





## CONTENTS

- 04 EDITORIAL FROM OUR CEO : Karl Kahofer
- 06 COVID-19 RESPONSE
- 08 WHO WE ARE ARE
- 11 SUSTAINABILITY GOVERNANCE
- 13 OUR IMMEDIATE AND LONG TERM SUSTAINABILITY COMMITMENTS
- 16 AN ENVIRONMENTAL SUSTAINABILITY BASED ON NUMBERS
- 17 Environmental Profit and Loss (E P&L)
- 17 Carbon Neutral certification for Scope 1 and 2
- 19 We now have a first picture of our environmental foot print
- 20 Our first step is always to reduce or eliminate emissions at source
- 20 We opt, when possible, for more
- 21 Unavoidable or residual emissions are offset as an intermediate step to net zero emissions
- 22 The bulk of the work starts now with Scope 3, which is our entire supply chain

- 24 ECONOMIC SUSTAINABILITY WEATHERING THE WINDS IN AN ACCELERATING AND CHANGING CONTEXT
- 27 Targets and Key Performance Indexes (KPIs)
- 28 Circular Economy Systems: a way of leading by example
- 29 Quality performance by numbers
- 30 Research and Development (R&D) : combining Science with Gardeners' needs
- 333 Digitalisation to create value and win in a connected world
- 33 E-commerce
- 33 Better engagement with consumers: digital innovation and new business models
- 34 Immediate market and field feedback via our tailor-made Application (APP)
- 34 Digitalising our operations and sap implementation
- 34 Raising digital competencies for employees
- 34 Cyber security

#### 35 SUSTAINABLE SOCIAL DEVELOPMENT

- 36 Office, Factory and Family Life Reorganisation for the better
- 37 Colleague & community safety
- 37 Maintaining professional and social cohesion
- 38 Technical academies and workshops
- 38 Employment practices and work policies
- 39 Sustainability and engagement
- 39 Relationships with our Suppliers and Manufacturing Business Partners
- 40 Relationships with Consumers
- 43 Black Lives Matter
- 43 Relationships with Society



- 44 GARDENING INDUSTRY: HOW WE Are driving change on topics That matter for gardeners
- 46 Packaging: we are making it an asset, not a liability
- 46 Plastic and other materials: we Remove, Reduce, Recycle, Reuse
- 50 We design for the biological cycle, when possible.
- 50 We use Life Cycle analysis to support our own science
- 51 Advocacy for better recycling concentrates bottles
- 53 Improved labelling on compost bags
- 54 Peat
- 56 A touch of more biodiversity in our research stations

- 57 BUSINESS UNITS SUSTAINABILITY REPORTING
- 58 UK and Ireland
- 60 Benelux
- 62 Southern Europe
- 64 Central Europe
- 66 Eastern Europe
- 68 Australia New Zealand

#### 69 OUR STAKEHOLDERS AND STRATEGIC PARTNERSHIPS

- 70 Engaging our audience, from Shareholders to Consumers
- 71 Customers
- 71 Public sector
- 71 Industry bodies and trade associations
- 71 Local economy and communities engagement

#### 72 GOVERNANCE, PERFORMANCE, STRATEGY AND RISK MANAGEMENT

- 73 Governance
- 74 Management system
- 74 Financial performance
- 75 Climate and non–Climate related Financial risk Management – our first approach
- 77 Health and Safety
- 77 Employees
- 78 Manufacturing
- 79 Good and safe use of our products
- 79 Business probity
- 79 Transparency on advocacy, lobbying and industry associations
- 80 Setting our advocacy prioritie
- 80 Leadership in advocacy
- 81 Advocacy versus lobbying
- 81 Examples of local advocacy activities
- 81 Stakeholder method of engagement and local advocacy
- 83 Legislation and Regulation
- 84 Awards, Certifications and Compliance
- 86 Supporting the Sustainable Development Goals (SDGs)
- 88 Follow us





## Editorial from our CEO

Karl Kahofer

This year again, we are proud to publish our group Corporate Sustainability Report. It illustrates how we are setting our standards to meet global carbon reduction targets, as well as the United Nations' Sustainable Development Goals, as part of our business strategy.

We at Evergreen are committed to this vision and want to do the right thing for all our consumers, communities, employees, customers, consumer and other stakeholders and make sure we are doing the right thing for our planet. This means being an employer of choice, protecting the environment, reducing our carbon footprint and that of our supply chain, and supporting the implementation of Sustainable solutions. In short, we want Evergreen Garden Care to be a business of which we can all be proud.



Let's cast our minds back to February 2020, which almost feels like another time. The World Economic Forum had just concluded in Davos, almost entirely dominated by climate change and it had been recognised that the world had changed.

Then the world changed even more dramatically. The coronavirus crisis and its consequences have overshadowed everything that we have seen since. It has been for Evergreen Garden Care, an opportunity to illustrate that it has the capacity to implement fundamental change, when imperative context demands it. The "new normal" involves deeper and harder questions about where we make products, how we move around, where we work from, how we conduct that work and what we are ultimately working for.

We had already decided, as part of our ambition to be a world leader for gardening industry standards, to have our Circular Economy practices assessed by a third party: we are now AFNOR Certified, for our Circular Economy Systems, with a bronze standard, and with a second audit in 2020, we have been renewed and upgraded to a silver standard. We are the second business worldwide to gain this certification and we hope that our initiative will contribute to drive gardening industry standards.

The "new normal" and the increasing global importance of carbon emission reduction, have consolidated our wish to become carbon neutral, for all the emissions linked to our own production (what is called Scope 1 and 2, by the Greenhouse Gas Protocol). This became reality on the 1st October 2020, as Evergreen Garden Care has

been certified as Carbon Neutral and this is also an effort that we hope will encourage the gardening industry to follow. We now go a step further: we not only rigorously track and measure our own impact, in our sites, products and services, but we also reach out and encourage our worldwide supply chain, to drive more effective environmental management, assess their own emissions and decarbonise our industry. We also want to play our part, in helping the total supply chain to assess their carbon emissions and the potential for compensating these , in order to be carbon neutral.

Private equity owned-businesses, like ours, must be at the forefront of green finance and sustainable finance. It is for this reason that I am pleased we conducted our first assessment of our financial climate risk analysis. We know that Green finance strategy will not be enough to get us to net-zero, so Governments and Treasuries are looking at harder schemes, with mandatory reporting and financial constraints and we are preparing for this.

The increasing global importance of sustainable development has been a significant driver behind our recent growth and new product launches.

As the world has woken up to the reality of climate change, new opportunities to help our clients in managing their environmental and social impacts have materialised. At Evergreen Garden Care we believe that by demanding more of ourselves, we can demand less of our planet. We therefore place innovation at the core of this effort by investing in research, life cycle analysis, new technologies and sustainable solutions to help us reach our vision. Climate change will continue to influence the direction of Evergreen Garden Care's growth over the next five years.

Social responsibility lies at the heart of our vision and has been underpinned our guiding principles since the early days of our group. These principles are responsible for the spirit that has been fundamental to our success, not least in hiring, retaining and rewarding talented and dedicated people. Diversity is fundamental to who we are, but we want to go beyond, nurturing an inclusive environment for all our unique people. We want to enhance the workplace and create a space that truly embraces and allows our employees to feel a sense of safety and inclusion— a workplace where our employees can bring their best selves.

Like everything we do at Evergreen Garden Care, integrity plays a key role in this effort. We apply strong principles in our approach to how we conduct our business, because we believe we can and should raise the bar on what's possible in responsibility and sustainability in our industry.

I hope that by sharing our candid experience and successes in measuring, conducting and disclosing the outcomes of our performance and how we are weathering the world events, our supply chain will follow suit, thus improving the gardening industry credentials.

Sincerely,



**Karl Kahofer** Chief Executive Officer





### Our response to the Covid-19 crisis

The impact of the global coronavirus pandemic on our lives is deep and lasting. We recognised very quickly the economic and wellbeing risks to our communities and we set out new radical measures to protect, support and strengthen the resilience of our teams and our value chain.

A number of new practices has been taken, to reflect the change in the world all our employees, as well as all our customers and millions of gardeners' families and communities round the world.

As our priority, we ensure the health and safety of our employees and partners in all areas and functions of our business, as we operate, all year round.

Priority is given to safe working practices with enhanced social and hygiene conditions in our factories, which are operating in full during the pandemic, to deliver to our customers. This is done very successfully, thanks to the commitment and diligence of the Supply Chain and Manufacturing teams and the wider support of the whole Evergreen organisation.

At the height of the restrictions, office based workers quickly reorganised themselves into a predominantly home-based workforce very productively whilst responding to peak season requirements in each region. We've expanded our workforce in some places due to increased demand and to ensure our hard-working employees also have time to rest and recharge, away from work. Of course, these steps are above and beyond what we do every day, to put our people first.

#### Our actions include:

• Asking our employees worldwide not to travel internationally for business purposes. Employees should replace domestic and international travels with alternatives wherever possible. These arrangements remain under review as the situation develops.

• Where government restrictions are in place, encouraging office based employees to work from home whenever possible.

• Advising employees on minimizing the risk of infection both at work and at home.

• Requesting that any employees, who may be experiencing symptoms, inform their line manager and self-quarantine for the period recommended by the national government.

• Putting in place additional safety measures in our factories, offices and warehouses.

• Working with our supply chain, distribution and retail partners to implement appropriate infection control measures and meet demand for our products.

• Supporting our employees in furlough and short labour schemes.

Looking after mental well-being of our teams as also been our primary focus.

We set out a number of support programs in various formats, as well as weekly and monthly internal information, communication and social forums. We generally reorganised our ways of working and communicating between ourselves and externally, as office employees started to work from home. Equipment has been provided to facilitate the home based work as well as training on use of remote video technology.

Our CEO delivered a weekly video call update about the health situation of employees as well as business operations re-organisation and performance.

In our Business Units, an online Evergreen Corona Virus Information Site has been created to reinforce the communication weekly updates from the General Managers and their teams. Information on the website, daily updated, include:

• Recommendations on how to avoid spreading the coronavirus

- Link to World Health Organisation site and National Governmental and Health sites.
- Link to an employee confidential support line
- Latest information from our CEO
- Latest information from the regional Managing Director
- Townhalls' links and FAQ's
- List of employees on Furlough
- Self-Certification (sickness form)

• Hints, Tips and Tools on Working from home (Mobile phone number list, Instructions on how to setup call forwarding from desk, Instructions on connecting computer remotely,...)

#### The websites also include platforms for employees to exchange news and remain connected, virtually. This is done via:

• Shout outs as thank you to other team members

- Questions from employees and answers
- Lockdown photos
- Quizzes & Virtual social meetings.
- General news edited by employees

In recognition to all these efforts and their success, from employees in front line in manufacturing to office and field employees, a "thank-you" bonus was given to all employee in the business at the end of 2020.

