

Green textile agenda in salling Group

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salling group



Our purpose

**We are
here to
improve
everyday life**

- for our customers, our
colleagues, and in the societies,
we are part of

Our sustainability strategy is consisting of a **foundation** and **two key priorities**

Key Priorities

Climate

Climate change is one of the biggest challenges facing the world today, and it is **our responsibility** to help solve it



Health

Healthier solutions and a **healthier future** for both our customers and our employees



Foundation

People

Taking **responsibility for the people** we employ and the customers are the foundation for working sustainable



Products

Sourcing and selling products with responsibility in mind forms the second part of the foundation for our Sustainability strategy.



We have an ambition to become **net-zero in 2050**

Salling Group Climate Ambition

In May 2023 we had our targets **validated** by Science Based Targets initiative.

We are committed to reduce our carbon footprint and reach **Net-Zero** by 2050.



We are using Carbon Disclosure Project (CDP) to engage with suppliers.



We remove our carbon footprint

...by reducing and compensating carbon emissions from **own operations**

**Scope
1 + 2**

We commit our suppliers

...by engaging them to set targets to **reduce their carbon emissions**

We help our customers

...by making greener living easier through innovation and still greener products and services

Scope 3

We engage our employees

...by **rewarding and promoting green action**, by **educating** and making employees climate ambassadors

Responsible Sourcing is a key area within our **sustainability strategy...**

We have a deep and wide assortment of various products, sourcing approx. **75.000 SKUs** from **2000 suppliers** originating from **86 different countries**

When sourcing many different type of products from many different countries, Salling Group faces many potential risks, both socially and environmentally

- and it is therefore crucial that we have **solid due diligence processes**



EU Green Deal increases future expectations and creates new mandatory product standards

Extensions



Corporate Sustainability Due Diligence Directive

Due diligence on human rights and environment across **the value chain**



Forced Labour Ban

Prohibit products made using forced labour, including child labour, on the internal market of European Union (EU)

Ensure proper due diligence to eliminate any forced labour

Dive into



Ecodesign for Sustainable Product Regulation

New Design & Process criteria

Products most last longer, increase reusability; recycled content upgradability and reparability; energy and resource efficiency; contain less substances of concern; improve carbon and environmental footprints, incl. Digital Passport

Almost all non-food products incl. Apparel

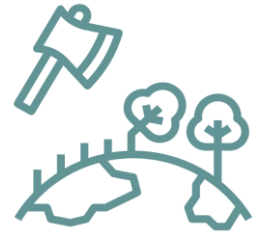
New obligations



Extended Producer Responsibility

Packaging and Packaging Waste Regulation

Responsibility of a **product's lifecycle to the producer**, including **design, take-back, recycling, final disposal**, including **new taxes**.



European Deforestation Regulation

Deforestation free

Wood, coffee, cattle, palm oil, soy, cocoa, rubber

Ensuring compliance with strict and **complex obligation** as to **deforestation and forest degradation**

In Salling Group we work with The European Green Deal in several ways e.g. on apparel

As of today



Sector Collaboration



Forbrugerrådet Tænk advisory board – moved to waste alliance



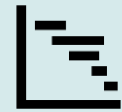
Dialogue with suppliers and business partners about new data requirement



Work with our suppliers on getting ready



Replace or refund if potentially damaged



Forecast for quantities to lower waste



Corporation with NGO on donations, take-back and re-sale



Test for chemicals



Circular design e.g.

- Increase proportion of recycled fiber
- Dyeing methods
- Use certified fibers

Working on



Test materials → recyclability – how much to keep high durability



Strengthening the design process further

- Alignment of material selection
- Right fitting that can help clothes last longer
- More functionality in the clothes to last longer



Work on packaging to lower the level and find new methods to show the styles.

But we are facing some challenges that need to be addressed to succeed

We are on a journey towards a more sustainable Apparel/textile Industry, and to succeed we see some important steps.

- 1 **Guiding** documents to ease practical implementation of coming regulations to **prioritize correct**
- 2 **Time for implementation as a complex** industry with long lead time
- 3 Common **system for data collection** – data on thousands of products must be collected from suppliers
- 4 Aware that we **don't have the data we need to report** and to get that takes time when lots of products
- 5 **Customer focus** – Take out complexity to ease up knowledge for customers for “right choice” - alignments
- 6 **Closer to the research** to make sure that the things we do have a significant impact
- 7 **Recycled material are still more expensive than none recycled/what is the right material?**

Clear expectations and requirements will ensure progression and increase the speed of implementation