

A pair of hands is gently holding a small, square, biodegradable seedling pot. The pot is filled with dark soil and contains a small green seedling with two leaves. The background is a warm, out-of-focus yellow. The text 'Sustainability Report 2019' is overlaid in white, bold, sans-serif font. The logo 'PLANTASJEN' is at the bottom in white, bold, sans-serif font with a registered trademark symbol. White L-shaped corner brackets are in the top-left and bottom-right corners.

# Sustainability Report 2019

**PLANTASJEN®**

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## Words from CEO

In just one year, the focus on sustainability has increased significantly across all markets and industries. Underlying for this shift is the customer expectations and requirements to sustainable features of the products they buy and the companies they engage with.

This change of pace is also representative for Plantasjen and our product offering. In the recent surveys of all stakeholders to Plantasjen (customers, owners, lenders and suppliers) have identified that sustainability is important. In Plantasjen's customer survey, 90 % of our respondents find that it is important that the Company engage and work with sustainability. This shift has reaffirmed Plantasjen focus on sustainability and is already an integrated part of all our processes.

Over the past years, we have strengthened our work to manage issues such as improving health and safety, reduce environmental impact of the business, manage corruption risks and reducing risks in our supply chain. Further to this, Plantasjen is increasingly looking to contribute to positive change through our products and key competences around plants. An example of our contribution to positively impact biodiversity is our successful launch of a campaign in collaboration with Pollinate Europe to help customers select biodiversity-friendly plants.

### **As for our results in 2019, I'm particularly happy with:**

- Plantasjen raising awareness of pollinating insects and guiding our customers in bee-friendly gardening. As a consequence of our work with pollinating insects, we decided to stop sales of the weed-control agent Roundup and pulled the products from all our markets.
- The opening of our new logistic centre in southern Sweden, which brings opportunity to consolidate more products and improve efficiency of goods flow and thus reducing CO<sub>2</sub> emissions.
- Plantasjen becoming a member of FSI, Floriculture Sustainable Initiative. Working together on possibilities and challenges within the sector is the best way of driving sustainability.
- The implementation of a new ERP system<sup>1</sup>, that better support us in daily operations and facilitate better control of product and supplier data to amongst other help reduce waste on fresh products.

Sustainability is key to enable Plantasjen to stay relevant in the market. Work is being conducted to put sustainability even higher on the agenda as we continue to integrate sustainability deeper into all our processes. We plan to have an updated sustainability strategy ready in 2020 to further sharpen our focus and up our ambition.

*Olav Thorstad, CEO Plantasjen Group*



<sup>1</sup> Enterprise Resource Planning



## About this report

This is Plantasjen third Sustainability Report, which summarizes the sustainability actions and progress made during 2019. This report addresses all the material aspects reflecting Plantasjen's significant economic, environmental and social impacts. Those matters were identified and evaluated on the basis of a materiality assessment that involved input from the company's main stakeholders. It describes Plantasjen's opportunities, risks and progress made in the field of sustainability during 2019. The report covers the global activities of the Plantasjen Group, i.e. Plantasjen Holding AS and its wholly-owned subsidiaries, including Plantasjen stores, offices in Europe, sourcing office in China and the Plantasjen-owned distribution centres. The report also covers Plantasjen's cultivation unit in Sweden. The scope of the report excludes Spira Inspiration AB (former Saba Blommor AB), a company divested in 2019. The focus in this report lies on Plantasjen's own activities.

The Sustainability Report refers to the period from January 1 to December 31, 2019.

Plantasjen presents its sustainability information in accordance with Global Reporting Initiatives (GRI) standards, core level. The sustainability information presented in the sustainability report for 2019 has not been assured by an external party.





# About Plantasjen

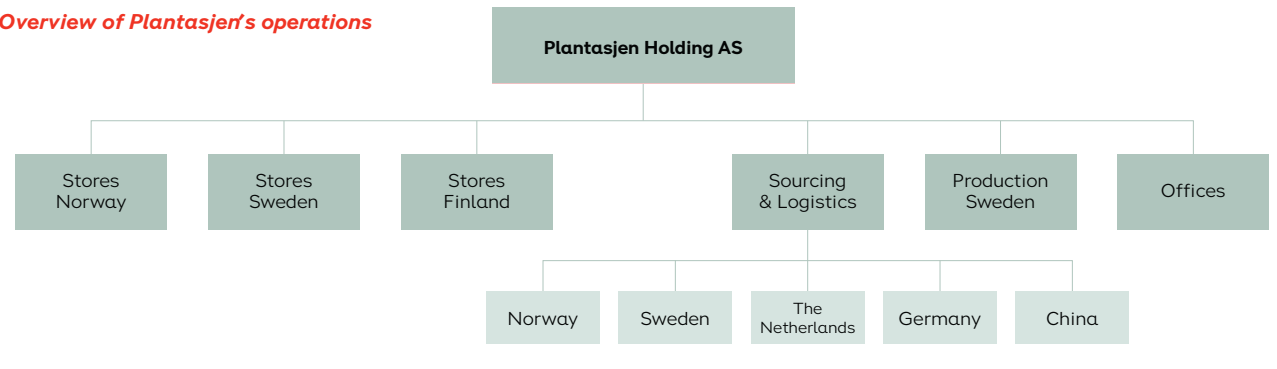
## COMPANY

Plantasjen Holding AS, hereafter called Plantasjen, is a Nordic garden retailer with sales in Norway, Sweden and Finland. Plantasjen has more than 140 stores in different formats, mainly garden centers but also smaller shops. Since 2019 a selective range of Plantasjen products are also sold online. Plantasjen offers a wide range of plants and solutions for plants, an offering that generated 12,5 million customer transactions in 2019.

Plantasjen is a Norwegian limited company owned by the investment company Ratos to more than 99 %. The company is registered in Kongsvinger, Norway where the company was founded in 1986. There are two main service offices, from where the business is coordinated, located at Skjetten, Oslo and Barkarby, Stockholm. In 2002, Plantasjen acquired the Swedish Växus chain that has been renamed to Plantagen and in 2003 the first store was opened in Finland. Ratos acquired Plantasjen end of 2016.

By the end of 2019, Plantasjen had 142 stores, with 80 stores in Norway, 48 stores in Sweden and 14 stores in Finland, and an e-commerce offering in the same countries. Besides the sales businesses, Plantasjen operates five sourcing offices in Germany, Netherlands and China, Sweden and Norway as well as logistics centres and a production unit for plants in Sweden.

### Overview of Plantasjen's operations



## PRODUCTS

Plantasjen's product offering is the foundation of its business and at the core of Plantasjen's mission to improve life with plants. The assortment is based on a variety of both outdoor and indoor plants. For example, perennial plants, seasonal plants, trees, green plants and cut flowers are found in Plantasjen's stores. To facilitate taking care of plants and enjoying life in the garden, Plantasjen also offers a complementing assortment consisting of a wide range of soil, garden equipment and accessories as well as garden furniture. In total, 61 million pieces were sold in 2019, which is equivalent to the previous year.

Compared to 2018, there is a small increase in sales of complementary products relative to plants. The garden range and complementary products assortment were expanded in 2018, which explains the increase in sales of complementary products.

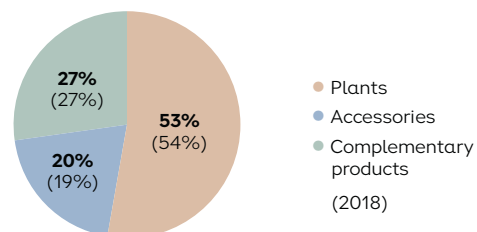
The product range is similar, but not identical in the three countries to allow for local adaptation. For example, pet products are included in Plantasjen's offer in Norway.

### Sales of plant products compared to total sales

Plant products	2019	2018	2017
Sales amount of plant products*/total sales	53,0%	53,7%	54,9%
Pieces of plant products*/total pieces sold	50,6%	53,0%	56,9%