Each of our Business Units has launched initiatives with local communities to enhance quality of life or contribute to local charities. Examples are given in this report. We also applaud our gardeners and our customers who are also generously helping as well their communities.

As the number of people impacted by the coronavirus (COVID-19) increases worldwide, Evergreen Garden care is demonstrating more compassion than ever by working to support its employees but also its customers, the gardeners, the world round. As we have the chance to contribute to the gardening world, which has so many social and human benefits, we make our responsibility to use our expertise and dedicate our best efforts to guide new gardeners towards their own green oasis as a way to enhance their lives during this very difficult period.

We have kept ahead of the curve in dealing with the coronavirus, and we are proud of the steps we took. Looking after the gardens, also means looking after people. It matters to us.

# Who we are

A. C.

Evergreen Garden Care is the leading garden care company outside North America, producing high quality products designed to help people create their own green oasis, amid the rush of modern life. We believe in the beauty of a green space - or oasis - whether it's a garden, a balcony or potted plants indoors and we want to inspire anyone, anywhere, to be able to create and maintain their own oasis.

Established in 2017, Evergreen Garden Care is a passionate strong team, dedicated to ensuring that gardeners of all experience levels, can easily grow and protect their lawn, plants, fruits or vegetables to make their own green oasis as beautiful as it can be.





With market-leading brands like Miracle-Gro<sup>®</sup>, Roundup<sup>®</sup>, Fertiligene<sup>®</sup>, Substral<sup>®</sup>, Tui<sup>®</sup>, Pokon<sup>®</sup> or Scotts<sup>®</sup> we deliver a full range of garden care products to gardeners in our main markets which are UK, France, Belgium, the Netherlands, Germany, Austria, Poland, the Nordic countries, Australia and New Zealand.

#### > www.linkedin.com/company/ evergreengardencare/

#### To view our country websites visit:

- $\mathsf{DE} \rightarrow$  www.liebedeinengarten.de
- AT  $\rightarrow$  www.liebedeinengarten.at
- AU →www.lovethegarden.com/au-en
- BE →www.ilovemygarden.be
- ${\sf FR} \rightarrow$  www.lapausejardin.fr
- $NL \rightarrow$  www.pokon.nl
- $NZ \rightarrow$  www.tuigarden.co.nz
- $\mathsf{PL} \rightarrow$  www.lovethegarden.pl
- $\mathsf{UK} 
  ightarrow \mathsf{www.lovethegarden.co.uk}$

#### Company details

- Headquarters Frimley, England
- Year founded 2017
- Company type: Privately Held

#### A rapid journey to build the leading international Garden Care company





# Sustainability Governance



Evergreen Garden Care orientates the business organisation towards sustainability performance: an Overarching Goal Supported by four Main Pillars & Underlying Principles summarise the line of strategic actions undertaken:

#### The Aims are as follows:

1. Lead our industry in development of natural and environmentally friendly products and packaging.

2. Drive Evergreen Garden Care supply chain environmental impacts and risk.

3. Strengthen business communications about sustainability.

4. Empower all employees to be part of the sustainability agenda.





Our immediate and long term sustainability commitments

**Business benefit and positive** social impact must be mutually reinforcing. Looking after employees, gardeners and communities' needs and requirements is core to what we do. Consumers' needs are the driver of our development and our Consumer Insight department is key to our strategy.



of portfolio covered by natural gardening alternative by FY21

including charities

over 150 k£

## በ%

project completion by 2023 for investigation of a range of Concentrates and refill options

was invested for better lives in communities

charity projects in partnership with EGC

80%

already achieved recycled plastic in a range of Growing Media packs to enable gardeners a circular economy

h

trials were conducted to assess new alternative recycled plastic material

150 suppliers were conducted to assess new alternative recycled plastic material

Reduction by FY2023 (since FY18)

Eco-design of all new packaging

of plastic

of carton

Over / Suppliers were visited or audited for sourcing of new raw materials

Increase in recyclability of our packaging by FY2023

reduction of virgin material by FY2023

Specific to our business, we focus on land preservation, natural resources efficiency, packaging reduction and recyclability, biodiversity conservation, air emissions reduction, climate change adaptation and zero waste.



Over

new growing media and compost blends where launched peat free

## ሥ

Our **Z** 

of our carbon emissions (scope 1 and 2) were offset from 1/10/20

Of our sites have a zero waste to landfill

vision in line with UK Plastics Pact targets:

100% of plastics packaging to be reusable,

30% average recycled content across all

70% of plastics packaging effectively recycled

recyclable or compostable.

or composted.

plastic packaging

Eliminate problematic or unnecessary singleuse packaging through redesign, innovation or alternative (reuse) delivery model.

**30** million

bottles of natural fertilisers and controls were launched on the markets as commitment of our brand to natural options

New ingredients were studied as replacement for peat

Over 50%

of our supply chain has made a first step towards carbon neutrality

Over 25% of our electricity

comes from renewable sources.

#### U Vision: Our **Z**

The products we sell into packaging applications will be 100% reusable, recyclable, compostable or biodegradable by 2030.





#### **Comprehensive Manufacturing and Logistics Network**





## An Environmental Sustainability based on numbers

The Sustainability strategy and action plan at Scott's Miracle Gro was supported by strong business commitment and the same applies at Evergreen Garden Care. In 2018, we relaunched our sustainability program and strategy, and we issued our first Corporate Sustainability Report. Numbers are what drives our performance and enables us to set achievable and realistic targets.

## Environmental Profit and Loss (E P&L)

We are looking at where and how the environmental impact of our products and production is happening, to enable us to focus our attention where it really matters.

The Environmental P&L overview, is a tool developed by the Kering Group, to help enhance visibility of environmental impact across supply chains and also improve specificity for environmental risk management; In the future, it will help us to test and compare scenarios.



#### **Environmental profit and loss**

#### Estimated plan for reducing our carbon emissions





#### Estimated plan for reducing plastic and packaging carbon foot print by 2025



## Carbon Neutral certification for Scope 1 and 2

Climate change and biodiversity loss are now on everyone's minds and every nations agenda– as they should be.

Experts agree, that reforesting our planet is critical, if we are to reverse biodiversity loss and head off the worst of climate change. Because trees provide habitat to a number of species, store water, absorb carbon dioxide and release oxygen through photosynthesis, they are one of our best allies.





It is against that backdrop, that we have decided to make a first step to become carbon neutral for our own operations and contribute to tree planting in the developing world as part of our off setting plan.

We opted for International Forestry Verified Carbon Standard (VCS) approved Carbon Credits via Redshaw Advisors, which are the winners of the 2020 Voluntary Carbon Markets awards.







We obtained the Carbon Neutral certification on 1st October 2020, following an audit of our carbon emissions calculations. The gross (Location-based) emissions from Evergreen Garden Care global operations in 2018/19 were just under 15,000 tonnes of carbon dioxide equivalent (CO2e).

We believe we are the only Garden Care company in the world to have taken steps and achieved carbon neutrality.







## WE NOW HAVE A FIRST PICTURE OF OUR ENVIRONMENTAL FOOT PRINT

#### MANUFACTURING VOFFICES TRANSPORT 4 060 3 036 4 060 3 036 3 036 3 036 3 000 PEAT EXTRACTION GAS DRIER HOWDEN

#### Carbon emissions by type of activity





#### kWh Electricity by type of activity



#### Carbon emissions by type of activity











#### OUR FIRST STEP IS ALWAYS TO REDUCE OR ELIMINATE EMISSIONS AT SOURCE

This is where the most significant carbon benefits can be realised and as a matter of continuous improvement practices, we reduce our carbon footprint by avoiding emissions, by reducing those that are unavoidable, and switching to lower carbon technologies. This include all manufacture of our Growing Media or Garden Care products and services, in Evergreen Garden Care facilities.

We aim to design our new buildings in ways that minimise carbon emissions and energy demand, over and above what's required by legislation. The design and construction related activities that most influence our emissions are

• the Choices we make for our building and fitout materials,

• Energy sources we use to provide heating, cooling and electricity.

We take climate resilience and adaptation into consideration on all our sites retrofits and construction projects. We've reviewed how our manufacturing sites can cope in hot weather, in order to identify how we can optimize them, to enhance energy efficiency, line efficiencies and save money.

As part of our continuous improvement practices, we identify any opportunities to improve efficiency of our operations and thus reducing our carbon footprint. Our efforts to prevent and manage waste responsibly are helping us reduce our emissions. We reduce our total waste year on year and we don't send waste to landfill.

As the e-business is developing worldwide, we are also taking action to reduce transit packaging for our products for home delivery.

#### WE OPT, WHEN POSSIBLE, FOR MORE RENEWABLE ENERGIES

Many believe that improving energy efficiency is the single most effective way to reduce global greenhouse gas emissions. So, we need to use energy as efficiently and responsibly as we can.

We try to make sure sites' retrofits and constructions are as energy efficient as possible. We also aim to buy new equipment that meet best practice energy efficiency standards. Our energy management systems and processes in the UK are certified to ISO 14001 and we are looking at 50001:2011 the international Energy Management Systems standard. Our HS&E managers are responsible for identifying energy efficiency issues and implementing preventive and corrective actions.

The worldwide outlook for more renewable energies is getting some momentum: thanks to predictable policy, fierce competition and technical progress, renewable energies are coming back at the fore-front of all industries investments, including ours.

We are assessing on-site renewable energy generation. For example, our Australia sites are already using solar power and we are looking at installation of solar panels in our UK warehouse in 2020. We purchase when possible the electricity for our sites, offices and warehouses from renewable sources, including a proportion from small-scale renewable sources. Some of the gas we use comes from certified bio-methane sources too.

We are following closely with our energy providers the possibilities for more renewable or low carbon energies in our sourcing mix, which is what we have done for our French sites.



**Green Energy %** 



#### **Carbon emission relating to Electricity**



Nether-

land

IIK

Austria

Relaium

France

#### National Emission rates for Electricity in kgCo2 / KWh

#### UNAVOIDABLE OR RESIDUAL EMISSIONS ARE OFFSET AS AN INTERMEDIATE STEP TO NET ZERO EMISSIONS

We pledge to achieve «net-zero» carbon emissions for our direct operations by 2050, without purchasing carbon offsets, in line with UK national commitment.

We have put steps in place to deliver this pledge and as an immediate target, we have decided to make a commitment to invest in carbon offsets, for our own global operations and directly controlled emissions.



Australia

Poland

New

Zealand

Germany

**Our detailed plan is presented in :** NET ZERO - The EGC contribution to stopping global warming – March 2020.



#### THE BULK OF THE WORK STARTS NOW WITH SCOPE 3, WHICH IS OUR ENTIRE SUPPLY CHAIN

Scope 3 refers to all of the indirect carbon emissions which occur in an organisation's value chain, which do not relate to the generation of purchased energy. Whilst Scope 1 and 2 carbon emissions tend to sit within the organisation, Scope 3 typically sits outside – both upstream and downstream, including emissions of sold products.

