our customers, Søstrene Grene donated DKK 500,000 to Plan International in 2020, and the total donation to the Christmas aid appeal for Mødrehjælpen (a mothers' aid charity) reached DKK 135,168.

We also donated DKK 500,000 through the sale of Red Cross water in Denmark and Norway.

### AIM

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For 2021, we set a goal of donating at least DKK 600,000 to Plan International, and we are repeating the collection for Mødrehjælpen's Christmas aid appeal.



AN IMPORTANT CAUSE

## VALUE-CREATING PARTNERSHIP

Plan International works in the world's most fragile and vulnerable areas, with a long-term vision of protecting the rights of children and young people and creating equal opportunities for all, regardless of gender. Plan International makes a special effort to help girls and young women, who are particularly impacted by inequality and discrimination.

The partnership with Søstrene Grene seeks to help girls and young women escape poverty. The aim is to give more girls and young women in East Africa the opportunity to educate themselves, and thereby create a better and safer life for themselves and their families.



## GREAT ASPIRATIONS FOR 2021

In autumn 2020, we extended our partnership with Plan International for another two years, until the end of 2022. Under the partnership, Søstrene Grene introduces a number of products, for which part of the sales price goes to the important work of Plan International.

We decided to launch more products under this partnership in 2021, so that we can raise even more money for the good cause together with our customers. In addition to launching Plan International tote bags throughout the year, we have launched a notebook, and will also launch a colouring book in October 2021.

For each product sold, DKK 3-5 is donated to Plan International. In addition to these products, water is also sold in all Søstrene Grene's physical stores, where DKK 0.75 is donated to Plan International for each bottle sold. The water bottle is made of 100% recycled plastic.

With the help of our customers, Søstrene Grene donated DKK 500,000 to Plan International in 2020. We have set a minimum goal of DKK 600,000 in 2021, but hope to exceed this.



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*Our partnership with Søstrene Grene is important to Plan International. We greatly appreciate the company's strong focus on social responsibility, and helping to achieve the UN's Global Goals.*

*With the support from Søstrene Grene, we can ensure that more young women in slums in east Africa can get vocational education and escape from poverty.*

*Our partnership with Søstrene Grene also gives us a lot of exposure in the company's 240 stores, and draws focus to the fact that the path to a more just world is through Global Goal 5: Gender equality.*

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**DORTHE PETERSEN**  
CEO, PLANBØRNEFONDEN.  
(PLAN INTERNATIONAL DENMARK)





**GLORIA,**  
19 YEARS OLD, UGANDA

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When Gloria was just nine years old, both her parents died suddenly. This pushed her and her siblings into extreme poverty, and it was difficult for them to get by. Vulnerable girls like Gloria are at high risk of being sexually exploited and have a hard time escaping poverty.

But now, 10 years later, Gloria has had success. With support from Plan International, she has learned how to grow her own food. And she has received training as a tailoress. She makes money both from agriculture and sewing clothes, and she trains other women in sewing so she can hire them. Gloria can also now afford to pay for her siblings' education.



**ANGELLA,**  
24 YEARS OLD, UGANDA

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Angella had to drop out of school because her parents could not afford for her to continue. She became pregnant when she was 16, and did not know how to make money. She had no qualifications or education.

Angella is now 24 years old and runs her own tailoring business in Kampala, after receiving training in the profession. With support from Søstrene Grene, Plan International can give many more women like Angella an opportunity to escape the vicious cycle that keeps them trapped in poverty. It also makes women into role models for other vulnerable girls and women in their area, and gives them hope for a better future.



SISTER SPIRIT THAT CREATES CHRISTMAS JOY

## JOINING FORCES TO GIVE CHILDREN A CHRISTMAS TO LOOK FORWARD TO

Close to 60,000 children live in poverty in Denmark, and Christmas presents, Christmas food and Christmas treats are often lacking for them and their families. In Christmas 2020, Søstre Grene donated 1200 advent calendars to Mødrehjælpen, in 300 gift sets.

The gifts were wrapped by helpful Sisters from Søstre Grene's head office, who gathered around a 19-metre-long table to carefully wrap the many gifts. The advent gifts were distributed to vulnerable children in Mødrehjælpen's local associations in the cities of Aarhus, Aalborg, Esbjerg, Næstved, Slagelse and Nykøbing Falster.

