



SØSTRENE GRENE

RESPONSIBILITY

HIGHLIGHTS 2023



STEP BY STEP TOWARDS A LOWER CARBON FOOTPRINT

At Søstrene Grene, we bear a significant responsibility for minimising the carbon footprint stemming from our operations. Consequently, we are diligently progressing, step by step, towards creating a product range with the least possible climate impact. In this pursuit, we have phased out several single-use products made from plastic, paper, and cardboard.

We also aspire to ensure that a greater number of our products obtain independent and recognized certifications such as OEKO-TEX®, GOTS, GRS, or FSC®, which not only safeguard the well-being of those producing and using our products but also set a number of requirements for the protection of the environment.

To gain insight into areas where we can reduce our carbon footprint, we are developing a climate account that maps our emissions across our activities. In relation to our turnover, our emissions have once again decreased compared to previous years. We now emit 40 tons of CO₂e per million DKK in revenue compared to 63 tons in 2018/19. This is very positive and indicates that our climate-focused initiatives are making a difference. In total, our CO₂e emissions have slightly risen, partly due to the expansion of physical stores which has led to an increase in product sales.

2030 REDUCTION TARGETS

However, there is still much more we can do. Therefore, we have established long-term reduction targets for 2030. These are ambitious goals which demand important decisions and substantial efforts over the coming years. In these highlights, you can read about our most important responsibility initiatives and overall goals for the years ahead. Happy reading.

Cresten and Mikkel

CRESTEN GRENE AND MIKKEL GRENE, OWNERS, SØSTRENE GRENE

Look for the FSC® logo displayed next to our FSC®-certified products. Licence code FSC-C133860.



Mikkel Grene, CEO, and Cresten Grene, Creative Director, own and run Søstrene Grene today. Their parents founded the company and opened the very first Søstrene Grene store in Aarhus, Denmark, back in 1973. Thus, this year Søstrene Grene celebrates its 50th anniversary.

FOCUS AREAS



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PLANET

At Søstrene Grene, we have a significant responsibility to reduce our impact on the climate and environment throughout the entire value chain.



PAGE 10

PRODUCTS

At Søstrene Grene, it is crucial that our products meet strict requirements regarding health, safety, quality, and the environment.



PAGE 16

PEOPLE

At Søstrene Grene, taking social responsibility is not a strategy; it is a natural part of conducting business.



At Søstrene Grene, we are working with a range of UN Sustainable Development Goals. We believe that by aligning ourselves with these goals, we can contribute to a world where collectively, we set the agenda for a more sustainable future.



PLANET

The world is facing a significant environmental and climate challenge in the future. It is a challenge that we must all come together to address. Therefore, at Søstrene Grene we have a profound responsibility to actively work towards reducing our impact on the climate and the environment throughout the entire value chain.

CLIMATE ACCOUNT

CARBON FOOTPRINT

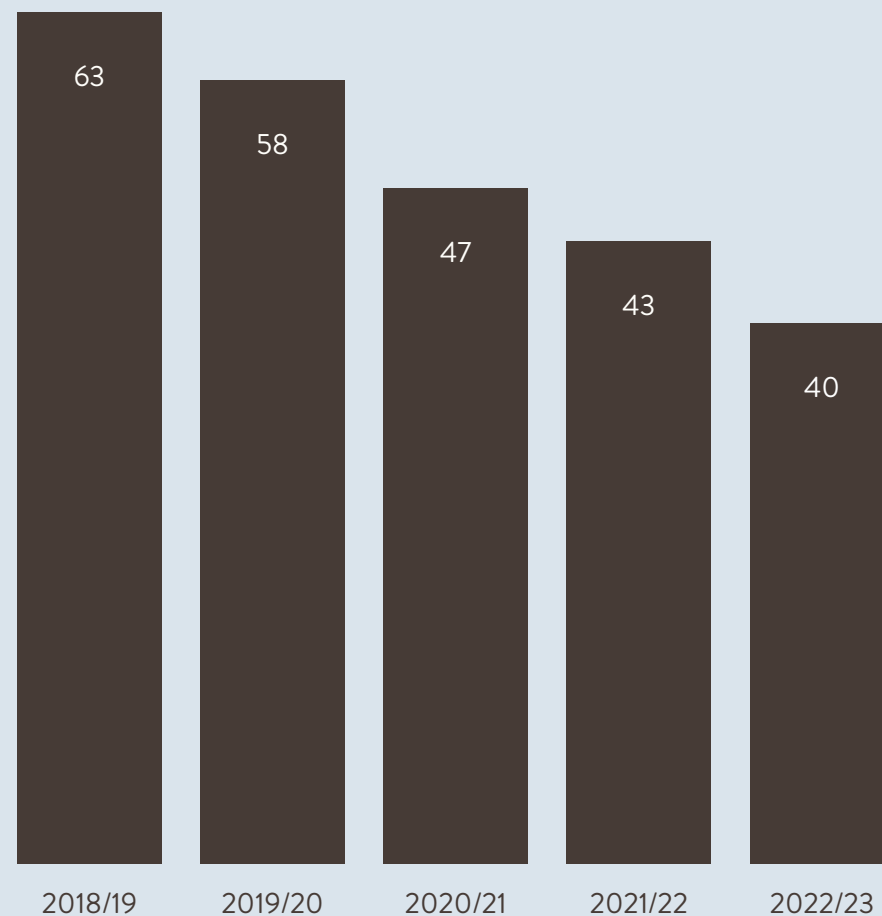
Once again this year, we have made a climate account that outlines our overall carbon footprint distributed across our value chain and within Scopes 1, 2, and 3.