Because Scope 3 carbon emissions are so wideranging in what they encompass, and vary so significantly for different types of organisation, they are the most complex part of an organisation's emissions.

Also, for most businesses, Scope 3 emissions also make up the lion's share of total emissions. Therefore, in the context of the UK government's 2050 net-zero target, they are arguably the most important emissions to address. We have started to approach our partners upstream and downstream to assess their position regarding carbon neutrality and we are reassured to see that there is momentum in taking action to address climate change.

With our upstream suppliers, we are assessing what sustainability program they have and making estimation on carbon emissions linked to our own supply. We started in 2018 to include a sustainability questionnaire in our suppliers' self-assessment to start a performance index on key environmental, social and other performance indicators, relative to the gardening industry.

For our downstream chain, we are looking at what solutions and program our logistic partners have in place, to explore opportunities and optimise distribution footprint.





With this in mind, we have started to map out our own steps towards zero carbon emissions.

## Scope 3 Upstream Suppliers

Question asked to suppliers about their measurement and off setting of carbon emissions See next page

### Scope 1&2 Manufacturing

15000 TCo2/ year Off set by tree planting project

### Scope 3 Downstream Transporters

Quote requested to buy climate neutral transport

#### Scope 2 Energy providers

Quote requested for supplying energy from renewable sourcing. The on-cost of green energy would be deducted from our off-setting spend

In UK, where our Head office is located, we report our greenhouse gas emissions annually, in accordance with UK Government and international corporate greenhouse gas reporting guidelines. This data is independently assured and submitted annually to the Carbon Disclosure Project.

We've also integrated climate change and sustainability issues into our corporate management and governance systems.



Economic Sustainability Weathering the winds in an accelerating and changing context

Evergreen Garden Care seeks to be a true partner in sustainable economic development, all along the local and international supply chain. Our fundamental principle of economic investment, is that it should be good for the national and local network and infrastructure, as well as good for the Company.

#### For Evergreen Garden Care, "Economic sustainability", is taken as meaning a combination of:

• Remaining commercially viable (both in short and long term) and

· Being able to sustain operations in the face of unexpected and severe events, such as the 2020 health crisis.





• Natural capital, which comes from our ecological system including worldwide locations where we source our raw materials;

• Produced capital, which comes from our productive activities and our factories;

• Human capital, which comes from our talented people;

• Social capital, which comes from social trust and social interaction;

• Financial capital, which connects all the previous four capitals to help grow and sustain an economy.

Economic and environmental sustainability are closely linked in several ways, and will become increasingly more so. Producing goods and services requires, to a greater or lesser degree, the use of natural resources – and thus comes attached with an environmental cost. This is very much part of our circular economy thinking process.





## Targets and Key Performance Indexes (KPIs)

Our targets and KPIs are resulted in a set of validated priority issues ranked according to relative impact on society and impact on our business. To set those KPIs, we assessed

- What matters for investors, consumers, employees, regulatory bodies, media,
- The potential impact of the issue on our business,
- Our ability to influence the issue.

We concluded that, while the relative materiality has not changed, external interest has increased for all of gardening top issues, such as glyphosate, plastic, packaging, naturalness. It also became clear that climate change is a critical issue cutting across each stage of the gardening value chain.

## The following areas were, therefore, prioritised in our KPI tracking and reporting:

• Evergreen Garden Care's strategy of using science and technology to create high quality, high performing gardening products;

• How we manage our operations with respect to the environment, with particular focus on helping consumers to contribute to a circular and sustainable gardening industry.

As part of our commitment to more evidencebased reporting, we were keen to obtain third party certification for Circular Economy Systems and for our Carbon Emissions calculation, in order to ensure that our strategic KPIs were appropriate. We welcome feedback on these KPIs, goals and actions, and how they may be improved to more effectively communicate and to drive progress against our sustainability strategy.

Social Responsibility	<b>Environmental Protection</b>		Economic Responsibility		
Compliance	Production	R&D	Quality		
Annually by BU	Annually for EGC	Every 6 months	Annually by BU	Monthly Europe	
• HR and Procurement Policies and Standards	• CO2 emissions, Energy, Waste, Projects	• R&D Packaging and Formulation	<ul> <li>QESH compliance</li> <li>Cost of non-quality</li> <li>Feedback and complaints</li> <li>Risk analysis</li> </ul>	<ul> <li>Suppliers' performance</li> <li>Third party performance</li> <li>H&amp;S</li> <li>Service level</li> </ul>	
Business Certified for Circular Economy Systems Business Carbon Neutral					
		Communication			



## Circular Economy Systems: a way of leading by example

In addition to climate change strategies, the shift to a more sustainable model of economic growth, requires a circular economy, in which products are recycled, repaired or reused, and waste from one process is used as an input into others.

We have decided that, as leader of our industry, we should demonstrate the best possible standards and that obtaining a Circular Economy System certification was a trustworthy and independent method of doing this.

To avoid making a list of claims tied up in marketing speak, we have chosen to be assessed and certified by an independent reputable third party organisation. We chose AFNOR and their XP X30-901:2018 Referential. The audit assessed how the Environmental, Economic and Social impacts are taken into account in all steps of our entire global supply chain. We successfully passed the audit and obtained the "initial" (bronze) standard. We are the first Garden Care business worldwide to be certified. Subsequently, we have also passed a second annual audit, and been upgraded to silver standard. The AFNOR referential will be the foundation of the future ISO standard. so we are standing ready for it, when it will be published in coming years.

There is an annual follow-up audit, to assess continuous improvement on the corrective actions identified: we look forward to enabling the garden industry to raise the bar in those standards.











## **Quality performance by numbers**

Evergreen Garden Care follows Quality KPIs via thorough Quality reviews and detailed statistical analyses, tailor-made to business functions, to enable regional and departmental performance management in real time. Our gardening season is short and reaction time needs to be immediate. Our quality and reporting systems enable us to take any necessary action in timely fashion.





## Research and Development (R&D): combining Science with Gardeners' needs

#### At a glance

Evergreen Garden Care operates the largest science and innovation network in the gardening industry



R&D investments	More than 10 (in GBP million)
Number of R&D centres.	2
Number of research station	3
Number of R&D associates	32
Percentage of sales from product innovated or renovated in the last 3 years.	80 %
R&D investment as percentage of sales	2,6 %

Innovation is at the core of our commitment to growing our business and making a positive impact on our gardens around the world. Our scientists explore the technology's possibilities, whilst our formulation experts and product developers, use this science to develop and bring to Evergreen Garden Care next generation innovations. This search for breakthrough solutions, is driven by the need to meet or even anticipate gardeners' expectations, to respond to competitive threats, to enter new markets, or to improve our environmental footprint.

R&D helps bring Sustainability to life with a wealth of expertise and history. Working with colleagues in every function from Marketing to Supply Chain, we're striving to reduce the environmental footprint of our products around the world. Developing natural formulations, reducing the use of virgin plastic in our packaging by incorporating more and more recycled material or replacing our packaging by innovative reusable alternatives. Here is how, within R&D, we're working to help meet Evergreen Garden Care's ambition to reduce and stop the garden industry greenhouse gas emissions.





More than 32 dedicated staff

Formulators, Biologists, Packaging Engineers, Field Technicians

 More than 250 field trials performed peryear in 15 contries
 12 new formulations introduced

## > 50 active research programs

Partnering with universities, start-ups, agro-chemical companies and other technology providers

# **R&D** Pipeline Agreements with key industry partners





#### **Research & Development Capability**



#### 3 accredited field research stations (plus lab support)

Fully owned, fully accredited, fully dedicated to L&G





## Digitalisation to create value and win in a connected world

Digitalisation plays a major role in contributing towards the United Nations Sustainable Development Goals and at Evergreen Garden Care, we have anticipated and fully embraced the recent rapid changes. It covers all aspects of our business from the way we organize internally, to how we engage externally, focused on becoming faster, more agile and more consumer-centric.

We look for ways to evolve and use technology to accelerate innovation, fuel new growth opportunities and create efficiencies. This includes using analytics, automation, artificial intelligence and e-learning, as well as e-business (digital marketing and e-commerce).



#### **E-COMMERCE**

In 2020, our e-commerce sales have more than doubled. This puts Evergreen Garden Care at the forefront of the gardening industry, in-line with our corporate ambition.

Whilst it remains a challenge to predict the ecommerce landscape and level of consumer demand for 2021, we are working closely with all ecommerce customers to maintain continuity of supply through the Covid-19 pandemic & focusing on mutual opportunities to maintain our growth trajectory.

We will continue to pay close attention to our Consumer-led Insight, and work hard to develop the right solutions for our gardeners, while keeping control of our carbon foot print and sustainability principles for product, packaging and delivery.

#### BETTER ENGAGEMENT WITH CONSUMERS: DIGITAL INNOVATION AND NEW BUSINESS MODELS

Digitalization is a key ingredient to continued business success especially, for our consumer and trade websites. We are moving to connect with consumers in a relevant and personalized way. In a digital world we connect with consumers where and when they are receptive. To do so successfully, our brands must be relevant, speak directly to their needs and preserve their privacy. To deliver the best platform for our consumer and customers, we collaborate actively with leading technology companies such as Amazon and Google.







#### IMMEDIATE MARKET AND FIELD FEEDBACK VIA OUR TAILOR-MADE APPLICATION (APP)

Entering a digital world also means using technology at our advantage, to control the quality of our product, where it matters for our gardeners: from shelves to garden.

All employees with a business mobile, can use the APP to report quality and consumer observation from the field. The information is then treated live, by our consumer and customer teams, to address immediate and potentially recurring issues.

This tool has enabled us, over the years, to solve 5% of technical issues, before they become a problem for our distributors or our gardeners.



## DIGITALISING OUR OPERATIONS AND SAP IMPLEMENTATION

For our supply chains and manufacturing, our goal is to create competitive gaps through data traceability, better account and planning management, automation when possible and predictive analytics. In many facilities, we are scaling up Internet of Things with remote-sensing technologies and smart meters, for example, for more control of our energy usage and sourcing.

Al and practical interactive technologies have already been part of Evergreen Garden Care business: as an example, the use of drones has become part of the management of our research stations for a long time and algorithms are part of our R&D methodology.

SAP (NYSE: SAP) was implemented and launched in our main sites in 2019 and all our sites are now set up on our common SAP network. We have reduced our inventory levels by more than 30% in some areas and introduced more control into business processes as well as better supply efficiency.

#### At a glance

- Our facilities (8 sites) are SAP connected
- 30000 transactions per month for 15000 skus
- All our warehouses are automated
- 50% reduction in analytical compilation and data management

SAP also enables harmonised management of proactive quality corrective actions and re-inforce the solid network of our manufacturing sites for knowledge sharing and continuous improvement. We can consistently provide consumers with products that are safe, compliant and meet their expectations.

#### RAISING DIGITAL COMPETENCIES FOR EMPLOYEES

Our people need to have the right mindset, skills and tools. We ask them to be entrepreneurial and externally focused. We also facilitate increased collaboration through internal social networks. We have created digital academies and centres of competency to accelerate our pace of digital transformation. Among them:

We have converted our meeting systems to hangout via Google and Zoom technologies.

