

SØSTRENE GRENE'S

# RESPONSIBILITY REPORT

2021/2022

SØSTRENE GRENES
ALL OVER THE WORLD
HANDELSKOMPAGNIE



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A WONDERFUL WORLD

# ABOUT SØSTRENE GRENE

Søstrene Grene is a Danish retail chain which has been striving since 1973 to spread joy and encourage moments of 'hygge' through innovative and aesthetic designs. The renowned Danish name is used in over 250 stores in 15 European countries, and the unique sensory store experience model 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 range of home furnishing products, furniture, hobby items, kitchen accessories, candles and napkins, party accessories, gift wrapping, office supplies, accessories, home furnishing for children's rooms and toys – to bring joy and pleasure 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 daily life.



## 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.










HANDELSKOMPAGNI

# SØSTRENE GRENE'S FIRST CLIMATE ACCOUNT

The world is facing a major environmental and climate challenge in the future. A challenge that we must all work together to address. At Søstrene Grene, we therefore have a great responsibility to work actively to reduce our impact on the climate and environment throughout the value chain.

This year we are proud to present Søstrene Grene's first climate account. We mapped our footprint in Scope 1 and 2, and large parts of Scope 3, so we can set specific goals for how we will actively work to reduce our footprint. We know that it will be a long journey, and we are only taking the first steps. We are also aware of our responsibility, and we will therefore set specific goals in the coming years for how much we intend to reduce our carbon footprint in our activities, and by when. In this context, we have also joined the Science Based Targets initiative.

**PART OF THE CIRCULAR STRATEGY**

The climate account can also help us move towards a more circular business model, as we can more clearly measure whether our initiatives are helping reduce our climate footprint and our impact on the environment. Climate action is therefore part of the circular mindset that is the foundation of our responsibility strategy. Our products must be able to stay in the circular cycle as long as possible, so as little waste as possible is generated and the impact on the climate and environment is minimised.

Last year, we made a decision to phase out single-use plastic products. This year, we have decided to phase out all single-use cardboard and paper tableware over the next year, as this simply ends up as waste because the materials cannot be recycled. We are also working hard to reduce and optimise our packaging and ensure that the remaining packaging can be recycled and thus become part of the circular cycle.

**SOCIAL RESPONSIBILITY**

We believe that the future of our company depends on the Sisters we surround ourselves with. Partnerships with our franchisees and suppliers and our relationship with our employees are therefore crucial to our success. In addition to ensuring social compliance at our suppliers' factories, we have a strong focus on creating a diverse workplace, where individuals thrive and develop. We also believe we have a shared responsibility to ensure that people on the edge of the labour market get a second chance.

In the coming years, we will set a number of new goals for our responsibility work. We know that this will demand changes – large and small – in the way we do business. No effort is too small. All efforts can contribute to a positive change, and we must take responsibility in the areas where we can help make a difference.



CRESTEN GRENE AND MIKKEL GRENE, OWNERS OF SØSTRENE GRENE

# UN SUSTAINABLE DEVELOPMENT GOALS

In 2015, the nations of the world adopted 17 Sustainable Development Goals (SDGs). The SDGs set the framework and direction for the work towards a more sustainable future.

The SDGs are a joint plan to combat famine, extreme poverty, inequality within and between countries, challenges to biodiversity and climate change, and promote sustainable production and consumption. They are also a framework for how we ensure peace and prosperity for humanity and the planet.

For many, the UN SDGs are the definition of sustainability and sustainable development, as the goals encompass environmental, social and economic factors. The SDGs mean a lot to Søstrene Grene, as they guide us on our journey towards contributing to a more sustainable society.

Our aim of selling safe and responsible products supports the UN SDGs. We believe that using the goals as a springboard, we can contribute to a world where we together set the agenda and ensure action is taken on all parameters. To the right you can see the nine SDGs we have chosen to actively focus on.





# CLIMATE AND ENVIRONMENT

CLIMATE AND ENVIRONMENT

# CLIMATE ACCOUNT

FIRST CLIMATE ACCOUNT

EXTENSIVE RESPONSIBILITY

CLIMATE ACCOUNT

REDUCTIONS ACHIEVED

SCIENCE BASED TARGETS

SØSTRENES GRENE'S

# FIRST CLIMATE ACCOUNT

Søstrene Grene is able to present our first climate account this year. We mapped our carbon footprint in Scope 1 and 2, and large parts of Scope 3, so we can set specific goals for how we will actively work to reduce our footprint.

We have chosen to not simply start with Scope 1 and 2, as our biggest footprint, like many other companies, is in Scope 3. It has therefore been important to us to include the parts of Scope 3 that we can map at this time.

**REDUCTION TARGETS**

Over the next few years, we will work diligently to reduce our climate and environmental impacts on a number of parameters spanning Scope 1, 2 and 3. Our aim is to contribute to a reduction in our greenhouse gas ($CO_2e$) emissions in line with the Paris Agreement's climate aim of limiting global warming to below 1.5°C.

## SCOPE 1
## DIRECT EMISSIONS

All direct emissions from sources owned or controlled by the company.

## SCOPE 2
## INDIRECT EMISSIONS

Indirect emissions from electricity or district heating purchased and used by the company.

## SCOPE 3
## OTHER INDIRECT EMISSIONS

Other indirect emissions from the company's activities, from sources that the company does not directly own.

Søstrene Grene's climate account shows the total $CO_2e$ emissions from Søstrene Grene's business and value chain, calculated in line with the principles of the GHG protocol – which divides our climate impacts into scope 1, 2 and 3 emissions. The climate account shows $CO_2e$ emissions starting in the 2018/19 financial year. See the table on page 16.

Our climate account has been verified under the GHG protocol by the EnergySolution engineering and consulting firm.

## GHG PROTOCOL

The GHG Protocol is the leading standard for calculating climate footprint and gives companies a uniform method for calculating their total climate footprint. It also allows companies to understand which activities drive their climate footprint and to set specific reduction targets.

The illustration on the following page shows the three scopes of the GHG Protocol and the emission activities that fall under each scope.

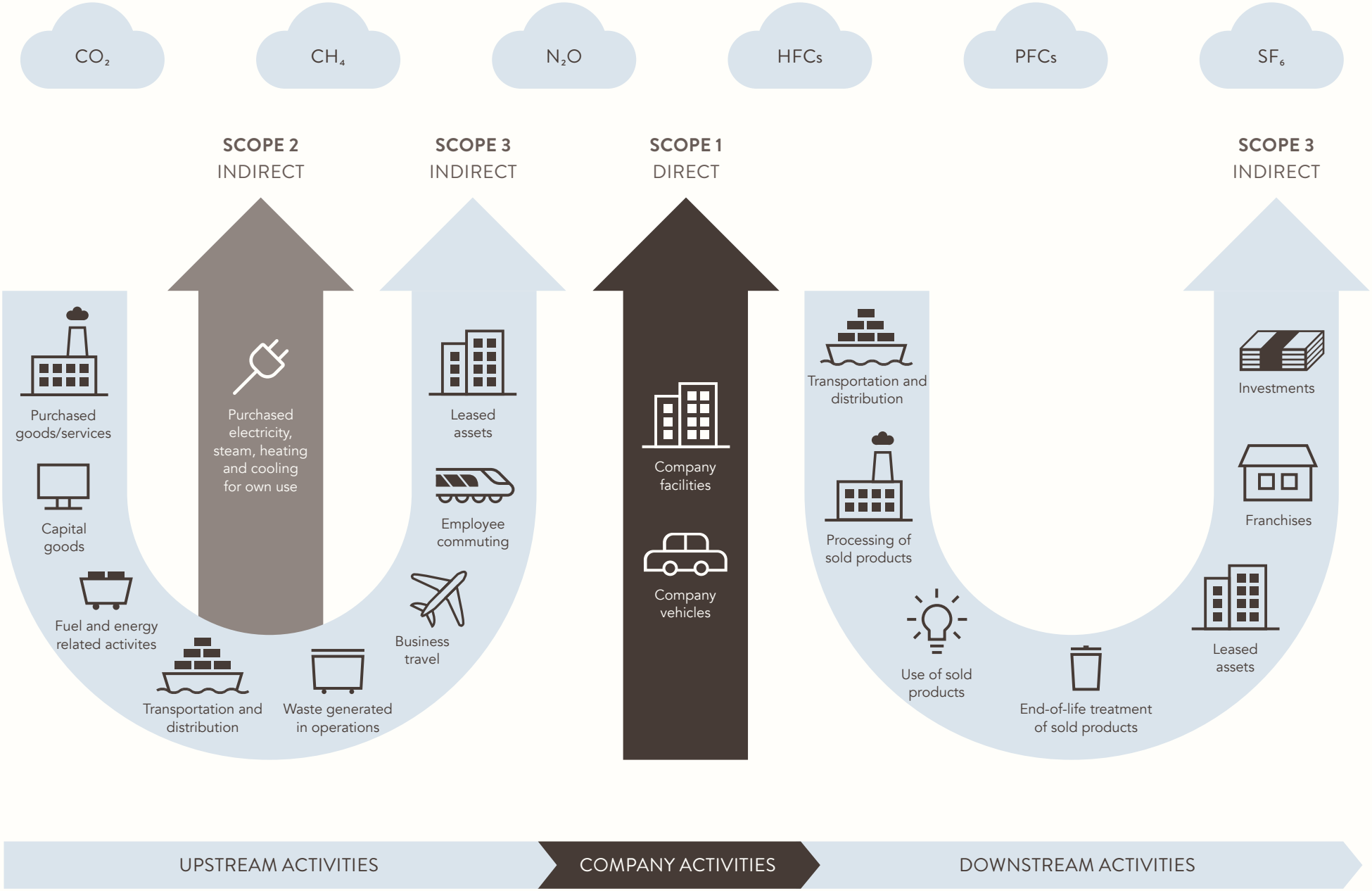
GREENHOUSE GAS PROTOCOL

## $CO_2e$ EMISSIONS

$CO_2$ is not the only greenhouse gas. Other greenhouse gases include Methane and Nitrous Oxide. The GHG protocol covers reporting of six greenhouse gases:

- Carbon dioxide ($CO_2$)
- Methane ($CH_4$)
- Nitrous oxide ($N_2O$)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride ($SF_6$)

Instead of reporting on all six greenhouse gases, the six gases are converted to $CO_2$ using the concept of $CO_2$ equivalents ($CO_2e$).


$CO_2$
$CH_4$
$N_2O$
HFCs
PFCs
$SF_6$
SCOPE 2
INDIRECT
SCOPE 3
INDIRECT
SCOPE 1
DIRECT
SCOPE 3
INDIRECT
Purchased goods/services
Capital goods
Fuel and energy related activites
Transportation and distribution
Waste generated in operations
Business travel
Employee commuting
Leased assets
Purchased electricity, steam, heating and cooling for own use
Company facilities
Company vehicles
Transportation and distribution
Processing of sold products
Use of sold products
End-of-life treatment of sold products
Leased assets
Franchises
Investments
UPSTREAM ACTIVITIES
COMPANY ACTIVITIES
DOWNSTREAM ACTIVITIES

# EXTENSIVE RESPONSIBILITY

In addition to scope 1 and 2, we have chosen to include large parts of the Scope 3 emissions in our climate account, including upstream and downstream activities.