- **Scope 1** includes emissions directly caused by us, such as those related to transportation.
- **Scope 2** includes emissions indirectly caused by the energy we purchase, including our electricity and heat consumption.
- **Scope 3** represents the emissions indirectly caused by us with the production and transportation of our products, as well as their purchase and sale.

Seen in relation to our turnover, our emissions have decreased compared to previous years. We now emit 40 tons of CO₂e per million DKK in revenue compared to 63 tons in 2018/19 (see illustration to the right). Our total CO₂e emission has increased from 85,797 tCO₂e to 90,689 tCO₂e. This is due to our increased growth the past year where we among others have opened more stores which has led to an increase in product sales.

DEVELOPMENT IN tCO₂e IN RELATION TO TURNOVER (mDKK)

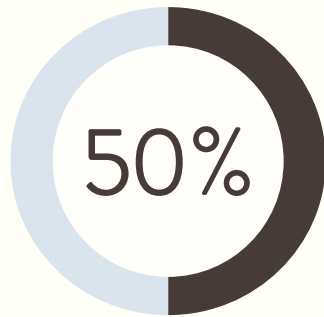
Economic intensity (our CO₂e emissions in relation to our turnover)



AMBITIOUS REDUCTION TARGETS

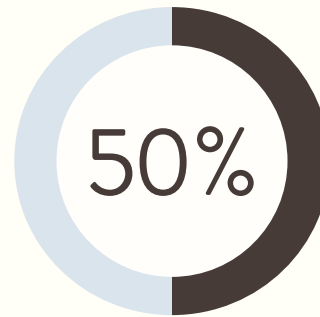
TOWARDS 2030 WE WILL REDUCE OUR CO₂e EMISSIONS BY:

SCOPE 1



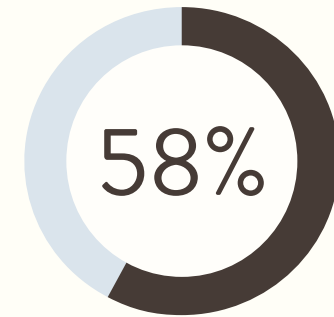
To reach this target, we will prioritise company cars which run on electricity.

SCOPE 2



To reach this target, we will optimise our energy sources, e.g. by installing solar power cells.

SCOPE 3



To reach this target, we will focus on our product composition and emissions from suppliers and transporters.

SCIENCE BASED CLIMATE TARGETS

To support our ambitions of reducing our carbon footprint, we joined the Science Based Targets initiative in 2022.

The initiative monitors our reduction targets and continually tracks our progress towards achieving these on schedule.

At the same time, they ensure that our reduction goals align with the ambition to limit global warming to below 1.5°C (Paris Agreement).

The targets will be validated by Science Based Targets Initiative in the autumn of 2023.

TRANSPORTATION AND ENERGY CONSUMPTION WITH LEAST POSSIBLE CLIMATE IMPACT

At Søstrene Grene, we aim to select transport partners who are working to reduce emissions from their transportation solutions. Furthermore, we prioritize renewable energy sources when purchasing lighting, electricity, and heating for our stores and warehouses.