In addition to the gift donation, we made our digital platforms available and set up a fundraiser to go towards Mødrehjælpen's Christmas aid appeal, which ran from mid-November until

21 December 2020. Several of the influencers Søstre Grene collaborates with also participated and contributed generously – through gift wrapping and the Christmas aid appeal. For every DKK 500 collected, a socially vulnerable child in Denmark could get a complete Christmas Eve – with gifts, sweets and everything else we associate with Christmas.

With support from our customers, Søstre Grene's fundraiser on Facebook raised DKK 86,788, and combined with our influencers' collections, the total donation to Mødrehjælpen's Christmas aid appeal came to DKK 135,168. This meant we could bring Christmas joy to 271 socially vulnerable children with our donation. All donations were passed on in full to Mødrehjælpen's Christmas Aid 2020 appeal.



“

*Our partnership with Søstrene Grene has allowed us to bring Christmas joy to more children in Denmark – through the advent calendars our volunteers distributed to 300 children to spread joy in December, and through the more than DKK 135,000 that was collected from Søstrene Grene’s customers, that allowed us give Christmas cheer to 271 children.*

*Thank you so much for an amazing partnership and for helping to make a difference to poor children in Denmark.*

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**NINNA THOMSEN**  
MANAGING DIRECTOR,  
MØDREHJÆLPEN.



DANISH  
RED CROSS



CLEAN WATER GIVES LIFE

## PARTNERSHIP WITH THE RED CROSS

Søstrene Grene has partnered with the Red Cross since 2013 to sell drinking water in Søstrene Grene stores in Denmark and Norway.



Last year, Søstrene Grene and the Red Cross, helped provide almost 10 million litres of clean drinking water to vulnerable areas. Søstrene Grene donated DKK 500,000 towards clean drinking water in 2020 through the sale of Red Cross water in Danish and Norwegian stores. For every water bottle sold, DKK 1 was donated to this important cause.

Clean drinking water has also been a key factor in combating COVID-19, as good hygiene and clean water have been important elements in preventing further spread of the pandemic in refugee camps and slums.



“ We have achieved fantastic results together with Søstrene Grene over the past 7 years. 100 million litres of clean drinking water have been distributed, and last year alone we were able to provide 10 million litres of clean drinking water to some of the world’s largest refugee camps and the slums in Kenya. ”

**ANDERS LADEKARL**  
GENERAL SECRETARY,  
RED CROSS.

AIM	ACTION	YEAR	STATUS	UN GOAL
<p>Together with our great partners, we aim to create value and sustainable solutions for our society.</p>	<p><b>PLAN INTERNATIONAL</b></p> <ul style="list-style-type: none"> <li>• Sale of drinking water with a donation to Plan International. Support gender equality between girls and boys, and girls' education.</li> <li>• Sale of Plan International tote bags, from April 2020 to April 2021, with part of sales going to Plan International's fight for gender equality.                             <ul style="list-style-type: none"> <li>- Tote bag in 2 designs – week 40 2020</li> <li>- Tote bag in 2 designs – week 14 2021</li> </ul> </li> <li>• Sale of Plan International tote bags and notebooks and colouring books in the 2021/2022 new accounting year, with part of sales going to Plan International's fight for gender equality.                             <ul style="list-style-type: none"> <li>- Tote bag in 2 designs – week 21 2021</li> <li>- Tote bag in 2 designs – week 31 2021</li> <li>- Notebook – week 31 2021</li> <li>- Tote bag in 2 designs and colouring book – week 41 2021 (in connection with the UN's International Girls' Day)</li> <li>- Tote bag in 2 designs – week 49 2021</li> </ul> </li> </ul> <p><b>RED CROSS</b></p> <p>Sale of drinking water with a donation to the Red Cross. The money from the sale of the bottles will be used to help vulnerable children and families in Denmark and in hotspots around the world.</p>	Ongoing	100%	
		2020/2021	100%	
		2021	100%	
		2021	100%	
		2021	0%	
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# EMPLOYEES

## EMPLOYEE CONDITIONS

We aspire to touch the hearts of people through a wonderful universe unlike anything the world has ever seen before, and we believe that our business and our results depend on the Sisters we surround ourselves with.

