

Memorandum of Understanding
Regarding
the Reduction of Peat Use in Production Horticulture and
Garden Sales (Retail and Garden Wholesale Trade)* in
Switzerland

between

the Swiss Confederation,
represented by the
Federal Office for the Environment

and

Coop, JardinSuisse**,
Federation of Migros Cooperatives***, ökohum GmbH,
RICOTER Erdaufbereitung AG

signed on 16.04.2019

The following companies are members of JardinSuisse and are therefore covered by the Memorandum of Understanding. They are listed below by name because they contributed significantly to the drafting of the Memorandum of Understanding:

Aebi-Kaderli Baumschulen AG, Ernst Meier AG, Frikarti
Stauden AG, Gensetter Topfpflanzen AG, Huber
Gärtnerei, Huplant Pflanzenkulturen AG, Schaniel
Gartenbau Floristik AG, Schilliger Gartenzentrum SA

* "Production Horticulture and Garden Sales (Retail and Garden Wholesale Trade)" includes producers of ornamental plants (bedding and balcony plants), indoor plants, herbaceous perennials and ornamental trees and shrubs in containers or pots (tree nurseries), as well as companies that trade or import such plants.

** JardinSuisse, the Swiss trade association for the horticulture and garden sector, signs for and on behalf of all its registered members (the approximately 1700 members are listed on the following website: <https://ihr-gärtner.ch/de/ig-search/>).

*** In the case of the Federation of Migros Cooperatives, the signing of the Memorandum of Understanding applies to Migros Cooperative Retailing, i.e. Migros super/hypermarkets and the Do it + Garden specialist markets.

Background

Since 1987, moors and wetlands of special beauty and national importance in Switzerland have been protected. Under Article 78 paragraph 5 of the Swiss Federal Constitution (BV; SR 101), no buildings may be built on them and no changes may be made to the land, which is tantamount to a general ban on peat extraction. Furthermore, due to peat's growth-promoting properties as a substrate component, it is highly prized for cultivating gardens, ornamental plants, vegetables, and fruits. The estimated annual demand for peat in Switzerland is approximately 524,000 m³, which is met almost entirely through imports.

Since this contradicts the ban on peat extraction in Switzerland, the Federal Council was mandated in the postulate 10.3377 Diener Lenz to study measures to reduce peat imports and peat use in Switzerland and develop a peat exit plan. In fulfilment of the postulate 10.3377 Diener Lenz concerning the "peat exit plan", the Federal Council issued a report in which it argued for a steady reduction in peat use.

The Federal Office for the Environment (FOEN) and the undersigned companies and industry associations agree that peat imports and their related environmental impacts must be reduced. In 2015, data on imported peat volumes was collected for the first time. With an annual peat consumption of 129,000 m³, the production and sale of ornamental plants (bedding and balcony plants), indoor plants, herbaceous perennials and ornamental trees and shrubs in containers or pots (tree nurseries) is a significant market for peat sales in Switzerland in terms of volume. Ornamental plant production uses the largest amount of peat (87,000 m³), with tree nurseries and landscape gardening accounting for smaller volumes (22,000 m³ and 16,000 m³ respectively). A further 4000 m³ is used by the garden wholesale trade.

In recent years, thanks to individual initiatives by various plant production stakeholders as well as research, substantial advances have been made in developing substrates that can be used as substitutes for peat in plant production. In the interest of a consistent implementation of the peat exit plan, this Memorandum of Understanding focuses on approaches already used in the industry. Cooperation is focused particularly on a coordinated reduction in the production of peat-based substrates for plant production and a reduction in the supply and use of ornamental plants (bedding and balcony plants), indoor plants, herbaceous perennials and ornamental trees and shrubs in containers or pots using peat, both in production horticulture and by retailers and garden centres.