\*Definition of plant products: plants, trees, bulbs and seeds

### Distribution of categories in range (based on sales 2019)



**Plantasjen has a close connection to nature as the core product is a piece of nature itself – a living plant.**



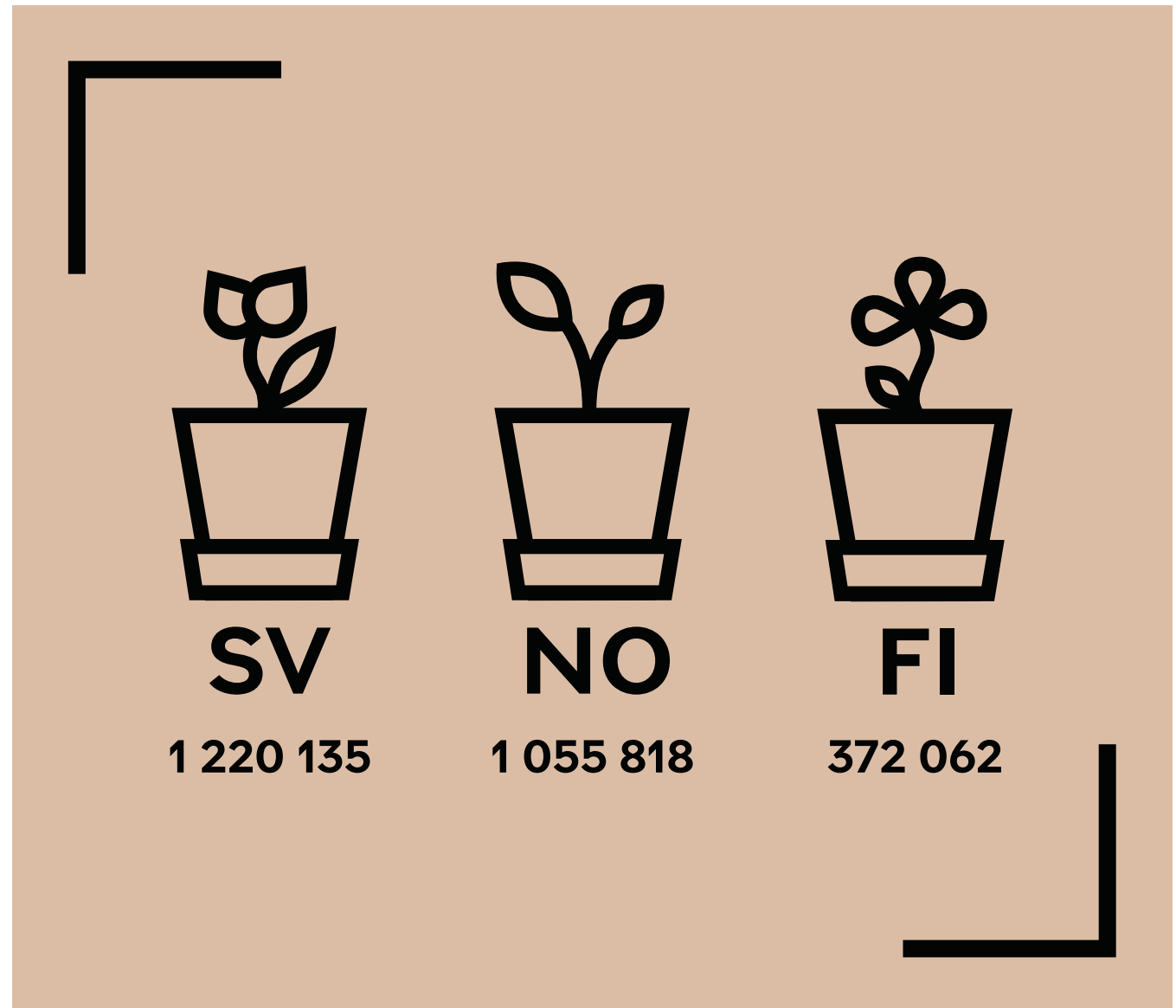


## CUSTOMERS

All customers are welcome to Plantasjen, to our physical stores as well as to our website. The majority of Plantasjen's customers are women. Many are interested in gardening, flowers and plants. Many are interested in gardening, flowers, plants and to grow their own. They enjoy having a nice-looking home to decorate, both indoor and outdoor.

Many of Plantasjen's customers are appreciating a life in harmony, are interested in balance with nature and find sustainability important. Frequently asked questions are related to animal welfare (e.g. plants that are poisonous to pets), plastic material, plant pest, cut flowers and roses from Africa, chemicals, pollinator friendly plants and how products sold in Plantasjen stores have been transported.

As gardening is a seasonal activity, customers are more active and visit Plantasjen's stores more frequently during spring and summer.





## EMPLOYEES

Almost 2000 people were employed by Plantasjen in 2019, of which 61 % in Norway. The majority of employees work in Plantasjen stores and around 190 people work in offices in Sweden, Norway, Finland, The Netherlands, Germany and China. The full-time equivalents (FTE) for all employees in 2019 were 1052, compared to 1039 in 2018. A high number of employees working part-time explains the difference between the total number of employees and the full-time equivalents. Due to the nature of the business the number of employees varies over the year, peaking in Plantasjen's high-season in spring and summer (+18 %).



### Employees

	Employees, total			Women / Men			Women / Men (%)			Permanent / Temporary			Part-time / Full-time		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Stores Norway	1153	1166	1189	771/382	820/346	819/370	67/33	70/30	69/31	996/157	867/299	872/317	962/191	960/206	1016/173
Stores Sweden	557	532	511	418/139	396/136	386/125	75/25	74/26	76/24	461/96	391/141	343/168	367/190	338/194	384/127
Stores Finland	98	107	137	93/5	95/12	118/19	95/5	89/11	86/14	80/18	104/3	115/22	59/39	60/47	81/56
Other functions*	190	171	210	112/78	111/60	134/76	59/41	65/35	64/36	180/10	159/12	200/10	6/184	10/161	14/196
<b>Total</b>	<b>1998</b>	<b>1976</b>	<b>2047</b>	<b>1394/604</b>	<b>1422/554</b>	<b>1457/590</b>	<b>70/30</b>	<b>72/28</b>	<b>71/29</b>	<b>1717/281</b>	<b>1521/455</b>	<b>1530/517</b>	<b>1394/604</b>	<b>1368/608</b>	<b>1495/553</b>

\*Other functions than store personnel, all regions

Data has been collected from Plantasjen's Human Resources' system.

## BUSINESS

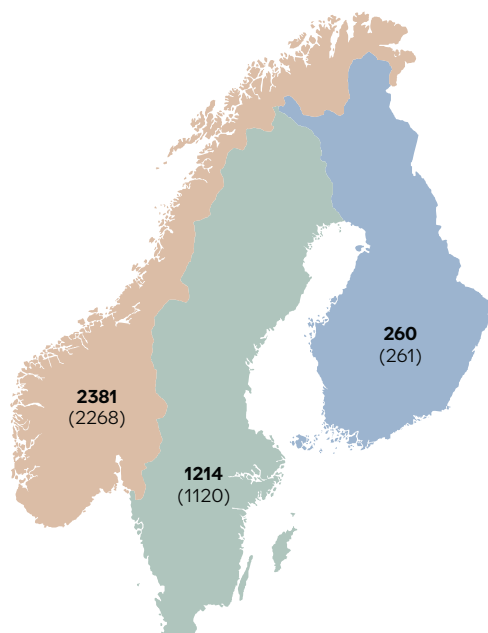
Plantasjen's financial results are limited to our business, in accordance with financial reporting and accounting laws and rules. The financial performance is of utmost importance for the wellbeing of the company and for sustainable development, to create positive value for shareholders but also for customers, employees, suppliers and other stakeholders.

Plantasjen had a turnover of 4 billion NOK, an increase of 1,7 % versus 2018. However, the EBITDA

result of 160 MNOK was 11 % lower than previous year. Net loss amounted to -188 MNOK. The 2019 financial performance has not been satisfactory compared to historical results and is a result of unprofitable partnerships, fragmented market and intensifying competition from e.g. grocery stores and DIY, high waste on perishable goods and ongoing turn-around. During the year Plantasjen has also secured new external financing and divested its loss-making business Spira Inspiration AB.

### Revenue per country in NOK million, 2019

(excl. Spira Inspiration AB, compared to 2018)



### Amounts in NOK million for Plantasjen Group

(fiscal year 2019 period, incl. Spira Inspiration AB divested 01.10.2019)

Financial Information	2019	2018
<b>Revenue</b>	<b>4 026</b>	<b>3 961</b>
Cost of goods sold	-2 102	-2 098
Personnel expenses	-804	-829
Other operating expenses	-971	-907
Other operating income	47	42
Profit from associates	0	0
Net gain/loss	-37	10
<b>EBITDA*</b>	<b>160</b>	<b>180</b>
Depreciation, amortisation and impairment	-117	-703
<b>Operating profit</b>	<b>43</b>	<b>-524</b>
Net financial items	-171	-171
<b>Profit before tax</b>	<b>-128</b>	<b>-695</b>
Income tax expense	-61	6
<b>Profit</b>	<b>-188</b>	<b>-689</b>

\*Earnings before interest, tax, depreciation and amortization







## BUSINESS MODEL AND STRATEGY

Plantasjen is a garden retailer, selling plants and complementary goods, in the Nordic region (Norway, Sweden and Finland). To enable fulfilment of the company mission 'To improve life with plants' Plantasjen offers a unique range of plants and complementary products in over 140 stores and through online sales. The retail stores are fully owned and operated by Plantasjen and the store formats range from larger garden centres to smaller shops at city locations, this to cater to a broad customer group.

A wide and deep range of products is at the core of Plantasjen's strategy. Plants are being sourced locally and in Northern Europe with a focus on the Netherlands and cut flowers to some extent in Africa. Complementary products such as garden equipment, garden furniture and interior decorations are to a large extent sourced in China. After sourcing, the plants and complementary products are delivered to stores through an efficient supply chain. The assortment strategy takes a starting point in the customers' needs and current trends, this to be the obvious choice in the eyes of customers who wish to care for their garden or decorate their home with plants. During the year, the garden range and complementary product assortment were extended and categories such as outdoor furniture, barbecues and lighting were broadened.

Plantasjen has embarked on a digital transformation journey. A big milestone in 2019 was the launch of a new ERP system. Embedded in Plantasjen's strategy is to make shopping for plants easier and more

convenient. Consequently, in parallel with digitizing back-end processes, activities have been carried out to increase the company's digital presence towards customers. For example, the launch of a new platform for Plantasjen's websites and the roll-out e-commerce are important steps in Plantasjen's journey towards becoming a true omnichannel retailer. The work of enhancing the online customer experience, with informative and inspiring content, has continued and will remain a key focus going forward. Furthermore, measures will be taken to optimize the company's e-commerce to ensure a reliable, scalable and profitable online business.

2019 marks the starting point of a revised strategy going forward. Customer experience in both physical- and online stores as well as optimization of internal processes will gain increased focus in the year to come. Moreover, Plantasjen's ambition is to integrate sustainability throughout the entire organization. To succeed in delivering on a new strategic agenda Plantasjen's employees are key. Hence, the company will work towards empowering its people and continue the culture journey where learning and development will be at the core.

## Mission



**To improve life  
with plants**





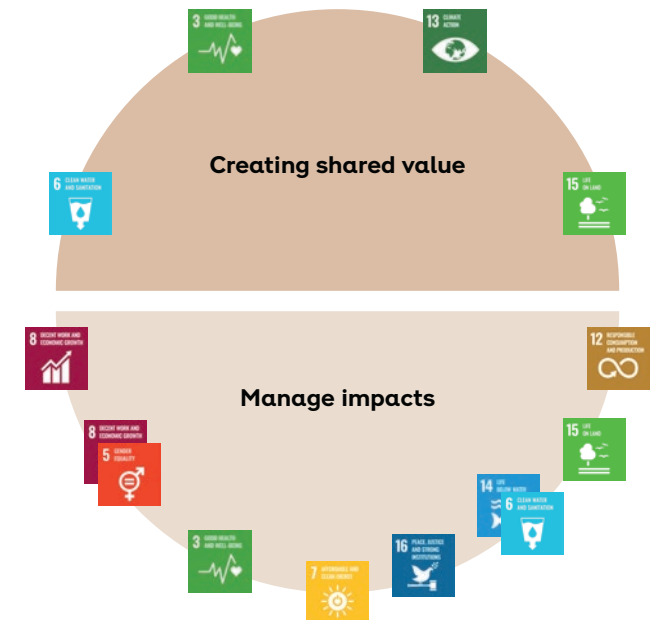
## Materiality and stakeholders

### CREATING SHARED VALUE AND MANAGING IMPACTS

Like most companies, Plantasjen has both positive and negative impact on sustainable development throughout the value chain. There are potential negative impacts for example with Plantasjen's environmental footprint through its use of energy for heating the stores, fuel for transporting products, waste and water and fertilizers when growing the plants. There is a tiny risk of Plantasjen spreading invasive plant species, which also need to be mitigated. Plantasjen may also have a risk for negative social impacts in regard to working conditions in the supply chain and health and safety in its own stores. In addition, risks related to business ethics needs to be managed. Plantasjen has focused on its responsibility to manage these risks in the sustainability work.

