



Corporate social responsibility

2014

REMA 1000
Discount with attitude!

Contents

Statutory CSR report, cf. section 99a of the Danish Financial Statements Act.

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1 Introduction

Much more than just attitude

REMA 1000 is a value-driven business. One of our core values is, that we have a strong business moral. We are therefore aware of our responsibility to our customers, employees, suppliers and the outside world when running our chain of stores.

With 261 stores in Denmark, and clear attitudes to, and requirements for, the quality and impact of our goods on people and the environment, we have a strong starting point for ensuring a positive influence on the world around us. We have therefore developed the concept "Discount with attitude".

Through our work on "Discount with attitude", we have created a comprehensive range of focus products and work innovatively with suppliers to improve product sustainability and avoiding food waste. We have therefore introduced sales of single products so that our customers can buy what they need to use, and weighing so that our producers need not to let vegetables of different sizes go to waste.

Our work to constantly make our products and stores more sustainable continues. Our business strategy is to grow in Denmark through reinforcing the concept "Discount with attitude".

We are therefore pleased to present the results we achieved in 2014 and our new focus and goals for even more sustainability at REMA 1000 in 2015.

Our focus has been to investigate our impact on society, and on this basis, decide what is important for our business.

We are looking forward to continuing our work of realising our goals for 2015 with employees, suppliers, customers and business partners, so that together we can create a new way to achieve balance between price and sustainability.

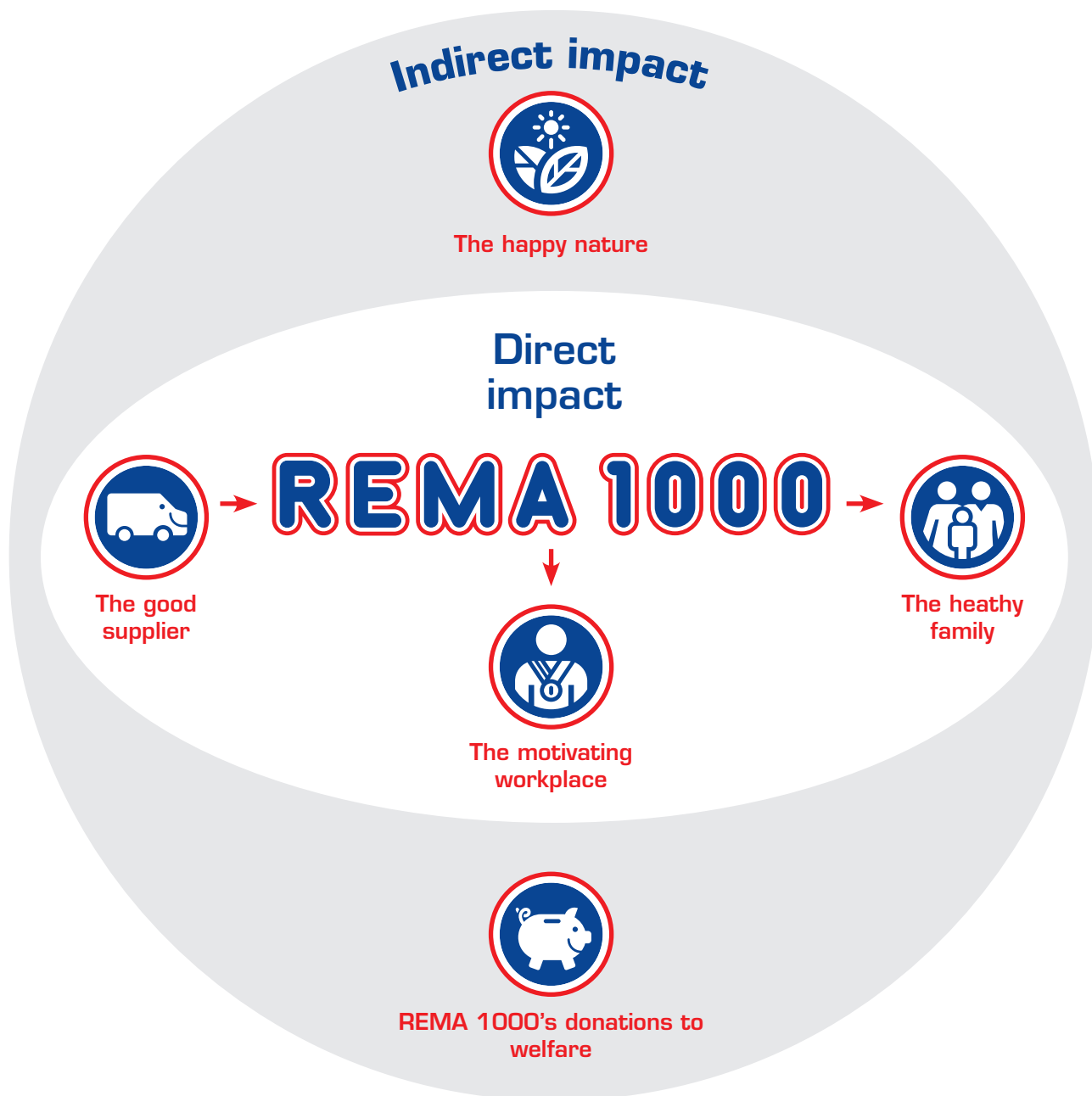
Enjoy!




Henrik Burkal
Chief Executive Officer

Our five focus areas

Since our last CSR report, we have analysed how we impact the outside world throughout our entire value chain. We have prioritised the themes using a materiality analysis (see appendix 1). We then divided the most important tissues for REMA 1000 to work with into five focus areas, as shown below.





Policies for social responsibility

All our policies for social responsibility, which describe our standards, guidelines and principles for these five focus areas, are summarised in our “Code of Business Conduct”. This is our codex for REMA 1000’s own behaviour. Our “Code of Business Conduct” also contains the demands we presents our suppliers through our “Supplier Code of Conduct”.

This is available at www.rema1000.dk/socialansvarlighed/csr-rapporter/csr-rapporter/



Actions and results

This report explains how we have converted our policies for social responsibility into action and the results we achieved in 2014 within social issues (see “Healthy families” and “A motivational workplace”), environmental and climate-related issues (see “Eco-friendly activities”) as well as human rights and combating corruption (see “Good suppliers”). Every year, we report on these activities in our CSR report. This year we have focused particularly on measuring our results by setting goals and targets – KPIs (see “Focus and goals”). Our goals must drive progress for our social responsibility, and the KPIs facilitate measuring progress. We will report on these goals in our future reports on social responsibility.



