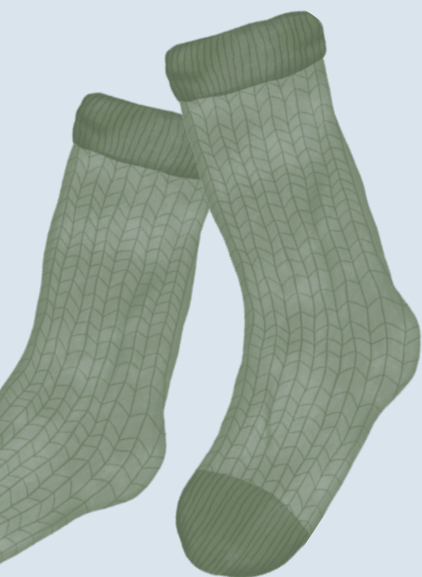




SØSTRENE GRENE

RESPONSIBILITY

HIGHLIGHTS 2024



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At Søstrene Grene, we work with a range of the UN's Sustainable Development Goals. We believe that, by using these goals as a foundation, we can contribute to a world where we set the agenda together.



Owners of Søstrene Grene: Mikkel Grene, Group CEO,
and Cresten Grene, Creative Director.

AMBITIOUS CLIMATE TARGETS FOR 2030

As a company, we have a significant responsibility to reduce our climate impact and contribute to the Paris Agreement's goal of limiting global warming to 1.5 °C. Therefore, ESG is one of our most important strategic focus areas.

We are working diligently to create a product range with the lowest possible climate impact. We focus on ensuring that our products last longer, can be reused, and increasingly consist of recycled materials. We have also removed a wide range of single-use products from our assortment and introduced alternative products with longer life spans instead.

All of this, and much more, is intended to help us achieve our ambitious climate targets for 2030. We are very proud that this year, our reduction targets were approved

by the international climate standard, Science Based Targets. This shows that we have the right scientific foundation to achieve the necessary CO₂ reductions towards 2030.

Our climate account for 2023/24 shows that despite substantial growth, we continue to reduce our CO₂ emissions relative to our turnover. However, we still have significant work ahead of us, and it will require considerable investments and prioritisation of the right initiatives over the coming years.

Here, you can read more about our responsibility initiatives related to the climate and our products, as well as how we work to take good care of our employees and the people in our value chain. Happy reading.

Cresten Grene and Mikkel Grene

Cresten Grene and Mikkel Grene, owners of Søstrene Grene



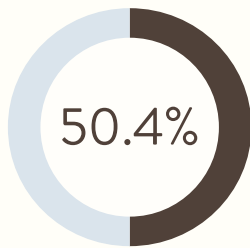
PLANET

At Søstrene Grene, we have a responsibility to actively work towards reducing our impact on the climate and environment throughout the entire value chain.

INTERNATIONALLY VALIDATED REDUCTION TARGETS

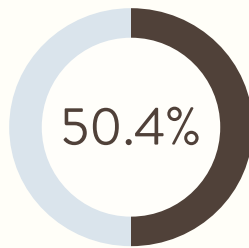
At Søstrene Grene, we have set ambitious reduction targets for our emissions leading up to 2030, which were approved by the Science Based Targets initiative in 2024. SBTi monitors our reduction targets and continuously follows up on our progress towards 2030, ensuring that our goals align with the ambition to limit global warming to 1.5 °C (the Paris Agreement).

WE WILL REDUCE OUR EMISSIONS BY



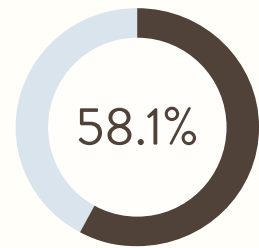
SCOPE 1

By prioritising company cars that run on electricity.



SCOPE 2

By optimising our energy, water, and heating sources at our own locations and in all Søstrene Grene stores.



SCOPE 3

By focusing on the material composition and packaging of our products, as well as emissions from suppliers and logistics partners.



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

“We are very proud that the SBTi has now approved our reduction targets after a thorough review of our business and climate calculations. This shows that we have the right scientific basis in place to achieve the necessary CO₂ reductions towards 2030.”

