

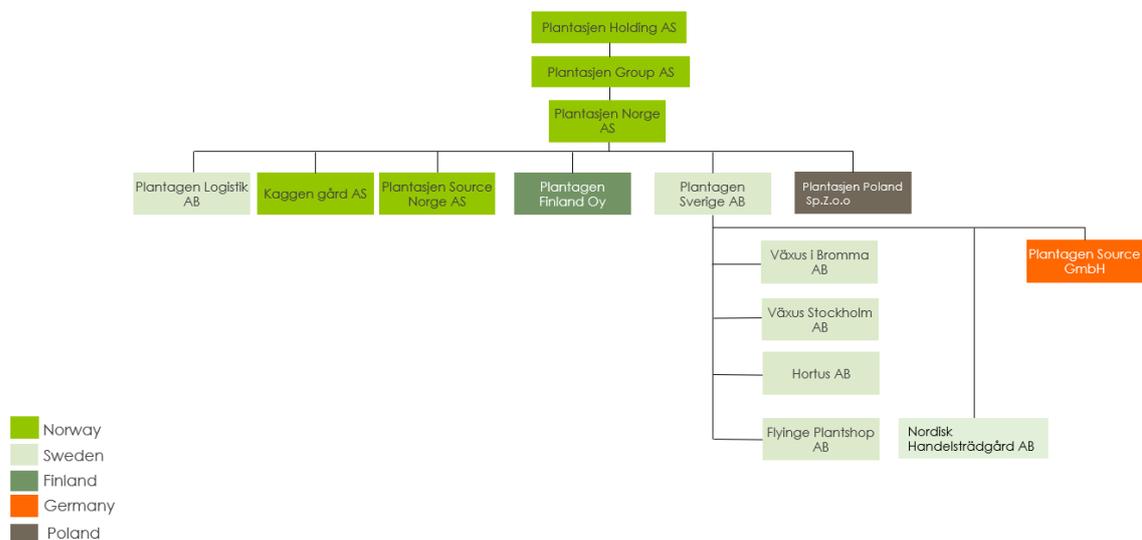
# About Plantasjen

## Organizational structure

Plantasjen is a leading retailer with the widest assortment of plants, plant accessories and other products connected to “a growing life” in the Nordic markets. In addition, we have products for garden life such as equipment and furniture. Through our 128 physical locations across Norway, Sweden and Finland, and online, Plantasjen garden centres offer a wide assortment for both the outdoor garden and indoor homes. Thanks to our employees, all with a passion for all things growing, and an outstanding operation, we aim to be the most inspiring Nordic Garden centre bringing our customers closer to nature’s positive energy. Sustainability is an integral part of our business strategy and will increasingly impact our product offer, our operations, and our partners. Plantasjen generated approximately 10,6 million customer transactions in 2022.

## Plantasjen facts

- Present across Norway, Sweden and Finland, with stores and offices in all three countries.
- 128 stores in varying formats and sizes.
- Plantasjen Source offices in Holland and Germany.
- Online store offering click & collect as well as home delivery.
- Between 1900 and 2500 employees and seasonal staff throughout the year.
- Approximately 10,6 million customer transactions per year.
- Annual sales of ca NOK 4,2 billion.
- Since 2016 Plantasjen is owned by Ratos, a Swedish investment firm that develops Nordic companies with an infinite ownership horizon.



Plantasjen’s ambition is to be the most inspiring Nordic Garden Centre through a superior offer on Plants and complementary Dry Goods categories made accessible for our customers in all relevant channels. Today, we have the widest assortment of plants, plants accessories and other products connected to a growing life in the Nordic markets. Plantasjen’s Range team plans and sources products, procuring both “off-the-shelf”-items as well as items specifically developed and produced for Plantasjen. The Range team is divided into two branches; one focusing on plants and one focusing on plant accessories and related products. During 2022 we worked with suppliers from 20 countries in Europe and Asia, purchasing approximately 14 500 unique items. Plantasjen has warehouses handling dry goods and plants in both Norway and Sweden, as well as a plant hub in the Netherlands.