- Upstream covers indirect emissions in the value chain, from the production phase up until the products reach our central warehouse.

- Downstream covers indirect emissions in the value chain, from our central warehouse out to our stores and online customers.

We have also chosen to include the impacts from our own stores and franchise and joint venture stores in our climate account. We want to take responsibility for all stores, as they are part of Søstrene Grene regardless of ownership.

The figure on the following page shows the emission activities in Scope 1, 2 and 3 that we have included in our climate account.



SØSTRENE GRENE

## SCOPE 1



Company vehicles

## SCOPE 2



Purchased electricity, steam, heating and cooling for own use

## SCOPE 3 DOWNSTREAM



**9.** Transport and distribution



**14.** Franchises

## SCOPE 3 UPSTREAM



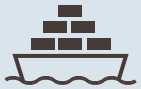
**1.** Purchased goods/services



**2.** Capital goods



**3.** Fuel and energy related activites



**4.** Transportation and distribution



**5.** Waste generated in operations



**6.** Business travel



**7.** Employee commuting



**8.** Leased assets

# SØSTRENE GRENE'S CLIMATE ACCOUNT

| | UNIT | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|---|---|---|---|---|
| **Total $tCO_2e$ emissios** | **$tCO_2e$** | **98,563** | **88,204** | **77,418** | **85,797** |
| **Scope 1** | **$tCO_2e$** | **80** | **140** | **52** | **54** |
| **Scope 2** | **$tCO_2e$** | **154** | **137** | **121** | **152** |
| **Scope 3** | **$tCO_2e$** | **98,328** | **87,927** | **77,244** | **85,591** |
| Scope 3 upstream | | | | | |
| 1. Purchased goods and services | $tCO_2e$ | 82,862 | 72,855 | 62,516 | 68,275 |
| 2. Capital goods | $tCO_2e$ | 708 | 908 | 1,046 | 1,130 |
| 3. Fuel- and energy-related activities (excl. Scope 1+2) | $tCO_2e$ | 20 | 25 | 15 | 16 |
| 4. Upstream transport and distribution | $tCO_2e$ | 3,116 | 2,362 | 2,516 | 3,276 |
| 5. Waste generated in operations | $tCO_2e$ | 3,227 | 2,640 | 2,802 | 3,140 |
| 6. Business travel | $tCO_2e$ | 612 | 554 | 80 | 336 |
| 7. Employee commuting | $tCO_2e$ | - | - | - | 115 |
| 8. Upstream leased activities assets | $tCO_2e$ | 419 | 412 | 395 | 400 |
| Scope 3 downstream | | | | | |
| 9. Downstream transportation and distribution | $tCO_2e$ | 43 | 47 | 491 | 784 |
| 10. Processing of sold products | $tCO_2e$ | - | - | - | - |
| 11. Use of sold products | $tCO_2e$ | - | - | - | - |
| 12. End-of-life treatment of sold products | $tCO_2e$ | - | - | - | - |
| 13. Downstream leased assets | $tCO_2e$ | - | - | - | - |
| 14. Franchises | $tCO_2e$ | 7,321 | 8,124 | 7,383 | 8,119 |
| 15. Investments | $tCO_2e$ | - | - | - | - |
| Out of Scope* | $tCO_2e$ | -340 | -257 | -273 | -353 |

*Out of Scope activities are activities that have a negative impact but do not fall within any other category.

SØSTRENE GRENE'S

# CLIMATE ACCOUNT

The table to the left shows Søstrene Grene's climate account for $CO_2$ emissions, starting in the 2018/19 financial year (in $tCO_2e$).

Søstrene Grene's climate impact in 2021/22 was 85,797 $tCO_2e$. Our primary emissions come from the production of our products, as shown in our Scope 3 category 1.

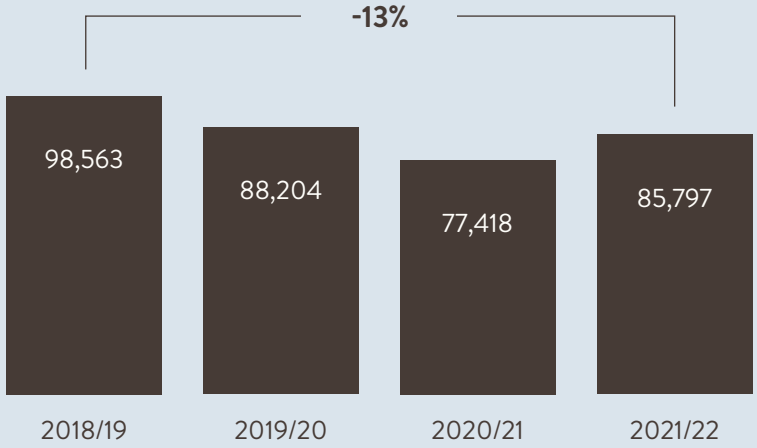
## REDUCTION DESPITE GROWTH

From 2018/19 to 2021/22, we saw a total $CO_2$ reduction of 13%. We also had 19% growth in turnover during the same period. Despite continued growth, we have managed to reduce our climate impact during this period.

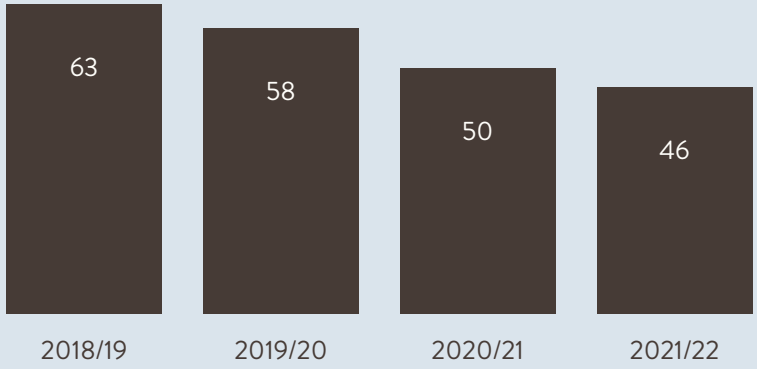
This is evident in the chart showing our $CO_2$ intensity – our total $CO_2$ emissions in tonnes in relation to our total turnover in mDKK. Our $CO_2$ intensity was 63 $tCO_2$/mDKK in 2018/19 and 46 $tCO_2$/mDKK in 2021/22.

*Retail turnover (exclusive of VAT).

Development in $tCO_2e$




Development in $tCO_2e$ in relation to turnover (mDKK)



EFFECT OF INITIATIVES

# REDUCTIONS ACHIEVED

The total $CO_2e$ reduction of 13% between 2018/19 and 20/21 is due to several of the initiatives we have launched over the years.

For example, our focus on plastic and phasing out single-use plastic products has resulted in a 34% reduction in the number of kilograms of plastic produced in this period. We have thereby reduced our total $CO_2e$ emissions from plastic products by 4,791 $tCO_2e$.

Since 2018/19, we have also been setting certification targets for textiles, plastics and wood/paper. Some effects of this can already be seen in the figures, but in the coming years we will work on calculating the precise effect of these measures.

*I am proud that, despite growth during the period, we have been able to make decisions that help reduce our $CO_2$ emissions.*

**MIKKEL GRENE**

CEO AND CO-OWNER, SØSTRENE GRENE.

## ONGOING WORK WITH OUR CLIMATE ACCOUNT

We will continue our intense work with our climate account in 2022/23. We need to define concrete objectives in relation to our climate ambitions. We must continue to refine and optimise our underlying data models, so they can give us even greater insight into our emissions.

We are also in the process of mapping our footprint across all material groups. The aim is to gain insight into how and where we can reduce our footprint, for example by replacing some materials with others with a smaller footprint.

It is our long-term ambition that the choices and investments we make are supported by the knowledge we gain about our impact on the climate.

JOINING

# SCIENCE BASED TARGETS

To support our $CO_2$ reduction aims, we chose to join the Science Based Targets initiative in 2022.

The initiative controls the reduction targets we set as a company and monitors whether we reach our targets on time. The initiative also commits us to working towards the targets in the Paris Agreement.

During 2022 and 2023, we will set specific objectives for our commitment to Science Based Targets and outline the actions we will take to ensure we achieve our goals.

CLIMATE AND ENVIRONMENT

# PHASE-OUT

NECESSARY CHOICES

SINGLE-USE PLASTIC

SINGLE-USE TABLEWARE



# NECESSARY CHOICES

We sell a large number of products every year, and we therefore believe we have a great responsibility to offer customers responsible choices. We believe we are helping to make a difference when we remove certain products and replace them with better alternatives with a longer lifespan.

In 2021, we decided to phase out virtually all single-use plastic products, and this year we decided to phase out all single-use cardboard and paper tableware in the year to come, as this cannot be recycled and therefore ends up as waste.

# SINGLE-USE PLASTIC PHASE-OUT

Based on the principle that all single-use plastic is unnecessary plastic, in 2021 we decided to phase out almost all single-use plastic products.

The following single-use plastic products have been removed from our range in 2022, or will be removed by 1 January 2023:

- 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)





## PHASE-OUT OF SINGLE-USE PLASTIC IN SØSTRENE GRENE

During 2022, we will phase-out almost all single-use plastic products from Søstrene Grene's assortment.

This means that you might not be able to find the products in store that you are used to.

There will be exceptions where there is no good alternative, such as tape.

You will still be able to find multiple-use plastic products, some of which are also made from recycled plastic.

Learn more about Søstrene Grene's phase-out of single-use plastic on **gre.ne/plastic**

## FEEDBACK FROM OUR CUSTOMERS

During the year, we have focused on phasing out single-use plastic products in our stores and online channels, and our customers have largely welcomed the initiative.

We have thus been confirmed in the need for us as a company to take the lead and take responsibility for offering customers responsible choices, and for rejecting certain products on their behalf.

We hope that we can continually inspire our customers to make alternative choices. We will do this by promoting products from our range that serve the same purpose, while also having a longer lifespan.

DENMARK

I love Søstrene Grene's general approach to the environment!

NORWAY

Wonderful! Easier to make eco-friendly choices.

DENMARK

While it's important that we take care of the environment, I am still a little sad you don't sell cellophane anymore...

THE NETHERLANDS

Great initiative! Will plastic packaging also be phased out?

DENMARK

Where should I buy my signature glitter gift ribbon now?

FRANCE

Fantastic! Thank you!