Mikkel Grene, Group CEO and co-owner, Søstrene Grene

CLIMATE ACCOUNT 2023/24

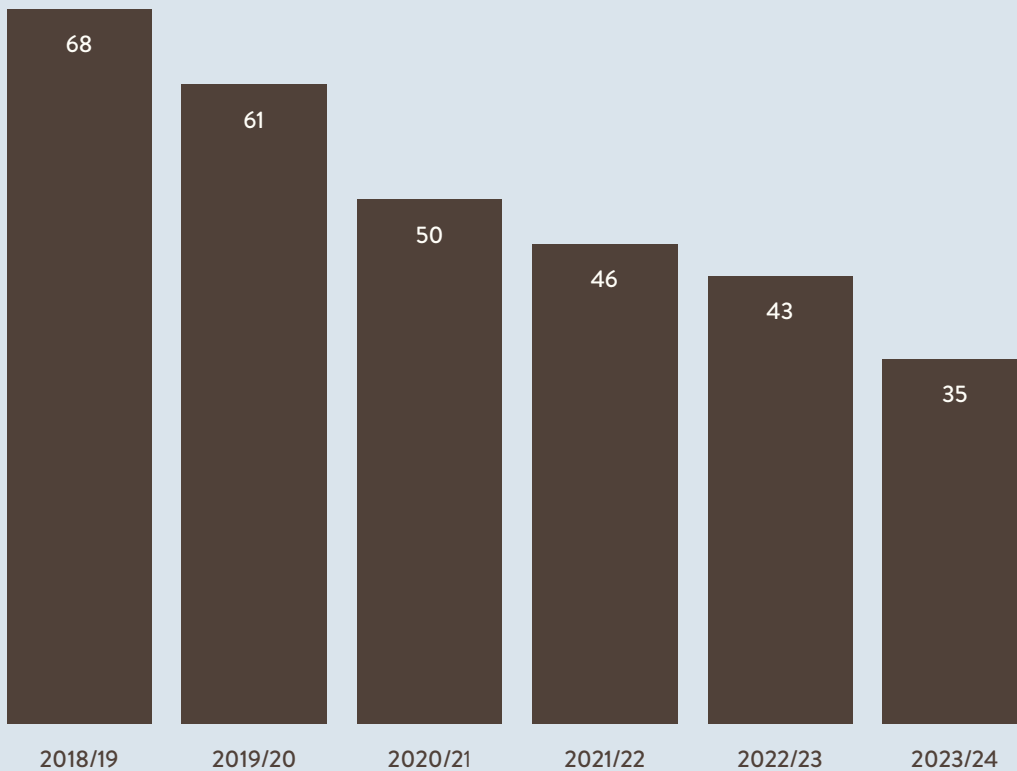


Our climate account for 2023/24 shows that our CO₂ emissions in relation to our turnover have decreased compared to last year, now emitting 35 tCO₂e per million DKK compared to 43 tCO₂e in 2022/23 (please see the illustration below).

Overall, our total emissions have increased from 96,910 tCO₂e to 98,705 tCO₂e, but this is due to substantial growth over the past year, during which we have opened 35 new stores in Europe and thus sold more products.

DEVELOPMENT IN tCO₂e VS mDKK TURNOVER

Economic intensity, i.e., CO₂e emissions in relation to our turnover.



LOGISTICS SOLUTIONS TO REDUCE CLIMATE IMPACT

As a large part of our emissions are placed in Scope 3, we need strong logistics partners and good logistics solutions that can contribute to climate reductions.