Human rights

In 2014, we strengthened our focus on REMA 1000’s impact on human rights. We have accomplished this by devising a policy for human rights as specified in our Code of Business Conduct. We have also analysed and identified the most significant risks of violating human rights (see appendix 2). These relate to our supply chain. We therefore present in-depth information on our work within human rights in the section “The good supplier”. Here we describe our policies in the area, our activities and our results. We also focus particularly on safeguarding our employees’ human rights, as we have a direct impact on them. This is dealt with in the section “The motivating workplace”, where we also have a special focus on diversity and gender ratios.



Dilemmas

At REMA 1000, we have extensive transparency. We openly discuss the dilemmas we face concerning social responsibility. The dilemmas can be linked to the classic paradox of earning money and ensuring sustainability for humans and the environment. However, dilemmas can arise when initiatives are taken to demonstrate more corporate social responsibility on one parameter to the harm of another. We have described our primary dilemmas under the relevant focus areas in part 3.

Together, we take responsibility

At REMA 1000, we have seen for years how the results we create can be magnified when collaborating with others. The results we present in this 2014 report on social responsibility are therefore not only our results. They are accomplishments achieved through innovative collaboration with our customers, suppliers, NGOs and others.

One of the NGOs we work with is Stop Spild Af Mad (Stop Waste Of Food). The founder of Stop Spild Af Mad and Dane of the Year 2014, Selina Juul, explains about our collaboration here:



Selina Juul on receiving the Nordic Council Nature and Environment Prize. Foto: Magnus Froderberg/norden.org



"When 'Stop Spild Af Mad' started seven years ago, REMA 1000 was the first to join and pioneer the fight against food waste. REMA 1000 set an example.

They did not simply discuss reducing food waste, they took important measures such as discarding bulk discounts, date marking, weighing fruit and vegetables, food for the homeless and smaller packs – and it paid off. The customers appreciated the initiatives, and REMA 1000 therefore helped to make the reduction of food waste a competitive parameter.

REMA 1000's many initiatives against food waste have set the agenda for Danish convenience store chains. This has resulted in Denmark now being the country in Europe where most convenience store chains officially focus on food waste. Today, REMA 1000 has joined the battle to spread the message throughout Denmark. In 2014, REMA 1000 took part in Denmark's largest event against food waste – Sammen mod Madspild (Together against food waste), together with us. Volunteering REMA 1000 employees stood at the City Hall Square in Copenhagen donating surplus food to participants to increase awareness of avoiding food waste. We are looking forward to continuing our collaboration with REMA 1000 in 2015 with even more innovative initiatives to reduce food waste – e.g. our nationwide forthcoming initiative, Overskudsmad (Surplus food)."

– Selina Juul

On behalf of our competent employees, our committed customers and our dedicated business partners, suppliers and NGOs, we hope you enjoy reading our report on social responsibility 2014..

Values and vision

REMA 1000's vision is to be known as Scandinavia's most value-driven company. Our strong core values motivate us. These are the basis for our visions regarding our work on social responsibility, which are formulated here. We, as a company and our employees, are closely tied to our visions for REMA 1000's social responsibility, and we want realise our visions.



The healthy family

At REMA 1000, we want to contribute to our customers' health, fitness and well-being.



The happy nature

At REMA 1000, we want to limit our negative impact on the environment and promote animal welfare and biodiversity as much as possible.



The good supplier

At REMA 1000, we want to ensure that all our suppliers respect the standards specified in our Supplier Code of Conduct.



REMA 1000's donations to welfare

At REMA 1000, we want to support a better future.



The motivating workplace






REMA 1000 wants to be Denmark's most motivating workplace.

REMA 1000s værdier

- We cultivate our business concept
- We have high moral standards
- We must be debt-free
- We motivate a winning culture
- We think positively and proactively
- We talk with each other – not about each other
- The customer is our ultimate boss
- We strive to have fun and be profitable

Focus and goals

At REMA 1000 Denmark, our strategy is to win market share through focusing on discount with an attitude. To drive and measure our progress on social responsibility, we have set goals and KPIs, that measure our performance. In next year's report, we will measure how we lived up to these goals.

| Focus | Goals | KPIs for 2015 |
|---|--|--|
|  The heathy family | ● 1. Healthy products | 3% more focus products |
| | ● 2. Happy families | 3 new initiatives for solving family logistics |
|  The happy nature | ● 3. Sustainable resource consumption | 3 new initiatives for sustainable resource consumption |
| | ● 4. A better climate | 2 new initiatives for reducing our CO2 emissions and creating an overview of our CO2 footprint |
| | ● 5. Improve animal welfare | Ensured that all palm oil in REMA 1000 products is certified 15% higher sales of products marked with animal welfare labels |
|  The good supplier | ● 6. Ethical suppliers | Completed risk assessments on 95% of our suppliers and prepared action plans for all suppliers flagged yellow or red |
| | ● 7. Partnerships with local suppliers | Concluded 2 new supplier collaborations |
|  REMA 1000's donations to welfare | ● 8. More welfare | Supported 1 specific initiative for a better future as well as 1 initiative for Denmark's senior citizens |
|  The motivating workplace | ● 9. Higher job satisfaction | Completed coaching programme for our store managers who are in danger of suffering from stress |
| | ● 10. Diversity at all levels | 4 more women in our team of store managers |

● Not measured ● Satisfactory ● Not satisfactory ● Achieved



2 The company

About REMA 1000



Revenue

In 2014, REMA 1000 generated revenue of DKK 10.4 billion. That is an increase of 10% compared with 2013.



Stores and employees

In 2014, REMA 1000 opened 11 new stores and by the end of the year had 259 stores and a total of 8,200 employees.



Customer transactions

In 2014, our customer transactions rose by about 9% compared with 2013.