# SINGLE-USE TABLEWARE PHASE-OUT

In line with our decision to phase out single-use plastic products, this year, we decided to phase out all single-use cardboard and paper tableware over the next year, as this cannot be recycled after use. This decision is fully in keeping with our circular focus.

It is also difficult to find a coating that can prevent chemicals from prints on paper and cardboard from migrating to the food.

Instead, we will introduce alternative products that can be used repeatedly and inspire our customers in relation to what alternatives they can use.

We have already phased out paper straws this year, and we will phase out the following products by 30 June 2023:

- Paper plates
- Paper cups
- Popcorn cups
- Single-use muffin moulds
- Candy bags of paper

*We are working step by step to create a product range with as little climate impact as possible.*

**MIKKEL GRENE**

CEO AND CO-OWNER, SØSTRENE GRENE.

CLIMATE AND ENVIRONMENT

# PACKAGING

PRODUCT PACKAGING

PLASTIC PACKAGING

FOOD PACKAGING

TRANSPORT PACKAGING

# PRODUCT PACKAGING

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 is key to our experience of each product.

Our goal is therefore to use as little product packaging as possible with Søstrene Grene's products.

We are continuously working with product packaging, product by product, and are constantly looking to protect the environment as much as possible. In some cases, the packaging is reduced or totally removed. In other cases, an alternative material, such as cardboard or paper, is used.






For each product, we seek to apply the following basic principles for product packaging:

- Ability to see and feel each product as far as possible.
- Minimal use of packaging, with a focus on reducing plastic packaging.
- Minimal use of colour prints.
- If the packaging does not have a safety, information or hygiene function, it is not necessary and is omitted altogether.
- Using uniform packaging materials (mono-materials) that can be separated and disposed of properly in a circular economy.

## MONO-MATERIALS

A mono-material is a material that consists of a single type of component. When several materials are combined, such as a cardboard box with a glued-on plastic window, it becomes difficult to recycle the total packaging.

## **EXAMPLE INITIATIVES** CARDBOARD REDUCTION




### TOWEL CLIPS

In this example, we removed the large backing card and replaced it with a much smaller hang tag, saving a significant amount of cardboard.




### FLOWER PRESS

We replaced the large cardboard box with a cardboard band. The solution requires more transport packaging, but leads to an overall reduction in cardboard packaging.

## **EXAMPLE INITIATIVES** PLASTIC REDUCTION




### KALEIDOSCOPE

In this case we completely removed the plastic packaging. The sticker showing the price and information is now attached directly to the product.




### COLOURED PENCILS

In this case we replaced the plastic packaging with a cardboard case (with no plastic window). We use this solution for many writing tools.

# COLLABORATION ON PLASTIC REDUCTION

## COOPERATION WITH THE DANISH ENVIRONMENTAL PROTECTION AGENCY TO REUSE AND RECYCLE PLASTICS

As part of our packaging initiatives, we joined the plastic collaboration between the Danish Ministry of the Environment and the retail sector in 2021.

The purpose of this sector collaboration is to realise the potential for greater reuse and recycling of plastic packaging in the retail sector broadly, through active participation and cooperation in the value chain.

The initiative has the following aims:

- To create common, circular design requirements for food and non-food packaging, including e-commerce transport packaging.
- To ensure all plastic packaging can be economically reused/recycled and contains at least 30% recycled plastic by 2025.
- To reduce plastic consumption, contribute to the testing and dissemination of recycling solutions and reduce the use of certain take-away disposable plastic products in the retail sector by 50% by 2026.

Through this collaboration, we therefore hope that Søstrene Grene can contribute to the important agenda of reducing and recycling plastic packaging throughout the sector.



# FOOD PACKAGING

Packaging is important for our food, and plastic is often used as food packaging. Plastic packaging is important for food safety and shelf life, so we avoid food waste.

But plastic packaging for food also has a climate and environmental impact. We therefore have a strong focus on reducing the amount of plastic and packaging around our food – without compromising on food safety.

We are therefore continually in dialogue with our suppliers to ensure the best balance between necessary and unnecessary packaging for our food products. After that, the focus is on the packaging being suitable for separation, sorting and recycling in the circular cycle.

EXAMPLE
**SNACK BAGS**

**STEP 1**
The first step was to use the same type of plastic on the label as on the bag itself, so the entire packaging can be sorted as plastic and recycled.

**STEP 2**
The next step has been to use recycled plastic for the label. We have now achieved our goal – 90% of the label now consists of recycled plastic, but still the same type of plastic as the bag.

The bag itself is not made of recycled plastic, as it can be difficult to use recycled plastic for food products. Recycled plastic can contain chemicals that are not approved for food use.










## ANNUAL SAVING
## **46,000 METAL SLEEVES**

An unnecessary packaging component has been removed from syrup and vinaigrette bottles – the metal sleeve at the top of the bottles. The sleeve serves no function, so we decided to remove it.

This means that we are removing 46,000 unnecessary metal sleeves from the market each year.

## ANNUAL SAVING
## **3,300 KG OF SINGLE-USE PLASTIC**

Some of our lollipops were previously delivered in large plastic (PET) boxes, in which they were displayed in stores. These disposable plastic boxes have been removed and the lollipops are instead delivered in plastic bags that can be recycled. A glass container is now used in stores that can be used multiple times. We are seeking to find similar solutions for our entire lollipop range.

So far we save approx. 3,300 kg of single-use plastic annually.

# SELLING FOODS ON MULTIPLE MARKETS

Søstrene Grene sells food products in many markets. This means the packaging has to be able to accommodate many languages. The more languages we can write on the packaging, the better our opportunities for selling it in more markets.

During 2021, we decided to include all the required languages for several products, so we ensure wider sales for each product and reduce the risk of waste.



# COMBATTING FOOD WASTE TOGETHER

When offering our customers a range of food and beverages, we cannot avoid waste occurring in the supply chain due to shelf life. We do our utmost to ensure that such waste is minimised. We do this primarily through good planning.

However, if situations arise where products cannot be sold in our stores due to shelf life or seasonality, we try to sell these products in other ways.

We work closely with other companies that specialise in selling this type of food to consumers – in large quantities from our central warehouse or in small quantities locally from our stores:

**MOTATOS**

In Denmark, we have a partnership with Motatos, which buys food from our central warehouse. Motatos is an online shop that minimises food waste by selling surplus products.

**TOO GOOD TO GO**

In the Netherlands, we work with Too Good To Go in all our stores, and we want to expand this partnership to more markets. In the autumn of 2022, Germany will be in place, and we will then continually expand to more countries.

# TRANSPORT PACKAGING

FROM SUPPLIER TO STORE

Søstrene Grene ships many products using transport packaging. Transport packaging is necessary to protect the products during shipping and during handling in our warehouses before the products reach our stores and customers. It is important that products are not damaged, as this creates unnecessary waste.

Our aim is for all products to be packed and shipped with optimal transport packaging.
Optimal transport packaging means that products are packaged in a way that adequately protects them during shipping, without being excessive.

We require our suppliers to pack products optimally when shipping. Unfortunately, we have found that this is not always the case. Feedback from our stores, warehouses and quality control indicates that there is often unnecessary packaging around our products during shipping.

We are therefore striving to reduce the total proportion of transport packaging and have launched the following initiatives:

- A plan is being formulated for how we can gain better insight into how products are packaged during shipping
- All transport packaging is noted in terms of weight and type of material.
- Packaging instructions for our suppliers are being updated.
- A plan is being formulated for implementation and follow-up and training for suppliers, to ensure they meet the updated packaging instructions.
- Packaging reduction goals are being defined and set. These goals are expected to be ready in mid-2023.




Søstrene Grene's logistics centre in Årslev, near Aarhus.

# TRANSPORT PACKAGING

FROM E-COMMERCE WAREHOUSE TO CUSTOMER

To date, Søstrene Grene has only used FSC®-certified cardboard and paper to transport and protect our products shipped to customers from our e-commerce warehouse. This based on the desire to avoid plastic.

Unfortunately, cardboard and paper are not always found to be the optimal way to package our products. An excessive amount of cardboard and paper has to be used to ensure the products arrive safely. Even though we package as optimally as we can using these materials, we still find that some products are damaged upon receipt by the customer.

We have therefore been investigating whether a combination of cardboard/paper and 30% recycled plastic might be a better solution for optimal packaging, as plastic offers better product protection. But it was important to us to investigate the climate footprint for the two types of packaging solutions before making this decision.

The climate footprint investigation was conducted by an independent expert, and the results showed that we could save 70% $CO_2$ annually by using a combination of FSC®-certified cardboard/paper, and plastic consisting of 30% recycled plastic. The $CO_2$ saving results from the fact that we can reduce our packaging material by 72% annually.




Søstrene Grene's
e-commerce warehouse
in Viby near Aarhus.

ANNUAL MATERIAL SAVING

# 72%

ANNUAL $CO_2$ SAVING

# 70%

By switching from 100% cardboard/paper to a combination of cardboard/paper and plastic, where 30% of the plastic is recycled.

CLIMATE AND ENVIRONMENT

# ENERGY INITIATIVES

CARBON-NEUTRAL FREIGHT

RENEWABLE ENERGY




# CARBON-NEUTRAL FREIGHT

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. Sisters Grene's agreement with Maersk commenced on 1 October 2021.

# RENEWABLE ENERGY

Since January 2022, the electricity used in all Søstrene Grene's 60 stores in Germany has been purchased as 100% renewable energy. The same goes for Søstrene Grene's 11 stores in the Netherlands.

"As part of the global community, we feel it's important we contribute to reducing the carbon footprint in all aspects of our business. We must constantly look for new ways to reduce our footprint," says Mogens Link Schmidt, joint venture partner in Germany.