NEW LOGISTICS CENTRE TO REDUCE IMPACT

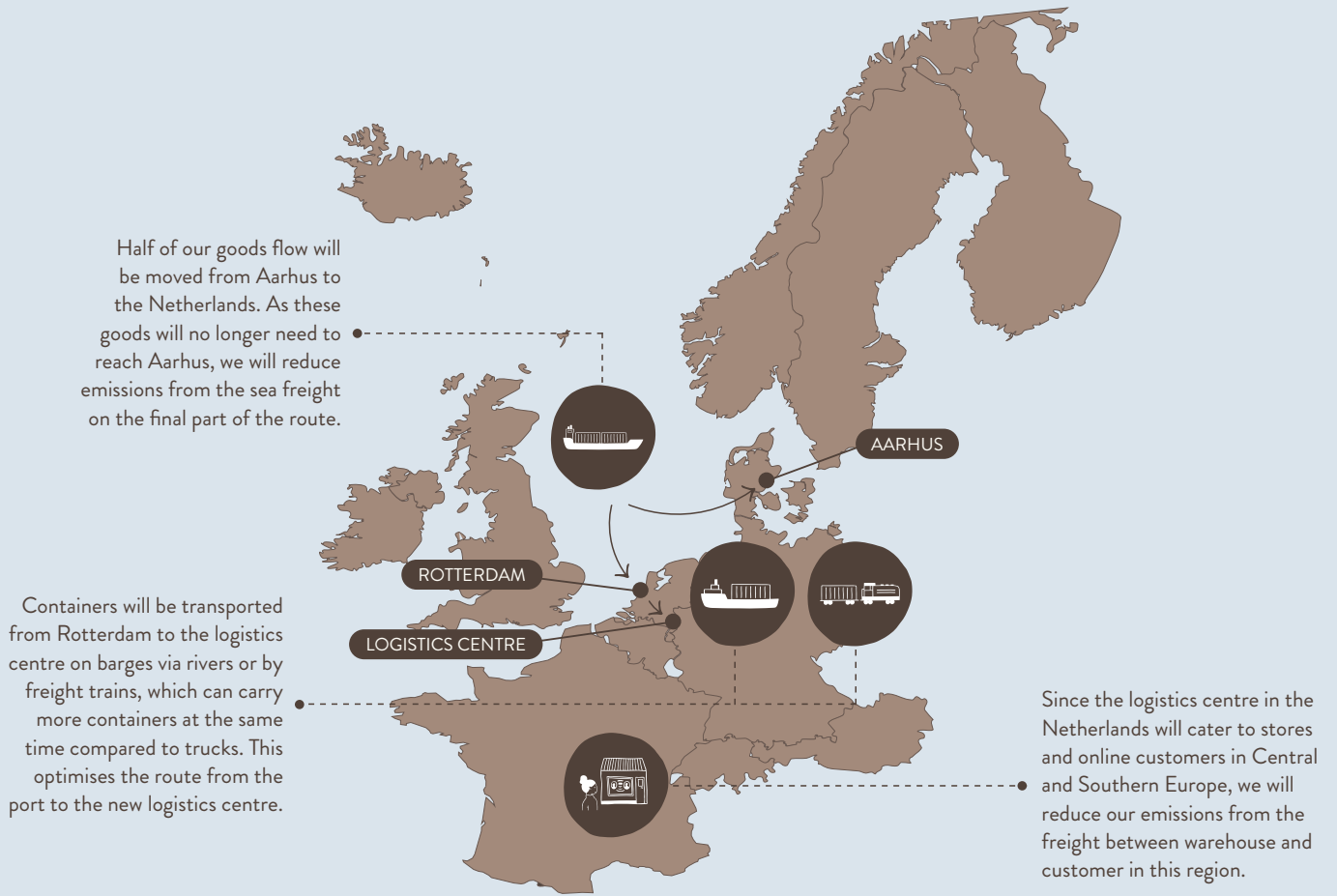
We are constructing a 45,000 m² logistics centre in the Netherlands, which will supply goods to more than 300 stores and all online customers in Central and Southern Europe.

The logistics centre itself is being built as a test case for sustainable construction, using recycled materials in the building process wherever possible. The logistics centre will be equipped with a solar panel system to facilitate energy consumption from renewable sources.

The logistics centre will have the following certifications:

- **BREEAM Excellent certificate**
BREEAM is a recognised method for assessing the sustainability of buildings. An Excellent rating demonstrates the project's commitment to minimising environmental and climate impact and integrating innovative and long-term solutions.
- **Healthy building certificate of IWBI**
(*International Well Building Institute*)
The WELL Building Standard™ is a scientifically based tool designed to create more thoughtful and conscious spaces to promote the health and well-being of employees.

THE NEW LOGISTICS CENTRE WILL LEAD TO CO₂ REDUCTIONS IN MULTIPLE AREAS:



TRANSPORT PARTNER WITH AMBITIOUS PLANS

Since 2021, we have had goods transported home by sea using Maersk’s Eco Delivery product, which has a significantly lower climate footprint than their standard sea transport. Eco Delivery is intended to contribute to Maersk’s goal of achieving carbon neutrality by 2040.