## Policies at Plantasjen

Plantasjen's sustainability policies and goals are agreed within Group Management, with input from relevant stakeholders such as Board of Directors and topic experts. While leading Group Management, CEO is ultimately responsible for Plantasjen's sustainability work but during 2022 delegated responsibility to Commercial Director. CEO has still been highly involved in ongoing sustainability initiatives and targets. All members of Group Management take an active part in developing and executing sustainability strategies for Plantasjen, each according to their role and area of expertise. Initiatives and goals are anchored with CEO, and progress and results are shared in internal and external communication, as applicable. Group Management members are also responsible for leading and overseeing ongoing work within their organization to identify and manage possible sustainability impacts.

Plantasjen strives to operate at the highest ethical standard by implementing policies and procedures to ensure correct conduct and business responsibility. During 2022 reviews and updates of our existing policies and procedural documents have been made to have complete requirements in place to enable operating conscientiously in all transactions. The policies are implemented to decrease business risk, increase value and utilize the company's resources in an efficient, sustainable manner to the benefit of shareholders, employees and society as a whole. They apply to all employees, Board of Directors, consultants, agents or joint ventures and every independent contractor who acts on behalf of Plantasjen.

Our Code of Conduct states that the company is fully committed to support and respect the protection of internationally proclaimed human rights. All employees shall comply with UN's Universal Declaration on Human Rights, The UN's Convention on Rights of the Child, International Labour Organisation Conventions (ILO conventions), the UN Guiding Principles on Business and Human Rights as well as other applicable conventions and international standards on human rights. Should anyone want to raise concerns anonymously about business conduct not in line with company values, Plantasjen has had a whistleblowing system in place since 2019 that allows for employees to anonymously report grievances. The system has since been extended to include external party grievances as well.

In the supplier agreements signed with Plantasjen goods suppliers, the amfori BSCI Workplace Code of Conduct is set forth as the minimum requirements all suppliers must meet in order to do business with Plantasjen. During 2022 and first half of 2023 all goods supplier documentation was updated and revised, including codes of conduct and supplier agreements. These now more clearly define and elaborate on the expectations of highly developed sustainable practices and due diligence requirements in line with the Transparency Act. The new documentation will come into effect during 2023.

## Human Rights Risk Assessment

Sustainability risks include a variety of topics within the fields of environment, social and employee matters, human rights and corruption. Plantasjen's definition of sustainability risks is "risks related to the potential negative impact our company's activities can have on people and environment." A key risk assessment is updated annually, and the assessment and key risk mitigation actions are presented to the Board of Directors. Below are the identified key risks specifically relating to human rights and work environment.

TYPE OF RISK	SIGNIFICANT RISK	DESCRIPTION	MITIGATION
Social and employee matters	Health & Safety	Health and safety will remain high on our agenda to keep workers, employees and customers safe.	Health and Safety Management system, internal routines for working in a safe manner. Educating and informing customers about potential health and safety risks connected with our products. Clear labelling on all products with potential health and safety risks to them. Code of Conduct, Due Diligence questionnaires and third party audits of suppliers.
	Working environment	Business strategy renewal in 2022 leading to internal organisational restructuring and new ways of working. Increased risks of stress and heavy workload.	Increased focus on information sharing with monthly town hall meetings. Leadership training programs for all leaders at Plantasjen available at different levels.
Human rights	Discrimination	Unethical behaviour connected to gender or other grounds 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 in supplier or sub-supplier workplaces.	Social sustainability audits in risk countries. Supplier Code of Conduct included in General Purchasing Agreements. Due Diligence questionnaires. Directed focus according to risk grouping.
Corruption	Fraud and corruption	Exposure to unethical behaviour or corruption is both a direct and indirect risk when purchasing and transporting goods.	Code of Ethics, Anti-Corruption Policy, Whistleblowing System, Supplier Code of Conduct.