# 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.

SØSTRENE GRENES ALL OVER THE WORLD HANDELSKOMPAGNIET

WWW.SOSTRENEGRENE.COM/DE/VERANTWORTUNG

| AIM | ACTION | YEAR | STATUS | UN GOAL |
|---|---|---|---|---|
| It is our goal to reduce carbon emissions throughout our entire value chain. | **PRODUCT PACKAGING** | | |  |
| | • Carefully consider the packaging used for each product sold. | Ongoing | 100% | |
| | • Remove plastic packaging, if possible. | | | |
| | The following initiatives are being launched for plastic packaging: | | | |
| | • Make plastic packaging using uniform plastic types that are easy to sort and recycle (polyethylene, polypropylene). | Ongoing | 100% | |
| | **TRANSPORT PACKAGING** | | | |
| | • Set requirements for suppliers to reduce transport packaging. | 2021 | 100% | |
| | • Define and set packaging reduction goals. These goals are expected to be ready in mid-2023. | 2023 | 0% | |
| | **BAGS IN STORES** | | | |
| | • Paper bags and candied sugar bags must be FSC®-certified. | 2020 | 100% | |
| | • Self-serve tea leaf bags must be FSC®-certified. | 2021 | 100% | |
| | **PACKAGING FOR E-COMMERCE** | | | |
| | • Cardboard boxes must be FSC®-certified. | 2020 | 100% | |
| | • Protective paper must be FSC®-certified. | 2021 | 100% | |
| | • Reduce material consumption by 72% | 2023 | 0% | |
| | • Use a combination of cardboard/paper and plastic, of which 30% is recycled. | 2023 | 0% | |
| | **WATER BOTTLES** | | | |
| | • Plan International water bottles are made of 100% recycled polyethylene plastic. | 2020 | 100% | |
| | **ENERGY AND TRANSPORT** | | | |
| | • The power used at Søstrene Grene's warehouses in Årslev and Viby near Aarhus is purchased as 100% wind energy. | 2020 | 100% | |
| | • 100% LED lighting in Årslev and a number of stores. | 2020 | 100% | |
| | • 100% LED lighting in webshop warehouse in Viby. | 2020 | 100% | |
| | • All 60 German stores must buy electricity based on 100% renewable energy. | 2022 | 100% | |
| | • All 11 stores in the Netherlands must buy electricity based on 100% renewable energy. | 2021 | 100% | |

| AIM | ACTION | YEAR | STATUS | UN GOAL |
|---|---|---|---|---|
| **PLASTIC WITH CARE**<br>Minimise the proportion of single-use plastic products. Focus on multi-use, recycling and re-use. | SINGLE-USE PLASTIC<br>Review of other single-use plastic products to be phased out. | 2021 | 100% |  |
| | The following products will be removed from stores on the dates specified:<br>• Foil balloons (1 January 2023)<br>• Single-use bags for food items sold by weight (1 January 2023) | 2023 | 0% |   |
| | The following products have been removed from stores:<br>• Single-use plastic gift ribbon<br>• Transparent plastic wrap for gift wrapping<br>• New Year's Eve tooters with plastic mouthpieces<br>• Single-use plastic rain ponchos<br>• Straws<br>• Food sticks, flag sticks, balloon sticks<br>• Cutlery<br>• Lid for cups etc.<br>• Plastic party poppers<br>• Christmas stars for gifts | 2022 | 100% |  |
| | Disposable cardboard tableware (cups/plates) coated with plastic film to be phased out. | 2021 | 100% | |
| | SINGLE-USE CARDBOARD/PAPER TABLEWARE | | | |
| | The following products will be removed from stores on 30 June 2023:<br>• Paper plates<br>• Paper cups<br>• Popcorn cups<br>• Single-use muffin moulds<br>• Candy bags made of paper | 2023 | 0% | |
| | The following products have been removed from stores:<br>• Paper straws | 2022 | 100% | |



# PRODUCTS

PRODUCTS

# SAFE AND SECURE

VALUE CHAIN

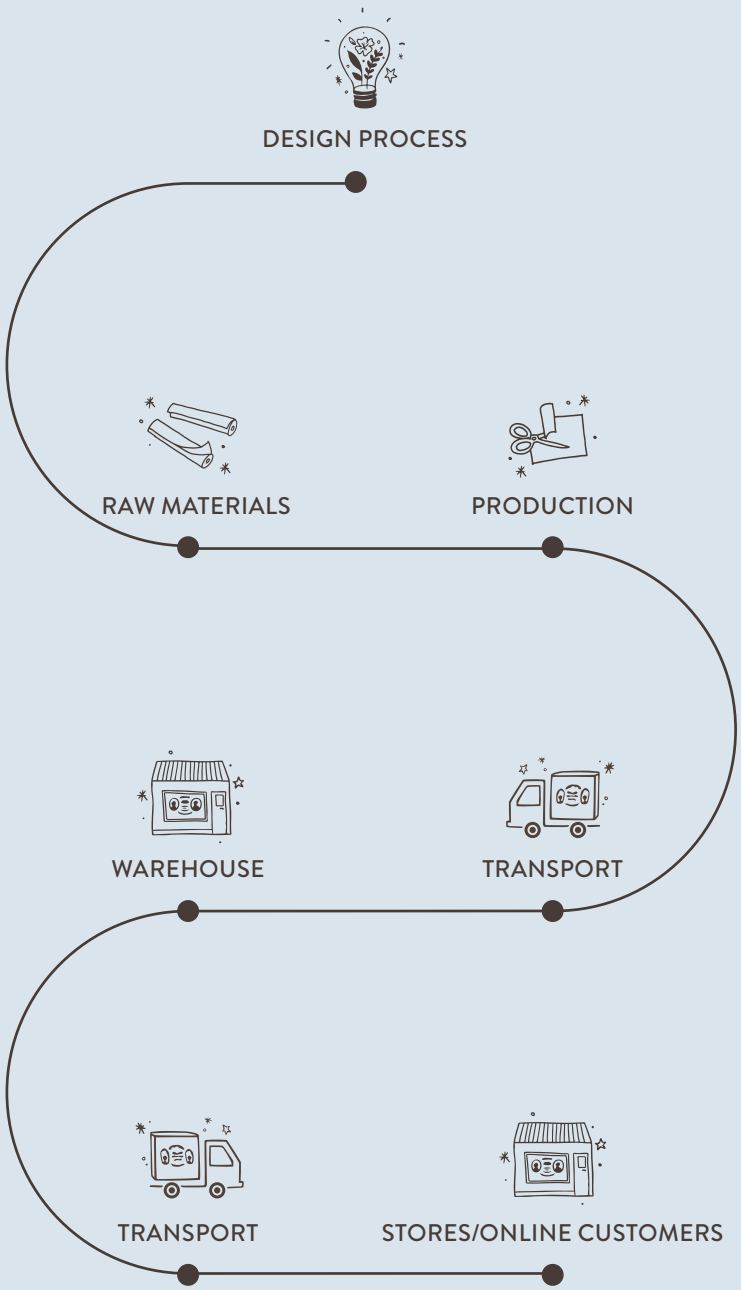
PRODUCT SAFETY

TESTING AND QUALITY CONTROL

SØSTRENE GRENE'S

# VALUE CHAIN

Søstrene Grene works with responsibility initiatives 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, and 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 environment requirements.



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 confident about 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 close cooperation with our suppliers. We systematically test and monitor the content and materials of products in cooperation with each supplier. The products are also checked before they are put on sale in physical stores or online.

**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.

The department's primary duties 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.

# 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.



PRODUCTS

# FOCUS ON CHEMICALS

UNWANTED CHEMICALS

A-FLASK RATING IN 'KEMILUPPEN'

CHEMSEC

EUROPEAN PARLIAMENT

# UNWANTED CHEMICALS

We do not want harmful chemicals in our products. The day the materials become waste and may be recycled, they must be able to circulate freely without harmful impacts on people or the environment.

It is 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.

**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 fluorides
- Substances of Very High Concern (SVHC)

*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.

# A-FLASK RATING IN 'KEMILUPPEN'

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

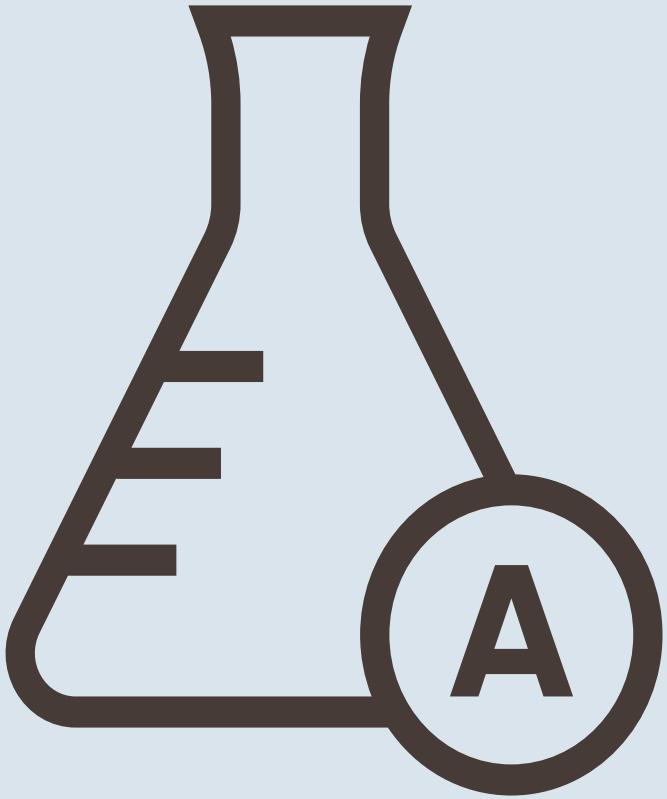
The A flask is a quality stamp confirming that the products do not contain various problematic chemicals suspected of being allergenic or endocrine disruptors, as well as perfumes or chemicals that may be harmful to the environment.

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

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




Forbrugerrådet Tænk Kemi

# 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 joined ChemSec in 2021, 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.

chemsec
INTERNATIONAL CHEMICAL SECRETARIAT

### 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 impregnating materials, 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 drugs are suspected of causing cancer and hormonal disorders, and generally weakening the immune system.

# SØSTRENE GRENE INVITED AS AN EXPERT

Liv Vestergaard, Head of Sustainability & Product Compliance, was invited to a meeting with a group in the European Parliament in spring 2021, to talk about how Søstrene Grene works to avoid unwanted chemicals in our products with food contact and about having joined ChemSec.

The aim of the meeting was to give the group in the European Parliament a broader professional understanding of how to avoid harmful chemicals in products with food contact.



*I was very honoured to be invited to speak in front of the European Parliament, and proud that the extensive work we are doing in this area had been noticed.*

*As an international company, it's very important we take responsibility for ensuring our products are safe for consumers and have no harmful effects on people or the environment.*

*We believe it's important that we take such opportunities to speak about this important issue when asked to, so we can help influence legislation in the European Union in the right direction.*

**LIV VESTERGAARD**

HEAD OF SUSTAINABILITY & PRODUCT COMPLIANCE, SØSTRENE GRENE.

PRODUCTS

# INDEPENDENT CONTROL

LABELS

AND CERTIFICATIONS

WOOD AND PAPER

TEXTILES

BATH AND CARE PRODUCTS

FOOD ITEMS

PLASTIC

# AMBITIOUS GOALS

Independent certifications and labelling schemes often support the circular mindset, as many of these schemes set strict requirements for harmful chemicals, 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 our goal to further increase the number of products with independent certifications in the coming years. For example, all our textile and wood products must have a certification by the end of 2023.

**100%**
of our toys and children's products made of pure wood are FSC®-certified.

**100%**
of our furniture and kitchen products made of pure wood are FSC®-certified*

**90%**
of all our pure or partial wood/paper products are FSC®-certified.

**95%**
of our bath and care products are of European origin and have a certification.

**25%**
of our food product range is certified (organic, Fairtrade or Rainforest Alliance).

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



FSC
www.fsc.org
FSC® C133860
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

All toys, children's products and furniture and kitchen products made of pure wood are FSC®-certified. At present, 90% of Søstrene Grene's pure wood or partial wood/paper products are FSC®-certified*. We have also received the Nordic Swan label on selected colouring books and serviettes.