Maersk also transports our goods from the port to our logistics warehouse in Aarhus using electric trucks. To avoid having the trucks run empty afterward, they carry goods from our logistics warehouse to our online warehouse in Viby. This makes better use of the electric truck’s route.

PRODUCT DEVELOPMENT TO REDUCE CLIMATE IMPACT

The largest climate impact comes from our products. Therefore, we are working to create products with longer life spans, and which increasingly consist of recycled materials or materials that can be recycled after use.



FROM SINGLE-USE TO MULTI-USE

Over the past few years, we have removed a wide range of single-use products from our assortment. We have eliminated plastic foil, plastic gift ribbons, paper plates and cups, and much more. Instead, we have introduced alternatives that can be used again and again. Among them is a series of plastic tableware of our own design, which can bring joy to picnics and children's birthday parties year after year.

PRODUCTS MADE FROM RECYCLED MATERIALS

We continuously increase the proportion of products that are made entirely or partially from recycled materials. These products, whether plastic or textile, are GRS-certified. GRS is a standard that ensures traceability throughout the entire chain as well as compliance with social and environmental requirements. When a product has a GRS logo, it means that at least 50% of the materials are recycled.





CLOSE SUPPLIER COOPERATION TO REDUCE CLIMATE IMPACT

The ESG agenda requires close cooperation with our suppliers so that together, we can reduce the climate impact of our products. We request specific data from our suppliers on energy and material consumption, and many of our manufacturers are already quite far with various climate initiatives.

This picture is from a supplier visit to India, where they make products from production waste. The supplier also has a strong focus on reducing their resource consumption. They purify and recycle water in the production process, and their production and factory building run on electricity from their own solar panel system, which covers 100% of consumption in summer and 98% in winter.

PACKAGING INITIATIVES TO REDUCE CLIMATE IMPACT

We are continuously working to reduce our packaging consumption. This includes packaging for individual products, packaging from our suppliers, and not least, optimising the way we pack our online orders.

LESS PLASTIC IN PACKAGING FROM SUPPLIERS

We require our suppliers not to use plastic when packaging our products. If plastic packaging is needed, e.g., for vacuum-packing pillows, they must seek separate approval from us. Generally, we require them to use the least amount of packaging possible for each product type while also ensuring that the products are well-packaged to avoid damage during transport.





LESS PRODUCT PACKAGING

We work to minimise packaging on every single product. In some cases, packaging is reduced, and in other cases, it is removed completely. We work to reduce plastic packaging and use uniform materials so they can be sorted for recycling after use.

NEW PACKAGING METHOD REDUCES CLIMATE IMPACT

In our e-commerce warehouse, we have invested in a packing machine that packs our web orders with as little air as possible. This means that our packages have less filling and are generally smaller. This allows us to transport more parcels with each truck.

In the autumn of 2024, we will get an additional machine that converts the excess cardboard from the packing machine and other packaging into small paper bags filled with cardboard strips. The bags will be used as extra filling in packages where the goods need extra protection. In this way, we will minimise both cardboard waste and the inflatable plastic that is otherwise used as filling in our web packages.



NOMINATED FOR THE CLIMATE CHANGE AWARD

We are very proud to have been nominated for the Climate Change Award by Dansk Erhverv and EY at the Sustainability Awards 2024 in Denmark.

“The award is given to a company that distinguishes itself in its climate efforts by setting ambitious and validated goals for the reduction of its greenhouse gas emissions. The award is aimed at companies in all sectors. Emphasis is placed on a long-term and strategically anchored plan and effort to meet the validated goals that include the company’s full value chain, and which will move the company in a markedly more climate-friendly direction.”

Source: www.ey.com/en_dk/sustainability-awards





PRODUCTS

The product is the very 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 safe in choosing our products.

PRODUCT SAFETY

We take product safety very seriously. We test and ensure the quality of our products in regard to safety, health, and the environment. In many cases, our requirements are more comprehensive than what legislation requires. We test and ensure the quality of the products at several points in the value chain:



DEVELOPMENT/DESIGN

We assess material types and risks concerning safety, health, and the environment.



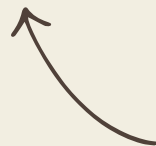
PRODUCTION

Physical quality control of safety requirements and technical specification requirements is carried out.



WAREHOUSE

We inspect the products in our warehouse before they are shipped to stores and online customers.