FOCUS ON RENEWABLE ENERGY

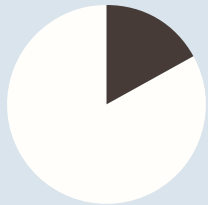
Since January 2022, the electricity used in Søstrene Grene's more than 60 stores in Germany has been purchased as 100% renewable energy. The same goes for Søstrene Grene's 15 stores in the Netherlands. Moreover, the power used at Søstrene Grene's central warehouses in Aarhus is purchased as 100% wind energy.

TRANSPORTATION WITH LOWER IMPACT

Both on land and at sea, we prioritise partners who are working to promote transportation methods with lower climate impact. For instance, we have our goods transported by sea using Maersk's Eco Delivery product, which has a significantly lower footprint than their regular sea transport. Eco Delivery is intended to contribute to Maersk's goal of achieving carbon neutrality by 2040.



ANNUAL CO₂e
REDUCTION OF 17%



By installing solar power cells at our central logistics warehouse.



INVESTMENT IN SOLAR POWER CELLS

Installation of solar power cells at our central logistics warehouse will result in an absolute reduction in our energy consumption in Scope 2 of 17% per year. The installation work begins in September 2023.

PRODUCT RANGE WITH LEAST POSSIBLE CLIMATE IMPACT

The majority of our climate footprint originates from Scope 3, primarily from the purchase and sale of our products. Therefore, we are focused on ensuring that our products have a longer lifespan and that they to a higher extent are made from recycled materials or materials that can be recycled after use.

PRODUCTS MADE FROM RECYCLED MATERIALS

We have increased the share of GRS-certified textile and plastic products that consist entirely or partially of recycled materials.

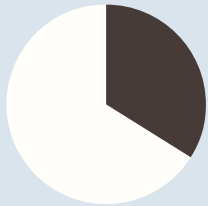
When we choose plastic for our products, it should be for products that can be used multiple times, and it is our ambition that the plastic should be recyclable or made from recycled plastic. Read more about GRS on page 15.



PRODUCTS TO BE USED AGAIN AND AGAIN

We have a great focus on offering our customers products that can be used multiple times as alternatives to single-use products. We have launched textile gift bags and gift bags with self-adhesive closure. Moreover, we have launched to-go tableware in multiple-use plastic that can be used for picnics and festive occasions instead of single-use tableware.

REDUCTION OF 34% IN PRODUCED PLASTIC FROM 2018/19 TO 2021/22



Our focus on plastic and phasing out single-use plastic products has resulted in a reduction in our total CO₂e emissions from plastic products by 4,791 tCO₂e.

PHASE-OUT OF SINGLE-USE PLASTIC PRODUCTS AND TABLEWARE

We have phased out a wide range of single-use products which would just end up as waste after use. Last year, we phased out single-use plastic products such as plastic foil and gift ribbon of single-use plastic. This year, we phased out our entire category of single-use tableware, such as paper plates and paper cups.



PACKAGING WITH LEAST POSSIBLE CLIMATE IMPACT

We work to reduce our climate impact by focusing on using the least possible packaging and reducing the use of plastic, especially on our product packaging.



REDUCED TRANSPORT PACKAGING

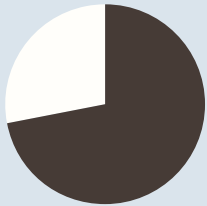
It is important that our products are optimally packaged for shipment to prevent damage during transportation. However, we often find that there is unnecessary packaging of our products, so we are focused on guiding our suppliers on how to pack our products with the least amount of packaging possible.

REDUCED PRODUCT PACKAGING

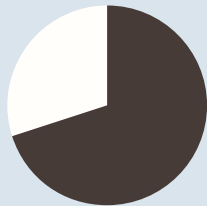
We work to reduce the packaging on every single product. In some cases, the packaging is reduced, in other cases it is totally removed. Besides this we focus on reducing the use of plastic packaging and on using mono materials, so the packaging can be sorted correctly for recycling after use.



72% ANNUAL MATERIAL SAVING



70% ANNUAL CO₂e-REDUCTION



E-COM PACKAGING WITH REDUCED FOOTPRINT

Earlier on, we used large amounts of paper for our web parcels. Now, we use a combination of FSC®-certified cardboard and paper as well as inflatable plastic made from 30% recycled plastic. In that way, we will obtain an annual material saving of 72% which results in an annual CO₂e reduction of 70% on our web parcels.

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



PRODUCTS

At Søstrene Grene, the product is the focal point and core of our business. It is essential to us that our products meet strict requirements regarding health, safety, quality, and the environment, and that our customers feel confident in choosing our products.