## AIM

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*.

*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.




## TEXTILES

# SAFE TEXTILES

Søstrene Grene has a strong focus on ensuring our textiles contain no hazardous chemicals. The textiles must be safe for our customers to use, and when they can no longer be used, it must be possible to sort and recycle them without dangerous substances entering the circular cycle.

We therefore set strict requirements for health, the environment, social conditions, recycling of materials, etc. in textile production. We have introduced several textile products with a GRS certification, which means the products contain at least 50% recycled material. We have also expanded our range of products with OEKO-TEX® certification, which sets strict requirements for chemical levels.
.

## ACHIEVED

For all our textile products, we are well on our way to achieving our goal of these being 100% OEKO-TEX®, GRS- and/or GOTS-certified.

## AIM

All* textile products must have an independent certification that sets requirements for harmful chemicals, the environment, social factors, 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.

**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 entire product life cycle.

**GRS**

Global Recycle Standard (GRS) is an international certification system for products made from at least 20% recycled material. Only products with a minimum of 50% recycled material are permitted to carry the GRS logo. The standard ensures traceability throughout the supply chain and compliance with social and environmental requirements.






## BATH AND CARE PRODUCTS

# SAFETY AND WELL-BEING

We always carry a large range of care products bearing the Nordic Swan label and the Asthma Allergy Nordic label. Our care products for children must bear both the Asthma Allergy Nordic label and the Ecocert label.

Read more about our bath and care products in the interview with our supplier on page 78.

### ALLERGENIC PERFUMES

For products containing perfume, such as care products and scented candles, going forward we will 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.

## ACHIEVED

We have achieved our goal that all bath and care products purchased in the future are of European origin and have a certification.




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

### NORDIC SWAN LABEL

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 Søstrene 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 independent certifications that take into account social factors and the environment in production. We will focus on getting more certified products in our range, such as Fairtrade or Rainforest Alliance. The Fairtrade label and Rainforest Alliance ensure good working conditions for farmers and workers, while also taking the environment into account.

## ACHIEVED

At present, around one quarter of our food product range is certified (organic, Fairtrade or Rainforest Alliance).

## AIM

By the end of 2023, a third of our products must have one or more independent certifications, such as the Fairtrade label, Rainforest Alliance, the red Danish Ø label or the 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.






PLASTIC

# PLASTIC WITH CARE

Plastic is a material used for many different things, with many good properties. For example, it is a lightweight material that saves fuel during shipping and hence $CO_2$ emissions. As food packaging, it extends shelf life, minimising food waste. For toys, it is strong and easy to clean.

Plastic must be used with care, and we have to minimise plastic waste for the sake of the climate and environment. It is therefore important that if we choose plastic for products, it must be plastic that can be used again and again, can be recycled, or has already been recycled. It is important when sorting waste that products consist of uniform types of plastic, so that the materials can be sorted correctly for recycling.

## ACHIEVED

We have reduced our plastic consumption by 34% since 2018/19. We have phased out most disposable plastic products and found alternative product types for many of them. We have a greater focus on multiple use of plastic products and, where possible, we use recycled plastic in our products.

## AIM

In cases where plastics are the obvious material choice, we will continue to focus on ensuring these products can be used multiple times, that the plastic can be recycled, or that the plastic already has been fully or partially recycled.











## RECYCLED PLASTIC PRODUCTS

To reduce plastic consumption and make use of waste products, we have introduced products made from recycled plastic. Some of these products carry the GRS label.

### GRS (GLOBAL RECYCLED STANDARD)

Global Recycled Standard (GRS) is an international certification system for products made from at least 20% recycled material. Only products with a minimum of 50% recycled material are permitted to carry the GRS logo.

The standard ensures traceability throughout the supply chain and compliance with social and environmental requirements. The aim of GRS is to increase the use of recycled materials in products and reduce the harmful impacts caused by their production.

Global Recycled Standard

# EXTRA GUARANTEE OF SOCIAL RESPONSIBILITY

Some of the certifications and labels Søstrene Grene's products carry also encompass 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

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®

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, such that the whole chain is covered.

## GRS

The GRS label guarantees that production of the recycled material has taken place under good working conditions, such as 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.

*“Products with a independent 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 |
|---|---|---|---|---|
| **SAFETY AND QUALITY REQUIREMENTS**<br>Focus on product safety when developing and purchasing products.<br><br>Set specific requirements for all products in terms of inspection and testing. | Employ trained specialists to ensure compliance with legislation, assess risk, prepare test programmes, monitor research etc. for all of Søstrene Grene's products. Monitor all product orders and assess risk.<br><br>Perform quality control for the following product groups:<br>• Furniture, natural products<br>• Selected home furnishing products<br>• Toys<br>• Children's products<br>• Electronics | Ongoing<br><br>Ongoing | 100%<br><br>100% |  |
| **CHEMICALS**<br>No unwanted chemicals in Søstrene Grene's products. | • Check and assess risk of chemicals in all products.<br><br>• Comply with Søstrene Grene's internal requirements regarding chemicals. In many cases, Søstrene Grene's internal requirements are stricter than the legislation in various areas. | Ongoing | 100% |  |
| **CERTIFICATIONS**<br>Increase the number of environmental and health certifications for the following product areas:<br><br>• Textiles<br>• Wood and paper<br>• Bath and care products<br>• Food items | **TEXTILES**<br>• All textile products for children's rooms and bathrooms must have OEKO-TEX® or GOTS certification (does not apply to toys).<br>• All textile products* must have a voluntary certification that sets requirements for harmful chemicals, the environment, social factors, recycling, etc.<br><br>**TRÆ OG PAPIR**<br>• All paper office supplies must be FSC®-certified.<br>• 99% of festive items must be FSC®-certified.<br>• All toys and children's products made of pure wood must be FSC®-certified.<br>• All furniture and kitchen products made of pure wood must be FSC®-certified.<br>• All products made of pure wood and paper or partly of wood or paper must be FSC®-certified**..<br><br>**BATH AND CARE PRODUCTS**<br>• All bath and care products must be certified.<br>• All bath and care products must be of European origin.<br><br>**FOOD ITEMS**<br>• One quarter of our food range must have one or more independent certifications, such as an organic or Fairtrade label.<br>• One third of our food range must have one or more independent certifications, such as an organic or Fairtrade label. | Ongoing<br>2023<br><br>2019<br>2019<br>2021<br>2022<br>2023<br><br>2022<br>2022<br><br>2021<br><br>2023 | 100%<br>70%<br><br>100%<br>100%<br>100%<br>100%<br>90%<br><br>95%<br>95%<br><br>100%<br><br>80% |  |

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



# SUPPLIERS

SUPPLIERS

# RESPONSIBLE PRODUCTION

RESPECT FOR PEOPLE AND THE ENVIRONMENT

AUDITING OF SUPPLIERS

# RESPECT FOR PEOPLE AND THE ENVIRONMENT

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, and in compliance with international law.

We work with third-party auditors at our suppliers' factories, followed up by self-inspection.
The self-inspection is performed by our own employees from our country office in Shanghai.









CODE OF CONDUCT

# AUDITING OF SUPPLIERS

We are 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.

amfori
Trade with purpose



> *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

SUPPLIERS

# SUPPLIER INTERVIEWS

ALLISON A/S

SCHJERNING FARVER A/S

# CLOSE COOPERATION AND COMMON VALUES

Close cooperation, trust and reliability are key values that guide Søstrene Grene's choice of suppliers.

It is crucial to us that suppliers are chosen based on common values and a willingness to develop and adapt to increasingly strict sustainability requirements in relation to packaging, ingredients, etc., so that we always ensure our customers the best possible product experience.

On the following pages, we have interviewed two Danish suppliers about how they work with sustainability, product testing and ingredients, certifications and social responsibility.



**INTERVIEW** TANJA SCHRØDER WINDE
AND MARIA BØNNELYKKE, ALLISON A/S

INTERVIEW WITH ALLISON A/S

# SUPPLIER WITH CERTIFICATION IN THE UN SUSTAINABLE DEVELOPMENT GOALS

Allison A/S in Esbjerg produces Søstrene Grene's bath and care series and washing-up liquid.

Tanja Schrøder Winde, Senior Key Account, Project & Team Manager, and Maria Bønnelykke, Head of Development, who has an MSc in pharmaceutical chemistry, talk about how Allison works with sustainability initiatives in their value chain.




LIV VESTERGAARD, HEAD OF SUSTAINABILITY & PRODUCT COMPLIANCE, SØSTRENE GRENE, VISITED ALLISON A/S IN ESBJERG

**Your company is certified in the UN's Sustainable Development Goals. What does this mean for you and your customers?**

MARIA: We want to make an even bigger difference globally and be pioneers within sustainability. Being certified in the sustainable development goals means that we always have them in mind when we commence a new project with a customer, or review the composition of our products. We therefore use certified raw materials and strive to obtain certifications for as many products as possible. It also means that we are keen to help strengthen our customers' sustainable profiles.

We have chosen some goals that we work intensively with, including:

- Goal 5: Gender equality
- Goal 6: Clean water and sanitation
- Goal 7: Affordable and clean energy

Allison was the first company in the world, in the Personal Care category, to be certified by Bureau Veritas in all 17 UN global goals and the 169 targets. We were number 10 worldwide and number 6 in Denmark to obtain the certification, which we are very proud of.

**What is your goal for certification of your products?**

TANJA: Allison has high ambitions. We are continuously working to certify as many of the products we produce jointly with our customers as possible. We were one of the first companies in Denmark to be certified with the Nordic Swan label in personal care.
We have a KPI target that the number of certified products has to increase by 2% every year, and we work with a wide range of recognised certifications. The composition of the majority of our products complies with the requirements for products carrying the Nordic Swan label.

*It is important for us to have customers with whom we share values and who want to be part of the same journey in terms of the entire sustainability agenda.*

**TANJA SCHRØDER WINDE**

SENIOR KEY ACCOUNT, PROJECT & TEAM MANAGER, ALLISON A/S.

TANJA: If we need to add a certain level of perfume, the product cannot obtain the Nordic Swan label, but the base product can be the same as for products bearing the label. When we add perfume to a product that does not carry the Nordic Swan label, it is usually clean fragrances, which means that the levels of the 26 fragrances subject to declaration are low.

MARIA: We also work with certified raw materials. The palm oil used in the base of most of our products is RSPO mass balance certified. RSPO guarantees that extraction of the palm oil does not contribute to the destruction of natural forests or habitats of endangered species. The certification also includes requirements governing the use of pesticides, wastewater management, energy consumption and greenhouse gas emissions. The certification also has a focus on respecting the rights of employees and local communities. We also work with Fair for Life certification for raw materials. This guarantees that they are produced under decent conditions and that workers receive a fair wage, such that they are also able to send their children to school.