On the positive side, Plantasjen's plants and products can contribute to increased biodiversity, absorption of CO<sub>2</sub>, improved water usage and general well-being. These areas hold the potential to create shared value for society, the customers and Plantasjen's business. Plantasjen sees a significant potential for developing these areas further, and has started testing different ideas and concepts, a journey which will continue over the coming years for Plantasjen.

Furthermore, an initial mapping of Plantasjen's impact related to the United Nations Sustainable Development Goals<sup>2</sup> (SDGs) has been performed during 2019.



<sup>2</sup> Sustainable Development Goals, <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

## STAKEHOLDER DIALOGUE

Plantasjen has a wide range of channels to communicate with stakeholders throughout the year.

In 2019, Plantasjen has conducted dedicated interviews with its banks and selected suppliers. The aim was to better understand these key stakeholders' expectations and to identify future focus areas for Plantasjen's sustainability work.

In 2018, Plantasjen undertook a major stakeholder dialogue exercise with employees and customers. In that survey, 90 % of Plantasjen's customers rated it important that the company works with sustainability, while 65 % even stated that sustainability is very important.

Plantasjen's key stakeholders are shown in the table below. The stakeholder group Society include authorities, non-governmental organisations (NGOs) and local community. Plantasjen's involvement with the society includes contact with the different NGOs to discuss biodiversity impacts.

Stakeholder	Dialogue channel	Stakeholder key topics and concerns	Plantasjen's response
Employees	Employee survey Sustainability survey* Performance appraisals	Health and working environment Competent staff Supplier assessment Sustainable products Plastic and waste	Training in working environment Leadership training programme System for reusable pots where a new plant is given in return
Customers	Customer service Daily interactions in stores Social media Customer survey Sustainability survey*	Biodiversity Growing plants Plastic and waste Supplier assessment Competent staff	"Good for bees" assortment Organic Christmas trees introduced Roses are now Fairtrade certified Plantasjen seed bags are now made of tomato fibre paper
Suppliers	Sustainability interviews* Factory and farm visits Ongoing dialogue	Supplier assessment Health and working environment Product quality Competent staff Growing plants	Plantasjen has become a member of FSI (Floriculture Sustainability Initiative) Chemical restrictions list implemented and included in agreements with plant suppliers Social audits of plant suppliers in risk countries were performed in 2019
Owners	Ongoing dialogue Sustainability interview*	Product quality Sustainable products Energy Business ethics	Project started to reduce shrinkage An SDG mapping has been performed Measuring CO <sub>2</sub> -footprint Implementation of external whistle-blowing system
Financial institutions and banks	Sustainability interviews* Regular meetings and reporting	Ethics and anti-corruption Supplier assessment Competent staff CO <sub>2</sub> -footprint Long-term goals and efforts	Measuring customer satisfaction and service level Measuring CO <sub>2</sub> -footprint Setting long-term ambition for energy reduction
Society	Discussions and cooperation with bee protection organisations Discussions and interaction with authorities Participation in relevant forums	Protecting pollinating insects Management of invasive species Plant pest and diseases	Communication and focus on plants that support pollinating insects. Further development of the internal control system for invasive species

\*During 2018 and 2019 information was collected specifically to gather input for the sustainability work and the materiality analysis. 106 employees and 674 customers gave their input through a sustainability survey in 2018. Office staff and store managers in Norway and Sweden were selected to participate in the survey. The owner perspective on sustainability is communicated regularly and was confirmed in an interview 2018 focused on sustainability priorities. In 2019, sustainability interviews were conducted with 2 of Plantasjen's banks and 6 selected suppliers, leading to an updated materiality analysis.





**“90 % of Plantasjen’s customers find it important that the company works with sustainability. 65 % even says it’s very important.**

**Also, Plantasjen’s owners, banks and suppliers agree that sustainability is important for the business going forward.”**

## MATERIALITY ANALYSIS

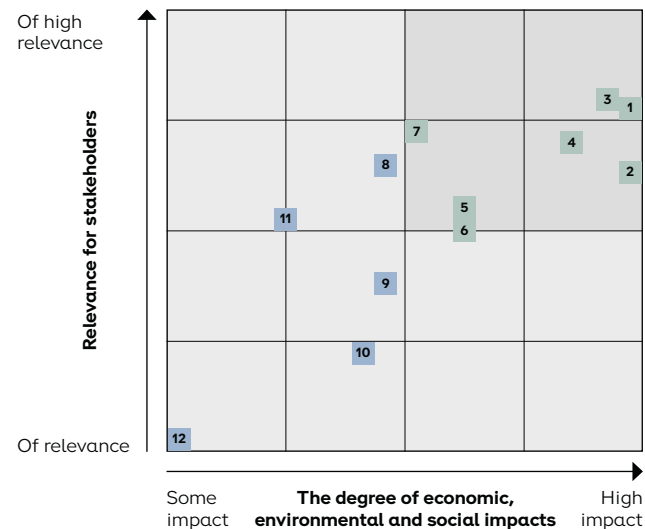
Based on the stakeholder input, Plantasjen conducted a materiality analysis to identify and prioritise material sustainability topics.

Plantasjen's material topics are mapped in accordance with GRI Standards materiality principle, using "Relevance for stakeholders" and "Economic, environmental and social impacts" as basis for the assessment. This year, Plantasjen's materiality analysis has been updated based on the results from dialogue meetings with banks and suppliers followed by an updated impact assessment and validation performed by Plantasjen's management team. The input from stakeholders includes all five stakeholder groups consulted in 2018 and 2019 and is equally weighted.

Biodiversity and Wellbeing with plants have been removed from the materiality matrix in 2019, since these topics have been defined as sub-categories to Sustainable products.

Energy is placed higher on the stakeholder axis than the actual weighted results, since CO<sub>2</sub> is a prioritized issue for owners and banks. Energy thus stays a material topic for Plantasjen.

### Plantasjen's material topics

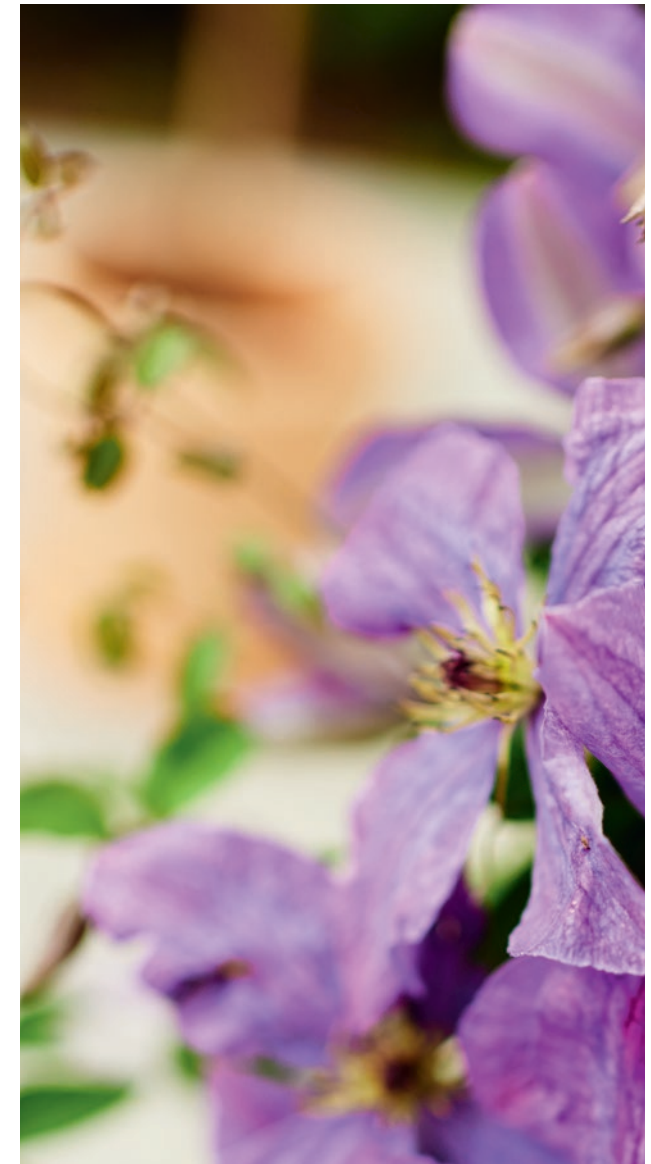


#### Material topics:

- 1 - Product quality
- 2 - Production – growing plants
- 3 - Supplier assessment
- 4 - Health and working environment
- 5 - Sustainable products (incl. biodiversity & wellbeing with plants)
- 6 - Energy
- 7 - Ethics and anti-corruption

#### Other topics:

- 8 - Competent staff
- 9 - Plastic, waste and circularity
- 10 - Diversity
- 11 - Transport
- 12 - Product origin labelling



## RISK MANAGEMENT

Sustainability and traditional risks are crucial to manage for the company in order to maintain a viable business going forward. In Plantasjen, the Board is responsible for internal control in accordance with applicable laws and regulations. The management team of Plantasjen has an annual process to review key risks and the efficiency of risk mitigation actions. The risk assessment is presented to the Board of Directors.

Principal risks that may affect Plantasjen's business model, operations, financial performance or the impact of its activities include changes in competitive landscape, breach of financial covenants<sup>3</sup>, instable weather conditions, length of store rental agreements and shrinkage levels. To mitigate the shrinkage risk due to low inventory turnover, a project aiming at reducing plant shrinkage has started. Measures to improve financial results is being implemented with a 10-point value creation plan being executed mitigate risk of breaching financial agreements.