PRODUCT SAFETY AND QUALITY

It is very important to us that our customers feel confident about choosing a Søstrene Grene product. Our products are evaluated, tested, and quality assured in line with our own and regulatory requirements.

Testing and quality assurance occur at several points in the value chain:



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 at our warehouse in Denmark before these are shipped to the store.

FOCUS ON UNWANTED CHEMICALS

At Søstrene Grene, we do not want harmful chemicals in our products, and this of course also excludes hazardous fluorinated substances, often referred to as PFAS.

We monitor the developments in relation to chemicals, so that we always stay one step ahead of Danish and international legislation. The strictest law in a given country forms the basis of our requirements.

SCENTED CANDLES WITHOUT PROBLEMATIC FRAGRANCES

The EU has a list of 26 fragrance ingredients which can cause allergies above a certain level. These ingredients must be mentioned on the packaging if they exceed this level. Through close dialogue with our Danish supplier of scented candles, we have created a series of scented candles, where the fragrance ingredients do not exceed the EU's declaration level.



A CERTIFIED PRODUCT RANGE

We aim to increase the number of products with an independent certification or labelling scheme. Learn more about the specific certifications and labelling schemes found in Søstre Grene's product range on the following page.

*Except textiles for selected furniture and decorations.

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

100% CERTIFIED TEXTILES

By the end of 2023, 100% of our textile products will carry an independent certification, meaning that the products meet strict requirements in relation to e.g. chemical substances, protection of the environment, working conditions, animal welfare, and recycling.*



100% CERTIFIED WOOD AND PAPER

By the end of 2023, 100% of our products made of pure wood/paper or partly of wood/paper will be FSC®-certified. The wood stems from forests which are managed sustainably. This means that no more timber is felled than the forests can reproduce naturally and that flora and fauna are protected.**

100% CERTIFIED BATH AND CARE PRODUCTS

100% of our bath and care products are produced in Europe. They carry one or more certifications or labelling schemes which have strict demands in relation to among others protection of human health and the environment and that the products do not contain ingredients of animal origin etc.



CERTIFICATIONS AND LABELLING SCHEMES IN SØSTRENE GRENE'S ASSORTMENT



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 which 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. The standard ensures traceability throughout the supply chain and compliance with social and environmental requirements.



FSC®

FSC® (Forest Stewardship Council) is a certification which among others 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.



NORDIC SWAN ECOLABEL

The Nordic Swan Label is the official Nordic ecolabel and one of the world's toughest environmental certifications. The label among others ensures that the product is manufactured with consideration for the environment and human health.



ASTHMA ALLERGY NORDIC

The Asthma Allergy Nordic label ensures that experts have a comprehensive understanding of the product's ingredients, reviewing all components and their origins, thereby ensuring that the product poses minimal risk of allergy development.



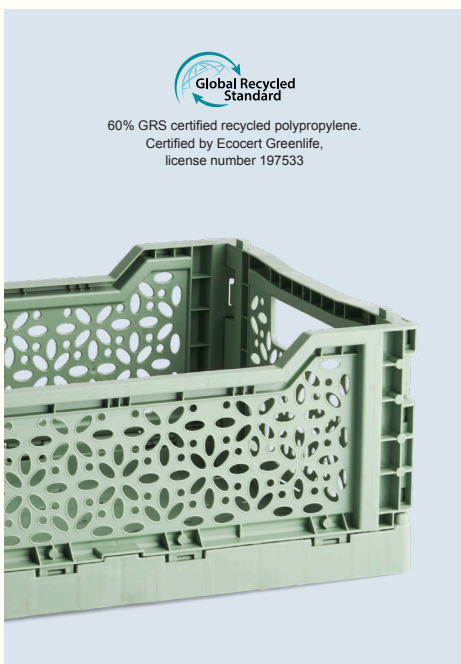
THE VEGAN TRADEMARK

The Vegan Trademark is an international vegan standard that ensures the product does not contain ingredients of animal origin and that the development and production process of the product occur entirely without animal testing.



ECOCERT – COSMOS ORGANIC

Ecocert Cosmos is a European standard with specific environmental criteria for packaging and production. It also demands that products must be completely free of synthetic fragrances, colorants, nanoparticles, and parabens.



PRODUCTS MADE FROM RECYCLED MATERIALS

At Søstre Grene, we are actively working to increase the number of products made from recycled materials. This is part of our responsibility strategy towards a more circular approach to product manufacturing.