**What is your goal in relation to plastic product packaging?**

MARIA: We have a clear goal that we do not want new plastic in our packaging by 2030. We are setting the bar high and want to move the sector forward together with our customers. We currently have several products for which the packaging is made partially or entirely from recycled plastic. When we use new plastic, it must be PE or PET – a pure type of plastic that can be recycled. We would also like to promote the use of PCR plastic (post-consumer recycled plastic collected from households), as we believe it is important that consumer waste enters the circular cycle. We are therefore part of a joint PCR project with the Danish Environmental Protection Agency. In the future, we aim to use PCR plastic collected from Danish households for the majority of our products.

**What does your partnership with customers like Søstrene Grene mean to you?**

TANJA: It is important to us that we have good partnerships with customers with whom we share values. It is important to us to have a close and honest dialogue throughout product development and to have customers who want to be part of the same journey in terms of the entire sustainability agenda.













Søstrene Grene's Pure Bliss bath and care series, produced by Allison A/S, has the following certifications:

- Nordic Swan label
- Asthma Allergy Nordic
- Vegan

Søstrene Grene's washing-up liquid has the following certifications, and the packaging is made of 100% recycled plastic:

- Nordic Swan label
- Vegan

Our goal is for the packaging of all Søstrene Grene products from Allison A/S to be made of 100% recycled plastic in the future.

The majority of Søstrene Grene's products made by Allison A/S are produced at Allison's factory in Esbjerg, while a few products are produced by Allison's supplier, located just south of the Danish border.

INTERVIEW WITH SCHJERNING FARVER A/S

# NORDIC SWAN- AND ECO-LABELLED PAINT

Schjerning Farver A/S in Ebeltoft produces Søstrene Grene's finger paint, stone paint, linocut paint, and the new Decorative Wall Paint.

Jette Borum, Head of Product Development, talks about how they produce Søstrene Grene's paint and work with sustainability at Schjerning Farver.



**How do you work with sustainability at Schjerning?**

We make and distribute water-based hobby and artist paints throughout Europe. Our company is ISO 14001 certified. This means we are committed to working actively with various environmental aspects and have to document and reduce waste in all stages of our production.

We were also the first manufacturer in the world to obtain the Nordic Swan label on hobby/school paints. The aim of the Nordic Swan label is to reduce the total environmental impact from production and consumption.

It therefore places great demands on which raw materials we use, and many of our raw materials can meet the Nordic Swan label requirements in their present form. The Nordic Swan label sets strict limits on chemical levels, which means that we place high demands on our raw material suppliers.

**Can you tell us about the products you produce for Søstrene Grene?**

We produce linocut paint and stone paint, which are very popular products. We are also very proud to have introduced a finger paint and a decorative wall paint that carry the Nordic Swan label. There is a huge demand for paint bearing the Nordic Swan label, especially for children, and approx. 20% of all the paint we produce carries this.

*”At Schjerning Farver we care about sustainability, and feel a special obligation to the climate, environment, consumers and employees.*

*An obligation that we do our utmost to fulfil every day.”*

**JETTE BORUM**

HEAD OF PRODUCT DEVELOPMENT,
SCHJERNING FARVER.

**How do you ensure that the products meet the safety and chemical requirements?**

We do not purchase raw materials that could have negative health impacts on consumers. All our products are tested under the legislation. All dyes we use for our paint recipes are subjected to extra checks for hazardous substances, and our third-party consultant assesses compliance with all chemical limits. When we develop Nordic Swan labelled products, all recipes and analysis results are submitted for approval, and checked by third parties.

**How do you work with your packaging in relation to certifications?**

We have a strong focus on ensuring that all our packaging can carry the Nordic Swan label. We are also looking at recycled plastic for packaging, but there is still some way to go. We are dependent on the plastic that is recycled, and there is naturally a colour difference that affects the visual impression of the paint.

**How does your partnership and product development work with Søstrene Grene?**

We work closely together on everything from pantone colours, laboratory tests, planning and development to shipping and packaging. We test gloss, contour and hues together, and always have a serious and close dialogue. We have worked with Søstrene Grene for nine years and are proud to deliver Danish quality products to a successful Danish business.

Schjerning Farver A/S produces Søstrene Grene's linocut and stone paints, among other products.

Schjerning Farver also produces the following Nordic Swan labelled products for Søstrene Grene:

- Finger paint
- Decorative wall paint

## NORDIC SWAN LABEL

The Nordic Swan label guarantees that a product does not contain harmful or allergenic substances. It also guarantees a product is high quality and has been produced in an eco-friendly manner.

The aim of the Nordic Swan label is to reduce the total environmental impact from production and consumption. That is throughout the entire product journey, and the environmental problems that arise along the way – to protect people, the environment and the earth's resources.




## ECO-CERTIFIED PRODUCTION IN DENMARK

Schjerning Farver is based in Ebeltoft, Denmark, and develops and produces eco-friendly hobby and school paints. They have their own laboratory and mix all their paints themselves, guaranteeing the contents and uniform high quality.

Schjerning Farver has been at the forefront in developing creative new and eco-certified hobby paints for children and adults for many years and has differentiated itself by its concern for the environment and health.

Schjerning decided to phase out solvents in its products in 1993, and Schjerning Farver has been environmentally certified since 1998. It is also the first manufacturer to obtain a Nordic Swan label for school/hobby paints.

| AIM | ACTION | YEAR | STATUS | UN GOAL |
|---|---|---|---|---|
| The majority of our suppliers must work actively to prepare for an amfori BSCI audit.<br><br>This must be ensured through systematic work with our responsible supplier management organisation. | • In 2019, Søstrene Grene decided to become a member of the amfori Business Social Compliance Initiative (amfori BSCI), a leading international supplier management system.<br><br>• All our suppliers that produce outside the EU have been reviewed (50% of these have had a BSCI audit).<br><br>• 80% of our suppliers outside the EU must work actively to prepare for a BSCI audit*.<br><br>*It is not possible to reach 100%, as some suppliers in India are approved under other recognised supplier management systems (such as Sedex/Smeta). | 2019<br><br>2020<br><br>2023 | 100%<br><br>100%<br><br>80% | <br><br> |



# SOCIETY

SOCIETY

# CHARITY

PLAN INTERNATIONAL

MØDREHJÆLPEN

SURPLUS STOCK

SISTER SPIRIT

# SUPPORT FOR THOSE WHO NEED IT MOST

Søstrene Grene seeks to support charitable causes that help vulnerable people and contribute to positive development in society around us. We work with multi-year partnerships but have also provided acute support in the form of financial aid and product donations.



## ACHIEVED

With the help of our customers, Søstrene Grene donated DKK 767,772 (approx. EUR 102,000) to Plan International in 2021, and the total donation to the 2021 Christmas aid appeal for Mødre-hjælpen (a mothers' aid charity) came to DKK 136,649 (approx. EUR 18,200). In 2022, we also donated one day's revenue from our webshops in seven markets to Ukrainian children through Plan International. With the help of our customers, we raised a donation of DKK 543,461 (approx. EUR 73,000). In October 2021, we donated NOK 100,000 to Plan International Norway's fight to prevent child marriages.

## AIM

We have set a goal of donating at least DKK 600,000 (EUR 80,000) to Plan International in 2022, but it is our hope to far exceed this. We will also repeat our collection for Mødrehjælpen's Christmas aid appeal, so we can help to bring Christmas joy to vulnerable children in Denmark again this year. Finally, we plan to take an even more systematic approach, so we can donate surplus goods to even more initiatives where support is needed.

DONATIONS IN 2021/22

# DKK 767,772

... to Plan International's initiative to get more girls and young women in East Africa to educate themselves, and create a better and safer life for themselves and their families.

# NOK 100,000

... to Plan International Norway's fight to prevent child marriages, which deprive girls of their childhood, dreams and the opportunity to create their own path in life.

# DKK 543,461

... to Plan International's efforts to support children and youth impacted by war trauma in Ukraine, and to Ukrainian refugees in neighbouring areas.

# DKK 136,649

... and 1200 Advent gifts to Mødrehjælpen's initiative to bring Christmas joy to vulnerable children in Denmark.

AN IMPORTANT CAUSE

# LONG-STANDING PARTNERSHIP

Søstrene Grene has worked closely with Plan International since 2018. 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.

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.

With the help of our customers, Søstrene Grene donated EUR 102,000 to Plan International in 2021, and in early 2022, we prolonged our partnership with Plan International until the end of 2024.



As part of 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 the partnership in 2021 and 2022, so that we can raise even more money for the good cause together with our customers.

In addition to selling Plan tote bags throughout the year, we launched a notebook and colouring book in 2021. In 2022 we launched a pencil case and a notebook in three designs and will launch a cosmetics bag in connection with the UN's International Day of the Girl Child on 11 October. For each product sold, DKK 3 to 5 is donated to Plan International.

In addition to these products, water is also sold in Søstrene Grene's physical stores, where DKK 0.75 (EUR 0.1) is donated to Plan International for each bottle sold. The water bottle is made of 100% recycled plastic.

See the products Søstrene Grene sells jointly with Plan International at **gre.ne/plan**











## INITIATIVES SØSTRENE GRENE HELPS SUPPORT

Poverty forces many families in vulnerable areas to put their children to work or marry them off instead of sending them to school. When girls are married off, they are often forced to leave school before completing it. Many become pregnant at a very young age and have no opportunity to get a job and contribute to the family's finances or survival. This tends to keep the girls and their families in poverty.

With support from Søstrene Grene and other partners, Plan International works to keep girls and boys in school in countries like Uganda. The work involves influencing local leaders and authorities and challenging traditional views of education for girls and informing parents about the importance of girls attending school and getting an education.

With support from Søstrene Grene, Plan International has also built modern new school buildings in the Kisumu area of Kenya.

## SCHOOLING AND EDUCATION

- 15 million primary school age girls will never get the opportunity to learn to read and write.
- In times of crisis, girls are 2.5 times more likely to be held back from school than boys.
- For every extra year a girl attends school, her lifetime income increases by 12%.
- It could increase the GDP of developing countries by 10% if all girls completed basic education.
- A child born to a mother who can read is 50%, more likely to survive and live to be more than five years old.



**MONICA,**
20 YEARS OLD, UGANDA

Monica had to drop out of school early because her mother could not afford to pay for it. It did not take long before she became pregnant and gave birth to a child. Monica tried to make money selling corn beside the highway, but she did not earn enough, as she had to take care of both her young child and her mother. She got a job with her older brother in the bar and restaurant he owned. This is where she started working as a sex worker.

One day she was approached by a local leader of the town, who encouraged her to start one of Plan International's entrepreneur courses, which is supported by Søstrene Grene. The course gives young women the opportunity to learn various crafts and supports them in starting their own business. Monica is now doing a course in tailoring, and dreams of returning to school one day to complete her education.