Type of risk	Significant risk	Description	Mitigation
Environment	Climate change	Energy usage in own operations as well as an indirect energy usage by suppliers impact the climate. Compared to other retailers the energy usage is high due to stores built as greenhouses. Peat can be considered a climate risk and due to future legislation, it can also be a product risk as peat is a main ingredient in many soil products. Also, Plantasjen is a minority shareholder in Andøytorv, a peat producing company.	Monitor energy usage. Ongoing installation of energy monitoring system, as well as new steering systems.
	Instable weather conditions	Instable weather conditions impact Plantasjen as the products and sales are tightly connected to weather and season. Supplying fresh products in the right amount in the right time is more difficult when weather is unpredictable.	Increase sourcing flexibility. Improve goods flow for high season. Review ordering- and shipping routines. Change meeting structure for better steering. Systematic work to reduce waste, with special focus on plant shrinkage.
	Low inventory turnover	Too much stock is binding capital and increase risk of goods not being sold, which would be waste of resources and needless climate footprint.	
	Harmful chemicals	Chemicals enter into all steps of the value chain. In non-plant products chemicals are sometimes used as a raw material or processing aid. For plant products chemicals are sometimes sprayed to control pest and weed. In stores chemicals are sold.	Chemical restrictions list added to agreements with plant suppliers. Residue analysis testing of dry goods. Review of assortment to exclude products containing chemicals harmful to environment. Increase number of plant suppliers holding an environmental certificate.
	Invasive species/ Biodiversity loss	Management of invasive species is important to secure undesirable plant species are not spread.	Internal routines and education on invasive species.
Social and employee matters	Working environment, Health & Safety	High employee turnover in the company might imply dissatisfaction with the working environment.	Training of managers in health and safety. Continuous follow-up of health and safety with support of online health and safety systems.
	Culture, performance and processes	Changes in top management along with lack of solid processes have impaired organizational performance.	Leadership training, organizational review, implementation of re-defined values and corporate culture.
Human rights	Discrimination	Unethical behaviour connected to gender or other ground of discrimination.	Code of Conduct, External Whistleblowing System and Routine for handling allegations of Discrimination.
	Human rights in supply chain	Risk of indirectly violating labour rights and human rights at supplier or sub-supplier.	Social sustainability audits. Supplier Code of Conduct included in General Purchasing Agreements.
Corruption	Fraud and corruption	Not categorized as a significant risk for Plantasjen but reported on due to requirements in Directive 2014/95/EU on disclosure of non-financial and diversity information and the Swedish Annual Accounts Act.	Code of Ethics, Anti-corruption Policy, Whistleblowing System.

<sup>3</sup> Conditions of loan agreement



## Customer offering

### PRODUCT QUALITY

The fundament of Plantasjen's business is the range of products sold in stores. From an economical as well as sustainable perspective it is key to ensure that product quality is maintained across the value chain to be able to sell the products and please customers. Plants are living organisms and need care (i.e. water, sunlight, nutrients) to maintain good condition. In 2019, a project was started aiming at reducing plant shrinkage. By improving inventory control as well as identifying and implementing best practice routines across stores. The risk of products not being sold shall be reduced. In parallel to shrinkage, product quality must be kept in focus so that reduced plant waste does not entail low quality goods being sold.

Plantasjen has defined KPIs (Key Performance Indicators) within shrinkage, perception of product quality (ranking from customers through survey) and inventory days to reduce product waste in store. KPIs will be finalized during 2020, when systematic monitoring will start.

**Plantasjen's target: Reduce shrinkage with 8 % until end of 2021**  
(base year 2018)



One aspect of plant quality is phytosanitary control, which means checking for disease or plant pest. The earlier such diseases or pests are found the better as unnecessary transport of low-quality products is avoided and risk for infecting other plants is minimised. A new routine for quality inspection with focus on phytosanitary control has been developed in 2019. During the year, 196 quality inspections were performed in the Dutch logistics centre for plants. The routine is to be implemented in Plantasjen's other hubs.

Plantasjen has a long-term well-established process for quality inspections of goods before shipment from Asia. This in order to identify defects or damaged goods as early in the supply chain as possible. During 2019, 360 inspections were made in China, India and Vietnam. Through these inspections 34 or 9,4 % failed the quality control. In complement to quality inspections, products are tested in external laboratories to check chemical or physical properties to ensure compliance with legislation and standards. In 2019, 162 chemical tests and 31 physical tests were conducted.

## SUSTAINABLE PRODUCTS

Plantasjen strives to offer more products that from a social or environmental perspective are considered more sustainable, meaning taking steps towards a more sustainable assortment. Plantasjen strives to continuously increase the offer of certified products, e.g. organic or environmentally friendly labelled goods.

Plantasjen has a very different sustainability maturity across its product range. In December 2019, Organic Christmas trees (KRAV-labelled) were introduced. Of the Christmas tree sale in 2019 2,5 % of the trees sold were organic versus 0 % in 2018. The herbs range is almost fully organic with ~99 % of all potted herbs being organic. During 2019, Plantasjen reintroduced Fairtrade flowers resulting in 97,7 % of rose bunches sold in Plantasjen stores from September to December were Fairtrade-certified. These changes mean that Plantasjen is ensuring that extra care is taken for the workers in Africa where the flowers are grown.

**“When we make responsible choices, our customers can more easily make sustainable choices.”**



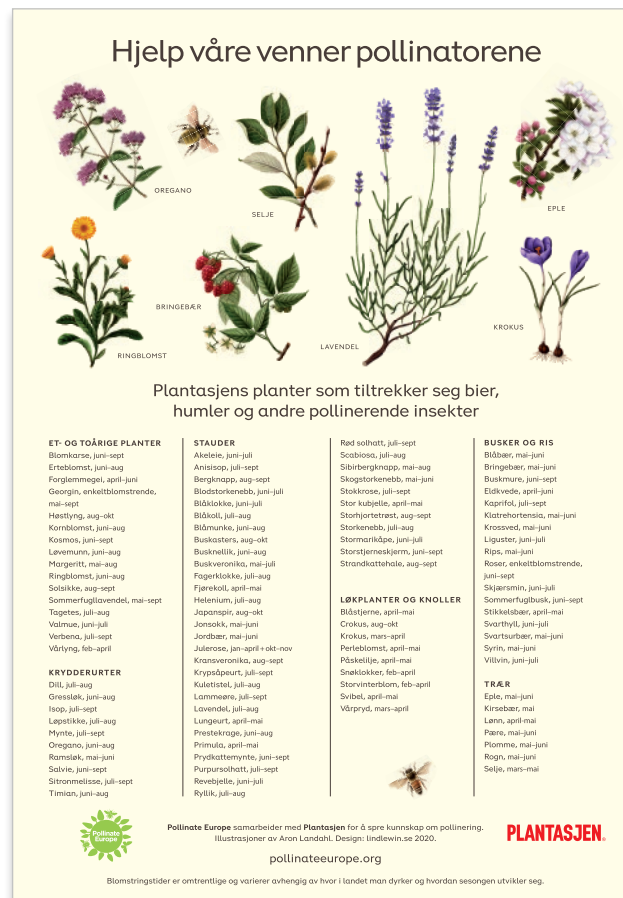
## Biodiversity

The Plant Trend report that Plantasjen presents every year, clearly shows that biodiversity is important to many consumers. The awareness of the importance of pollination is increasing, leading to increased willingness among Plantasjen's consumers to act in order to maintain biodiversity.

Pollinator-friendly planting is an opportunity for Plantasjen to create a positive impact on biodiversity. Humans and food production depend on pollinators and the ecosystem service they bring in terms of pollination of crops. Over the past year, Plantasjen has put an effort into raising awareness of the importance of pollinating insects. Both customers and employees have been engaged.

Plantasjen has during 2019 entered a partnership with Pollinate Europe, with a common aim of spreading knowledge about what actions can be taken to protect bees and other pollinators. Through articles on Plantasjen website, events, signs in our stores, how-to movies and e-learning, knowledge has been built regarding what plants are preferred by insects and what can be done in a garden to provide nutrients and shelter to pollinators.

The comprehension about pollinators health, being critical to food supply and ecosystems, brings willingness to action. Plantasjen's work on highlighting pollinator friendly plants have been much appreciated both by employees and customers as it clearly guides how positive impact can be made. Plantasjen will maintain its focus on bees and other pollinators and develop the work further. For example, an icon is designed which will support the identification of pollinator friendly plants in stores and in other channels.





**Product origin labelling and local production**

Plantasjen's customers frequently ask questions on locally produced material and origin of products. 89 of 326 plant suppliers are based in the Nordics resulting in many products being grown in the countries where stores are operated. A decision has been taken to source all soil sold at Plantasjen locally, meaning some products formerly purchased in Germany will from 2020 be sourced in the local markets. With this change Plantasjen will also improve the product quality.

**Precautionary principle and management of invasive species**

Plantasjen has an ongoing dialogue about products in the assortment, regarding what products to include

and exclude from the range. On the basis of a precautionary approach, the weed control product Round-up was removed from stores in 2019. The product was available in stores in Norway and Finland until April. In Sweden, the product had been removed from the market in previous years.

Further, invasive species is a topic where precaution is needed. There are plants with higher and lower risk of spreading in nature and some must be avoided or handled with care. A few non-native species are forbidden, but other are allowed for planting in gardens in the Nordics.

Plantasjen has an internal control system in place to assure that regulations and rules are followed.

Further, Plantasjen is active in meetings with authorities and liaison groups. In 2019, an education on invasive species was produced and performed by Norwegian store employees. Customer information about non-native species and handling of plant waste from such plants has been updated during the year and is posted in stores and on Plantasjen's website. From 2020, the product information will be improved with a new icon showing if the plant has a high dispersal tendency, with risk for spreading from the garden to the vicinity and wild.

# Plant trends and joy of cultivation

Plantasjen has since 2012 studied trends and people's interactions with plants. For the eighth year in a row, Plantasjen did in 2019 present the report Plant trends, which is built on interviews with experts as well as a consumer survey. The aim with this qualitative and a quantitative study is to gain insights to better comprehend consumer behaviour within the Nordics. Since 2019, the study has been expanded to cover both Norway and Sweden. Further, a minor study was made in Finland.

The Plant trend report shows the movements in society and that sustainability is highly rated by customers. From the insights in the Plant Trend report Plantasjen sees that biodiversity is important to many consumers.

Further, a trend identified in the study is cultivation with children. Based on the insights an initiative with preschools was created, aiming at generating awareness of growing plants and vegetables.