Plantasjen continuously works to prevent and mitigate human rights risks within the company; updating and securing compliance with policies and procedures, analyzing risk areas and mitigating factor effects and encouraging a healthy feedback culture for all employees. Looking at the entire work stream, internal operations are considered lower risk, seeing as Plantasjen is based in countries with comprehensive, well established work laws. A higher risk is deemed to stem from the sourcing and supplying part of the work stream.

To source ethically, Plantasjen selects suppliers that are committed to sustainable standards; this is also a way to reduce risk in the supply chain. Plantasjen has two defined supply chains: one for plants and one for complementary goods, such as gardening equipment and interior decoration. As the two supply chains have different sustainability risks, the management and risk mitigation differ. Plantasjen also utilizes service suppliers and transport suppliers, and the risk assessments for the different types of suppliers are based on the specialist knowledge each area manager possesses.

## Risk Identification

In terms of risk assessments for goods suppliers, Plantasjen is aware of the risk of, and has a zero-tolerance policy for, child labour and forced labour. Health and safety in production environments is also considered a high-priority risk factor, as well as working conditions. Plantasjen works with amfori BSCI (Business Social Compliance Initiative) in risk countries to address social impact risks, and has reviewed all amfori BSCI inspection results for its active suppliers during 2022 for a data-driven identification of general risks in order to pinpoint the most recurring risk findings. The most prominent areas with findings of varying degrees of policy breaches during inspections were:

- Occupational health and safety
- Decent working hours
- Fair remuneration

Raw materials are also recognized as a risk for both plant and complementary goods supply chains, but is for plants centered around peat-extraction and biodiversity impact while complementary goods risks are geared towards metals and working conditions.

Indirect suppliers who provide services to Plantasjen have different inherent risks depending on the type of service they provide. However, their main risk areas are deemed to overlap the goods suppliers' risk areas as listed above.

In terms of transport supplier risks, health and safety is considered the greatest risk since workers constantly operate in environments with moving vehicles and heavy machinery. Working conditions are also deemed a risk, with correct work permits and legally required rest periods in focus.

To improve and expand on Plantasjen's due diligence work, the goods supplier base has been divided into five risk groups, breaking down the work and focusing on the highest risks before moving on to lower risk suppliers. These groups have been defined in cooperation with external legal expertise according to guidelines for compliance with the Transparency Act. From higher risk to lower risk range, the groups are:

1. Suppliers and traders from risk countries according to amfori risk country list 2022
2. Traders from low-risk countries according to amfori risk country list 2022
3. Suppliers from low-risk countries according to amfori risk country list 2022
4. Brand name suppliers
5. European suppliers operating in countries where similar legislation to the Transparency Act is already implemented

The risk group criteria for the highest risk group were based on the view that regardless of type of product, suppliers in countries classified as risk countries from amfori perspective all needed to be deemed highest priority. The reasoning behind the suppliers categorized as belonging to the second highest priority group was that traders may have less control and influence over production and production sites, consequently requiring more attention to human rights conditions. The third risk group contains suppliers operating in a non-risk classified country that do not fall under one of the lower two risk groups. Brand name suppliers were considered of lower risk since their interest to protect and promote their brand was thought to contribute to a higher level of diligence in monitoring supplier operations. Finally, suppliers operating in countries who have implemented legislation similar to the Transparency Act were ranked as the lowest risk, since they are likely to have adapted their operations according to legal demands. Within these risk groups, turnover data has been used to further prioritize due diligence efforts, where suppliers who have a larger trade with Plantasjen are prioritized over suppliers with lower trade.

