

Policy for Sustainable Business Practices

- main document

1. Purpose and background

REMA 1000 strives to have a sustainable business practice that respects people, society, and the environment. This policy document, together with our Supplier Code of Conduct, Policy for risk-exposed raw materials and associated internal processes and routines, forms the basis for our work on labour and human rights, climate, environment, anti-corruption, and other forms of financial irregularities such as money laundering, in our procurements.

REMA 1000 works to give customers a healthier and more sustainable everyday life. Responsibility is one of three core elements of our business concept; **Customers choose us because we always have the lowest price on high-quality products, produced and sold responsibly**. The greatest risk of impact on people, society and the environment is often found in the supply chain, which is why we are committed to making responsible procurements and conducting responsible supply chain management.

REMA 1000 obliges to comply with the Transparency Act and will work continuously with due diligence in line with the OECD Guidelines for Multinational Enterprises.¹ Due diligence is a risk-based approach to respecting and protecting people, society, and the environment in our own company and throughout the supply chain. We expect our suppliers and partners to follow the same approach.

This policy is based on international principles for sustainable business practices and ethical trade in global value chains. This includes international frameworks and conventions for human rights and labour rights, the ILO conventions, the OECD Due Diligence Guidelines for Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights and the UN Sustainable Development Goals. The principles are detailed in their entirety in our Supplier Code of Conduct.

2. Scope and responsibilities

This document applies to all permanent and temporary employees of REMA 1000 Norge AS and covers the supply chain for our private brands.

The owner of the policy has the overall executing responsibility and shall ensure that the document is published externally and distributed internally to relevant roles and departments. Managers of relevant units are responsible for ensuring that employees under their management are familiar with the content and established processes that ensure compliance with the principles and requirements of the policy. All managers and those in charge have a duty to report deviations from the principles of the policy.

¹ UN OHCHR, Guiding Principles on Business and Human Rights (UNGPR), 2011; OECD, "Due Diligence Guidance for Responsible Business Conduct", 2018.

3. Our Policy

3.1 Requirements relating to own activities

REMA 1000 recognises that our business practices can have a potential negative impact on people, society, and the environment. At the same time, we see our potential to contribute to positive development in the supply chain. Based on this, we have developed the following principles and requirements for our own business:

› Due diligence

REMA 1000 will conduct due diligence for sustainable business practices. This means: carry out separate risk assessments of negative impacts on people, society, and the environment, and stop, prevent and reduce such impacts. The effects of the measures are monitored and assessed and communicated to those affected. Where our activities have caused or contributed to a negative impact on people, society, or the environment, we will ensure or contribute to restoration.²

› Responsible purchasing practices

REMA 1000 considers responsible purchasing practices to be one of our most important tools in the work for sustainable business practices. REMA 1000 will adapt our own purchasing practices so that we strengthen, and not undermine, suppliers' ability to deliver on the requirements we set to ensure good conditions for people, society, and the environment. We will strive for long-term relationships with suppliers that show willingness and ability to work with positive developments in the supply chain.

› Human rights and labour rights

REMA 1000 will ensure that fundamental human and labour rights are respected in our daily operations and throughout the value chain. This includes a ban on child labour, forced labour, discrimination, and other unacceptable treatment. Workers in our value chain shall be ensured wages, working hours, regular employment and health and safety measures that comply with national laws and industry standards. They shall also have the right to free trade unionism and other forms of democratically elected workers' representation. The production and use of natural resources for our products shall not contribute to the destruction of the resources and income base for marginalized population groups.

› Environment and climate

REMA 1000 aims to reduce negative environmental impact throughout the value chain through measures to minimise greenhouse gas emissions and local pollution, as well as ensure sustainable resource management. National and international environmental legislation and regulations shall be complied with, and relevant discharge permits obtained.

› Animal welfare

Animal based products shall be given sufficient attention throughout the value chain to ensure animal welfare. As a minimum, the supplier must comply with local legislation.

› Supplier development and partnerships

In dialogue with suppliers, we will, if necessary, consider contributing relevant competence enhancement or resources that enable our suppliers to comply with REMA 1000's requirements for conditions in the supply chain. In this way, we lay the foundation for good cooperation with suppliers who show willingness and ability to work for positive development for people, society

² OECD Contact Point for Responsible Business Conduct, "OECD Due Diligence Guide for Responsible Business Conduct – an introduction", 2018.

and the environment in the supply chain. We will also involve worker representatives and other relevant stakeholders in our work with sustainable business practices.

› Anti-corruption

REMA 1000, including all employees, shall never offer or receive illegal or unlawful monetary gifts or other remuneration to obtain business or private benefits for its own benefit or for customers, agents, or suppliers.

› Countries under trade boycott

REMA 1000, including our suppliers and partners, shall avoid trading partners whose activities are in countries that are subject to a trade boycott by the UN, the EU and/or Norwegian authorities.

3.2 Requirements for supply chain conditions

REMA 1000 sets requirements for human rights, climate, the environment, anti-corruption, and other forms of financial irregularities such as money laundering in the supply chain. We expect our suppliers and partners to work purposefully and systematically to comply with the ethical guidelines, and to pass them on to their value chains. All our existing and new suppliers must have signed an updated Framework Agreement with associated attachments, including Supplier Code of Conduct (Appendix 7).

In summary, our suppliers shall:

- › Follow the guidelines for suppliers, as set out in Appendix 7 of the Framework Agreement - Supplier Code and Conduct. Suppliers can use our Code of Conduct Guide (Appendix 8).
- › Fulfil the requirements for suppliers, as set out in Appendix 6 of the Framework Agreement - General Terms and Conditions of Supply - General Requirements for Suppliers.
- › Work continuously with due diligence as a method for mapping, preventing, limiting and account for how they handle negative impacts on people, society and the environment in their own activities and the supply chain. This means that suppliers carry out their own risk assessments for negative impacts on people, society and the environment, and work actively to stop, prevent and reduce such impacts. The measures must be monitored and assessed and communicated to those affected. Where the supplier is responsible for the negative impact/damage, the supplier is also responsible for restoration.³
- › Have transparency and traceability throughout their entire supply chain.
- › Cooperate on the implementation of REMA 1000's Policy for risk-exposed raw materials, if the supplier delivers products containing risk-exposed raw materials as defined in the policy.
- › At REMA 1000's request, be able to document how they themselves, and any subcontractors, work to comply with the guidelines.
- › Demonstrate the willingness and ability to continuously make improvements for people, society, and the environment through the cooperation.
- › Report to REMA 1000 in the event of a breach or suspected breach of ethical guidelines and negative impact on people, society, the environment or climate in their value chain. Employees and contractors in the supplier's value chain can report conditions through REMA 1000's independent whistleblowing channel.

³ OECD Contact Point for Responsible Business Conduct, "OECD Due Diligence Guide for Responsible Business Conduct – an introduction", 2018

4. Attachment

No attachment.

5. History

The owner of the policy is responsible for ensuring that the policy is regularly evaluated and updated if necessary.

Overview of the most important changes that have been made:

Version	Updates/changes
Version 2022:1	