Plantasjen stores in Norway, Sweden and Finland have provided nearby preschools with cultivation kits and educational material on cultivation. A voluntary competition was announced, to elect the most beautifully decorated pallet collar. Plantasjen was amazed by the engagement as well as the result from preschools attending. The initiatives will continue in 2020 and focus will be broadened so that the cultivation with children theme will also include awareness on pollinating insects and their important role in society.

# Suppliers

## Impact on people

Plantasjen has a responsibility for the impact of its organisation on all people it interacts with, producers, staff, customers and communities. Plantasjen's operations affect people where gardening accessories and plants in Asia and Central America are sourced, but also in its offices and stores in the Nordic countries. Plantasjen is in the early stages of working more systematically with human rights and will in 2020 start mapping human rights risks along the value chain to understand the impact on people. In the ongoing work to better understand and manage human rights risks Plantasjen has prioritised suppliers in Asia and with our major European plant suppliers.

## Supply chain

Plantasjen offers a unique range of plants as well as non-plant products such as gardening equipment and interior decoration. The supply chains for plants and non-plant products (complementary products) differ. Plants are mainly purchased in Northern Europe, where the Netherlands is the most common country of origin, whereas non-plant products primarily are sourced in Asia.

In total, Plantasjen has purchased goods from 550 suppliers in 2019. The number of suppliers of complementary goods have increased a little during the year. The main part of the new suppliers is European and the reason for starting new relations with suppliers is to increase its flexibility when sourcing.

Number of suppliers	2019	2018	2017
Suppliers of non-plant products	226	213	198
Suppliers of plants	324	324	294
<b>Total number of suppliers</b>	<b>550</b>	<b>537</b>	<b>492</b>

During 2019, Plantasjen stopped sourcing plants directly from Central America. Hence, focus has shifted more towards Plantasjen's European suppliers. Plantasjen has been exploring how its European suppliers work with their sub-suppliers to better understand environmental and human rights related risks in the plant supply chain. No audits of European suppliers have been conducted but a dialogue has been taken with selected suppliers of plants and transports to better understand how they work and what expectations they have on Plantasjen. In the stakeholder dialogue focus was put on plant suppliers within Europe and not suppliers in risk countries. The reason was that Plantasjen has procedures and experience in follow-up of suppliers in risk countries whereas new insights about European plant suppliers was considered valuable. Supplier assessment was rated very important in stakeholder dialogue with suppliers.





## SUPPLY CHAIN MANAGEMENT

Many of Plantasjen's complementary products are produced in China, India and Vietnam. The company's operations in Asia are managed with support from Plantasjen's office in Ningbo, China. Purchasing agreements and Plantasjen's supplier code of conduct states the conditions to follow. Plantasjen is since 2010 a member of amfori BSCI (Business Social Compliance Initiative), an organisation aiming to foster better working conditions in global supply chains.

Production sites in risk countries<sup>4</sup> directly sourced from are systematically reviewed through social audits. A social sustainability certificate (BSCI or similar) is a prerequisite for starting up new collaborations with producers in risk countries. Plantasjen's target is to have 100 % of production units in risk countries\* sourced directly from, holding a social certificate. Plantasjen has during the last years phased out suppliers that are not fulfilling requirements set, i.e. not having the ambition to work with labour rights and sustainability in a systematic way. Depending on the level of the supplier (rated by a certification body), audits are to be performed with an interval of 6 to 24 months. This means that even if the overall goal is to have 100 % audited suppliers, the share of audited suppliers during the last year might be less than 100 % if supplier rating is good and thus audit interval is long. There have been no significant actual or potential negative impacts identified in the supply chain during 2019.

### Plantasjen's target: 100 % of production units in risk countries sourced directly from shall hold a social audit certificate

The supply chain for plants formerly included direct sourcing from Central America, where similar procedures for assessment and management of working conditions and human rights impact were under development. Early 2019, five farms in Central America were screened, meaning MPS-SQ zero audits were performed (first audit according to the social standard of MPS<sup>5</sup>). Later during the year, a decision was taken to stop sourcing plants directly directly from risk countries and move all sourcing of plants to Europe to make the supply chain more effective.

Social auditing in risk countries Direct source by Plantasjen	2019	2018	2017
Share of suppliers in risk countries that have been third-party socially audited during the year [%]	83,1	84,8	64,8
Share of suppliers in risk countries with a valid third-party social audit protocol [%]	90,4	84,8	70,5
Share of production units (factories/farms) in risk countries that have been third-party socially audited (amfori BSCI, MPS or similar) [%]	89,8	81,7	70,5



<sup>4</sup>Risk countries from which Plantasjen purchased during 2019: China, Guatemala, Honduras, India and Vietnam. Definition of risk country according to amfori BSCI, Business Social Compliance Initiative.

<sup>5</sup>MPS (Milieu Project Sierteelt)

**Taking a further step down the supply chain**

In 2018, Plantasjen initiated a mapping of its second-tier suppliers, i.e. the suppliers of Plantasjen's suppliers. The scope was based on a risk assessment of selected suppliers of complementary goods, where Plantasjen is sourcing through a trader that ultimately sources from risk countries. The aim with the mapping was to better understand risks in our supply chain related to products manufactured in risk countries as well as the status of social responsibility certification.

During 2019, the mapping was completed, analysis made and action taken resulting in suppliers earlier using non-certified factories now having either certified their factories or changed production site. In parallel, work has been conducted to set internal routines to secure that all new suppliers, not only

direct suppliers but also indirect suppliers with production in risk countries, have valid social sustainability certificates.

Plantasjen's approach has been to work together with its suppliers aiming at creating a positive change to workers in risk countries, e.g. in China, Greece, Indonesia, Romania and Russia. Most of Plantasjen's suppliers have been cooperative and have eventually seen the value of responsible sourcing. The mapping has resulted in the phase-out of two suppliers with whom Plantasjen's values are not shared.

Regarding cut flowers, where some products are sourced from Africa via trading companies in Europe, Plantasjen has for several years been working systematically with social sustainability. Plantasjen

purchasing agreements set requirements regarding social sustainability. Further, social audit certificates are being controlled. Since September 2019, all bunches of roses sold in Plantasjen stores are Fairtrade certified and thus contribute to better working and living conditions for workers in African rose farms. During 2019, Plantasjen purchased roses from 8 suppliers with in total 12 farms in Kenya. Other cut flowers than roses are purchased from countries classified as low risk.





# Creating impact for thousands of people through Fairtrade flowers

In 2019, Plantasjen became the first garden centre in the Nordics to commit to selling 100 percent Fairtrade roses. By doing so, the company is contributing to the Sustainable Development Goals and creating significant impact in the lives of many in the African flower industry, says Richard Kiprotich, Flower Manager at Fairtrade Africa.

Globally, there are over 50,000 flower workers that grow, harvest and pack Fairtrade flowers in countries including Kenya, where Plantasjen roses are grown. In order to be Fairtrade certified, a farm must meet economic, environmental and social criteria.

*– Fairtrade roses are grown on farms that subscribe to key ethical requirements, like collective bargaining, overtime pay, and protection from hazardous chemicals, says Richard Kiprotich.*

The farms receive a premium of 10 percent of the sales price for every stem sold, and the workers themselves choose how to invest this money, often in education and health care.

*– The workers take pride in the Fairtrade Premium and use it to improve their living standards. Their children go to school, some all the way to university.*

## CLIMATE CHANGE AND THE FLOWER INDUSTRY

Richard Kiprotich lives in Kenya, the flower hub of Eastern Africa, and has seen first-hand how climate change affects the industry.

*– We have two rainy seasons in Kenya, but in 2019 there was a lot of disruption. The rain did not start when it should, and when it came there were a lot of floods.*

For farmers, it is critical to know when rain starts and stops, so that they know when to plant or harvest their crops. This unpredictability caused by climate change is a challenge for the flower industry in Eastern Africa.

## WOMEN AND LEADERSHIP

Another challenge within the industry is the lack of representation of women in leading positions. Gender balance is essential for economies and communities to thrive and that's why Fairtrade has started the Women's School of Leadership – to empower women through business, and leadership skills.

The social, economic and environmental development that comes with Fairtrade is unique and affects the lives of many, says Richard Kiprotich.

*– By choosing Fairtrade you contribute to things like providing health care to a mother, education to her children and good working conditions for the workers. That is why the beauty of the Fairtrade rose lies in the story behind it.*



# Environment

## PRODUCTION – GROWING PLANTS

Cultivation of plants can create a substantial environmental impact, e.g. from energy consumption used for heating in green houses and usage of water and chemicals.

As part of building long-term relations with suppliers as well as learning about challenges when growing plants, Plantasjen conducted a dialogue with key suppliers in 2019 focusing on sustainability. Plantasjen selected some of its main suppliers cultivating and transporting plants. Plant suppliers were selected for the stakeholder dialogue as these are mainly European based. Hence, they have been considered 'low risk' in our supplier risk assessment, which means that there has been less of a focus on auditing and follow-up. In contrast, Plantasjen has audited dry goods suppliers mostly based in China through BSCI. The stakeholder dialogue with the European plant suppliers showed that Plantasjen's suppliers are committed to sustainability and work with especially environmental topics on a continuous basis. Also, it was established that there is a lot of knowledge about sustainability practises amongst suppliers.

The dialogue also showed the value of collaboration within the sector, which is one of the reasons for Plantasjen deciding to become a member of FSI,

Floriculture Sustainability Initiative. Joining FSI, Plantasjen look forward to work with the rest of the chain towards improved transparency, greater visibility of certified products, increased sustainable volumes, and overall reduction of environmental footprint of plants and plant products. Full alignment with the FSI agenda lies ahead.

64 % (191 suppliers) of Plantasjen direct suppliers have a MPS-ABC<sup>6</sup> certificate. Of these, 40 % (119 suppliers) have combined this with an MPS-GAP certification. Some suppliers work towards other environmental standards than MPS, such as Benefits of Nature and KRAV (in Sweden). In total, 70 % of Plantasjen direct suppliers have an environmental certificate. Further, many suppliers work with standards for product safety and quality such as Global GAP, KSL (in Norway) or Svenskt Sigill (in Sweden). The share of certified suppliers is similar for indirectly sourced products.