## Risk Mitigation

Plantasjen relies on amfori BSCI inspections to ensure that suppliers in risk countries are systematically and regularly reviewed through social audits performed with an interval of 6 to 24 months. In 2022, 92% (59 of 64) of suppliers in risk countries had valid BSCI-certification, just as 92% (81 of 88) of all supplier factories had valid certification. Renewed focus in the beginning of 2023, including education within the organisation and updated sourcing routines put in place, is intended to drive the numbers up to Plantasjen's goal of 100%.

While independent third party audits and certifications are only a requirement for Plantasjen tier-1 suppliers and, due to practical as well as business reasons, not a Plantasjen requirement for sub-suppliers, amfori BSCI practices include that suppliers need to ensure the amfori BSCI Code of Conduct is part of policy for all their sub-suppliers.

Plantasjen policy, which is settled with suppliers as part of the initial supplier agreement, is that a supplier in a risk country must uphold a score of at the very least C in the amfori BSCI grading system in order to maintain the business relationship. Plantasjen commits to working together with the supplier where possible to prevent and remediate non-compliances with amfori BSCI protocol. There have during 2022 been no findings of non-compliances of such importance that a business relationship has been reconsidered, or such that Plantasjen has been involved in remediation actions.

All plant suppliers are encouraged to participate in established plant certification schemes such as MPS-SQ or Global GRASP, which meet international requirements in the field of social responsibility. For any plant suppliers in a risk country, social certification is a prerequisite. During 2022, approximately one-third of Plantasjen's plant suppliers were socially certified, and efforts are being made to increase the figure. Almost all plant suppliers operate in low-risk countries, some in countries where similar legislation to the Transparency Act is implemented, and the focus have therefore mainly been on the suppliers deemed belonging to a higher risk group according to the previously mentioned risk group definitions.

Goods supplier agreement documentation has been revised and expanded on with a view to strengthen the emphasis on human rights and good environmental practices, and the new documentation will be implemented during 2023. In the agreements Plantasjen has, among other things, clarified that sub-suppliers are expected to adhere to the same standards as tier 1-suppliers in terms of human rights and emphasized that transparency in the supply chain is of highest importance. Workshops and meetings have been organized with the Plantasjen Range and Supply teams during the first half of 2023 to review the documentation and discuss human rights requirements as well as practical steps and approaches to achieve good supplier cooperation.

Transport supplier agreement documentation is currently being revised and, like goods supplier agreements, will include a stronger emphasis on the need for a strong and transparent CSR and environmental commitment and follow-through in the supplying organization and its possible sub-suppliers. The new agreement documentation will be put into effect as soon as possible. Efforts to improve working conditions are ongoing regardless, and Plantasjen has during the year together with transport suppliers worked to mitigate the risk of collapsing goods by focusing on improved load securing procedures.

During 2023, a self assessment due diligence questionnaire based on the Transparency Act principles was constructed by Plantasjen and is under the process of being distributed to all suppliers, beginning with the highest risk group suppliers according to the previously mentioned risk group definitions. The responses to the questionnaire are being compiled and will be used for risk analysis both on an aggregated level and on individual supplier level. Said questionnaire includes assessments of sub-supplier human rights risks, intended to give Plantasjen more insight into specific risk factors and -groups on lower tier supplier levels. Once all responses have been gathered and compiled, Plantasjen will take the next step in following up identified suppliers and examining the possibilities of supporting in developing targeted risk mitigations. Responses will also be quantified and used in supplier development follow-up over time.

## Monitoring and Communicating

Supplier compliance with human rights principles as defined by the agreed Code of Conduct is something that Plantasjen does and will follow up on a regular basis. Through repeated audits, CSR certification renewals, recurring due diligence assessments, site visits and communication with Plantasjen employees, supplier development in the CSR area will be tracked to help enable a positive development or provide early warning signs in case of possible risks.

Plantasjen will continue to keep its organization informed of the advance in CSR legislation to ensure compliance and increase knowledge and awareness within the different teams. The Transparency reporting will in the future be included in Plantasjen's Annual and Sustainability Report which is made available online to everyone.