More care

Today, REMA 1000 is much more than 3000 product numbers. At REMA 1000, we work with people – both at and in front of the cash register – and that means everything to us. A shopping experience is also a meeting between people. REMA 1000 must symbolise health, good sense, popular appeal and skill. To us, simplicity is genius rather than embarrassing. Our work philosophy revolves around efficient operations, low costs, low calculations and large product volumes. REMA 1000 wants to be known as Scandinavia's most value-driven company. We therefore work constantly to cultivate our business concept and create a culture where the customer is our ultimate boss. Our values must strengthen what we do and define who we are.

We want to win and be the best at what we do. Our company must be characterised by highly skilled and professional employees with strong core values. Our employees must be decision-makers, and our working environment must reflect solidarity, respect and shared determination to succeed. In 2014, we generated DKK 10.4 billion in revenue in Denmark and employed about 8,200 people. Our strong core values drive us.

We want to be Denmark's largest, most sustainable and responsible discount chain. As we are a large discount chain in Denmark, we have an impact on many people, society and the environment. We recognise the responsibility this position brings. We are responsible for complying with legislation, including respecting anti-corruption law and human rights. Our policies for responsible business operations are summarised in our Code of Business Conduct, which is available at www.rema1000.dk/social-ansvarlighed/csr-rapporter/

Results in 2014

In 2014, REMA 1000 celebrated 20 years in Denmark. We used this jubilee to pay tribute to the efforts of all our employees. We therefore shut all our stores on Saturday 24 May and held a huge party in Fredericia for all our employees. A grand total of 5,500 employees attended. We were pleased to see that our customers supported us celebrating our achievements and our fantastic employees, even though they had to do without our stores for one day.

In 2014, we grew by almost 10%. We opened 11 new stores and increased our market share in Denmark from 9.6% to 10.4%. This is outstanding and shows that our Danish growth strategy of strengthening the concept "Discount with attitude" is effective.

At REMA 1000, our work on social responsibility, which is part of our DNA, has helped to create an innovative environment that encourages rethinking and redesigning products and solutions. In 2014, REMA 1000 won an award as the most innovative chain of convenience stores in Denmark presented by an association of suppliers of convenience goods (Foreningen af danske dagligvareleverandører). This recognition of our ability to be innovative

was bestowed by both our competitors and suppliers. We are proud of this accomplishment and see that many of the innovative initiatives that resulted in this award were based on our work on social responsibility. It is therefore very clear that when we create value for society, we also create value for REMA 1000.



The history of REMA 1000

REMA 1000's history began more than 60 years ago in Norway. In 1948, Margit and Ole Reitan decided to open the family's first store in Trondheim. Soon, their son, Odd Reitan, began working in his parents' shop and quickly became inspired – he could see the opportunities and economies of scale that could be achieved by building up an entire chain of stores.

In order to outperform competitors and not least meet customer needs, the decision was soon made to broaden the product range. In 1980, the product programme therefore grew to 1,000 product numbers. This is how the chain of stores got the name - that is now recognised and appreciated throughout Scandinavia - REMA 1000.

On 1 August 1994, the first two REMA 1000 stores opened in Denmark. Since then, there have been many store openings on Danish soil, amounting to 261 Danish REMA 1000 stores today.



3 Our five focus areas – action and result 2014



Focus area 1 The healthy family



Value for the outside world

Healthy products at a good price and initiatives that make adopting a healthy lifestyle easier for families in Denmark, can help to improve health nationwide and solve everyday family logistics.



Value for REMA 1000

Our focus on healthy products and catering for family needs is a competitive parameter by inspiring innovation of new exciting products and solutions.



Vision

At REMA 1000, we want to contribute to our customers' health, fitness and well-being.

In order to ensure that we contribute to healthy families, we consider the health challenges Danes are facing. We talk with our customers, partners, suppliers and developers while increasing availability of our growing range of healthy products. Similarly, we contribute by providing support and solutions that make everyday life easier and healthier for families with

At REMA 1000 making a healthy choice should not be expensive – it should be easy. We want to make a healthy lifestyle easier. We achieve this by continuously developing a diverse range with a focus on fresh fruit and vegetables, organic products, the **Keyhole label** and the **Wholegrain logo**. The range of labels make it easy for our customers to make **healthier choices** when shopping.

At the same time, we work on increasing consumers' knowledge of healthy food, e.g. by increasing awareness of various labels – and our efforts have been effective. In 2014, the at the time Minister for Food, Dan Jørgensen, presented REMA 1000 with an award for being “the best at the Keyhole 2014”. The purpose behind the award is to raise awareness of the Keyhole label among men, and more than half of the consumers had voted for REMA 1000.

Obesity and diabetes as well as asthma and allergies are serious **health challenges** for the Danes and constitute extensive health challenges for the Danish society. REMA 1000 wishes to maintain a product range that demonstrates consideration for our customers' health. In addition to nutrition certifications, we maintain **dialogue** with our customers, partnerships, labelling and product development. We have conducted ballots on which products should belong in our range.

Our focus is on expanding **our range** of products that are free from sugar, lactose and gluten, soya products and asthma- and allergy-labelled products, including REMA 1000's OrganicCircle and the Nordic Council Swan Ecolabel.

The product lines on which REMA 1000 has an influence are developed in **collaboration** with the suppliers, with active measures made to develop recipes that reduce the content of, for example, salt, sugar and fat, when appropriate, in relation to product and category. We work to ensure that these product lines meet the same requirements for the content of fat, sugar, salt and dietary fibre as those specified in the Ministry of the Environment and Food's Keyhole label.



Health partnerships



The Keyhole label is for food that meets one or more requirements for the content of fat, sugar, salt or dietary fibre.



The Wholegrain logo ensures consumers a product with plenty of wholegrain, and thereby fibre, vitamins and minerals, and that meets requirements for the content of fat, sugar, salt and dietary fibre in products.

REMA 1000 collaborates with The Danish Veterinary and Food Administration to develop and promote **the Keyhole label**. We also work with the dieticians “Diætisterne på Frederiksberg” to develop new products that encourage healthier lifestyles and new exciting keyhole recipes for REMA 1000 Madplanen (The meal planner).

REMA 1000 is a business member of **the Wholegrain partnership**, which aims to promote consumers' intake of wholegrain products while also making it easier for consumers to choose more healthy products.