As a result, we are continuously striving to offer our customers even more GRS-certified products. The certification ensures that the product consists entirely or partially of recycled materials. The GRS logo may only be applied to a product if the product contains a minimum of 50% certified recycled material.

At the beginning of 2023, Søstre Grene became GRS-certified as a company. This means that not only our products but also our company procedures are assessed in relation to the GRS certification.



PEOPLE

Taking on social responsibility is not a strategy for us, but a natural part of conducting business. We have a great responsibility to take good care of the people who manufacture our products and the Sisters in our stores, at our warehouses, and at our offices. We also have a strong wish to help make a difference for marginalised groups.

RESPECT FOR PEOPLE THROUGHOUT THE VALUE CHAIN

At Søstrene Grene, we take our social responsibility and the respect for human rights very seriously.

This goes for the people who produce our products at our suppliers and also for our employees in our stores and at our office and warehouse locations.

Last, but not least, we wish to support charitable initiatives, which help marginalised groups and contribute to the positive development of local communities.



RESPONSIBLE PRODUCTION AND SHARED VALUES

It is important to us that the production of our products takes place under proper conditions, with respect for people and the environment, and in compliance with international law.

We are a proud member of amfori BSCI which controls that our suppliers comply with amfori's Code of Conduct.

The code of conduct among others prohibits child labour, corruption, and discrimination. Additionally, it must ensure workers' health and safety at the factories, decent working hours, fair wages, and that production takes place with respect for the environment.





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.

amfori BSCI Approach

-  **Code Observance**
Our enterprise is obliged to protect workers' rights as mandated by the law and the amfori BSCI Code.
-  **Workers' Involvement and Protection**
Our enterprise keeps workers informed about their rights and responsibilities.
-  **Supply Chain Management and Cascade Effect**
Our enterprise uses the amfori BSCI Principles to influence other business partners.
-  **Grievance Mechanism**
Our enterprise provides a system to collect complaints and suggestions from employees.

www.amfori.org



READ MORE ABOUT AMFORI BSCI AT
WWW.AMFORI.ORG

EXTRA GUARANTEE OF SOCIAL RESPONSIBILITY

Some of the certifications and labels Søstre Grene's products carry also encompass social responsibility, guaranteeing that the product is produced under proper conditions with respect for people and the environment. Examples of these are GOTS, GRS, and FSC®.

Some of the fundamental requirements include ensuring workers' rights, safe and hygienic working conditions, establishing minimum wages, setting limits on working hours, allowing the formation of trade unions, and, of course, prohibiting any form of child or forced labour.



SISTER SPIRIT IN A WONDERFUL UNIVERSE

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. In Søstrene Grene, we call each other Sisters – regardless of gender. Our culture and our way of being together is called Sister Spirit.

SOCIAL RESPONSIBILITY

To us, Sister Spirit is also about taking social responsibility. Therefore, we work to both employ and retain individuals from the edge of the labour market and are proud to contribute to creating a meaningful life for each of them.

At our warehouses in Aarhus, we have among others employed:

- Mentally vulnerable youths
- Long-term unemployed
- People on reduced hours
- Ukrainian refugees
- Former criminals



OUR VALUES

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

JOY

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

AESTHETICS

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

EVER-CHANGING

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

FINDS

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

CREATIVITY

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

HYGGE

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

OUR SISTER SPIRIT

We aspire to form an enriching community that makes work feel less like work. A community centred 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 such as respect, trust, and honesty, and we aspire to treat everyone in accordance with our values.

WE SUPPORT GIRLS' AND WOMEN'S RIGHTS

Since 2018, we have had a close partnership with Plan International. As part of this, we launch new Plan International products on a regular basis. For every product sold, €0.40 to €0.67 is donated to Plan International.

We also sell mineral water in Søstrene Grene's physical stores where €0.10 is donated to Plan International for every bottle sold. The water bottle is made from 100% recycled plastic.

The support from Søstrene Grene specifically goes to projects in West Africa which work to ensure that girls and young women receive an education by amongst other initiatives preventing child marriages and teenage pregnancies.



Learn more about the products Søstrene Grene sells in collaboration with Plan International at gre.ne/plan



In 2022, with the help from our customers, we donated

€153,238

to Plan International and the fight for girls' and young women's rights.