We have set up training online of remote internal and customer presentations.

We have set up online general technical training which works both for education and socialising.

#### **CYBER SECURITY**

During the pandemic a digital crime wave has flooded the internet. This is a symptom of a world becoming digital faster than individuals and institutions can secure themselves against exploitation.

For companies like ours, preventing this risk is primarily a matter of investment and training staff in internet best practices, to limit the success of phishing attacks. Evergreen Garden Care was unsuccessfully attacked in 2020 and we could rely on our systems to stop any damages. This meant though, that we re-enforced further our cyber prevention systems in ensure to protect business as well as employees.



Sustainable Social Development As we continue our journey to become the Garden Care industry's most sustainable business, we are proving that growth and success can be achieved alongside caring for the planet and our people. Climate change and corporate social responsibility had already led investors to focus on Environmental challenges and the Governance of ESG (Environmental, Social, and Governance) standards. The corona virus pandemic in 2020, is now shining a spotlight on Social wellbeing and cohesion.

Our steps and measures to react, respond and adjust to the challenges presented by the corona virus crisis, have created the opportunity for Evergreen Garden Care to demonstrate its core strengths: maintaining jobs while supporting employees and their families, while ensuring the continuity, integrity and success of the business. Setting new targets, objectives and standards for our operating systems to ensure we are fit and ready for a post-pandemic business, economic and social environment.

## Office, Factory and Family Life -Reorganisation for the better

At Evergreen Garden Care, people are at the heart of our business. This means the health and wellbeing of our partners and stakeholders is critical: customers, consumers, colleagues and the communities where we operate. Priority has been given to safe working practices with enhanced social and hygiene conditions in our factories, which have been operating in full during the pandemic, to deliver to our customers. This has been done very successfully, thanks to the commitment and diligence of the Supply Chain and Manufacturing teams and the wider support of the whole Evergreen organisation. At the height of the restrictions, office-based workers quickly reorganised themselves into a predominantly home-based workforce very productively whilst responding to peak season requirements across Europe.

Working life has entered a new era for the foreseeable future. It is remarkable how quickly we have adapted and maintained the balance of safety of people with continuity of business. The sudden transition to a new working organisation has been enabled by our foundation of stability, leadership and communication: the corona virus pandemic has not deflected us from our core priorities, but enhanced and enabled a more agile, flexible workforce.

#### **COLLEAGUE & COMMUNITY SAFETY**

We are working very hard to keep employees and communities healthy and safe. We have implemented enhanced hygiene measures at all our sites, with particular focus on our frontline workers in factories, quality laboratories and warehouses.

#### Our actions include:

- Asking our employees worldwide not to travel internationally for business purposes. Employees should replace domestic and international travels with alternatives wherever possible. These arrangements remain under review as the situation develops.
- Where government restrictions are in place, encouraging office based employees to work from home whenever possible.
- Advising employees on minimizing the risk of infection both at work and at home.
- Requesting that any employees, who may be experiencing symptoms, inform their line manager and self-quarantine for a 14-day period.
- Putting in place additional safety measures in our factories, offices and warehouses.
- Working with our supply chain, distribution and retail partners to implement appropriate infection control measures and meet demand for our products.
- Supporting our employees in furlough and short labour schemes.

## MAINTAINING PROFESSIONAL AND SOCIAL COHESION

Maintaining strong communication and collaboration between teams and staying


connected with our networks, is critical to business relationships and our mental wellbeing, especially when working remotely.

As well as launching Heart of Evergreen our first global recognition scheme to promote colleague contributions, business units have conducted employee pulse check surveys, to check-in on colleague wellbeing and obtain essential feedback on colleague experiences and next steps.

Across all our Business Units we are facilitating opportunities for conversations and exchange in both formal and informal virtual environments: team and individual meetings, town halls, weekly leadership updates, social entertainment events. Training and education workshops have been regularly facilitated, to enable interaction and to ensure learning and relationships develop through remote working.



### TECHNICAL ACADEMIES AND WORKSHOPS

At Evergreen Garden Care, it is important to give people the opportunities for life-long learning. All our employees can upgrade their skills, in an ever-changing world.

By offering them opportunities to develop, we enrich our knowledge within the business and we ensure the individuals are confident in their roles and the company. We also make them more employable to new positions across the functions and Business Units. The ultimate goal is to give our employees plenty of opportunities, throughout the organization, to enhance their knowledge each year.

On line workshops were readily available during the pandemic, ranging from operational subjects, as well as focusing on employees' health and well-being. They have enabled departments to use them as tools, for conversations and networking across teams, around a common theme.

With Evergreen Garden Care internationals Training Academies, we estimate that 60% of our employees receive some form of training each year with 30% of the training at factory production level; 90% of the training is given by internal trainers, the rest by external providers.

As market leaders we ensure that our retail customers are kept regularly informed about our products and the industry regulations. Training is delivered through face to face training or through on line training academies.

In France, since 2011, we have delivered Certiphyto, a Certificate to enable individuals in the trade, to sell our phyto-pharmaceutical products. We are ready for the upcoming Qualiopi-Afnor certification.

In 2020, the UK also set up an on-line training academy for retailers, which focuses on category and product training. The Academy is available for all customers and provides a series of videos and information to consolidate their understanding. Each module enables participants to take a quiz which checks their knowledge and, depending on their results, they



will receive a certificate which can be evidence for continuing professional development. The academy is refreshed on an annual basis, to ensure retailers continue to learn about our products.











### EMPLOYMENT PRACTICES AND WORK POLICIES

At Evergreen Garden Care, we recognize that our employees are the key to our success and nothing can be achieved without their engagement.

We are committed to providing our employees, in all our regions, with good working conditions and safe and healthy work environment. Those with line management responsibilities, are required to take personal ownership of safety and health within their area of responsibility and are encouraged to develop their capability in this area.

Everareen Garden Care's commitment. however, goes beyond its own employees. We care about all people working inside or outside our premises under contractual obligations with service providers and we insist that they also take steps, so that adequate working conditions are made available to them. We believe that it is essential to build a relationship based on trust and respect of employees at all levels. We do not tolerate any form of harassment or discrimination. Therefore, managers are committed to build and sustain, with their teams, an environment of mutual trust. HR ensures that a respectful dialogue is present and the voice of the employees is heard.

We also recognise that our consumers have a legitimate interest in the company behind the brands and in the way Evergreen Garden Care operates. Our policies include:





Work Practices & Human Rights Society	Decent Work
GDPR ANTI BRIBERY and ANTI TAX EVASION POLICY Gender Pay Declaration Corporate Criminal Offence Policy and Procedure Code of conduct (incl Anti-competitive Behaviour) Modern Slavery statement Local Communities Employment Labour/Management Relations Occupational Health and Safety Training and Education Diversity and Equal Opportunity Equal Remuneration for Women and Men Supplier Assessment for Labour Practices Crisis Management	Investment Non-discrimination Freedom of Association and Collective Bargaining Child Labour Forced or Compulsory Labour Security Practices Indigenous Rights Assessment Supplier Human Rights Assessment Human Rights Grievance Mechanisms

39

#### SUSTAINABILITY AND ENGAGEMENT

Evergreen Garden Care's sustainability activities, targets and objectives are regularly communicated to all employees, in verbal or written forms, through video-conferences, hangout or update meetings. Sites and factories display business performance and sustainability noticeboards and sustainability is part of sites routine management reviews.

We undertook an employee survey in 2019 and 82% of employees participated worldwide. We are now delivering against the findings. The next survey will go live in March 2021 to evaluate how we have progressed.

### Relationships with our Suppliers and Manufacturing Business Partners

Evergreen Garden Care aims to deal only with reputable industrial suppliers that are willing to apply our standards. Evergreen purchases goods and services are worth nearly €200 million, from over 3000 suppliers in more than 20 countries. We regard it as one of our responsibilities to collaborate with suppliers that are as sustainability-minded as we are.

Supplier relationships are benchmarked and evaluated to deliver continuous improvement in quality and service. We audit major suppliers, to ensure that they comply with the Evergreen Garden Care business principles, or are working actively to achieve them. We also rely on Sedex registration as addition to compliance our Evergreen Garden Care's Supplier Code of Conduct.

Whenever instances of non-compliance are discovered during audits, or are brought to our attention, Evergreen Garden Care requires that corrective measures be taken, if the supplier relationship is to be maintained. As guardian of quality standards, we also offer assistance in achieving sustainable business practices, for example by means of training or technical and quality support.

Since July 2018, our supplier's questionnaire includes simple self-assessment questions on their sustainability programme and results. This feedback gives us an insight into their commitment and progress around this



important topic. In the future this will become a tool to select suppliers. This is also a way for Evergreen to build the knowledge sharing and partnership that enables us to be the leaders and experts in our industry.

The same principles apply for thirdparty manufacturers. We rely on trusted subcontractors and sub-consultants to manufacture our products or deliver our services and products. We use a comprehensive vendor evaluation questionnaire to assess their competence. Suppliers and subcontractors that are considered to be critical or high risk, are also subjected to continual reassessments, through vendor audits and on-site inspections.

Evergreen Garden Care insists on ethic, honesty, integrity and fairness in all relationships with business partners. The company requires its management and employees to avoid personal activities and financial interests that could conflict, or appear to conflict, with their commitment to their jobs.



### Relationships with Consumers

Our business success is totally dependent on the extent to which we fulfil our gardeners' needs and requirements. The millions of people who buy our products along the year, are free to choose our competitors' products over ours: quality assurance and quality control are, therefore, our core approach to the manufacturing gardening products.

Evergreen Garden Care's basic consumer value proposition, is that people can fully trust the quality and safety of the compost, fertiliser, lawn care, pest care or weed-killer as soon as they open the packaging.

Complaints are investigated and remedial actions taken. Markets are supported with investigative guidelines and best practices, as well as escalation procedures. Awareness is reinforced in low volume reporting markets. Thanks to its proactive due diligence and corrective action robustness, Evergreen Garden Care has earned the trust of gardeners customers, retailers and other stakeholders through the safety, quality and reliability of our products.

#### Consumer requests per million units sold



Over the last 12 months, 25 product categories have gone through product improvement stage and gate following consumers' feedback. This is worth 5 million of product categories in 12 markets.



In order to listen and communicate with consumers, Evergreen Garden Care lists a telephone number (mostly toll-free), as well as local addresses, on each product package, giving phone access to Evergreen Garden Care Consumer Services in over 20 markets. Their role is to deal with consumers' requests, to answer gardening and product usage' questions and to engage in dialogue. Our Consumer Services statistical analyses, show, across all regions, a trend of increasing dialogue, with over 500 000 contacts from consumers and customers. Of these, 40% were asking for assistance with problems but the vast majority of requests (60%) were for information, such as usage advice and gardening information.





