

Responsible Raw Material Sourcing Policy

1. Purpose and background

The products we produce, and sell are at the core of our ethical work. Central to this is the development of sustainable value chains that can withstand the demands and challenges of the future. Our value chain is global, complex, and vulnerable to climate change. Challenges related to human rights and environmental degradation are great in our sector. Therefore, we are required to work systematically within our own value chain with these challenges and demand the same from our suppliers and subcontractors.

The purpose of this policy is to ensure that the production of products containing the most risk-exposed raw materials is conducted in a way that reduces the risk of negative consequences for people, society, and the environment. This is supported by our Sustainable Business Practice Policy where we commit to complying with the Norwegian Transparency Act and conducting responsible sourcing as well as working with the challenges in our value chain in accordance with the OECD Due Diligence Guidance.

We define risk-exposed raw materials as raw materials where there is a risk of negative impact on people, the environment and society. Risk-exposed raw materials are raw materials that have a particularly high risk of negative impact, often throughout the entire supply chain. REMA 1000 uncovers risk-exposed raw materials in its products through risk assessments.

Risk assessment is the starting point for our work with due diligence and ethical trade. We assess both raw materials and production countries and our risk assessment includes parameters on human rights, corruption, and the environment. The risk assessments provide an overview of the greatest risks in our value chain and make it possible to prioritise mitigation measures.

REMA 1000 works with risk-reducing measures, in order to be able to carry out responsible sourcing and reduce risk within the value chain. Such measures often require working with the entire supply chain. Food production is characterized by complex supply chains where the use of subcontractors and raw material producers is widespread. Therefore, it is often necessary to implement measures that affect as many parts of the production as possible, for example through certification of raw materials. In other cases, it is necessary to find alternative raw materials, as REMA 1000 did in 2014 when we chose to remove palm oil as an ingredient in all food products in our private label brands.

2. Policy Scope

This policy applies to products sold under REMA 1000's private brands and the corresponding supply chains. The requirements in this policy may be adjusted based on our due diligence assessments.

By committing to always considering certification schemes for our products, we also commit to working closely with existing suppliers to achieve our certification requirements and goals as well as working with new suppliers who can offer certified raw materials where appropriate.

The use of certified raw materials shall consider the availability of goods. In cases where the availability of the raw material is limited or affected by external circumstances, REMA 1000 may consider using non-certified raw materials or raw materials certified according to standards other than those covered below.

3. Roles and responsibilities

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

The owner of the policy has the overall 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 others in charge have a duty to report deviations from the principles in the policy.

4. Our Responsible Raw Material Sourcing Policy for risk-exposed raw materials in products

REMA 1000 commits to always consider certification schemes for our products. Certification schemes are a particularly important risk mitigating measure for risk-exposed raw materials. We therefore aim to certify all private label products containing risk-exposed raw materials (as described in sections 4.1 and 4.2) by 2025. This gives REMA 1000 and the customer assurance that the goods are produced in a more ethical and sustainable manner.

This policy applies to our private label products (food and non-food). The policy specifies which raw materials are risk-exposed and what certification requirements we have for each raw material. We distinguish between raw materials with absolute requirements for certification and raw materials where we work towards using certified raw materials to a greater extent.

4.1 Certification requirements

REMA 1000 requires raw materials in this category to be certified according to the criteria below.

4.1.1 Palm oil

- › No private label food products shall contain palm oil.
- › In some non-food products, it is not possible to remove all components containing palm oil. Where this is the case, palm oil must be certified according to the Roundtable on Sustainable Palm Oil (RSPO) and minimum Mass Balance.
- › REMA 1000 aims to phase out all palm oil as soon as possible and communicates this to our suppliers.

4.1.2 Soy

- › Soy should preferably be used from countries where there is no risk of deforestation in areas generally accepted as rainforest.
- › All other soy, including in animal feed, must have the ProTerra, the Round Table on Responsible Soy Association (RTRS) or equivalent environmental certification.
- › Our goal is for all our suppliers to look at alternatives to soy and eventually find new protein sources that can replace the current use of soy.

4.1.3 Scampi

- › All scampi must have the Aquaculture Stewardship Council (ASC) certification.

4.1.4 Tuna

- › All tuna must have the Marine Stewardship Council (MSC) certification.

4.2 Working towards certification

For the raw materials in this category, REMA 1000 is working to achieve a higher percentage of certification and aims to achieve full certification by 2025. We will therefore use certified raw materials in our products wherever possible.

4.2.1 Cocoa

- › We want to work towards a certification of cocoa, preferably Rainforest Alliance, Fairtrade, or similar certification scheme.
- › Applies to products where cocoa is the primary ingredient, i.e., consists of more than 30% cocoa.

4.2.2 Coffee and tea

- › We want to work towards a certification of coffee and tea, preferably Rainforest Alliance (RA), Fairtrade or an equivalent certification scheme. All coffee from Kjeldsberg is RA certified.
- › Applies to pure coffee and tea products, i.e., where coffee and tea are the only raw materials.

4.2.3 Nuts (Hazelnuts and Cashews)

- › We want to work towards a certification of hazelnuts and cashews, preferably Rainforest Alliance, Fairtrade, or an equivalent certification scheme.
- › Applicable to products containing hazelnuts or cashews only.

4.2.4 Paper and wood

- › We want to work towards Forest Stewardship Council (FSC) certification.

5. Attachment

No attachment.

6. 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	