Partnership with our franchisees and suppliers and our relationship with our employees is therefore crucial to our success. In Søstrene Grene we call each other Sisters – regardless of gender.

Our culture and our way of being together is called our Sister Spirit.

### SISTER SPIRIT

*We aspire to form an enriching community that makes work feel less like work. A community centered around building the foundation for the wonderful world of Anna and Clara.*

*We are Sisters. We stand together, and we are always ready to support and help each other. We make each other stronger, take responsibility and are always prepared to lead and show the way.*

*We appreciate the good, decent Sister virtues like respect, trust and honesty, and we aspire to treat everyone in accordance with our values.*

## OUR VALUES

Whether you are employed at Søstre Grene's head office or in a Søstre Grene store, our values describe what we want both our customers and our fellow sisters to experience with us:

### JOY

At Søstre Grene, we aspire to brighten up and make a joyful and positive difference to the lives of everyone who explores the wonderful world of Anna and Clara.

### AESTHETICS

We are passionate about incorporating beauty into everything we do, because we believe that being surrounded by high aesthetic quality can bring joy to daily life.

### EVER-CHANGING

We make a virtue of being ever-changing, and the frequent variation is what makes our product range so surprising. The ever-changing comes from within – and therefore we value creativity and innovation in an ever-changing world.

### FINDS

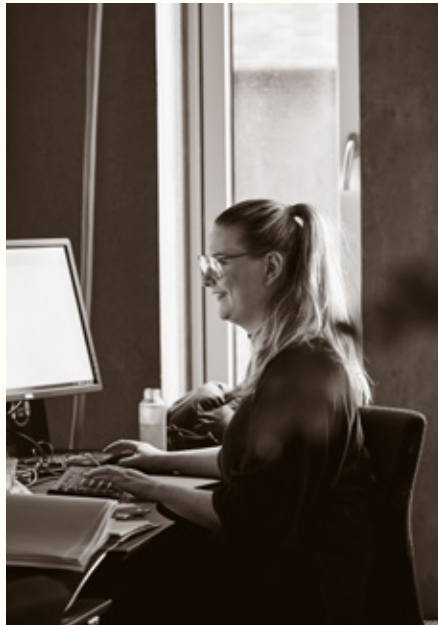
Everyone is welcome to explore Søstre Grene, and we do our utmost to feature wonderful finds at favourable prices that everyone can appreciate. Therefore, a good deal is fundamental to our entire business.

### CREATIVITY

Creativity makes life an experience. At Søstre Grene, we therefore endeavour to inspire our surroundings to be creative.

### 'HYGGE'

Hygge is a state of joy, satisfaction and cosiness that is unique to Denmark, where the sisters are from. We therefore take great care to create moments of hygge at Søstre Grene.



## **HEAD OFFICE**

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At our head office and warehouses in Denmark, we have around 400 employees at three locations. About half are employed in our warehouses, and the rest in our office, in functions such as design, purchasing, marketing and IT.