We have one unbending standard of reliability, efficiency and safety, and our brand names cannot go on the package of our gardening products produced until our own or acquired factories meet a standardised, detailed and very rigorous set of requirements. These are laid out in extensive, formalised procedures and standards that must be verified, and they typically exceed the legal requirements, as well as the prevailing practices, in the countries where we operate.

An essential part of continuous improvement involves learning from problems when they arise. Internal product recalls may occur where errors are identified in the factory before goods are distributed, and these are measured as part of the production process efficiency. Public recalls of goods, because of a mistake or a problem, have never occurred at Evergreen Garden Care. We are not satisfied with any occurrence of internal product hold, and take each one seriously so as to learn and constantly improve.



We produce a monthly, quarterly and annual supplier and Co-manufacturer Performance Quality Review, for use within the business, tailor-made to each function in order to support continuous improvement. The feedback we receive across market is compiled, analysed and used by Marketing, Sales and R&D teams in order to incorporate the consumer feedback into continual review and improvement of our product ranges. This also enables the Senior Management team to be aware of trends and to consider potential future actions.



EU Report - Start-up assessment of new references or major changes\* Educentrated Fielded Goods



### **Black Lives Matter**

The shocking Minneapolis' events and subsequent protests across the world, have brought home how deep the experiences of racism is, for so many in our societies. Evergreen Garden Care stands in solidarity with everyone who is denied equal rights and protection from violence and discrimination, in the fullest sense of these terms. These are challenges that we, as a society, must address, injustices that must be overcome.



In the gardening industry, scholars from a variety of disciplines have been working to understand the histories, impact and meanings of gardens to improve conservation outcomes and to build strong communities. Also, botanic gardens have changed considerably from their colonial origins and ethnic diversity in gardening has become a topic of debate.

All these events must sharpen our awareness of how much more we, as a major private industry, need to do in the fight against inequality and discrimination. Respect, inclusion and diversity are at the heart of Evergreen Garden Care values. We continue to put our best efforts into making them a reality, conscious that we must constantly guard against any complacency or slippage in these critical areas.

### Relationships with Society

An important part of the way we do business, is to be fully integrated into the garden, horticultural, agricultural industries in all countries in which we operate, on a short, medium or long term basis. The details of our activities in local communities is covered in our Business Unit sections, but in general, the nature of our commitment varies according to the needs in the local areas and focuses on three areas:

#### **Nature Protection**

- Bee protection schemes
- Butterfly counting and protection schemes
- Water Saving Grass Seed development for growing climates with hot and dry periods.
- Peat land restoration
- Tree planting
- Gardening event

#### **Education support**

- Our Garden Academy
- Schools gardening programs
- "Kinder gardening" competitions for schoolchildren with rewards for sustainable gardening activities like growing seeds and vegetables.
- Partnership with Sustainability NGOs
- Educating new gardeners to embrace our 100% natural ingredients, Pesticide-free ranges.

#### Economic and Circular Economy commitment

• We bring Expertise in maintaining Peat bogs in UK and we strive to help support develop new techniques to restore the environment.

• We supply information to our gardeners either in the stores, on pack or online. We provide: Technical Advice to gardeners for sustainable gardening and Technical Advice for plastic bottles & containers recycling.



Gardening industry: How we are driving change on topics that matter for gardeners

45

Consumers' needs, retailers' requirements, regulation changes to gardening care products are continuously evolving and impacting on our innovation pipeline.

Over the last two years, we have invested in market research in Europe and Australia/New Zealand to understand who our consumers are, what their usage and attitudes to gardening tasks are, and how they shop for gardening care products across channels.

In parallel, we have also leveraged our category data to identify product gaps and opportunities through our portfolio mapping exercise.

#### Lately, COVID has reinforced the way our business operate by anticipating and embracing the trends that are likely to impact our category for the next 3 years. There are:

- More shoppers journeys are driven online
- More time spent at home
- Gardening for wellbeing

• Call for Transparency (i.e. naturalness and sustainability)

All these elements are placed into the mix when we develop our insight-led innovation program. This is combined with the search for breakthrough technologies and the thirst for making our products more sustainable. Our ambition is to offer a range of products that are relevant to their needs and respond to the product quality standards.

The products we develop through innovation, whether by ourselves or through our extensive partnerships with leading scientists, academic institutions, suppliers and specialist businesses, play an essential role in our ambition to make a positive impact on the world around us. Many of the challenges of reducing environmental impact, improving well-being, will be met through gardening science and technology – and we want to be at the forefront of this work.

Our innovation process goes through a solid Stage and Gate process from consumer insight to development, product launch and consumer service. A sustainability assessment is included in the typical development process.



#### **Relationship with Gardening**







### Packaging: we are making it an asset, not a liability

All our packaging are developed based on strong and defined eco-conception principles, which means, we only use the quantity of material we need and no more than is legally and technically required.

The skills of our R&D and Regulatory teams is to find the right balance, between

- proposing a pragmatic dispenser,
- protecting our products,
- ensuring the safety of our gardeners,
- and not over-designing our packaging.

One important element of our products is their long shelf life. The packaging is designed to enable gardeners, distributors and garden centers, to keep their products in long period of times, in all seasons, in sheds and other outdoor environments.

We ensure that all our new products and launches, have integrated

- the optimum packaging,
- appropriate to the local legislation
- the need of our customers and consumers.



With a Liquid plant food bottle and cap containing : 100% PCR\* (Post Consumer recycled) plastic Instead of using virgin plastic

### Plastic and other materials: we Remove, Reduce, Recycle, Reuse

Plastic is a valuable material which has a vital place in the economy and in our gardening business. It is perfectly appropriate for the safe and efficient use and storage of our products. It also has a lower carbon footprint than many alternative materials. We acknowledge that it has no place in our rivers, streets and our countryside and shorelines: we want to keep this valuable material where it should be, in the circular economy, where it can be reused or recycled.





At Evergreen Garden Care, we have always given careful thoughts to the choice of our packaging but, even more than before, with the progress of technologies and R&D, we are rethinking all plastic and other packaging, following those principles :



**EVERGREEN** 



#### WE REMOVE UNNECESSARY PACKAGING ON ALL PORTFOLIO.

'No plastic' is about thinking differently, using alternative materials such as aluminium, glass, paper and board where possible. We implement reduction in double packaging (bottle in box) wherever possible. We have reduced the quantity of plastic we use by taking a range of decisions and actions:

- We have engineered a plastic weight reduction in some of our bottles and products offers.
- We have incorporated recycled plastic into our packaging materials.
- We encourage consumer to recycle their plastic and re-incorporate this plastic as recycled material.

As a responsible manufacturer who markets products round the world, we take into account the requirements of local legislation.

• For all registered products (plant protection and biocidal products), the material and packaging is part of the registration.

• For all non-registered products, we have implemented safe and sustainable alternatives.





'Less plastic' or less packaging, is about cutting down how much we use in the first place. Also, in our printing processes, we have rationalised our artwork colour management.





Packaging weight reduction : FY19 : Vanguard bottle FY20 : Trigger Opad -→ Opus





#### WE REUSE AND WE **DEVELOP REFILLS.**





WE REPLACE PLASTIC WHEN POSSIBLE BY PAPER **OR CARTON.** 

Recyclability is well managed for those, but all products cannot be packed into paper because of their properties (paper takes humidity so it is not suitable for outside storage in shops, nor for consumer storage in garden shed or garage over several seasons).



'Better plastic' is about making our products recyclable and eliminating problematic materials. We reduce virgin plastic and increase the content in Post Consumer Recycled (PCR) and Post Industrial Recycled (PIR) materials (plastic and cartons).

Specifically, it's about how we get recycled content into our packaging. The biggest challenge to increasing the amount of postconsumer recycled (PCR) materials in our packaging, is the limited availability of highquality recycled waste materials (owing to a high demand on the market), particularly in developing and emerging markets. So, we are working with others, for example in UK, to develop the recycling industry, for items which are not currently in the kerbside recycling loop.

Also, we improve recyclability for the consumer and our gardeners: this happen by making our packaging use one type of plastic only, so it can be better separated and sorted.

> In our compost bags, we have 30% as a minimum and up to 80% PIR bags.





### WE DESIGN FOR THE BIOLOGICAL CYCLE, WHEN POSSIBLE.

All these directions of work also contribute towards the UN Sustainable Development Goals on Sustainable Consumption and Production (SDG 12), specifically target 12.5 on substantially reducing waste generation through prevention, reduction, recycling and reuse. It also contributes to achieving SDG 14, Life on Water, through target 14.1 on preventing and reducing marine pollution of all kinds.

### We use Life Cycle analysis to support our own science

Our subsidiary in the Netherlands invested in a research project with



#### Towards Sustainable Plastic Packaging for Evergreen Garden Care

A life cycle approach to assessing sustainability of the use of recycled high-density polyethylene and other circular strategies in non-beverage bottles

> Master thesis - Sustainable Business and Innovation - 6098851 Utrecht, August 22<sup>14</sup> 2019



#### It involved the following work:



Results are contributing to advance our internal and industry knowledge on circularity and sustainability of gardening packaging.

# Advocacy for better recycling - concentrates bottles

The plastics' mechanical recycling industry is under the spotlight. The issue of waste is on the policy agenda of national governments around the globe, with new policies and legislation bringing new targets for the recycling of plastics and new taxes for non-compliant packaging.

The biggest paradigm shift the industry has ever seen, came in March 2017, when China implemented its National Sword Policy aiming to crack down on imports of contaminated foreign waste. This policy has proven to have a sustained impact on the global plastics recycling industry and encouraged more research to be spent in all industries, including gardening.

Some countries and local authorities, following historical regulations, enable some plastics material to be better recycled than others. For the plastic containers used by our gardeners, some have not been included in the positive lists set by governments.

As a responsible manufacturer Evergreen Garden Care has collected technical facts and scientific evidence, to enable the supply chain and government authorities to make informed and safe decisions regarding gardening



products and where necessary change the appropriate legislation. The revision of the recycling rules, will eventually allow gardeners, distributors and local authorities, to fully contribute to the circular economy and deliver the national carbon reduction targets.

We know that we can't solve the plastic waste issue alone. It takes all of us – industry peers, associations, governments, non-governmental organizations, brands, retailers and consumers – working together to make a difference. We are actively working on it, at the time this report is issued.





# Improved labelling on compost bags

2019 saw the introduction of improved labelling on all compost bags. Bags have been designed to ensure consumers follow the Reduce, Reuse and Recycle methodologies. Clear labelling shows whether the packaging can be recycled and the amount of recycled material content. Our bags show our commitment to supporting the community, as well as how we responsibly source the raw materials.

2020 has seen an increased volume of recycled material in each bag, increasing from 30 to 60% recycled content, with some packaging reaching 80%.

The pace at which we increase our recycled plastic content, is largely depending on the quantity of PCR (Post consumer recycled) plastic available to us and in the general plastic recycling and manufacturing supply chain.