TEST LABORATORY

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



WE TEST FOR UNWANTED CHEMICALS

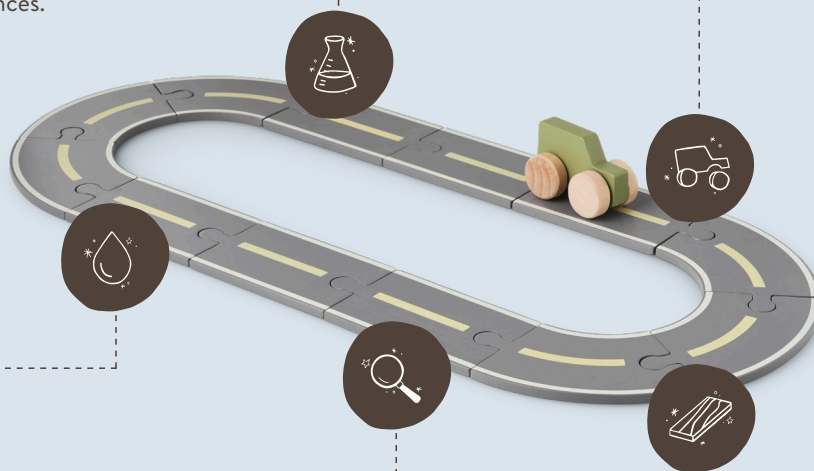
We place great emphasis on ensuring that our products do not contain harmful chemicals. Therefore, chemical testing is a significant part of the tests our products must undergo. We closely monitor developments in legislation, both in Denmark and at European level, to ensure that our requirements adhere to the strictest regulations.

TESTING AND QUALITY CONTROL OF INDIVIDUAL PRODUCTS

When we test a product, both the entire product and individual parts are tested.
Example of testing a toy car track:

All materials and parts are tested, among other things, for hazardous metals in the paint and other dangerous substances.

The product is subjected to rigorous twisting and dropping. Small parts must not come off. If they can come off, they must not be small enough to pose a choking hazard.



The purity of the materials is inspected.

Accessible edges and sharp points are inspected to see if they pose a risk to the child.

The quality of the wood is tested to ensure that no splinters can come off.

CERTIFIED PRODUCTS

We aim to ensure that as many of our products as possible have a recognised certification or labelling scheme that imposes strict requirements on, among other things, harmful chemicals, environment, social conditions, and recyclability.

CERTIFICATIONS AND LABELLING SCHEMES IN SØSTRENE GRENE'S ASSORTMENT



OEKO-TEX®

An OEKO-TEX® certification means that the product fulfils strict requirements for chemical substances that can be hazardous to health and the environment.

Examples of products with OEKO-TEX® certification:

- Costumes for children
- Tea towels and dishcloths
- Yarn



GOTS

A GOTS certification means that the textile is organic and that it meets strict requirements for environmental and labour conditions as well as animal welfare during production.

Examples of products with GOTS certification:

- Cloth nappies
- Fabric purses
- Selected tote bags





GRS

A product bearing the GRS logo consists of a minimum of 50% recycled material. GRS ensures traceability throughout the chain as well as compliance with social and environmental requirements.

Examples of products with GRS certification:

- Folding crates
- Satin ribbon
- Selected tablecloths



FSC®

A FSC® certification is a guarantee that the wood comes from a responsibly managed forest. FSC® helps take care of the forests and the people and animals that live in them.

Examples of FSC®-certified products:

- Wooden kitchen utensils
- Wooden toys
- Gift-wrapping paper, notebooks, and boxes



THE NORDIC SWAN ECOLABEL

The Nordic Swan Ecolabel is one of the strictest environmental certifications in the world. It ensures that the product is manufactured with care for the environment and human health.

Examples of products with the Nordic Swan Ecolabel:

- A large selection of napkins
- Finger and wall paints
- Selected decorative paints



THE ASTHMA ALLERGY NORDIC LABEL

The Asthma Allergy Nordic label ensures that the product does not contain allergens or perfumes and thus poses a minimal risk of developing allergies. Søstrene Grene's Pure Bliss bath and care series carries the Asthma Allergy Nordic label in addition to any other potential certifications.





THE VEGAN TRADEMARK

The Vegan Trademark ensures that the product contains no ingredients of animal origin and that its development and production are carried out without animal testing. All Søstrene Grene's bath and care series carry The Vegan Trademark alongside any other potential certifications. The same applies to Søstrene Grene's dishwashing liquid.