REMA 1000 collaborates with 4H and Danish Agriculture and Food Council concerning **The Cookery Schools** and child-friendly booklets of healthy recipes. The objective is to spread healthy attitudes to diet, exercise and food hygiene among children.

In 2014, we sponsored products for Copenhagen House of Food's children's cooking competition: **“Cooking kids”**. This event was a roaring success with plenty of happy children eagerly cooking and a total of 700 visitors. The collaboration will be continued and developed in 2015.



More exercise

REMA 1000 contributes to develop new ways for children, young people and adults to enjoy sport and exercise together. For many years, we have supported various athletics clubs, sporting events and fun runs, typically by offering products.

REMA 1000 supports Novo Nordisk Sports-Camp, which provides children with the opportunity to enjoy sport and learn about diet and healthy lifestyles during the summer holiday.

We also support a number of other sports camps (Aqua Camps, Tennis Camps and Handball schools), which are held in the summer holidays for children aged 7 – 12.

REMA 1000 sponsors various fun runs, including those held by Alt for Damerne, Støt Brysterne and Viking Atletik, the Little Belt Half Marathon, and the Great Belt fun run.

Catering for family needs

In Denmark, families have to keep up a fast pace and be price-conscious to make ends meet. REMA 1000 wants to help families manage their every need. We do this by offering selected quality products at discount prices and providing inspiration for fast, easy and healthy meals. We have also developed Madplanen (The meal planner) that eases everyday practicalities by providing our customers with the opportunity to make weekly meal plans. The meal planner automatically creates shopping lists that customers can print out or use on a smartphone. The meal planner caters for everyone – families with children, vegetarians, and health-conscious customers – with Keyhole and fish recipes. Some families in Denmark struggle to find room

in their budgets for additional treats or presents at Christmas. REMA 1000 contributes to the Red Cross Christmas campaign by displaying posters in stores and featuring the campaign in weekly brochures etc. We also collect money in the stores by selling barcode coupons at check-outs.

At REMA 1000, we have focused on the needs of our elderly customers for many years. Senior citizens and single customers consume less than families with children. We have therefore developed smaller packs for a number of our products, and are working to continuously expand this range. We also have many tasty ready-made meals that are easy for our elderly customers to prepare. These products also appeal to the growing number of Danes who live alone and therefore have different shopping needs.



Dilemma

REMA 1000 wants to promote the health of customers. Yet we do not want to judge the Danes' taste and consumption. We therefore also sell alcohol and tobacco. Our approach to this dilemma is to work to inform our customers about



Human rights

Rights in focus

- The right to physical and mental health
- The right to a family life

What we do

- Work to make it easier and cheaper for our customers to buy healthy products and informing them about health
- Focus on solving family practicalities



Focus area 2

The happy nature



Value for the outside world

Sustainable resource consumption and consideration for the environment and wildlife will help to ensure that the world's resources do not become scarce and biodiversity remains rich.



Value for REMA 1000

Sustainability is of increasing importance to consumers. REMA 1000 will obtain a competitive edge by being the preferred choice for customers and employees who appreciate a sustainable company.



Vision

REMA 1000 wants to be the discount chain that ensures that our products and activities are sustainable and responsible in terms of the environment, climate and wildlife.

At REMA 1000, we care about the sustainability challenges facing the world in relation to pressure on natural resources, climate change and biodiversity. We therefore work to continuously improve the sustainability of the products we offer and to have a positive impact on the climate and resources.

Resources and sustainability

REMA 1000 works in an innovative and targeted manner to contribute to promoting sustainable food from 'farm to fork'. We are known for contributing towards promoting sustainable and responsible consumption of convenience goods.

At REMA 1000, it is not expensive to choose **organic food**. We work to promote the sale of organic products, e.g. by continuously adding new organic variants through our co-ownership of Gram Castle, Denmark's largest organic farm.

REMA 1000's **recycled bags** are produced from 80% recycled plastic. Using recycled plastic consumes at least 60% less CO₂ compared to conventional carrier bags. We also work to reduce the amount of materials used when packaging the products that we can influence.

Much less food waste

At REMA 1000, we are proud to be leading the battle against food waste in collaboration with Stop Spild Af Mad.

We are working to reduce food waste not only in our stores, but throughout – from when the product is produced until it is consumed:

- To reduce food waste at the producers, we have introduced **weighing** of white cabbage, red cabbage, root vegetables and potatoes. This results in 10% less food waste at producers because they do not have to discard vegetables of an unmarketable size.
- To reduce food waste, REMA 1000 became a part of "Projekt Hjemløs" (Project Homeless) in Copenhagen. Consequently, 33 tonnes of food that would otherwise have been thrown away was donated to **the homeless** in 2014. That is equivalent to feeding about 85 homeless people throughout 2014.
- To reduce food waste in homes, we have discontinued with **bulk-buy offers**, which lead to food waste. We continuously adapt **portion sizes** for products, e.g. we have adjusted the amount of pizza sauce to suit the size of the pizza dough. In line with this, we introduced sales of single items of for example fruit, so that our customers can limit their purchase to their needs.

Biodiversity and animal welfare

REMA 1000 focuses on promoting the use of certified palm oil. We collaborate with the World Wildlife Fund and are a member of the Roundtable on Sustainable Palm Oil. We also collaborate with our suppliers to replace the palm oil in their products with certified palm or other types of oil.

REMA 1000 collaborates with Greenpeace to ensure that all species of fish at REMA 1000 are fished sustainably and are healthy to eat. Greenpeace acts as our sparring partner, keeping us informed about risks we should be aware of e.g. **endangered species**, problematic fishing areas and non-sustainable fishing methods.

REMA 1000 commits to refrain from selling products containing any form of **fur**.

At REMA 1000, we care about **animal welfare**, and we therefore have our own unique range of high-quality pork products from pigs raised under good conditions. **Den Go'e Gris (The Good Pig)** signifies meat from pigs produced by Danish farmers with consideration for the animals' welfare. We work to continuously improve conditions for the animals without significantly raising prices.

CO₂

At REMA 1000, we recognise that the production and consumption of convenience goods result in extensive CO₂ emissions. We therefore work to actively reduce waste and CO₂ emissions. From 2013 to 2014, we reduced our CO₂ emissions through energy consumption by 1,076 tonnes.