### Peat

Evergreen Garden Care started, more than 30 years ago, to investigate alternatives to peat for growing media. While our growing media contained 100% peat 10 years ago, it is now close to 50% peat, 50% alternative.

At the same time, we have started to increase the proportion of green compost in our mixes so that an average 15% of our growing media is now green compost.

#### % of renewable raw materials



Evergreen Garden Care is contributing to discussion for appropriate, proven and harmonised calculation systems for growing media ingredients emissions, via an approved carbon emissions calculator. This will contribute to fairer and more scientific assessment of alternatives to peat.

Evergreen Garden Care is also committed to the protection of the environment and peatland habitats. We have donated almost 3,000 hectares of peatland back to Natural England, over the last 20 years and have helped create favourable conditions for the right habitats to flourish.

We have responsibly managed and been an active participant in peatland restoration, working in partnership with conservation bodies and nature experts. We have been a pioneer in the development of peat restoration in the UK and Europe and have invested into understanding the best approach to restore peatlands bringing them back to a better state than its original natural peat bog in terms of bio-diversity.

We have helped to create new breeding sites for the Common Crane and Nightjar; and nationally important wintering sites for the Bean Goose and Short Eared Owl which we are very proud of. Sites that we donated in Somerset in the 1990's are now habitats for the Great White Egret, the Cattle Egret and the Little Bittern. All birds had up until recently only generated rare siting's in the UK and they have now settled in this area as new breeding species.

We have spent over £250k funding research projects with the Institute of Hydrology, to understand the hydrology of peat bogs, and with Sheffield University and Manchester Metropolitan University on the cultivation of Sphagnum moss. The results of these findings were used in the significant restoration project of Hatfield Moor & Thorne Moors in South Yorkshire and Wedholme Flow in Cumbria which were progressively restored during 2002 to 2007. We work in close consultation with planning departments, landowners, nature experts and conservation bodies to ensure that we leave the planet in a better place.

Evergreen Garden Care is committed to the protection of the environment and peatland habitats and will continue to invest in this area.

### Our UK position statement and story







#### A positive sustainability story for growing media





To ensure we have solid foundation for our Growing Media sourcing program, we participated in the launch of the "Responsible Sourcing Scheme", sponsored by HTA and Defra, in 2019.

Our current certification includes the Forest Stewardship Council for our wood fibre products.

For our local peat production we follow the guidelines of the UK Responsibly Produced Peat (RPP) position statement. The RPP criteria are based on the IPS (International Peat Society) guidelines for responsible peat-land management which is a global document, but does not have a certification scheme attached to it. These guidelines, as the RPP requires, have an after-use plan and other measures in place as required in the UK by planning consents for peat harvesting.

In the UK, there has been a conscious decision to develop a scheme that can be used to determine how responsibly produced any growing medium is. The same general guidelines are used in the Responsible Sourcing Scheme for Growing Media (RSSGM) when assessing any substrate. This has been jointly produced by Defra and the Growing Media Association (GMA) with input from Non-Governmental Organisations (NGOs)

### A touch of more biodiversity in our research stations

Our research station offer the appropriate environment for the installation of beehives and the first crop of honey has been collected this year.

#### **Beehives in Levington**



#### **Beehives in Morancé**





Business Units sustainability reporting

### **UK and Ireland**

The UK & Ireland business, over the past 12 months, has invested in developing its CSR agenda under 6 main banners: Charity, Environment, Product, Customers, Covid-19 management and Industry.

#### Charity

The UK partnered with Greenfingers Charity, which develops gardens for children's hospices. During the year with have undertaken charity walks, donated products for the garden development at the new hospices and provided volunteers to build the garden. We also undertook a Charity Wing Walk. Alongside this, we donated a fixed amount to Greenfingers per year, from the sales of our Growing Media which features Greenfingers on the packaging.





Press launch for Greenfinger's charity wingwalk



Supporting Greenfinger's charity with sponsored walk



Sponsoring Cultivation Street

#### **Environment**

We are investigating the use of solar panels for the manufacturing plants, we are looking to amend the company car policy to include electric cars and have already increased the number of hybrid options. We are also reducing the volume of peat that we both harvest and use in our products.

#### **Products**

During the year, the UK has launched a range of natural products, including a range of natural weed control products under the Roundup brand. We've also launched a range of high performance organic products under Miracle-Gro and developed a growing media portfolio to launch, which is peat-free. As well as this, we are reducing the use of virgin plastics and including an increased percentage of recycled plastics.





Panel discussion on Plastics hosted by Cathy Newman

#### Customers

We are working with customers to reduce single use Point Of Sales materials in store, and also to collect and recycle waste from the use of gardening products.



Working with & supporting Chelsea Pensioners at Chelsea Flower Show



Press award at GLEE for the winning company with the most floral clothes

#### **Covid-19 management:**

We significantly increased the internal communication through the use of videos and written formats, ran company-wide events to keep all the teams connected via quiz and increased the training with the teams in the use of technology to support remote working.

#### Industry

We participate and contribute to initiatives across the industry, through the attendance and participation in panel discussions, holding press events and doing press interviews including with the BBC. We also sponsor Cultivation Street, a community based initiative to encourage gardening, run by David Domoney, our Brand ambassador.



Interview for BBC Radio4 Farming Today on the farming & harvesting of peat



### **Benelux**

The figures in this overview are related to our NL Sustainability Strategy. The ambitions as set for 2020 are in the figure below. Besides this, within Evergreen we report the overall transition from synthetics to natural-based solutions.

#### Top line targets Pokon Naturado 2020

#### **Overal transition to naturals-based** solutions: Introduction Naturals part 2 and transition Introductions **Roundup intro Naturals** from 44% in Naturals (Naturals and portfolio 2019 to 49% in MPS certified volumes index 111) share overall + 10 % 2020 Top Line targets within Sustainability Strategy: Increase volume of renewable raw materials Introduction Pokon Naturals (controls) in growing media by 5 % **Raw materials** part 2 + 10 % of peat used RPP The impact is from 51,8% to (Index 120) certified reflected in 62% the Naturals index within controls Transition Roundup from Synthetic/ Introduction of sustainable Glyphosate based to natural solutions labels and caps for liquid plantfood bottles from 51% to (2022: 100%) Transition to Packaging naturals in Glyphosate 55% (Share?) Biobased and/or Progress free) recycled content + 10 % MPS certified solutions in Growing Media (ambition volumes + 10%) MPS Share from 9,0 to (MPS Index Reduce Waste by 5 % year within growing 10,6% 118) on year media Others Implementation Code of from 2.2 mio (MPS Index Turnover Conduct for suppliers MPS certified to 3.2 mio 147) products grew



#### • Share of renewable materials within Growing Media (ambitions +5%)

Share renewables versus Peatbased grew

from 41% to (+7%) 48%

#### Introduction of sustainable labels and caps for liquid plantfood bottles

Introduction in 2020 of a new range organic liquid Plant Food in 100% recycled packaging (both bottle and caps)























### **Southern Europe**

#### Product

#### During the year, the French teams have:

• Implemented a new bottle to remove a packaging (the folding boxes) which incorporates 50% of recycled plastic



• Launched a range of high performance organic products under Fertiligène brand including a product with a recyclable bottle&cap with 100% recycled plastic



• Developed a portfolio growing media to launch, which is peat-free.



#### **Circular economy certification**

#### Second business worldwide to be certified by AFNOR, the French international certification body:

• The audit assessed the business globally, on how the Environmental, Economic and Social impacts are taken into account in all steps of the supply chain

• The two French manufacturing sites were taken as representative samples of our manufacturing capabilities and group functions were assessed in the French offices of the Lyon area





#### Office move & sustainability

### Office move into a new building at the end of 2019 including sustainability actions:

• 50% decrease in our energy consumption as the new area is better dimensioned to our headcount

- Plantation of 30 trees
- Limitation of paper use thanks to a new printing process

• Removal of plastic cups and more efficient sorting of waste





#### Home office & well-being

• Implementation of home office through a company agreement, effective from October 2018.

• This helped the French teams being better prepared and reactive to manage the Covid-19 crisis.

• In 2020, we have integrated the Covid-19 learnings to extend our home office measures.



#### Solidarity program

• Donation of office furniture from the Lyon offices to an association which helps children who have learning disabilities and relationship troubles

• Donation of work blouses and gloves from the Bourth plant during the Covid-19 crisis to an organisation dedicated to the integration of disabled people

• Partnership with a reintegration organisation which assembles components to prepare product samples for our trade shows





### **Central Europe**

The CE business over the past 12 months has invested in developing is CSR agenda with the focus on the following main banners: Environment/Health, Product, Customers, Covid-19 management and Charity.

#### Environment/Sustainability/Health:

CE introduced the right to mobile working (8 days per month) to reduce commuting and has started the development of alternative commuting concepts like e-bikes. Customer trainings/seminars are now also offered online. To support the employees well-being, Shiatsu is available in the office on a regular base. Development and launch of products is based on market studies to avoid the use of resources for products that are not in demand.





#### **Product:**

During the year CE has launched a range of natural control products under Substral and Roundup including an innovative range of Basic Substances under Substral Naturen. CE set a focus on product initiatives under its 100% organic brand Substral Naturen with launches of high performance organic products and a range of organic products fitting urban needs for small spaces. In Austria the change to No-Glyphosat Roundup offers is completed. As well we are reducing the use of virgin plastics and including an increased percentage of recycled plastics.



#### **Customers:**

Increased use of metal and wood displays to support perennial use of POS material. Also increased use of promotional material made of recycled and/or recycling materials (bags, giveaways like lunch box).





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#### **Covid-19 management:**

CE equipped employees with Laptops to enable remote working and secured internal and external communication through the increased use of videos and written formats. Ran regularly company wide information meetings to keep all the teams informed and connected.



#### **Charity:**

Kindergardening project - a perennial project with some Kindergardens to improve childrens understanding of nature, gardening and nature connections.









### **Eastern Europe**

Our goal is meeting and exceeding sustainable goals, creating a better workplace

for all our associates. We have invested in developing CSR under the following categories:

#### **Charitable giving**

EGC EE has chosen to suport the Animal Shelter in Gaj PoznaĐ, Poland.

We have created educational comic books for children, the proceeds from which will be donated directly to the Animal Shelter.





#### Volunteering in the community

We always try to give back to the local community. In July our employees took shelter dogs for a walk to raise awareness, show a compassion and encourage animal lovers to visit their local shelters.



#### **Sustainability**

We believe reducing our ecological footprint is the main priority for Eastern Europe. In our daily work we concentrate on waste reduction, increasing recycled/renewabe content and cultivating energy saving habits.







#### Creating a better workplace

We strive to create a family-based culture for all our employees taking care of their well-being and building a healthy work environment. We organize sports activities for our employees whenever there is a chance and buy palm oil free food for office.





#### COVID-19

We realized the importance of mental and physical health care during these unusual times. We supplied our workers with necessary protection – masks and disinfection. In addition the body temperature is always checked before an employee enters the office.