ORGANICS

An increasing number of the food products sold at Søstrene Grene are organic. The EU organic logo indicates that the product is organic and has been produced and controlled according to EU organic legislation.



FAIRTRADE

An increasing number of the food products sold at Søstrene Grene are Fairtrade-certified. The Fairtrade label ensures good working conditions for farmers and workers while also taking the environment into account.





PEOPLE

At Søstrene Grene, 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 wish to help make a difference for marginalised groups.

RESPONSIBLE PRODUCTION WITH RESPECT FOR PEOPLE

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 legislation.

We are a member of amfori BSCI, which monitors that our suppliers adhere to the amfori Code of Conduct, which prohibits child labour, corruption, and discrimination. It also ensures the health and safety of workers, decent working hours, a fair wage, and, not least, that production takes place with respect for the environment.



CERTIFICATIONS WITH REQUIREMENTS FOR SOCIAL RESPONSIBILITY

Some of the product certifications that Søstre Grene's products carry also require that the products are produced under proper conditions. This applies to, among others, GOTS, GRS, FSC®, and the Fairtrade label.

These certifications demand safe working conditions, establishment of minimum wage, limited working hours, the right to form trade unions, and, of course, the prohibition of any form of child and forced labour.



WELL-BEING AND INCLUSION

At Søstrene Grene, our development and achievements depend on the Sisters we surround ourselves with. We want a workplace with inclusion and diversity, where dedicated employees thrive and grow.



A NEW BEGINNING

We also wish to take social responsibility for those who need a helping hand or a new beginning. Thus, we work towards prevention, retention, and employment of individuals from the edge of the labour market, and we are proud to contribute to creating a meaningful life for each person.

At our warehouses in Aarhus, we employ:

- Vulnerable young people
- Former criminals
- Immigrants newly arrived in the country
- Ukrainian refugees
- People with a reduced ability to work
- Long-term unemployed