LED lighting gives a CO₂ saving of 40% compared with conventional lighting. At REMA 1000, we have therefore replaced all internal lighting at our head office with LED lighting.

REMA 1000 was the first chain of convenience stores in Denmark to introduce **eco-friendly Cyro refrigerated trailers**, which generate less CO₂. We have achieved the goal we set for 2014 and all the refrigerated trailers are now equipped with the new eco-friendly and quieter refrigeration systems. We expect to buy 10 new refrigerated trailers in 2015, all of them eco-friendly. In 2014, we completed **energy renovations** at our head office, and we expect to reduce our gas consumption for heating by 25% in 2015.

We have made a great effort so far, but our vision for reducing our **CO₂ consumption** is even greater. At REMA 1000, we aim to map our entire CO₂ footprint during 2015 and 2016. We will then set goals for reducing our future CO₂ emissions and will measure our progress.

To realise these goals we plan to:

- Ensure that a minimum of 50% of the trucks that drive for us have one of the newest generations of Euro engines available at any time.
- Begin using **electric trucks**.
- Continue to use **eco-friendly refrigerated trailers** throughout our entire fleet of trucks.
- Transition to purchasing power from exclusively renewable energy.
- Ensure **reuse** of surplus heat at our head office (10% reduction of gas consumption).
- Establish **charging stations** for 2 electric cars at our head office.
- Replace all **outdoor** lighting with LED (50% reduction of our energy consumption for outdoor lighting).



Dilemma

At REMA 1000, we have designed smaller packs to reduce food waste. However, the smaller packs require more packaging per gram of food. These two aspects of caring for the environment therefore conflict. We will address this by working towards more eco-friendly packaging.



Human rights

Rights in focus

- The right to life
- The right to land

What we do

- Reduce food waste to limit the pressure on resources and land
- Reduce our CO₂ emissions, as pollution and global warming threaten the right to life



Focus area 3

The good supplier



Value for the outside world

Working together with suppliers, REMA 1000 aims to ensure that suppliers and their subsuppliers do not use harmful production methods, commit corruption or breach human



Value for REMA 1000

Through our focus on “the good supplier”, REMA 1000 ensures that our standards are upheld, while maintaining good relationships that can benefit us in the event of competition for resources.



Vision

At REMA 1000, we want to ensure that all our suppliers meet our standards as described in our Supplier Code of Conduct.

At REMA 1000, having suppliers, which we can trust and collaborate with is essential. We require that our suppliers and subsuppliers to behave in an ethically correct manner towards their employees and demonstrate responsibility to society and the environment. We have a focus on human rights and corruption. We maintain a dialogue with our suppliers to ensure that we have ‘the good supplier’.

Supplier management – corruption and human rights

REMA 1000 makes high demands on the quality of goods and suppliers’ production methods. We have processes that ensure we select **ethical suppliers**. We also present requirements to our suppliers regarding ethical conduct through our guidelines for ethical trade, which span our entire supply chain. We have prepared and implemented the guidelines in collaboration with **the Danish Ethical Trading Initiative (DIEH)**. They contain an in-house policy for responsible procurement and a **Supplier Code of Conduct** with 14 principles for ethical trade, which suppliers must sign in their commercial agreement. The principles refer to recognised and fundamental human and labour rights of the UN and ILO.

At REMA 1000, we work to continuously improve our **supplier management**. In this context, we focus particularly on corruption and human rights.

In 2013, we set a goal that we would conduct a risk assessment of our suppliers in 2014. In 2014, we implemented a new system that has further improved our **supplier management**. We have therefore not managed to fully complete **the risk assessment** of all our suppliers but will do so before July 2015. By the end of 2015 we will have conducted follow-up and developed action plans for all the suppliers we feel do not comply with our Supplier Code of Conduct. Our Supplier Code of Conduct is available at www.rema1000.dk/social-ansvarlighed/csr-rapporter/

At REMA 1000, we have **Fairtrade**-certified products in our range and market these in collaboration with Fairtrade Danmark. We enter into partnerships with suppliers to make sure that goods are traded ethically.

Supplier partnerships

REMA 1000 gives **local goods** high priority as these offer high quality and we minimise distances of transportation. By working with these suppliers, we support the local community and Danish society. We make strong partnerships with local suppliers. For example, we have a **partnership** with Sanderumgaard and co-own Gram Castle.

In 2014, REMA 1000 presented **Bavinchi**, which is fresh-baked bread delivered to our stores every morning. The bread is made in partnership with the **KonditorBager bakery chain**. The increasing presence of industrial bread manufacturers and bake-off concepts in retail benefits both the local baker and REMA 1000. Our collaboration with the Konditor-Bager chain benefits both parties. REMA 1000 receives high quality bread and our partnership ensures jobs for almost 40 skilled bakers all over the country.

REMA 1000 also has supplier collaborations with selected **Danish farmers** like the above-mentioned Den Go'e Gris and the Smagfuld (Tasteful) ranges.

Together with our suppliers, we develop exciting products and highlight overlooked products. In 2014, we put focus on **"the potato"**. Potatoes have many good qualities that we think have been overshadowed by the spotlight on carbohydrates. We have therefore entered into a supplier collaboration with Sanderumgaard and Lammefjorden to supply exciting varieties of Danish potatoes. The potatoes are grown near Odense Fjord and Lammefjorden, where potatoes have traditionally been grown due to the special properties of the land.

REMA 1000 also focuses on working with **suppliers from developing countries**, because this supports their advancement. When trading with suppliers from developing countries, we are very aware of the increased risks of potential breaches of human rights and of anti-corruption laws. We therefore follow these suppliers closely and enter into dialogue with them to help them improve in meeting ethical expectations.



Dilemma

REMA 1000 does not want to use suppliers who breach human rights. Terminating a collaboration is rarely sufficient to improve conditions at the supplier's facility. We therefore enter into dialogue with suppliers whose facilities do not meet our standards with a view to improving the conditions. We terminate the collaboration if conditions still do not improve.