**ANGEL,**
24 YEARS OLD, UGANDA

Angel grew up with her aunt, who could not afford to pay for Angel's schooling for very long. Angel dropped out and worked as a mobile money agent until the COVID-19 outbreak, but then suddenly found herself without a job and decided to move in with her boyfriend. She soon became pregnant and gave birth to a baby boy. Not long after that, she heard about Plan International's entrepreneur courses, which are supported by Søstrene Grene, and is now training to become a cosmetologist.

The people who organise the entrepreneur course have also had a major impact on Angel's private life. When Angel discovered that her boyfriend was being unfaithful, she confronted him, and he got angry and began beating her. The team behind the entrepreneur course reported him to the police. Angel's boyfriend has not harmed her since and has even started helping more with the child raising.

*We are deeply thankful for our long-standing partnership with Søstrene Grene. With their support, we have been able to provide education and jobs for the most vulnerable women in a number of East African countries. The the prolongation of our partnership means we can continue our important efforts in the coming years.*

**DORTHE PETERSEN**

CEO, PLAN INTERNATIONAL DENMARK.

# NOK 100,000 TO COMBAT CHILD MARRIAGES

In October 2021, the Norwegian national telethon 'TV Aksjonen', took place in Norway. All donations went to Plan International Norway's fight to prevent child marriages.

As part of our global partnership with Plan International, Søstrene Grene donated NOK 100,000 to TV Aksjonen and the important fight against child marriages. We also took part in a fundraiser as part of TV Aksjonen where with the help of our Norwegian followers we raised NOK 4,100 for the good cause via our Norwegian Facebook page.





*The war in Ukraine has displaced millions but has also sparked a global food crisis that is impacting the world's most vulnerable people.*

*We are therefore impressed by Søstrene Grene's continued support, and their quick decision to donate further to our work for refugee children in areas neighbouring Ukraine. Thank you so much.*

**DORTHE PETERSEN**

CEO, PLAN INTERNATIONAL DENMARK.

## HELPING UKRAINE'S CHILDREN TOGETHER

To aid the efforts in Ukraine, we donated one day's profits from our webshops in seven markets on 9 March 2022 to Ukrainian children. With the help of our customers, we collected profits of DKK 543,461 (EUR 73,033), which we were able to donate to the important cause in Ukraine.

The donation went to Plan International's project in Ukraine. The aim of the project was to support children and youths impacted by war, and to distribute cash for food, medicine, nappies and other necessities in Ukraine and to Ukrainian refugees in neighbouring areas.

Plan International is working with a local organisation in Moldova to provide psychological support and aid to Ukrainian families. They work with mobile units at which psychologists, teachers and social workers receive the Ukrainian children and their families.






Mødrehjælpen

CHRISTMAS JOY

# JOINING FORCES TO GIVE CHILDREN A CHRISTMAS TO REMEMBER

Around 65,000 children live in poverty in Denmark, and Christmas presents, Christmas food and Christmas treats are often lacking for them and their families.

Like the year before, in 2021, Søstrene Grene donated 1200 advent calendar gifts to Mødrehjælpen, in 300 gift sets. The gifts were wrapped with the help of Sisters at Søstrene Grene's head office and influencers in Denmark. The Advent gifts were distributed to vulnerable children in Mødrehjælpen's local associations in Viborg, Thisted, Svendborg, Hvidovre-Rødovre, Næstved and Nørrebro.

In addition to the gift donation, we made our digital platforms available and set up a fundraiser on our Danish Facebook page to go towards Mødrehjælpen's Christmas aid appeal. Together with our influencers' own collections, the total money collected for Mødrehjælpen was DKK 136,649 (approx. EUR 18,220).

For every DKK 500 received, we could delight a child with gifts, Christmas food and everything else that goes with a good Christmas celebration. We were able to bring joy to 273 vulnerable children with our donation. All donations were passed on in full to Mødrehjælpen's Christmas Aid 2021 appeal.









*Our partnership with Søstrene Grene allowed us to bring Christmas joy to more children in Denmark.*

*Both through our volunteers who distributed gift calendars to 300 children to spread joy in December, and through the over DKK 136,000 collected from Søstrene Grene's customers.*

*You have enabled 273 children to celebrate Christmas. Thank you so much for an amazing partnership and for helping to bring Christmas joy to children in poverty in Denmark.*

**NINNA THOMSEN**

DIRECTOR, MØDREHJÆLPEN.

OTHER INITIATIVES

# FROM SURPLUS STOCK TO VALUABLE AID

Søstrene Grene receives regular requests for support in the form of product donations. We have products in our warehouses that, for one reason or another, are in excess. These might be older products, or products with minor defects that we cannot sell.

Rather than discarding these products, we wish to support some of the organisations that contact us. We are looking into how we can better systematise the entire process for how we handle product donations, so we can donate more goods in excess to even more initiatives where support is needed.

In the 2021/22 financial year, we donated the following:

- Product donation in the form of hardcover notebooks, pens and nets for siblings of chronically ill children and youths.
- Product donation in the form of creative materials and toys for Danish NGO working in Nigeria.
- Product donation in the form of toys, creative materials, hardcover notebooks and 52 chairs for respite care home for children and youths with cognitive impairments and/or developmental disorders.
- Christmas decorations and picture frames for various hospital wards.

## OTHER DONATIONS TO UKRAINIAN REFUGEES

On 9 March, we donated the profits from our webshops in seven markets to Plan International's efforts in Ukraine. We have made the following additional contributions:

- 13 pallets of blankets, care products for children, toys, bedding, etc. that were shipped to Ukraine.
- Donation of bedding for Ukrainian refugees in Aarhus, Denmark.
- Product donations for creative activities for Ukrainian refugee children in Aarhus, Denmark.



| AIM | ACTION | YEAR | STATUS | UN GOAL |
|---|---|---|---|---|
| Together with our great partners, we aim to create valuable solutions for society. | **PLAN INTERNATIONAL** | | |  |
| | • Sale of drinking water with a donation to Plan International. The bottle is made of 100% recycled plastic. | Ongoing | 100% |  |
| | • 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. | | | |
| | - Tote bag in 2 designs – week 40 2020 | 2020 | 100% | |
| | - Tote bag in 2 designs – week 14 2021 | 2021 | 100% | |
| | • Sale of Plan International tote bags and hardcover notebooks and colouring books in the 21/22 accounting year, with part of sales going to Plan International's fight for gender equality. | | | |
| | - Tote bag in 2 designs – week 21 2021 | 2021 | 100% | |
| | - Tote bag in 2 designs – week 31 2021 | 2021 | 100% | |
| | - Notebook – week 31 2021 | 2021 | 100% | |
| | - Tote bag in 2 designs and colouring book – week 41 2021 in connection with the UN's International Day of the Girl Child | 2021 | 100% | |
| | - Tote bag in 2 designs – week 49 2021 | 2021 | 100% | |
| | - Tote bag in 2 designs – week 10 2022 | 2022 | 100% | |
| | • Sale of Plan International tote bags and notebooks and colouring books in the 22/23 accounting year, with part of sales going to Plan International's fight for gender equality. | | | |
| | - Tote bag in 2 designs – week 23 2022 | 2022 | 100% | |
| | - Tote bag in 2 designs – week 30 2022 | 2022 | 100% | |
| | - Notebook in three designs – week 30 2022 | 2022 | 100% | |
| | - Pencil case in two designs – week 33 2022 | 2022 | 100% | |
| | - Cosmetic bag and tote bag in two designs in connection with the UN's International Day of the Girl Child on 11 October 2022 | 2022 | 0% | |
| | - Puzzle in week 40 as an Advent calendar gift idea 2022 | 2022 | 0% | |
| | **MØDREHJÆLPEN** | | | |
| | • Donation of 1200 Advent gifts in 300 sets to 6 local chapters in Denmark, which were distributed to 300 vulnerable children. | 2021 | 100% | |
| | • Fundraiser on Facebook and through selected influencers with the aim of giving as many children as possible a Christmas to remember. | 2021 | 100% | |
| | • Donation of 1200 Advent gifts in 300 sets to 6 local associations in Denmark, which will be distributed to 300 vulnerable children. | 2022 | 0% | |
| | • Fundraiser on Facebook with the aim of giving as many children as possible a Christmas to remember. | 2022 | 0% | |

# EMPLOYEES

EMPLOYEES

# DEVELOPMENT AND INCLUSION

EMPLOYEE CONDITIONS

OUR VALUES

SISTERHOOD

HEAD OFFICE AND MANAGEMENT

OCCUPATIONAL HEALTH AND SAFETY

CULTURE SURVEY

STUDENT NETWORK

OUR SOCIAL RESPONSIBILITY

# 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.

Partnerships with our franchisees and suppliers and our relationship with our employees are 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 IN SØSTRENE GRENE

*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 Søstrene Grene's head office or in a Søstrene Grene store, our values describe what we want both our customers and our fellow sisters to experience with us:

## JOY

At Søstrene 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 Søstrene 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 Søstrene Grene, we therefore endeavour to inspire our surroundings to be creative.

## 'HYGGE'

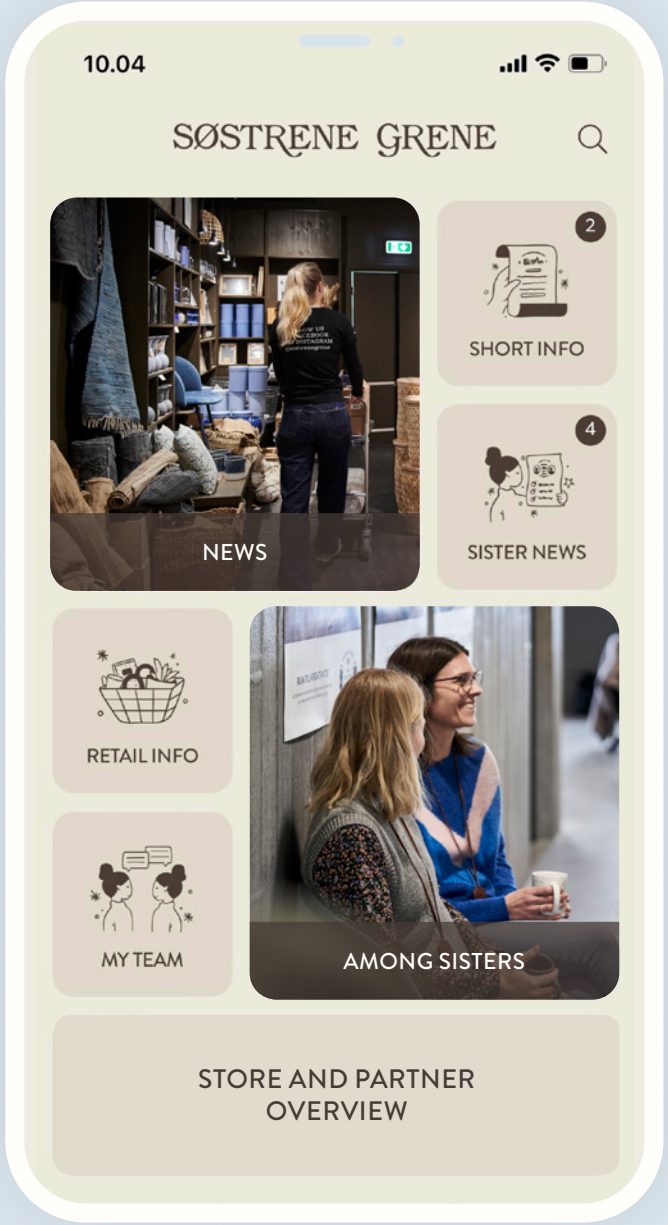
Hygge is a state of joy, satisfaction and cosiness that is unique to Denmark, where the sisters are from. We therefore take great care to create moments of hygge at Søstrene Grene.