## **MANAGEMENT**

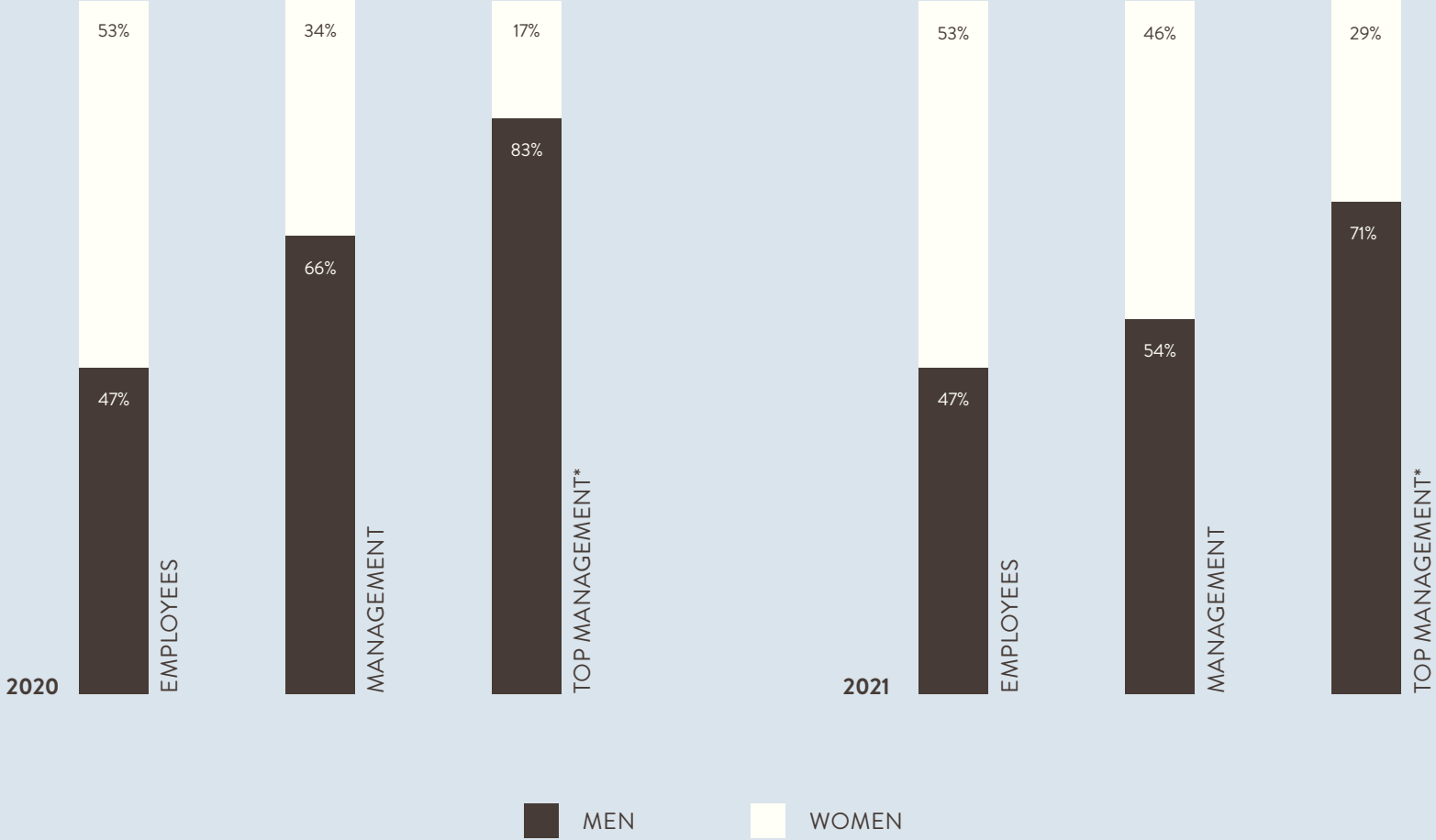
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We seek a simple structure, with a focus on excellent leadership and freedom with responsibility. Through a strong Sister Spirit, there is a focus on the individual and their need for flexibility and a good work setting.

Our managers receive ongoing training and coaching on any personnel challenges that may arise.

We have had a focus on attracting more female leaders. We are therefore pleased to see the distribution between male and female leaders moving in the right direction.

# GENDER DISTRIBUTION



\*Excluding Søstrene Grene's two owners, Mikkel Grene and Cresten Grene.

## OCCUPATIONAL HEALTH AND SAFETY

We do a culture survey every year, including the degree to which our Sister Spirit, values and Ambition are being lived out. We also study how our employees perceive their well-being and teamwork, and our processes and management etc.

The cultural survey is conducted and followed up, and concrete actions are initiated. Following each survey, managers are trained in the focus areas that have been identified, so they can take steps to improve conditions.

We have a well-functioning occupational health and safety organisation which focuses on the physical and psychological work environment. Initiatives are launched to improve the work environment based on regular workplace assessments. All employees are covered by a health insurance.



# SISTERHOOD

To ensure unity, common understanding and a high level of information, we have an intranet for our HQ and an internal app for all store employees around the world. We call the platforms Sisterhood. Employees can log on, find and share knowledge, be inspired and follow what is happening in the wonderful world of Anna and Clara.