Human rights

Rights in focus

- Ban on child labour, and right to education
 - Ban on forced/slave labour
 - The right to freedom from torture or cruel, inhumane or degrading treatment
- The right to form and to join trade unions and take part in collective bargaining

What we did

- Required that our suppliers signed our Supplier Code of Conduct, in which they commit to respect human rights
- Conducted risk assessments and checks, and entered into dialogue to safeguard and improve conditions in our supply chain



Focus area 4

REMA 1000's donations to welfare



Value for the outside world

Clubs and events featuring sports and health help encourage children and adults in Denmark to enjoy a healthy and good life. Donations to emergency aid help to ensure food on the table where relief is needed most.



Value for REMA 1000

Our support can inspire customer loyalty towards local communities, brand us as a company that thinks about others and create employee motivation in the company.



Vision

REMA 1000 wants to be a discount chain that supports children's, young people's and adults' opportunities for enjoying a healthy and good life.

To ensure that we contribute to the local community where we have stores, we encourage our local store managers to look for sports activities for children and young people that we can support. We also focus on both national and international challenges.

Local responsibility for health

In 2014, we had more than 250 local sponsorships for various activities from children's sport to bingo for senior citizens. Our store managers have personally taken the initiative to support their local communities with these sponsorships.

REMA 1000 wants to help give children good opportunities to engage in exercise and sport, so that active interests and habits are established already from childhood. At REMA 1000, we believe that our special focus on sport helps to support both physical and mental well-being as sport and exercise are often the basis for social activities and for making new friends. In this way, we help to support both the battle for more health and the battle against

loneliness. Both are serious challenges for Denmark, and REMA 1000 is proud of its role in helping to resolve these issues.

REMA 1000 also supports nationwide activities such as the Danish Cancer Society's work in aid of children and young people with cancer, and **the Danish Multiple Sclerosis Society**. This is our support for when mom, dad or children become ill. With sales of certain products, a fixed share pools into an annual donation to the Danish Cancer Society. And on 24 November 2014, a total of 120 REMA 1000 employees from our stores and other locations manned the **Danish Cancer Society's** call centre and collected money for the KNÆK Cancer campaign week. Our 550 man hours resulted in donations totalling DKK 100,000 for the Danish Cancer Society.

Global engagement

At REMA 1000, we also adopt a wider perspective and help to provide aid to people in serious distress by supporting the Danmarksindsamlingen (Denmark donation collection) TV relief show and the Danish Refugee Council. A complete list of all the activities we sponsor or provide funding to is included at the back of this publication.



Human rights

Rights in focus

- The right to life
- The right to physical and mental health

What we did

- Provided support for initiatives relating to: sport and healthy eating habits, mental well-being and people living with illness
- Provided support for emergency aid that saves human lives around the world



Focus area 5

The motivating workplace



Value for the outside world

Motivating workplaces with well-being, learning and room for differences that promote zest for life and self-confidence are instrumental in producing competent people who function well in Danish society.



Value for REMA 1000

A motivating workplace makes those of us working at REMA 1000 happier and healthier. Happier people are better employees and consequently, staff turnover is lower.



Vision

REMA 1000 wants to be Denmark's most motivational workplace.

At REMA 1000, we look out for each other and remain focused on our employees being healthy and happy. Well-being at work lives in our corporate culture and our values are: “We strive to have fun and be profitable” and “We talk WITH each other and not ABOUT each other”. This is the basis for the way we do business at REMA 1000 – and it pays off. The positive atmosphere at our workplaces nationwide and when we meet each other helps us to retain our highly-skilled and happy employees.

Employee satisfaction and development

At REMA 1000, job satisfaction is driven by our values and the culture these have created. We have the ambitious goal to be Denmark's become workplace. To measure our progress, we will formalise our job satisfaction survey and increase satisfaction by 5% year on year until we reach our goal.

One vital aspect of creating high employee satisfaction is that our employees feel part of something that not only creates financial value for the company but also creates value for society. By pioneering the area of sustainability, REMA 1000 has created a clear awareness among employees about their positive impact on society.

Another important element of employee satisfaction is that the employees realise their poten-

tial and develop in a professional capacity. This requires learning both on an everyday level and through training. At REMA 1000, we are proud that we train our employees – from stockroom assistants to store owners. The REMA 1000 school's trainee programme provides young people with an alternative to an academic career path. We educate 75 trainees a year on our in-house trainee programme. This programme provides opportunities throughout Danish retail trade. Our **trainee programme** is inclusive and offers a diverse group of people the chance of success. This is of significant value to the Danish society and helps to create positive examples for others to be inspired by.

At REMA 1000, we ensure that our employees can develop throughout their entire careers – right from **recruitment to leadership training**, and this motivates them. At the same time, our leadership training is instrumental in ensuring skilled leaders and consequently improved employee satisfaction in general.

Employee health

We focus on our employees' health through our KRAM (Danish abbreviation of diet, smoking, alcohol and exercise) programme. We focus on healthy meals and a healthy selection at our employee canteen. We also offer our employees support to quit smoking.

Employee health remains an area with room for further improvement. We want health among our employees to reflect our focus on health in the stores. This applies both to physical and mental health, including a good work-life balance. Our employees are ambitious, and REMA 1000 wishes to become even better at ensuring that this does not have a negative effect on their health.

Therefore, in 2014, we invited all our employees to participate in the Beringsstafetten fun run and the Træd Til Danmark cycle race free of charge – 300 took part. Having a healthy diet is in focus at all our centrally-run courses. In 2015, we will continue our exercise initiative and launch a KRAM information campaign targeting our stores.

Diversity including gender ratios

At REMA 1000, we believe in the value of inclusiveness and diversity. Our Diversity policy specifies that our employee composition at REMA 1000 should reflect the diversity in society. To ensure diversity among employees, we focus for example on people with **limited ability to work**. REMA 1000 therefore collaborates with LEV, an association for people with learning difficulties, and is part of a creative long-term work planning scheme (KLAP). **The KLAP scheme** creates jobs for people with special needs. It involves people living with e.g. autism, cerebral palsy, epilepsy, muscular dystrophy, brain damage or other challenges that result in cognitive difficulties. We have a total of 87 employees participating in this collaboration. The scheme helps to provide jobs for people who would otherwise have difficulty obtaining work. This creates value for everyone. As Asbjørn, who works at our store in Viborg, explains: "The job gives me self-esteem and lust for life, which I haven't had before." Asbjørn has worked his way up from an internship to a regular job managing frozen goods.