INTRANET

# 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 with each other, be inspired and follow what is happening in the wonderful world of Anna and Clara.

In 2022, we launched our Sisterhood HQ in a new intranet app that now also gives access to all Sisters in our warehouses, who do not work in front of a PC. Employees can undergo training in various topics in the new app, and it also includes an onboarding process for new Sisters in warehouses and offices.











## HEAD OFFICE

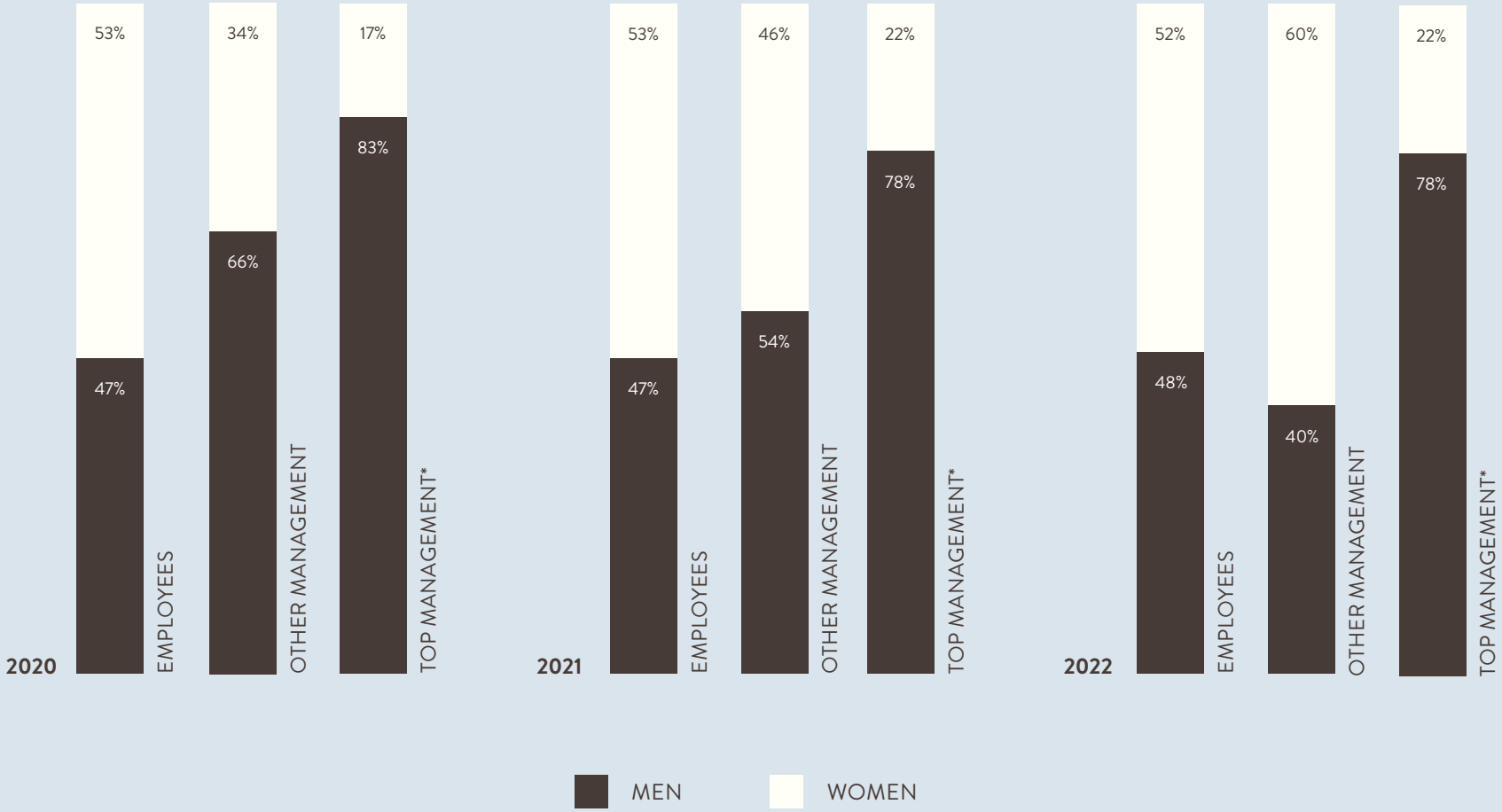
At our head office and warehouses in Denmark, we have around 420 employees at three locations. About half are employed in our warehouses, and the rest in our offices, in functions such as design, buying, marketing and IT.

## MANAGEMENT

We seek a simple structure, with a focus on excellent leadership and freedom within responsibility. Through a strong Sister Spirit, there is a focus on the individual and their need for flexibility and a good work setting. In 2022, we created an internal leadership network where our managers receive continual training, share experiences, challenges and successes, and get regular sparring on their leadership and any staff 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** HEAD OFFICE




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

OCCUPATIONAL HEALTH AND SAFETY

# HEALTH AND SAFETY ORGANISATION AND ERGONOMICS

We have a skilled 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.

In 2022, we launched a focus on health and especially ergonomics. Several Sisters are now trained ergonomics ambassadors and can help their colleagues experience even more movement in their working day, and get their workstations adjusted to be ergonomically optimal. Sisters in both the offices and the warehouses are helping create an even healthier working environment. All employees are covered by health insurance.









CULTURE SURVEY

# DEVELOPING OUR WORKPLACE

We do a survey of our culture every year, including the degree to which our Sister Spirit, values and Ambition are being lived out. We also investigate 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.

The culture survey in 2022 saw our best results ever. It shows that, despite corona lockdowns, we have a strong team spirit, clear leadership and skilled teams that work really well together.



STUDENT NETWORK

# STRONG LINK BETWEEN EDUCATION AND THE WORKPLACE

We regularly employ many interns and students at Søstrene Grene. In 2022, we established a student network for all our interns and student assistants.

The aim of the network is to create both a professional and social community across the company, with a focus on development, learning, networking and Sister Spirit. The students are given a plan for their development and assigned a Big Sister to help them become part of the community. Regular social and professional events are also organised for the network.



## NOMINATED FOR 'INTERNSHIP COMPANY OF THE YEAR'

In spring 2022, Søstrene Grene was nominated by its own interns for the internship company of the year award, and for this year's onboarding award. The awards were presented by Studenterhus Aarhus and Aarhus Municipality. Even though we did not win, we are very proud and happy to have been nominated. It means a lot to us that interns feel well received and that they are involved in daily operations.

Doing an internship at Søstrene Grene is intended to be a positive learning experience. We therefore believe that the onboarding programme is an important element, so that interns get solid insight into the business and are well equipped to contribute to daily activities.

STUDENTERHUS AARHUS

*I look back on my internship at Søstrene Grene as a time filled with professional and personal development, where I met lots of amazing Sisters.*

**MADS MAACH-MØLLER**

FORMER INTERN AND NOW
BUSINESS CONTROLLER AT SØSTRENE GRENE.



# OUR SOCIAL RESPONSIBILITY

Taking social responsibility is not a strategy for us, but simply comes naturally. Our Sister Spirit also means that we seek to create an inclusive and diverse workplace with dedicated employees. By creating flexible working conditions and trusting relationships, we retain employees for longer.

We work to both employ and retain people on the edge of the labour market and are proud to contribute to creating a meaningful life for the individual. We have employed mentally vulnerable youths, former criminals, long-term unemployed and people on reduced hours.

Our recruitment from the edge of the labour market is in line with global goal 8. The focus is on getting socially vulnerable people into work, but also about reducing unemployment among youths who are not in a job or studying. Our efforts at our e-commerce warehouse, in particular, where we hire mentally vulnerable young people on equal terms with everyone else, help to teach young people how to go to work, so they can hold down a job – also later in life.

*It's quite natural for me to recruit in collaboration with the municipality and various organisations, because I believe we all have an obligation to help our fellow human beings.*

*My experience has shown that if you dare to give people a chance, you get dedicated employees in return.*

**KASPER JACOBSEN**

HEAD OF E-COM FULFILMENT,
SØSTRENE GRENE.

## COLLABORATION WITH AARHUS JOB CENTRE

Based on our good experiences from our e-commerce warehouse in particular, we have recently partnered with Aarhus Job Centre in the Danish city of Aarhus to help more employees on the edge of the labour market into employment. As part of this collaboration, we also hope to be able to establish language training in the workplace for Ukrainians employed at our web e-commerce warehouse.

Søstrene Grene also works with the following initiatives and organisations: High:five, Jobbanken (Job Bank), SIND (the Danish Association for Mental Health) and Job og Unge (Job and Youths) (Aarhus Municipality).

AARHUS KOMMUNE

## CSR PEOPLE PRIZE 2022

Søstrene Grene was nominated for the Cabi CSR People Prize in spring 2022, together with Novo Nordisk and Proshop, in the category for companies with over 250 employees. The prize is awarded to companies that make an extraordinary effort to take social responsibility. We were nominated for the award for the efforts we make to get youths on the edge of the labour market into employment.

Although the award went to Proshop, we were proud to have been nominated: "We are extremely proud to have been nominated for this award, especially among such strong contenders. Our Sister Spirit is one of Søstrene Grene's core values. Sister Spirit defines our culture, in which we stand together, support and help each other, and make each other stronger. It is therefore moving to be nominated for an award for our social responsibility, as this shows how strong our culture is, and emphasises how important the cause is," says CEO and co-owner of Søstrene Grene, Mikkel Grene.



*"Our Sister Spirit is one of Søstrene Grene's core values. Sister Spirit defines our culture, in which we stand together, support and help each other, and make each other stronger. It is therefore moving to be nominated for an award for our social responsibility."*

**MIKKEL GRENE**

CEO AND CO-OWNER, SØSTRENE GRENE.




Mette Rønnau, CEO of Cabi and chairman of the jury, and from Søstrene Grene: Tijana Krstic, Press & Communication Specialist, Kasper Jacobsen, Head of E-com Fulfilment and Katrine Thorup Mortensen, People & Culture Business Partner at the CSR People Prize 2022 award ceremony.




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