During 2019, a Plantasjen specific Restricted Substances List (Chemical Restrictions list) was rolled out to all plant suppliers and is now a part of the General Purchasing Agreements. The aim is to avoid unnecessary use of pesticides as well as restricting some chemicals in order to secure that products placed on the market shall be safe, i.e. not pose a risk to human beings, pets, pollinators, other insects or society.



The Floriculture Sustainability Initiative was founded in 2012 and brings together over 50 front runners from the floriculture sector. They share the goal of finding more sustainable solutions on both social and environmental aspects for the future of the sector, and set themselves the ambition to have 90 % flowers and plants responsibly produced and traded by 2020.

<sup>6</sup> More information about MPS and the other certificates mentioned is found in the GRI Index.

## ENERGY AND CO<sub>2</sub>e EMISSIONS

During the year, Plantasjen has strengthened the work with improved control and management of energy flows in the own operations including stores, offices, own production units and logistic centres. For the accounting of carbon emissions, the scope has this year been broadened to include a full coverage of scope 1 and 2 of the GHG-protocol<sup>6</sup> and in addition including also the scope 3 categories goods transportation and business travel.

### Energy usage

With a majority of the stores being built as green houses, the operations are relatively energy intensive compared to other retail-oriented businesses. A steady and consistent air-temperature is crucial for the well-being of the plants and consequently a majority of the energy is used for heating and lighting in the stores. Efficient energy management is therefore a material and significant topic for the company from both the cost reduction perspective and from the perspective of reducing negative impact on climate and environment.

In order to pave the way and set a clear direction for the management of energy related issues, Plantasjen has set an ambition of reducing its energy consumption with 20 % between the base year of 2018 and 2025. 2019 marked a successful first year on this journey with a reduction of 3,9 % in energy consumption compared to 2018. Comparatively mild weather the last two months of 2019 is estimated to be a contributing factor to the reduction.

### Plantasjen's ambition: Reduce energy usage with 20 % until end of 2025

(base year 2018)

Plantasjen's energy usage is managed and monitored on a national basis. In Sweden, a system for automated energy monitoring in each store, Mestro, has been in place for some years. In Norway, a new energy monitoring system was implemented in three stores during 2019. In Finland energy monitoring systems have been in place since 2018. These systems provide well-informed data on the energy usage and serve as excellent decision-making support on where to focus future energy reduction measures.

### CO<sub>2</sub>e emissions

During 2019, the organization has continued to improve internal structures and guidelines for mapping the company's emissions of CO<sub>2</sub>e (CO<sub>2</sub> equivalents). Plantasjen's CO<sub>2</sub>e emissions are mapped and presented in line with the global standard of the GHG-protocol. The mapping includes emissions occurring from own operations (Scope 1 and 2), as well as emission data from the value chain in terms

of goods transports and business travels (categories of scope 3).

The most significant parts of the company's emissions are related to the heating and lighting of stores through the consumption of purchased electricity and heating. Continuous measures are taken to reduce these emissions and lower the impact on climate. During 2019, an extensive project was carried out in Norway to replace fossil oil with bio-oil in heat burners, a project leading to a reduction of emissions from heat burners/stationary combustion in Norway by 68 %. Another major measure taken during the year was the implementation of an agreement with hundred percent renewable energy in Finland, leading up to no emissions from the Finnish electricity consumption. In Sweden, the calculated emission factor for the residual electricity mix was significant lower compared to the year before, which worked as a contributing factor to some of the reduced emissions. The CO<sub>2</sub>e-emissions from energy usage (electricity, heating and direct fuel consumption) was 23 867 metric tons, compared to 27 747 in 2018.

### Plantasjen Energy consumption

Type of energy consumed	Total consumption per type 2019 [MWh]	Total consumption per type 2018 [MWh]	Change 2018–2019 [%]
Total fuel consumption from non-renewables	7 080	9 475	-25,3
Total fuel consumption from renewables	3 440	3 224	6,7
Electricity, green label	3 948	970	307,0
Electricity, residual	42 981	48 248	-10,9
District heating	34 320	33 607	2,1
<b>Total energy consumption</b>	<b>91 769</b>	<b>95 524</b>	<b>-3,9</b>

<sup>6</sup> Greenhouse Gas Protocol; <https://ghgprotocol.org/>

CO <sub>2</sub> emissions 2019	Category	Total emissions tCO <sub>2</sub> e (metric tons)
<b>Scope 1</b>		<b>2 143</b>
	<b>Transportation, total</b>	<b>349</b>
	Transportation, own vehicles DE	13
	Transportation, own vehicles FI	7
	Transportation, own vehicles NL	23
	Transportation, own vehicles NO	126
	Transportation, own vehicles SE	180
	<b>Stationary combustion, total</b>	<b>1 794</b>
	Stationary combustion DE	1 347
	Stationary combustion NO	8
	Stationary combustion SE	439
<b>Scope 2</b>		<b>22 073</b>
	<b>District heating, total</b>	<b>2 404</b>
	District heating FI	1 084
	District heating NO	25
	District heating SE	1 295
	<b>Electricity, total (Market based)</b>	<b>19 669</b>
	Electricity CN	20
	Electricity DE	9
	Electricity FI (green label)	-
	Electricity NO	17 132
	Electricity SE	2 508
<b>Scope 3</b>		<b>8 129</b>
	<b>Goods transportation</b>	<b>7 756</b>
	E-com distribution	6
	Goods transportation (all suppliers)	7 750
	<b>Business travel</b>	<b>373</b>
<b>Total Emissions tCO<sub>2</sub>e 2019 (market based method)</b>		<b>32 345</b>

### Transport of goods

Efficient logistic and transport flows is a key to serve Plantasjen's network of stores in a reliable and more sustainable way. 2019 was a year of several improvements in the company's logistics chain. In order to streamline the transport flow for plants, a new logistic centre has been built and new contracts with suppliers for inbound as well as outbound deliveries of plants have been signed.

Beginning of 2019, Plantasjen started up its first own logistic centre in Helsingborg, Sweden. The logistic center serves all stores in Sweden and Finland with the full range of plants and it serves Norwegian stores with plants from EU-countries. The logistic centre supports a more efficient flow of goods as plants from suppliers all over Europe now are consolidated (store packed) in Helsingborg. The newly built logistics centre is furthermore designed and constructed in an energy efficient manner to reduce negative environmental impacts.

Beginning of 2020 Plantasjen will start up a new logistic center in Moss in Norway. This will give the opportunity to consolidate more products and better transport utilization for the company's Norwegian operations and is integrated with the operation in the Helsingborg logistic centre. The new logistics centre will also bring more efficient facilities and lower energy cost.

Plantasjen's non-plant products are, as before, shipped from suppliers in the Nordics, Europe and China to a warehouse in Trollhättan, Sweden. For the high season in spring, many direct containers (CFS) carrying goods from various suppliers in Asia are

delivered directly to the stores to minimize road transport.

Our agreements with transport suppliers have furthermore been updated with sections on environmental performance and sustainability.

Since 2019, Plantasjen has a travel agency facilitating better follow up of people transport. Plantasjen has set a target of reducing CO<sub>2</sub> emissions from air travel during 2020 with 20 % compared to 2019.





## WASTE, PLASTIC AND CIRCULARITY

Plantasjen is striving to become a more circular company and is continuously reviewing new initiatives in that direction. This includes reducing waste, increasing recycling and rethinking packaging solutions.

### Waste management

During 2019, total waste from Plantasjen's stores decreased with 17 %. The decrease was partly due to a new initiative with increased focus on waste reduction in stores and partly due to lower plant stock in store which leads to lower organic waste. This initiative will be further strengthened in 2020 with a launch of new instructions for recycling and waste separation in stores. 2019 also brought a Finnish pilot initiative on waste to value. In the pilot project, plants that under normal circumstances would have been wasted were sent to a charity organization.

### Waste from stores

Total Waste [metric tons]	2019	2018
Norway	3 699	4 286
Sweden	2 702	3 403
Finland	424	559
<b>Total</b>	<b>6 825</b>	<b>8 248</b>

### Plastics and circularity

Plantasjen is continuously working to rethink and redesign packaging solutions for its products, this includes both use of new material and reuse of packaging.

For more than ten years Plantasjen has had a circular return system for plastic pots, where a unique blue pot for perennial plants could be returned to stores by customers and then reused by Plantasjen's supplier. In order to increase incentives for customers to bring back the pots, consumers are rewarded with one free perennial plant for every five pots that are handed in. During 2019, an extra effort was made to raise awareness and communicate this unique possibility to customers.

During the year, Plantasjen has also launched a new set of circular seed packaging made out of reused tomato plants. 2020 will bring new exciting packaging solutions to reduce the company's use of plastics. The first planned initiative in this direction is a new set of biodegradable pots from renewable material that will be launched during the year. This concept was successfully tested in pilot stores in 2019.

**159 114**  
**plastic pots**  
**were returned**  
**in 2019**



# Employees

2019 has been quite challenging, with several shifts in top management as well as a strained financial situation, which affect the organization and its performance in many ways. Despite the challenges, Plantasjen has managed to maintain a satisfactory level of employee satisfaction, decrease sick-leave numbers as well as employee turnover numbers.

Employees' skills and motivation as well as a good working environment are important factors for Plantasjen's ability to meet its business goals. With a new CEO in place, directions are getting clearer and along with an organizational overview responsibilities and processes will be better defined going forward, which enables better preconditions for employees to focus.

## HEALTH AND WORKING ENVIRONMENT

Given the shifts both in management and other positions, regular monitoring of employee wellbeing and working environment is extra important. Plantasjen's management systems include routines and procedures within health and safety, such as risk assessments, fire safety and handling of equipment in stores, offices and warehouses. The systems also support reporting of incidents and accidents at the workplace.

In Norway, health and safety routines were implemented in an online system in 2016 resulting in high level of control and systematic workflow, which is followed up continuously by regional managers. A similar system was introduced in Sweden in 2018 and fully implemented in 2019. The physical working environment is a challenge at many Plantasjen stores, in part due to large areas and hard floors. The workload in stores is high, especially in peak season with the handling of large quantities of goods and heavy lifting.

Common accidents are minor incidents in relation to product restocking and warehousing, including handling of forklifts, pallet trucks and plant trolleys (CC containers). The overall goal is to have zero serious injuries.