#### Greenspaces

Our goal as the fastest growing garden care company is to build strong communities through gardens and green spaces. As part of this strategy we have established a community greenspace in Gaj, Poznan, collectively planting trees.







### Australia -New Zealand

#### Sustainability

The Australasian business seeks to identify and address all opportunities to minimise our impact on the environment and to give consumers the ability to choose products that are less harmful, reusable or recycleable. Sustainability and sustainable working has become a way of working within the organisation with individuals encouraged to put forward and champion ideas. This summary includes 3 key initiatives that are now in place and underscore the intent and benefits from the ongoing focus on sustainability.

#### Solar

The unique climate in Australia and abundance of sunshine gives rise to the opportunity to make use of solar power for manufacturing. In December 2019 at the Berkshire Park Growing Media site (Sydney), the installation of solar cells on the site's roof was complete. this facility now generates >60% of the sites power and aside from the benefit of a reduction in the use of coal generated power, this initiative has resulted in annual energy savings of \$50k.

#### Use of recycled plastic

Evergreen's major launch of year 2020 is the Performance Naturals range of products – a portfolio of 100% natural products - growing media, fertilisers and controls. All packaging (bags and bottles) includes post consumer recycled (PCR) plastic - ranging from 30% to 50% of total. This plastic source is material generated by households or commercial facilities which can no longer be used for its intended purpose. The ambition is to increase this inclusion to 100%.



#### RECYCLING OF GROWING MEDIA PACKAGING

Evergreen sells over 10m bags of growing media (potting mix, compost) on an annual basis. Notwithstanding the efforts to include recycled content, many of these bags end up in landfill. The decision was made to partner with a local entity – Redcycle – to provide the opportunity for consumers to recycle their growing media bags after use. The logo has been included on all growing media bags sold by evergreen. Recycling 'stations' are found at all major retailers. Our stakeholders and strategic partnerships We engage with, listen to and respond to, a wide range of stakeholders on a regular basis. Through meaningful engagement, our stakeholders have helped us improve and set the priorities for our sustainability strategy.

Our global stakeholder network, includes people we regularly engage with through our operations and those in public positions, who influence our activities. They include employees, consumers, suppliers, communities, governments, non-governmental organizations (NGOs), shareholders, trade associations and academia.

### Engaging our audience, from Shareholders to Consumers

# Growing a greener future, together

EVERGREEN Garden Care

#### FRIENDLIER KINDER NURTURING OUR TO NATURE FOOTPRINTS COMMUNITY We care for the environment and We will be carbon neutral in 2020 Our partnerships help are developing more natural and effective products. spread the joy of gardening. We'll continue reducing CO, emmanata plantatig frees and responsibly relitioning pestionds in Sponsoring Cultivation Stream a campaign to help people grow and garden inavities partnership with nature experts and conserve bother to create wildlife havens. 92% of the bintrastion retention or of stand, dramit of bit competition 0 00 00 0 0 0 In 2020 we til be planning over 10,000 trees in developing countries. We have already, in partnership, responsibly restored almost 3,000 bectares of peatland ing Groothogens a chanty liher white ways to allow the 2010 process ining gardens has claiding in in the last 20 years. tract and have endoured our peop integrably I'll by collemna period from greenfingers 1255 of our packaging in Southan any terry class charters by 2002 charity 90% in partnership with Greenfugers, out Everyment employees are encouraged to engage in volunteering opportunities 30% in the past

We strive to regularly inform our key stakeholders of our objectives and achievements and we monitor their interests and expectations carefully. In doing so, we ensure that our sustainability program also answers their needs and requirements for their own businesses, making our supply chain as circular and sustainable as possible.

We use a variety of online, digital and some print-based communication media, to engage with all stakeholders. Our website provides a comprehensive understanding of sustainability policies and operations. We also communicate with interested parties via social media, using targeted campaigns on topics relevant to our followers.



### Customers

With our customers, we aim to maintain excellent understanding of their sustainability agendas. Our teams often have in-depth experience of working with them, to facilitate both the development and the implementation of sustainable products and solutions for our gardeners and consumers.

We routinely monitor performance-related feedback from customers, with a view to identifying potential areas for improvement regarding the quality of the services we provide, including in sustainability.

### **Public sector**

Evergreen Garden Care is involved in several media-led panels, consultation groups and task forces that discuss regulation and circular economy. For example, in UK, we have developed a good relationship with DEFRA and the garden industry supply chain to review the circular economy of our concentrate bottles and compost flexible films. These national and local contacts give us a solid understanding of the objectives and perspectives of regulators, as well understanding of how the recycling supply chain works for us and for our consumers.

# Industry bodies and trade associations

Across all Business Units and business departments, Evergreen Garden Care has experts representing our interests or the industry's, at major relevant professional associations and monitor the best practices advocated by these organisations.

### Local economy and communities engagement

Our manufacturing and commercial network spreads across the UK & Ireland, Southern, Central and Eastern Europe and the Asia Pacific region. With a permanent presence in these regions, we can operate with a better understanding of local context. We emphasise local recruitment throughout our operations and are committed to developing local capacity. We aim to maximise the value of our local presence, by sharing competencies, experience and knowledge.

Wherever possible, we try to use suppliers and subcontractors local to our premises and the projects on which we are working. We have retained many of the suppliers used by the companies we have acquired over the last few years, many of which are smaller specialist companies. It is important to us that we support these businesses, which are often located close to our offices or sites, because this ensures that we are supporting local economies and can limit the travel carbon footprints of our suppliers.



Governance, Performance, Strategy and Risk management
### Governance

Evergreen Garden Care has a Board of Shareholders at Exponent, our private Equity owner. Full details of each member and the committees that they operate within can be found on the Exponent website.

The day-to-day management of the Evergreen Garden Care business, is taken care of by our Senior Management team, our CEO, our CFO and our CCO.



#### Evergreen Garden Care is managed by geographies, organised in Business

**Units (BUs):** Our broader leadership team, includes the heads of those BUs, who ensure that the group's strategy is implemented in every part of the business. They meet at monthly (virtual) reviews during which policies are debated and finance, strategy and action plans are assessed.



Central functions support all the regions: Research & Development (R&D), Human Resources (HR), Regulatory, International Marketing, International Digital Marketing, Consumer Insight (CI), International Quality, International Sustainability, Procurement, Information and Technology (IT).



## **Management system**

Our Management system follows the principles of ISO 9001:2015. Our objectives, targets and associated management plans are established during monthly and annual strategy plans, using the trends revealed by KPIS on environmental, economic and social criteria.

## **Financial performance**

Our financial performance lays the foundations for long-term growth and is key to the sustainability of our business while our business and sustainability strategy is the engine of our value creation.

The financial year ending 1st October 2020 (FY20) was another year of significant growth and investment for Evergreen Garden Care, despite the global sanitary crisis, though some more expansion projects had to be put on hold.

Key operating and financial metrics improved significantly for a third consecutive year.

Profitability improved again to reach our guided range one year ahead of plan. Cash flow was strong, On the right is a summary of the results achieved during the year.





## Climate and non-Climate related Financial risk Management our first approach

# Two parallel trends can be currently seen from an economy point of view:

• Policymakers are gearing up to make financial institutions disclose the climate risks they face. At a summit in September 2019 Mark Carney, the then-governor of the Bank of England, argued for mandatory disclosure of such risks to investors and regulators. France already has such a law. Britain, Canada and the EU may follow soon.

• Investors and shareholders and generally acquirers want to apply climate analysis to their own books as part of green investment strategy and requirements.

To be prepared for coming up legislation, we are looking at what can be done in our global governance to effectively manage the risk in our current infrastructure and make sure we build the infrastructure that we need for the future. We consider the relevance of global governance regulations and voluntary measures, including the Task Force on Climate-related Financial Disclosures (TCFD). We aim for an infrastructure transformation that will help increase equality and climate resilience. We also carry out the study to avoid emergence of stranded assets in our portfolio or having equipment at risk from both competing technological models and from the effects of climate change.

The result of our study has been grouped in the following categories, with action plan integrated in management review and strategy plan as appropriate.

We do not currently consider general climate change risks as being immediately material to

our overall financial performance, although at a local level, issues such as a change of source of energy (France move away from nuclear energy sourcing) and the peat-free compost growth on the market will have an impact.

As part of our further review, we are considering the potential financial impact of government policies to combat climate change, for example an increase in carbon tax. We are also considering the potential for more significant operational impacts from chemicals and natural equivalents and related gardening issues. We will report on these issues in the future as our reviews progress.

What is the TCFD? The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) was set up by the then-Bank of England Governor and Chair of the Financial Stability Board (FSB), Mark Carney, and is chaired by Michael Bloomberg. It was established to develop recommendations for more effective climaterelated financial disclosures that:

• Could promote more informed investment, credit and insurance underwriting decisions

• Would enable stakeholders to understand better the concentrations of carbon related assets in the financial sector and the financial system's exposures to climate-related risks.

From our perspective, it is not the disclosures which are the most important but rather the internal learnings and awareness that are valuable, as well as the new processes and monitoring structures. This applies for all sustainability reporting frameworks. The principles applied are there to help influence our investment process and policies and are clearly voluntary. We use them in good faith to guide and pivot our practices toward the goal of sustainability and fighting climate change.



#### Our general overview



#### **Relative risk**



#### Financial exposure by function's ownership (M€)



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## **Health and Safety**

#### **EMPLOYEES**

For Evergreen Garden Care, good occupational health and safety management is not only a social consideration, it is an ethical and commercial imperative as well as a critical compliance matter. Risk prevention actions and promotion of safe and healthy working conditions are key, not only to protect employees, but also to promote commercial sustainability.

Keeping employees safe and healthy also has a direct positive impact on productivity, quality and engagement, thereby contributing to business competitiveness and the prosperity of society. Evergreen Garden Care has made formal commitments to responsible health and safety management in its Environment, Health and Safety Vision and Strategy.

Evergreen Garden Care purpose of 'enhancing quality of life by creating a green gardening oasis and contributing to a healthier future', begins with each and every one of us. Our aim is to inspire our employees to make informed decisions about their health and safety.

We issue Environment, Health and Safety newsletters and regular updates which enable us to share best practices, recognise best behaviours and communicate practical information.















#### For the Group

< 2 first aid/lost time/RIDDOR total injury rate for the Evergreen Group per hours worked	LESS days lost off work (for short term absences)	Quarterly EHS newsletters
Online car driver assessments	UK operations audited to ISO 14001 & ISO 45001 with external certification body BSI	Safety training for shop floor staff
All UK factories with complete process and activity risk assessments	All UK sites with First aid trained staff and defibrillators	Home Work Station Assessment

#### MANUFACTURING

Industrial production and the chemical industry, in particular, require taking special precautionary measures to maintain a safe and healthy work environment. Some of Evergreen products, raw materials and production processes represent a high risk to anyone who deviates from the required, professional safety standards or from the mandatory means of safety.