Aims of the Memorandum of Understanding

The signatories intend to:

- 1. work continuously toward a steady reduction in the use of peat in all sectors of production horticulture in Switzerland and of garden sales (domestic and imported products), to the extent technically and economically viable;*
- 2. reduce the percentage of peat in production horticulture and garden sales¹(measured on the basis of the total volume of substrates used in production horticulture and garden sales) to a maximum of 70% by 2020, a maximum of 50% by 2025 and a maximum of 5% by 2030. This is conditional upon the availability of sustainable peat-substitute substrates;*
- 3. provide the FOEN with information on the volumes of peat imported and used locally for plant production and information on the volumes of peat contained in plant imports so that data can be collected regularly for the purpose of measuring progress toward the agreed goals (see also Implementation Review, p. 5);*

¹ *Excluding ericaceous plants and plants grown in press pots (peat blocks).*

4. support, to the best of their ability, the development of relevant accompanying measures to help achieve the goals (see Roles of the Stakeholders). These measures will be decided within the working group. The following three measures have been agreed at the time of signing:

- Establish a sub-working group on imports, consisting of all interested parties that have signed this Memorandum of Understanding and possibly other stakeholders, including, in particular, retailers and one or two production operations which, as well as producing plants, are also active in garden sales.
- If the volumes of peat contained in plant imports cannot be determined accurately, the signatories to this Memorandum of Understanding will keep requesting this information from their suppliers so that they can at least roughly estimate the volumes of peat imported with plants (accompanying measure to item 3 under Aims of the Memorandum of Understanding).
- The signatories will use their best endeavours to ensure that other systemically important companies and organisations also sign the Memorandum of Understanding.

The undersigned umbrella organisations and associations intend to:

require their members to implement the Memorandum of Understanding in production horticulture and garden sales and achieve the goals at individual company level.

Roles of the Stakeholders

- Industry associations
Act as supporters. They will raise awareness among their members of the steady reduction of peat use in Switzerland and assist them in implementing the goals agreed upon in this Memorandum of Understanding. They will also provide expert support with the development of relevant accompanying measures to be drawn up within the working group.
- Production horticulture companies
Implement the transition to peat-free and reduced-peat substrates and plants in production horticulture and garden sales (retail and garden wholesale trade). They will provide expert support with the development of relevant accompanying measures to be drawn up within the working group. They are also responsible for raising awareness among their respective customers and colleagues (leading by example and promoting information sharing on implementation).
- Garden sales companies (retailers and garden wholesalers) and soil manufacturers
Implement the transition to peat-free and reduced-peat substrates and plants in production horticulture and in particular garden sales (retail and garden wholesale trade). They can convince their suppliers to develop and offer wide ranges of good-quality peat-free products. Providing peat-free or low-peat products will mean that peat-containing products are no longer in demand. They will also, as far as possible, raise awareness among their respective end customers and provide expert support with the development of relevant accompanying measures to be drawn up within the working group. In addition, they will raise the issue on the international procurement markets and demand sustainable substrates for use in plant cultivation.
- Swiss Confederation
The FOEN will lead the implementation of the peat exit plan. It will coordinate the working group on "Peat Reduction in Production Horticulture and Garden Sales (Retail and Garden Wholesale Trade)" and any sub-working groups. It will involve other federal offices as needed. The FOEN is responsible for reporting and involving other market participants. The FOEN will promote the availability of practical peat substitutes, for example, by providing financial support to research projects in this area. The FOEN has offered to coordinate the preparation of relevant accompanying documents. This includes, for example, updating pamphlet 113 for peat-substitute substrates and drawing up a positive/negative list classifying the currently available peat-substitute substrates in terms of their

ecological and social sustainability, based among other things on life cycle assessments. The FOEN will involve industry associations and companies in developing this list. It will also liaise with the European Union, countries relevant to the Swiss market and relevant non-governmental organisations. It will showcase the goals and work in Switzerland and produce a compilation of ongoing peat reduction work, especially in EU countries.

Types of Cooperation

- Consultations between the various parties
- Bilateral meetings
- Seminars and workshops on specific themes with other partners and research institutes
- Joint research projects
- Discussions with representatives of scientific, business, consumer protection and non-governmental organisations, etc.
- Creation of new working groups to coordinate peat reduction in other markets and peat application areas

Implementation Review

In the context of the Green Economy Report and to monitor the effectiveness of efforts to implement the Memorandum of Understanding, the FOEN will collect data with the assistance of the undersigned companies and industry associations. If possible, other companies and associations that are active in the peat sector should be involved as well.