### Accidents

Accidents*	Target 2025	2019	2018	2017
Norway	0	4	7	6
Sweden	0	3	4	4
Finland	0	0	1	5
<b>Total</b>	<b>0</b>	<b>7</b>	<b>12</b>	<b>15</b>

\*Number of accidents that require absence from work

Plantasjen's social work environment includes topics such as job satisfaction, workload and work-life balance. An Employee Survey conducted in September 2019 shows a level of stability in social work environment compared to 2017, with the above topics resulting in no change or an 1–2 % improvement.

The survey results were overall better compared to earlier years, with Total Employee Satisfaction Index (ESI) 75 and Leadership Index 76. Benchmark for ESI is at 76 for retail and 72 for all industries. The result has been presented to all employees in each department/store, followed by a workshop discussing challenges and priorities. As an outcome, action plans have been set to ensure improvement of work environment.

### Employee Satisfaction Index

ESI	Target 2025	2019	2018	2017
Total	80	75	74	73
Leadership	80	76	75	73

### Employee turnover and sick leave

Employee turnover is by Plantasjen used as an overall indicator of a healthy working environment. A sound employee turnover is also key for retaining competent staff. In total 159 (2018: 173) permanent employees left Plantasjen in 2019 and 76 (2018: 156) started to work for the company. position at all levels in the company is at the same equal level as in 2017.

Plantasjen conducts a systematic follow up on sick-leave with established routines conducted by all managers. There has been a slight decrease in sick leave in all countries compared to 2018. Short-term sick leave is at an expected level, while long-term sick-leave is too high in relation to target.

### Company culture and Values

The journey to create a common corporate culture was started in 2018 including workshops where all employees participated in giving input to new core values for Plantasjen. The new values were presented at a Plantasjen Group kick-off in January 2019. The implementation of the values and development of the corporate culture is a long-term journey, which will be an ongoing process in all levels of the company going forward.

The Employee Survey carried out in September 2019 showed that 73 % of all employees would recommend Plantasjen as a place to work with an Employee Net Promoter Score (eNPS) at 15. This is an increase from 2017's eNPS at 14. The score is above benchmark for Retail at 14. 80 % of the employees are proud to work at Plantasjen and 80 % feel job satisfaction.

### Total employees leaving Plantasjen

		By gender		By age group			2019	2018
		Female	Male	< 30	30-50	Over 50	Rate of employee turnover [%]	Rate of employee turnover [%]
Norway	Stores	61	23	51	24	9	9,84	8,60
	Offices	3	1	0	2	2	8,16	18,18
Sweden	Stores	31	9	19	17	4	9,37	12,24
	Offices	18	7	0	18	7	26,32	34,04
Finland		4	1	1	4	0	4,81	6,54
<b>Total</b>		<b>114</b>	<b>42</b>	<b>71</b>	<b>66</b>	<b>22</b>	<b>10,29</b>	<b>11,25</b>

### Total employees beginning in Plantasjen

		By gender		By age group			2019	2018
		Female	Male	< 30	30-50	Over 50	Rate of new employee [%]	Rate of new employee [%]
Norway	Stores	34	14	28	15	5	5,62	7,35
	Offices	6	4	1	6	3	20,41	9,09
Sweden	Stores	16	7	11	11	1	5,38	15,63
	Offices	3	3	3	3	0	6,32	18,09
Finland		1	1	0	2	0	1,92	8,41
<b>Total</b>		<b>51</b>	<b>25</b>	<b>36</b>	<b>32</b>	<b>9</b>	<b>5,97</b>	<b>10,14</b>

### Sick leave, permanent employees

	2019	2018	2017
Norway	4,4	4,88	5,6
Sweden	3,65	3,75	4,6
Finland	3,4	3,9	3,9
<b>Total</b>	<b>3,82</b>	<b>3,9</b>	<b>5,0</b>



Plantasjen values

**With** Passion for Customers  
**And** Can-do attitude  
**We** Grow Together  
**For** Profitable Business  
**In** Sustainable Ways



## COMPETENT STAFF

With competent co-workers, Plantasjen can enable not only an excellent customer meeting but also sharing of expertise, guiding of customers to the right products and knowledge sharing on more sustainable alternatives in the assortment. Further, Plantasjen can through its employees share information on how customers can contribute to sustainable development through gardening and decorating their homes with plants.

As a result of the organizational changes implemented in the administrative functions in 2018 to ensure more efficient ways of working, 2019 has been characterized by the implementation of new roles and many new employees in the head offices. In addition, the introduction of a new ERP system has been demanding and has required hard work from many employees. For the stores, the consequences of a new ERP system are new ways of working. Store managers and employees were trained to handle the new system during the autumn of 2019 to ensure a successful go live November 1st, 2019.

### Training

Plantasjen Business School is an e-learning platform, which in 2019 has been a highly prioritized. It is a useful tool for training employees. The digital format allows an opportunity of making training efficient and available for all co-workers. The main e-learning focus has been trainings in product knowledge and customer experience. During peak-season, 17 e-learning on key products were launched, aiming to build knowledge among employees, enable successful customer meetings and increase sales. For example, Plantasjen offered an e-learning on pollinating insects and plants that are good for bees. In addition, there have been e-learning on how to improve the customer experience in the stores along with trainings regarding basic routines and IT-systems.

In addition to e-learning, training in customer experience, health and safety, new IT-system along with on-site training in the process of onboarding new employees have been conducted during the year.



## DIVERSITY, EQUAL RIGHTS AND NON-DISCRIMINATION

### Gender diversity

The share of women and men in management position at all levels in the company is at the same equal level as in 2018. In the stores, the ratio of female/male managers is higher than in the rest of the company. In offices as well as group management, the ratio is lower. The new Board of Director is equal from a gender perspective.

### Equal rights and non-discrimination

To have equal opportunities for employees and to be a workplace where everyone has equal opportunities to develop regardless of age, ethnicity, gender, transgender identity, sexual orientation or religion is Plantasjen's aim. There is zero tolerance for discrimination at Plantasjen, something that is systematically communicated and followed up. It is all managers' responsibility to prevent discrimination and deal with the situation if it arises. Plantasjen's employee survey of 2019 includes discrimination and 85 % of the respondents consider Plantasjen an equal workplace.

In 2019, a whistleblowing system was implemented along with updated procedures on whistleblowing routines. To ensure that all employees received information about and access to the new system, several channels were used such as posters in staffrooms, e-learning and Intranet. There have been seven reported cases in the whistleblowing system since the introduction of the system in May. All cases have been solved.



### Gender breakdown of managers, by country

Women/Men 2019	Norway	Sweden	Finland
Store managers	55/44	59/41	76/24
Office managers	43/57	45/55	50/50
Group managers		80/20	
Board of Directors		50/50	

### Gender breakdown of employees and managers at all management levels

	2019		2018		2017	
	Women	Men	Women	Men	Women	Men
Total	70%	30%	72%	28%	71%	29%
Managers	54%	46%	53%	47%	55%	45%



# Business ethics and anti-corruption

## GOVERNING POLICIES AND ANTI-CORRUPTION

Plantasjen has a Code of Conduct in accordance with Ratos' guidelines. Governing policies are reviewed by Plantasjen on an annual basis and amendments are approved by the Board of Directors. The Code of Conduct was during the year amended with reference to an external whistleblower system as a channel for reporting misconduct. Another governing policy amended during the year is Plantasjen's Authority delegation policy.

Plantasjen also has a specific policy on anti-corruption and bribery, outlining the prohibition of bribery and all forms of corruption across the organisation. The policy is available for all employees on the company intranet, and new employees are introduced to and are to sign off the anti-corruption and bribery policy as well as other governing policies. In 2019, Plantasjen has not done any specific training on anti-corruption and business ethics.

In the end of 2018, Plantasjen acquired a whistleblower system which was implemented during 2019. While there have been seven reported cases through the whistleblower system in 2019, none of these have concerned corruption or unethical business conduct.

### Governing Policies

**Corporate Governance**  
Policy framework, Instructions for Board of Directors and CEO

**Ethical Business**  
Code of Conduct, Code of Ethics, Anti-corruption and Bribery, Data Protection and Trade Sanctions

**Delegation of Authority**

### Data protection

Plantasjen respects and handles the personal data of customers and employees with due care. To guarantee safety, Plantasjen has a Data Protection Policy as well as routines for handling potential breaches of personal data in 2018. During the year, a notification on potential inadequacy at a supplier handling customer information was received, which was taken very seriously. Besides prompt actions according to routines, Plantasjen decided to switch supplier to safeguard personal data. In 2019, Plantasjen did not receive any substantiated complaints concerning breaches of customer privacy or identified leaks or losses of customer data.

## GOVERNANCE

Ultimately responsible for Plantasjen's work on sustainability and the highest governance body is The Board of Directors. In 2019, the Board, that is elected by Ratos, consisted of six members of which one was an employee representative. There is no specific committee responsible for decision-making

on sustainability topics. The gender breakdown of the Board is equal, three men and three women. The Board has during 2019 had six regular meetings and three per capsulam meetings. At two of the board meetings sustainability has been on the agenda. For example, material topics and the importance of SDG analysis have been discussed and the Sustainability Report for 2018 has been approved.

Ratos is the largest owner (99 %) of Plantasjen and is, as part of the Board, active in steering Plantasjen in how to work with sustainable development. Plantasjen reports to Ratos which, as a listed company, is publicly reporting.

Within the business, overall responsibility rests with Plantasjen's CEO and Management Team. Plantasjen strives to integrate sustainability in all parts of the company. The CR Manager is responsible for leading, coordinating and developing the Corporate Responsibility (CR) agenda within Plantasjen. The business units are responsible for acting responsibly and continuously improving the work on sustainability.