Employees like Asbjørn are very valuable for REMA 1000. They help to create inclusion and a positive working environment. Often, they are so pleased with their jobs that they make a significant extra effort, and their positive attitude and cheerfulness spread throughout the stores.

In 2014, we recruited 35 new employees through the KLAP scheme. Our goal for 2015 is to reach 100 employees. We are also developing a concept entitled "Kom igen" (Come back) together with the Ministry of Employment and continuously review the opportunities for other collaborations with organisations for people with reduced work capacity. In 2020, we therefore aim to have one employee with reduced work capacity for every REMA 1000 store. This creates a positive impact on the Danish society, and will be of great value for our stores.

Statutory report on gender ratios

At REMA 1000, we focus on gender equality and the under represented gender, which, at REMA 1000, is currently women. Our gender ratio among all our employees is: 41% women and 59% men.

Equality on the Board of Directors

REMA 1000's Board in Denmark consists of five members, one of whom is a woman, corresponding to a ratio of 20% women to 80% men. (At Reitangruppen, which owns REMA 1000 Danmark, the Board comprises eight members, one of whom is a woman, corresponding to a ratio of 12.5% women, 87.5% men)

Our gender ratio target for the Board is to have two female members before the end of 2018.

Other management levels

REMA 1000's top management comprises five people, all of whom are men. Of our 31 middle managers, 26% are women and 74% men. Among our 259 store managers, 8% were women and 92% were men in 2014.

Our work to increase the percentage of the under represented gender at the company's other management levels follows the three dimensions stated in section 99a, paragraph 2:

- **The policy** – we want to attract women to our top management and middle management including for the role as store manager.
- **Our actions** – what we did in 2014 to ensure a higher percentage of women was to:
 - work with 3 female talents in a targeted effort to encourage them to apply for management positions;
 - create a focus on women role models among employees through 10 articles in REMA 1000's internal newsletter;
 - through an employee survey highlight that female managers performed better in terms of leading teams in comparison with male managers.

In 2015, we will conduct a survey of what it takes to motivate more of our female employees to become store managers or take other management positions at REMA 1000. We will use that knowledge to design the necessary initiatives to attract more women to management positions at REMA 1000.

- The results – we gained were three additional female store managers in 2014 compared with 2013 – bringing the current total to 20. In 2013, the figure also rose by three, from 14 to 17. The result of the employee survey conducted in 2014 with a focus on female managers inspired us to put special focus on developing female management talents when recruiting in 2015.

We expect to have 4 more women store managers and 2 more female middle managers by the end of 2015.

Independent store managers with local responsibility

Our belief in the individual's contribution and enthusiasm is expressed through personal ownership at our individual stores. All REMA 1000 stores are run as franchises with an independent and committed locally known store manager leading each individual store. Store managers have full responsibility for their stores, for their employees and for their customers being able to shop in a well-organised and presentable store with accommodating and service-oriented employees. All of REMA 1000's store managers work with the ambition to demonstrate discount with an attitude at their stores.



One of our store managers is Dan Madsen, who has a REMA 1000 store in Søborg. He is a store manager throughout. REMA 1000 in Søborg is his store, but our common product range with a reasonably priced range that benefits society is vital to the store. Dan displays great responsibility for his local community.

The store in Søborg has many different employee schemes for people with special needs. These schemes are of great value to the people working at Dan's REMA 1000. They also help to create a good working environment and consequently, employee turnover is very low. This corporate social responsibility has given the store a good reputation in the local community and created customer loyalty, both of which help to ensure the store's success.

Dan's REMA 1000 demonstrates how individual ownership of our stores is instrumental in creating corporate social responsibility at our stores.



Dilemma

Our approach to independent store managers means that our store managers take full responsibility for their stores. This produces motivated employees but it also places a significant burden on the individual store managers. It can be difficult for store managers to enjoy a good work-life balance. To remedy this situation, we have initiated a coaching initiative for store managers and middle managers with a focus on health, career and work-life balance.



Human rights

Rights in focus

- The right to physical and mental health
 - The right to work
 - The right to a healthy and secure working environment
 - The right to freedom from discrimination
- The right to equal pay for equal work
- The right to fair and reasonable pay
 - The right to a family life

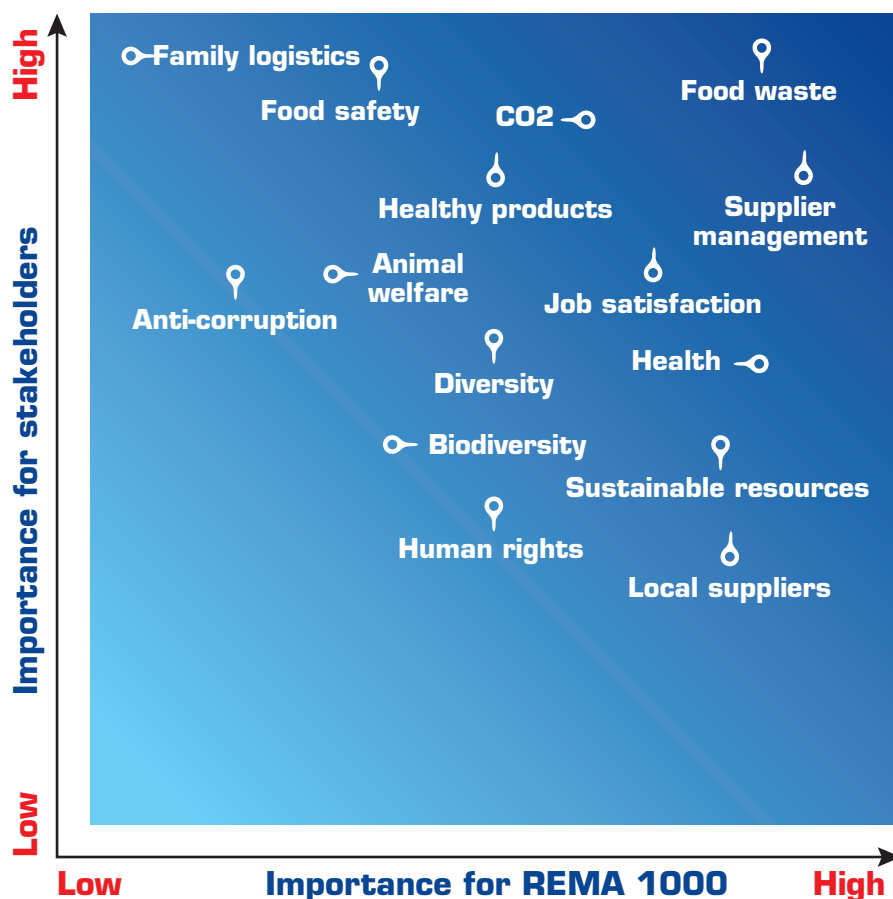
What we did

- Created a value-based workplace with a good working environment where we work to promote job satisfaction and employee development
 - Supported our employees in improving their health.
- Had diversity among our employees, a focus on anti-discrimination and worked to develop equal gender ratios
- Worked to help our employees create a good work-life balance