The first data collection, which will be focused exclusively on reducing the use of peat in production horticulture and garden sales, is scheduled to take place in the year following the signing of the Memorandum of Understanding. It will record the volumes of substrate used and the percentages of peat in the previous year. Thereafter, data collections will take place annually to measure progress. The details of this data collection and its practical implementation will be determined by the working group on "Production Horticulture and Garden Sales (Retail and Garden Wholesale Trade)". The provisions of Swiss data protection legislation will be respected.

Should it be determined that one of the undersigned parties will not achieve the goals agreed upon in this Memorandum of Understanding or is contravening the intent of this Memorandum of Understanding, the FOEN will contact the party concerned directly in order to seek suitable solutions together. If one of the undersigned parties repeatedly contravenes the intent and goals of this Memorandum of Understanding, the working group will consult with the party concerned with a view to its exclusion.

Responsibility and Costs

All activities should be carried out by mutual agreement. Each party is responsible for its costs, unless otherwise agreed.

Term, Cancellation and Amendment of the Agreement

The Memorandum of Understanding comes into force on the day it is signed and ends in 2030.

Each party may end its cooperation at any time and without justification by giving written notice to the FOEN at least 6 months before the end of cooperation.

The Memorandum of Understanding may be amended by the undersigned parties in writing at any time if at least a majority of all the signatories to the Memorandum of Understanding agree to this.

Signed on 16.04.2019 in two copies.

Federal Office for the Environment

Karine Siegwart
Vice Director, FOEN

Signed on:

Coop

Joe Wyss Head of CM/Purchasing B+H	Bruno Cabernard Head of Sustainability
---------------------------------------	---

JardinSuisse

Olivier Mark President	Carlo L. Vercelli Director
---------------------------	-------------------------------

Federation of Migros Cooperatives

Matthias Wunderlin Head of Marketing Department	Thomas Paroubek Head of Sustainability & Quality Management
---	---

ökohum GmbH

Res Schilling
Chief Executive Officer

RICOTER Erdaufbereitung AG

Beat Sutter
Chief Executive Officer

Appendix 1: GLOSSARY

Term	Explanation
Berry production	Operations that specialise in the production of berries
Black chernozem	Raw material from mires, which consists of heavily decomposed mosses and grasses, with a fine structure
Covering material	Products used to cover the ground for the purposes of weed prevention, soil protection and decoration
Fruit production	Operations that specialise in the production of fruit
Garden mould	Trade name of an industrially manufactured substrate
Gardening, landscaping	Operations that specialise in the transformation, maintenance and creation of gardens
Manufacturer's brand	A branded product, i.e. a company's own product brand, from the perspective of an individual manufacturer
Mulch	See covering material
Ornamental plant production	Operations that specialise in the production of ornamental plants
Packaged soils	Industrially produced soils and substrates that are packaged in bags
Peat	Organic raw material created in mires
Potting soil	Classic term for an industrially produced and universally applicable gardening substrate
Production horticulture and garden sales (retail and garden wholesale trade)	Producers of ornamental plants (bedding and balcony plants), indoor plants, herbaceous perennials and ornamental trees and shrubs in containers or pots (tree nurseries), as well as companies that trade in or import such plants
Raw material	Basic materials used to produce industrial substrates and soils
Seedlings	Young plants in a specific stage of growth
Store brands	Products commissioned by intermediaries to be manufactured for them and bearing their brand label
Substitute	Raw material used in place of a different raw material
Substrate	Soil manufactured according to a formula
Tree nurseries	Operations that specialise in the production of bushes and trees
Vegetable production	Operations that specialise in the production of vegetables
White peat	Raw material from mires, which consists of slightly less decomposed mosses and grasses, with a coarse, highly fibrous structure
Young plants	Plants in a young stage of growth that are further cultivated