LIFE-CHANGING SUPPORT FOR SPONSORED CHILDREN

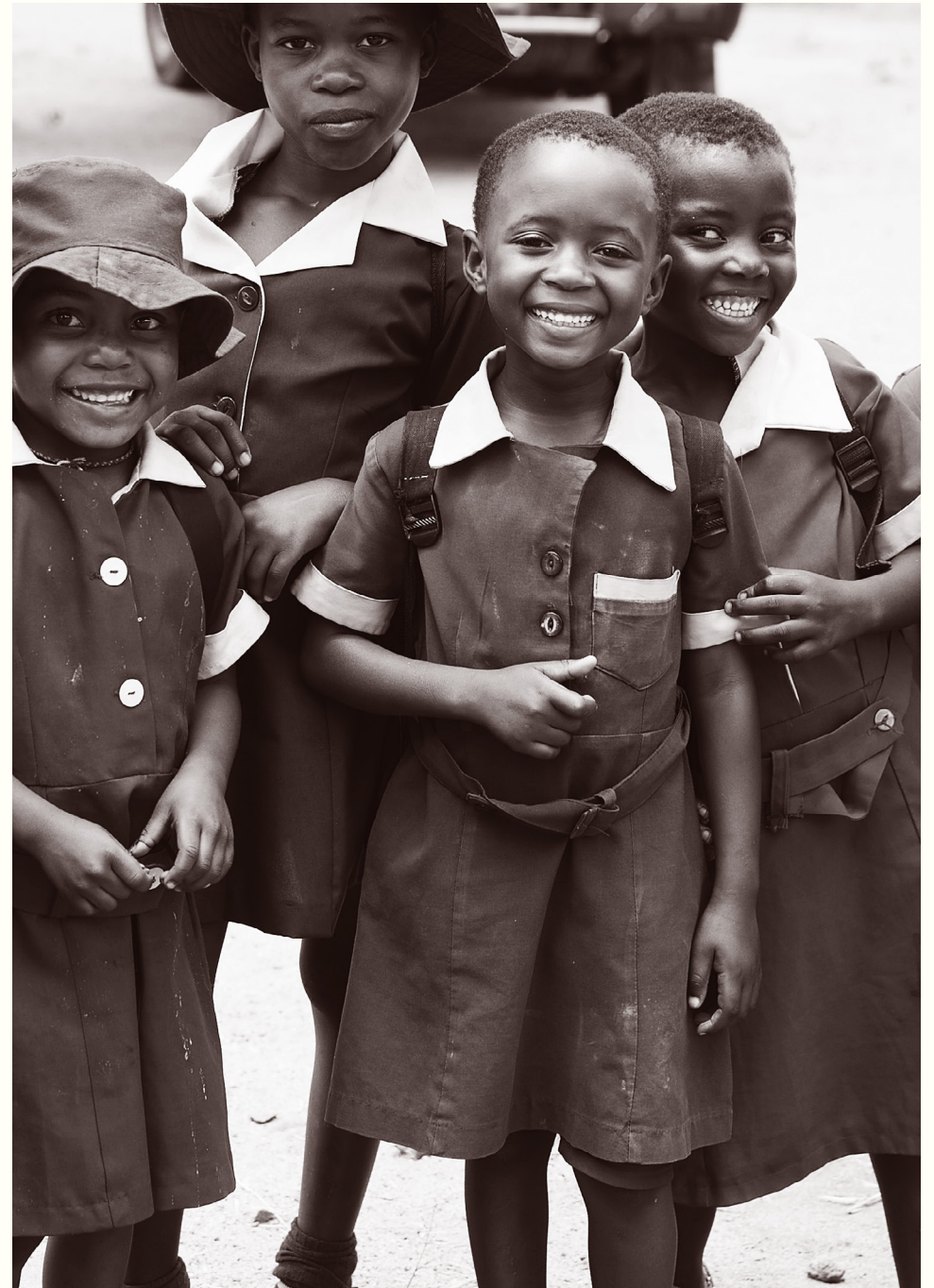
We are proud that over half of Søstrene Grene's more than 270 stores sponsor a child through Plan International.

The support not only changes the life of the individual child, it also contributes to:

- Ensuring children's rights and gender equality
- Securing more children in the local community get to have a safe childhood and a better future
- Strengthening the local communities so the support has a long-term effect

The individual Søstrene Grene store can send greetings and presents to the child through a member site, and the child can also send updates and drawings to the Sisters in the store.

In 2024, six Sisters from Søstrene Grene's stores in Germany, France, and the Netherlands will travel to Kenya to experience how the support has helped change the lives for some of the sponsored children.





READ MORE AT
WWW.SOSTRENEGRENE.COM