<sup>7</sup> Sustainable Development Goals, <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



# GRI Index

## GRI CONTENT INDEX

GRI Standard	Number of Disclosure	Disclosure	Comments	Page number (s) and/or URL(s)
GRI 102: General Disclosures	102-1	Name of the Organisation	Plantasjen Holding AS	5
	102-2	Activities, brands, products and services		5–6, 11 corporate website <a href="http://www.plantasjen.com">http://www.plantasjen.com</a>
	102-3	Location of headquarters	Kongsvinger, Norway	5
	102-4	Location of operations		5
	102-5	Ownership and legal form		5
	102-6	Markets served	Norway, Sweden, Finland	5, 8, 10
	102-7	Scale of the organization		5–6, 9–10
	102-8	Information on employees and other workers		9
	102-9	Supply chain		23
	102-10	Significant changes to the organisation and its supply chain	Spira Inspiration AB (former SABA Blommor) has been divested. New logistics center (Helsingborg, Sweden ) in use since January 1st 2019. Direct sourcing in Central America has been stopped. Office in Dävö, Sweden closed.	4, 10, 23–24, 29
	102-11	Precautionary Principle or approach	Plantasjen work with implementation of a precautionary approach. In line with this work sales of the weed-control product Roundup, earlier sold in Norway and Finland, was terminated.	21
	102-12	External initiatives	amfori BSCI (Business Social Compliance Initiative), FSI (Floriculture Sustainability Initiative), Partnership with Pollinate Europe, Fairtrade	19–20, 24, 27
	102-13	Membership of associations	amfori BSCI (Business Social Compliance Initiative), FSI (Floriculture Sustainability Initiative), Virke, the Enterprise Federation of Norway, Svensk Handel, the Swedish Trade Federation, Kauppa, Finnish Commerce Federation, The Association of Swedish Advertisers, where Plantasjen's Marketing Director Karolina Åhs is part of the Board.	24, 27
	102-14	Statement from senior decision-maker		3
	102-16	Values, principles, standards and norms of behaviour	The amfori BSCI Code of Conduct is communicated to suppliers. All employees are subject to Plantasjen's Governing Policies.	24, 32–33, 36
	102-18	Governance structure		36
	102-40	List of stakeholder groups		14
	102-41	Collective bargaining agreements	All employees (100 %) in Norway and Sweden are covered by collective bargaining agreements. No data available for Finland.	
	102-42	Identifying and selecting stakeholders		14
	102-43	Approach to stakeholder engagement		14
	102-44	Key topics and concerns raised		14



GRI Standard	Number of Disclosure	Disclosure	Comments	Page number (s) and/or URL(s)
GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	Plantasjen has chosen to focus its reporting on the core business, Plantasjen retail. Due to the sales of its subsidiary Spira Inspiration AB (formerly SABA Blommor AB) Plantasjen has chosen not to include Spira Inspiration AB in the report.	5
	102-46	Defining report content and topic Boundaries		16
	102-47	List of material topics		16
	102-48	Restatements of information	None	
	102-49	Changes in reporting	The materiality assessment from 2018 has been re-evaluated. Biodiversity and Wellbeing with plants have been removed from the materiality matrix in 2019, since these topics have been defined as sub-categories to Sustainable products.	
	102-50	Reporting period	The report concerns the fiscal year 2019.	
	102-51	Date of most recent report	The most recent report was published in spring 2019 of the year 2018.	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	sustainability@plantagen.com	43
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	4
	102-55	GRI content index		38
	102-56	External assurance	This report has not been assured by an independent third party. However Plantasjen's accountants have reviewed the report to secure that it meets the legal requirements regarding non-financial reporting.	

### Economic standards

GRI Standard	Number of Disclosure	Disclosure	Comments/Omissions	Page number (s)
GRI 201: Economic Performance	103-1	Explanation of the material topic and its Boundary		10
	103-2	The management approach and its components		10
	103-3	Evaluation of the management approach		10
	201-1	Direct economic value generated and distributed	Comment: Tax payments are not reported by country.	10

## Material topics

GRI Standard	Number of Disclosure	Disclosure	Comments/Omissions	Page number (s)
GRI 205: Anti-corruption	103-1	Explanation of the material topic and its Boundary	Topic boundary: Within the organisation and through business relations with suppliers of goods sold at Plantasjen.  Plantasjen's involvement: It can potentially cause directly, contribute to or be linked to via business relationships.	36
	103-2	The management approach and its components		36
	103-3	Evaluation of the management approach		36
	205-2	Communication and training on anti-corruption policies and procedures	a) and b) Communication of anti-corruption policy and procedures: No measurement of the number of governing body members and employees to whom the anti-corruption policy have been communicated. Measurement is to be implemented 2020.  c) The main business partners to Plantasjen are suppliers of goods sold in stores. Plantasjen has during 2019 been communicating via purchasing agreements and follow up activities (audits) to 67 suppliers in risk countries in Asia. In total Plantasjen has 83 suppliers in risk countries and in total 550 suppliers. Plantasjen purchasing agreements address anti-corruption.  d) and e) No governing body member or employee have received training on anti-corruption and business ethics during 2019. The ambition is to perform training coming year.	36
	205-3	Confirmed incidents of corruption and actions taken	None	36

### Environmental standards

GRI Standard	Number of Disclosure	Disclosure	Comments/Omissions	Page number (s)
GRI 302: Energy	103-1	Explanation of the material topic and its Boundary	Topic boundary: Property and vehicles owned or used by Plantasjen Plantasjen's involvement: Heating of glass buildings is more energy intensive than heating of more standard buildings. Direct impact and energy reduction measures can be impacted by Plantasjen to a great extent.	28
	103-2	The management approach and its components		28
	103-3	Evaluation of the management approach		28
	302-1	Energy consumption within the organisation	Comment: The total energy consumption includes all electricity and fuel consumed in Plantasjen stores, offices and logistics centres as well as in vehicles owned or used by Plantasjen.  Comment: Data on energy consumption is not available for Plantasjen's operations in the Netherlands.	28

GRI Standard	Number of Disclosure	Disclosure	Comments/Omissions	Page number (s)
GRI 305: Emissions	103-1	Explanation of the material topic and its Boundary	Topic boundary: The topic boundaries for emissions are Scope 1 and 2 as well as goods transport and business travel from Scope 3.  Emissions are reported on due to its inseparable connection to energy, which is a material topic of high relevance to Plantasjen's stakeholders.	28–29
	103-2	The management approach and its components		28–29
	103-3	Evaluation of the management approach		28–29
	305-1	Direct (Scope 1) GHG emissions	Comment: Data on energy consumption is not available for Plantasjen's operations in the Netherlands.  Emission factors - Emission factors for fuels in transportation and stationary combustion are gathered from the well-renowned DEFRA database.	29
	305-2	Energy indirect (Scope 2) GHG emissions	Emission factors - Electricity is calculated with a market-based approach where emission factors for national residual mixes are used.  - District heating is calculated using emission factors for national average values for district heating. This is due to national average data being the best available emission data which is available overall for all locations.	29
	305-3	Other indirect (Scope 3) GHG emissions	Scope 3 categories included are goods transportation and business travel Sea transport from Central America is not included due to unavailable emission data. Emission numbers in Scope 3 are gathered from suppliers.	29

### Social standards

GRI Standard	Number of Disclosure	Disclosure	Comments/Omissions	Page number (s)
GRI 401: Employment	103-1	Explanation of the material topic and its Boundary	Topic boundary: All permanent employees Plantasjen's involvement: Plantasjen causes the impact on employee turnover. A sound employee turnover is a prerequisite for Plantasjen's stability and long-term profitability.	31–32
	103-2	The management approach and its components		31–32
	103-3	Evaluation of the management approach		32
	401-1	New employee hires and employee turnover	Rate of employee turnover and rate of new employee hires is reported on aggregated level.	32
GRI 414: Supplier Social Assessment	103-1	Explanation of the material topic and its Boundary	Topic boundary: Supplier in risk country from which Plantasjen purchases directly without any third party involvement.  Plantasjen's involvement: Plantasjen is not directly causing any potential impact on labour standards amongst its suppliers in risk countries but can potentially contribute to an impact.	24
	103-2	The management approach and its components		24
	103-3	Evaluation of the management approach		24
	414-2	Negative social impacts in the supply chain and actions taken		24



**Own topics**

GRI Standard	Number of Disclosure	Disclosure	Comments/Omissions	Page number (s)
Own topic: Product quality	103-1	Explanation of the material topic and its Boundary	Topic boundary: All products sold  Plantasjen's involvement: Plantasjen can potentially cause negative impact on environment or human health due to insufficient product quality and safety. Insufficient product quality can also cause an increase in shrinkage of plant products.	18–19
	103-2	The management approach and its components		18–19
	103-3	Evaluation of the management approach		18
	Own topic	Product quality	Own indicator: Reduction of plant shrinkage	
Own topic: Sustainable products	103-1	Explanation of the material topic and its Boundary	Topic boundary: Plantasjen's entire value chain as well as society (human well-being) and nature in large (biodiversity)  Plantasjen's involvement: Plantasjen is contributing to, linking to and causing positive impact though having sustainable products in range and communicating the benefits thereof.	19–20
	103-2	The management approach and its components		19–20
	103-3	Evaluation of the management approach		19–20
	Own topic	Sustainable products	Own indicator: Share of sustainable products of total sales.  The ambition for 2020 is to report on the above mentioned indicator. Due to change of ERP system (Enterprise Resource Planning) data is not yet available.  In the product categories Christmas trees, potted herbs and roses data is available: 2,5 % of the Christmas trees sold were organic, 99% of potted plants were organic and 97,7 % of rose bunches sold (Sep-Dec) were Fairtrade labelled.	19
Own topic: Cultivation of products	103-1	Explanation of the material topic and its Boundary	Topic boundary: Plantasjen's plant suppliers  Plantasjen's involvement: Plantasjen is not directly causing any potential impact on environmental footprint amongst its plant suppliers but can potentially contribute to an impact.  Comment: More information about sustainable certificates is found here: <a href="https://my-mps.com/?lang=en">https://my-mps.com/?lang=en</a> <a href="https://www.matmerk.no/no/ksl">https://www.matmerk.no/no/ksl</a> <a href="https://www.globalgap.org/uk_en">https://www.globalgap.org/uk_en</a> <a href="https://www.krav.se/in-english">https://www.krav.se/in-english</a> <a href="https://www.benefitsofnature.eu">https://www.benefitsofnature.eu</a> <a href="http://sigill.se/IP-STANDARD/CERTIFIERING-ENLIGT-IP/CERTIFIERING-ENLIGT-IP/IN-ENGLISH/">http://sigill.se/IP-STANDARD/CERTIFIERING-ENLIGT-IP/CERTIFIERING-ENLIGT-IP/IN-ENGLISH/</a>	27
	103-2	The management approach and its components		27
	103-3	Evaluation of the management approach		27
	Own topic	Cultivation of plants	Own indicator: Share of plant suppliers with environmental certificate	27

\* All disclosures used in the GRI Content Index correspond to the GRI Standards of 2016.



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