4 Documentation

Appendix 1 Materiality assessment

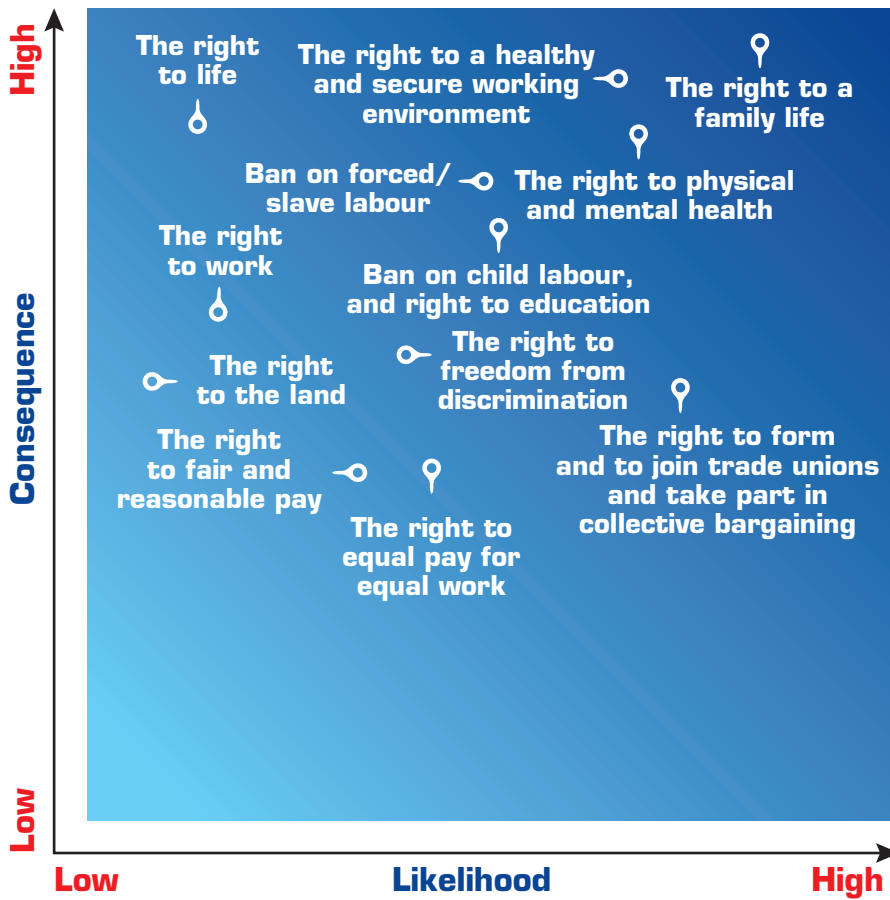


Explanation

The materiality assessment is an analysis of the importance of various CSR issues for REMA 1000 and for our stakeholders. This way, we have discovered where we have the greatest influence and where REMA 1000 makes the biggest difference. We have decided to work with the most important issues until 2015.

Appendix 2

Human rights analysis



Explanation

The human rights analysis assesses the probability of REMA 1000 impacting individual rights and the extent to which our influence is positive or negative. In that way, we have identified the areas of importance for REMA 1000 to focus on in the future.

Appendix 3

Donation and sponsorship overview



Children

Children's Welfare
Børns Vilkår
Cooking Kids, Københavns madhus
Christmas Relief Horsens
Julemærkemarchen
The cookery schools
MOT
The Danish Red Cross Christmas relief
The Danish Red Cross Youth



The battle against food waste

DANSIC – Danish Social Innovation Club
Food festival Tangkroen in Aarhus in collaboration with Stop Spild Af Mad.
Together against food waste – Copenhagen City Hall Square



Culture

Legoland Gram Castle produced
Masterchef



Emergency relief

Danmarksindsamlingen
Danish People's Aid
OMBOLD's fundraising street football tournament for the homeless and socially vulnerable



Sport

Alt for Damerne's women's fun run
Aqua camps
Beringsstafetten
Bjarmi Isheste Icelandic horse event
Great Belt Bridge fun run
Children's/Youth Danish Championship in cross country cycling
Christiansborg fun run
Christiansborg Cup
The great swim day
Various in-house sponsorships
Fredensborg fun run
HAC – Horsens amateur cycle club
Horsens Basket Club
The handball schools
Little Belt half marathon
Middelfart cycle race
Novo Nordisk SportsCamps
Skovsø fun run for psychiatry users, relatives and employees nationwide
Søhøjlandet's motorway race
Tennis camps
TH motor sport
Viking Atletik fun run (Bornholm)



Health and food

Horsens health fair
The cookery schools
The health fair Gedved




Illness

Advertisements in membership magazines
Kids Cancer Foundation Team Rynkeby
Danish hospital clowns
Families with children with cancer
Globeathon in Copenhagen
Knæk Cancer
The Danish Cancer Society
The Danish Cancer Society "Træd til" race
The Danish Multiple Sclerosis Society
Støt Brysterne fun run for breast cancer research



Other

Business College South - jubilee book
Horsens Flea Market
Science fair for teachers and student social workers



REMA 1000 is a value-driven business. One of these values is: “We have a strong business ethic” – a core value for us. We are therefore aware of our responsibility to our customers, employees, suppliers and the outside world when running our chain of stores.

REMA 1000





We are looking forward to continuing our collaboration with our employees, suppliers, customers and business partners in order to realise our goals for 2015,

to together create a new way of combining price and sustainability.