We have a goal of zero work accidents for our operations throughout the world. To ensure the safety of workers and others in factories, Evergreen Garden Care complies with strict occupational safety and health standards prescribed by local and international laws and standards.

Evergreen Garden Care invests resources for training and mentoring, as well as other safety measures, in order to continually improve occupational safety and health and prevent accidents. We aim for a reduction of incidents year on year and some sites report zero Lost Times accidents.

To ensure a continuous focus on safety, we implement an Environment, Health and Safety improvement plan and regularly holds internal and external audits, to ensure compliance with the law and internal regulations.



## Evergreen Garden Care's policy, in the field of occupational health and safety, include, among others:

- Creating a high level of safety and health awareness among our employees, service providers and visitors to our plants, as well as the Company's suppliers, transporters, and customers.
- Implementing advanced procedures for safety, maintaining accreditation, implementing processes for training and preventing accidents, including ISO 14001 and ISO 45001.
- Monitoring Safety, Health and Environmental performance in work areas, in all of our factories worldwide.
- Assessing high health risks and preventing exposure of employees to dangerous products and processes at our plants.
- Providing periodic medical examinations for employees, as well as occupational medicine and preventative medical services, in cooperation with hospitals and experts in the field.

#### GOOD AND SAFE USE OF OUR PRODUCTS

We develop slow release fertilisers, while working on Regulatory development for the safe use of controls. Our plant protection and biocidal products go through registration process and we have to show that the proposed uses are safe for humans and the environment. We carry out a range of safety tests to meet the necessary requirements in the relevant jurisdictions.

We provide Consumer advice, information and instruction on safe use, storage and disposal of our products.

## **Business probity**

Our ethics and business conduct procedure, aims to ensure that we operate in an honest and transparent manner. A training was rolled out to our employees, to make certain they understand working and trading rules and also that they know how to report any suspected incidents of bribery or corruption.

Business ethics and compliance remain the foundation of how we do business and a condition for any of our business operations. Compliance at Evergreen Garden Care not only refers to applicable laws, but to Evergreen Garden Care policies, across all our Business Units, and our commitment to integrity, as explained in our Code of Business Conduct. Our clear commitments are fundamental to the long-term success of our company. We conduct business in a sustainable, ethical manner even in the absence of legal or regulatory frameworks. Where our own principles and standards are stricter than local legislation, the higher standard applies. This helps us meet societal expectations and distinguishes us in the marketplace.

## Transparency on advocacy, lobbying and industry associations

To complement our internal capabilities, we work closely with a number of academic institutions and public organizations. We believe that the private sector in the gardening industry has an important role to play in helping improve all aspect of sustainability, as well as reach the United Nations 17 Goals. We work alongside all interested parties (industry, governments, civil society, etc.) to foster an open dialogue and support multistakeholders' actions to help deliver bold positive outcomes for both business and society. We promote transparency and work for a continuous improvement in all what we do.

We support the development of sciencebased regulations. We leverage our global R&D network and scientific knowledge in our interactions with policy makers, wherever appropriate. We favour transparent scientific dialogues, with all experts, from all parties.



#### SETTING OUR ADVOCACY PRIORITIES

Our advocacy priorities are set to deliver our business objectives and commitments. We use our business and scientific knowledge and resources to move our priorities forward, to create value for shareholders and for society.

Multiple considerations shape our advocacy priorities, amongst which:

• Company's long-term business and societal strategy

• Internal cross-functional alignment on the themes to focus on, at global and regional levels; then local 'cascading', to fit the business context and ensure relevance (combined top down and bottom up perspectives)

- Internal policies and guidelines (please refer to our related policies and guidelines)

- External consultations with / listening to key stakeholders

This enables us to respond with relevance and consistency to internal and external business and societal expectations.

#### Our current advocacy priorities





Given our size and geographical presence, we are involved in multiple industry organizations at local, regional and global level. We believe in the power of collective action, mainly for challenging topics that no one can achieve on its own (e.g. environmental and social sustainability issues). This is what drives our strong sense of collaboration with the industry and other stakeholders to achieve a positive change.

We regularly review our involvement in industry and trade organizations, to assess the relevance of our participation, versus our strategy and versus the achievements delivered through the organizations we have subscribed to.





#### ADVOCACY VERSUS LOBBYING

We make a difference between lobbying and advocacy. We have adopted the following definitions:

Lobbying (source: OECD's Lobbyists, Governments and Public Trust - 2014)

The term generally refers to oral or written communication with a public official to influence legislation, policy or administrative decisions and includes any activity where an attempt is made to influence public decision-making processes. Lobbying can be direct, or indirect (via industry associations or any other third-party entity).

#### Advocacy (source: Legal Dictionary)

The process or act of supporting a cause or proposal. Evergreen Garden Care's advocacy aims to directly and/or indirectly support decisionmakers, stakeholders and relevant audiences in the pursuit of a broader positive societal agenda and outcome that are aligned with our business goals framed by our corporate purpose and values and built on science-based evidences.

- Evergreen Garden Care Code of Business Conduct
- Evergreen Garden Care Group Ethics



#### EXAMPLES OF LOCAL ADVOCACY ACTIVITIES

Over the past two years, the lobbying activities we have carried out through industry associations have included the following topics (not exhaustive):

- Chemical Regulations: advertisement, claims, labelling, gardening products reformulation
- Supporting circular economy
- Supporting climate principles
- Packaging / plastics waste regulations
- Supporting investment in recycling infrastructures
- Brexit
- Trade regulations

#### **Related policies and guidelines**

• Evergreen Garden Care Corporate Business Principles

## Stakeholder method of engagement and local advocacy

Our stakeholders' convenings, workshops and other forums provide opportunities to deepen that dialogue, building on our understanding of important sustainability issues. The interaction helps our teams to develop the technical and market awareness indispensable to enable our industry to meet the challenges of our times, in a way that is understood by our consumer and satisfactory for national economic and political strategy.



Organization	Evergreen Garden Care's representation	Method of engagement	
Crop Life (EU)	Contact		
FAVV, FOD (Dienst Gewasbeschermingsmiddelen en Meststoffen) (Belgium)	Member		
LAD	Member	Ad hoc participation to meetings and forums, direct inquiries and feedback, face-to-face meetings	
AFISE	Member		
ANPEA	Member		
EXCELLENCE VEGETALE	Member		
IBMA- France	Member		
GNIS	Member		
ANSES	Member		
DGAL	Member		
DDPP du Rhône	Member		
DRAAF	Member		
Agence de l'eau	Contact		
DGPR	Member		
Department for Environment, Food and Rural Affairs (DEFRA)	Contact		
Norsk Plantevern Forening Spikset	Member	Direct inquiries and feedback, face-to-face meetings annually.	
Dansk Planteværn	Member		
Svenskt Växtskydd Näringslivets Hus	Member		
Board for the Authorisation of Plant Protection Products and Biocides (Ctgb) (Netherlands)	Member		
Foundation Responsibly Produced Peat (RPP)	Member		
International Peat Society (IPS)	Member	Ongoing monitoring of regulatory activity relevant to the gardening and chemical industries, face-to-face meetings.	
APVMA (Australia)	Contact		
Norwegian Environment Agency	Contact		
The Danish Environmental Protection Agency	Contact		
Swedish Chemicals Agency	Contact		
RECOUP (UK)	) Members		
REDcycle (AU)	Members		
UPJ (FR)	Members		
Horticultural Trades Association (HTA)	Member		
AFISE	Member	Ongoing participation in technical steering and working groups.	
Vereniging Potgrond- en Substraatfabrikanten (VPN)	Member	απα ποικτική θιοπρο	
Nefyto (Dutch Crop Protection Association)	Member		
Plant Protection Industry Association (KASTE)	Member		
Growing Media Association (GMA)	Member		
AFAIA	Contact	Technical source of information - website	



## **Legislation and** Regulation

At a glance

#### **Regulatory Affairs Capability**



We carefully monitor, evaluate and communicate regulatory developments so that they are reflected in our strategies. To promote an effective regulatory system with respect to environmental sustainability, we:

• engage with regulators and other relevant stakeholders to foster environmentally efficient and effective laws and regulations;

• support internationally recognised standards and voluntary initiatives designed to protect the environment;

oppose discriminatory measures;

 favour the harmonisation of environmental laws, regulations and standards in order to develop trade and help consumers' understanding.



Products we offer to our gardeners are highly regulated and controlled by local, national and international authorities and go through complex and thorough approval processes for both safety and efficiency. Evergreen Garden Care goes beyond the legal requirements linked to the production, use and marketing of chemicals. Naturally, compliance with all of these various national and international regulations is a permanent obligation and an integral part of our operations. To this end, we can rely on our worldwide network of regulatory experts.

We have an international Regulatory team that reviews our compliance with regulations and laws and fosters best practices across our company.

We practice an uncompromising policy: full compliance with any relevant law, including among others statutes, regulations, treaties and standards.

As a garden chemical company, we are required to comply with regulations and laws that apply to the entire life cycle of our products.

These include laws enacted to protect human health of employees and the public laws which regulate chemicals such as: classification, packaging and labelling, provision of health and safety information to users and employees in the form of a safety data sheets (SDS) or an equivalent document, registration of chemicals for sale in the relevant countries.

During product development, health, safety, environmental and regulatory issues are incorporated as an integral part of the product development process. We invest heavily in designing and developing products and processes that make minimal or no use of hazardous substances, while generating a minimum of hazardous by-products.



## Awards, Certifications and Compliance

For some of our manufacturing sites, ISO certifications contributes to delivering the best standards in everything we do. Our sites have already achieved, year on year, the following certifications:



Manufacturing comprises all processes that are necessary to transform raw materials and packaging into safe and value-added garden products for consumers. Offering the best quality products to gardeners means we are expecting our plants and systems to work to best standards. This is why we have our sites certified against ISO standards.





#### Sites, activity and certifications





## Supporting the Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development, which was adopted in September 2015 by the member states of the United Nations, is an action plan for people, planet and prosperity. It includes 17 Sustainable Development Goals (SDGs) and 169 targets.

We're convinced that achieving the SDGs will be good for the global economy, and for business in general. Every season, millions of people use our products. We see first-hand, how people the world over are already affected by environmental and economic changes which pose new challenges for us.

Using the SDGs as a framework, helps us look more closely at where we can have the biggest impact. Today, our sustainability strategy can be mapped against most of the 17 goals, with each commitment and impact area, corresponding to one or more of them.





#### UN Global Compact and Sustainable Development Goals

Evergreen Garden Care supports the Sustainable Development Goals (SDGs). The table below shows how initiatives described in each section of this report addresses specific UN SDGs



#### Data source

The main quantitative and qualitative information in the report is based on answers and information provided by our heads of Business Units and Central Functions. Additional information was based on information from heads of various departments and on consolidated information where available.

These represent over 90% of total sales for the Evergreen Garden Care business. Unless stated otherwise, figures given relate to the Fiscal year 2020 (October 2019 to September 2020).



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