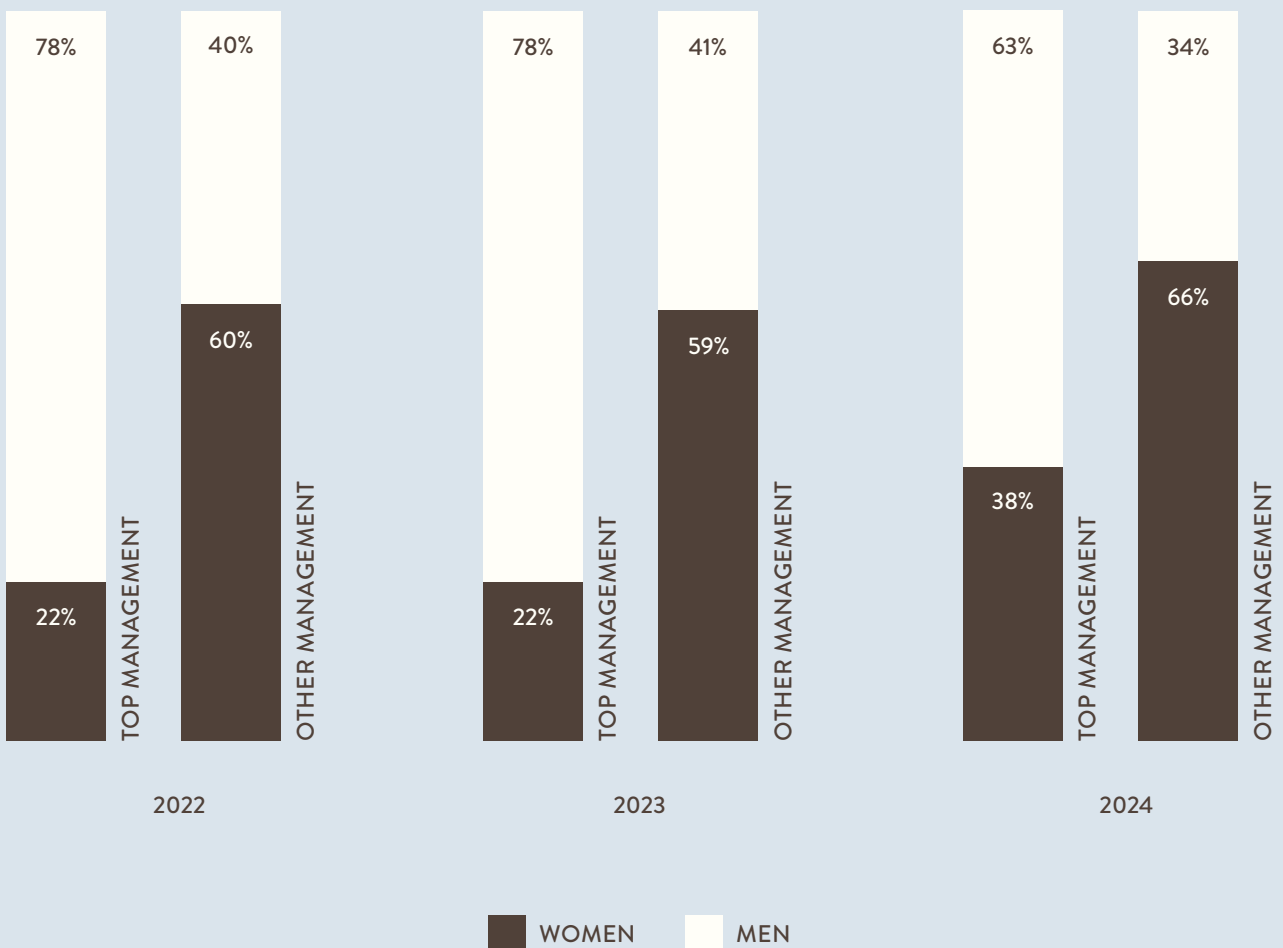
LEADERSHIP



At our headquarters, management operates based on a series of leadership principles that, among others, aims to strengthen individual motivation and unity across the organisation. We continuously follow up with leadership assessments and measure employee well-being.

In recent years, we have worked to achieve a more equal gender distribution in our management and, among others, to increase the number of female leaders in our top management. Therefore, we are pleased to see a development in the distribution between male and female leaders as shown in the illustration below.

GENDER DISTRIBUTION IN MANAGEMENT AT HEADQUARTERS



OUR VALUES AND SISTER SPIRIT

At Søstre Grene, we call each other Sisters - regardless of gender. Our culture and the way we interact with each other are what we call the Sister Spirit.

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 aim to create little bright spots in everyday life so that joy and positivity can find their way to anyone who steps into the wonderful world of Anna and Clara.



EVER-CHANGING

We take pride in constantly renewing ourselves, 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.



CREATIVITY

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



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.



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.



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

In Søstre Grene, 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, where we continuously launch new Søstrene Grene x Plan International products. For each product sold, an amount is donated to projects in Africa that work to ensure schooling and education for girls and young women, including the prevention of child marriages and teenage pregnancies.



Since 2018, we
have donated more than

EUR 576,000

to Plan International*



230 STORES WITH A SPONSORED CHILD

We are proud that the majority of Søstrene Grene's 300 stores have a sponsored child through Plan International. The support not only changes the life of the individual child but also contributes to:

- Providing more children in the local communities with a safe upbringing and better hopes for the future
- Ensuring children's rights and gender equality
- Strengthening local communities so that changes are lasting

See which products Søstrene Grene sells in collaboration with Plan International at gre.ne/plan

**The funds go to Plan International Denmark which oversees the two African projects supported by Søstrene Grene*



AN EXPERIENCE OF A LIFETIME

In early 2024, 8 Sisters from different Søstrene Grene stores travelled to Kenya to visit the children sponsored by their stores and experience how the support has made a difference for the children and the local communities.



”

It makes me very proud to see what we have been able to achieve for Plan International with our work in the stores and I really appreciate the work Plan International does for the local communities.

Lucas, Germany

”

I have gained more knowledge to talk about Plan International with people around me and to spread the message about the importance of having a sponsored child.

Léa, France



”

The trip to Kenya has given me insight into Plan International's important work and the role and responsibility we have, both as a company and as individual employees.

Kinga, Germany

A WARM GREETING IN A COLD TIME



As part of our collaboration with Plan International, Søstrene Grene donated more than 1600 Christmas gifts to children living in reception centres in Moldova due to the war in Ukraine. A team of Sisters from the head office wrapped all the gifts and included a greeting to the children on each gift.





Read more at www.sostrenegrene.com