



Corporate social responsibility

2015

REMA 1000
Discount with attitude!

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

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1 Introduction

Waste less food

8 values written in a small, navy blue book, by Norwegian founder, Odd Reitan, are the principles behind the value based philosophy which drives REMA 1000. In his book, Odd emphasizes that “determination without humility creates conflict. Lead the way and set a good example”. Here at REMA 1000, we have the determination to succeed, but recognize that humility is required to keep the focus on our performance, and to reach our goals. We are constantly working on improving our range of products to be more sustainable. We achieve this through innovative partnerships with likeminded organisations, as well as public institutions and charities, through close cooperation and a clear agenda to promote sustainability.

Performance is critical but we must never become complacent. In 2014, we developed our first sustainability objectives. Within our 5 focus areas, we defined 10 strategic objectives, which we have been working hard to achieve. The activities and results are described in more detail in the attached **2015 REMA 1000 Social Responsibility Report**.

We believe that as well as benefiting REMA 1000, our activities must benefit the society which we are a part of. Danish households discard more than 260.000 tonnes of food each year which means on average, each Dane throws out 47 kg of food, at a total annual cost 1.6 billion DKK. Food waste is damaging not only for the Danish economy but also to the environment.

REMA 1000 was the first food chain in Denmark to address the issue of food wastage and has been leading the way ever since. In 2008, multi - buy discounts were discontinued as they contribute to food waste. Selected fruit and vegetables are sold by weight and not per piece and in 2015, bread and meat pack sizes have been reduced. Reduction in food waste has been and will continue to be one of our key sustainability areas.

We have vested our hearts and minds in in this project and in 2015, we launched the website megetmindremadspild.dk. Have a look, and see what you can do to reduce food waste.



Enjoy!

Henrik Burkal
Chief Executive Officer

REMA 1000

Discount with attitude

'Discount with attitude' is the title of our approach to sustainability. However it is also our obligation to work jointly with Danish society. 'Discount with attitude' implies for us that our products are sold at low price, but we still have clear requirements for both quality and production.

At REMA 1000 we strive to become Denmark's largest, most sustainable and responsible discount supermarket chain. We are aware, however, that this position comes with responsibility.

In last year's REMA 1000 Social Responsibility Report, we presented an analysis of the risks and opportunities we face at REMA 1000. We based it on our five strategic focus areas, since they are the basis for our approach to corporate social responsibility.

In 2014, we drafted our policy, standards and principles within these five focus areas. They are described in our Code of Business Conduct, which also contains our requirements for suppliers. It can be found under the heading 'Supplier Code of Conduct'. The Code of Business Conduct for REMA 1000 can be found on our website: rema1000.dk/social-responsibility/csr/reports/

We believe at REMA 1000 that the five focus areas are where we can make the greatest difference for Denmark. Hence we developed 10 strategic objectives and key performance indicators for 2015 to drive and intensify our sustainability efforts.

We believe it is necessary to make our efforts and actions measurable to follow our progress and ensure the constant development of REMA 1000 as a company.

Throughout the report we will describe how we endeavour to create a more sustainable future for Denmark. On the following pages, we will review results of our actions and efforts within the five focus areas over the past 12 months. We want future generations to grow up as healthy and responsible citizens who care for the environment and the resources.



REMA 1000's five focus areas

1. The healthy family
2. A happy environment
3. The good supplier
4. REMA 1000's donations to welfare
5. The motivating workplace



Dilemmas

For each of the five focus areas throughout the report you will be presented with a dilemma. The reason being that we believe in transparency, hence it is important to openly discuss the dilemmas we are facing in our business so we can eventually find solutions to them.

These dilemmas may address the classic paradox between making money while ensuring sustainable development, however, they may also emerge when a company like REMA 1000 takes responsibility on one parameter, which can affect or diminish the importance of another parameter. We acknowledge our resources are scarce, thus implying that everything we do is always about prioritising what is most important.

The **UN** Sustainable Development Goals

We focused on REMA 1000's impact on human rights in last year's corporate social responsibility report 2014. Our human rights policy is still in force, which is a legal requirement and can be found in our 'Code of Business Conduct'. Nevertheless, we have decided to focus on the UN Sustainable Development Goals (SDGs) in this year's Corporate Social Responsibility Report 2015.

The SDGs consists of a full list of 17 goals, which were adopted by the UN General Assembly in September 2015. The SDG agenda is expected to create goals and a framework for all actors in the world to work towards until 2030 – thus for the next 15 years. The hopes are that we together – across borders – are able to create a more sustainable world.

We do however also acknowledge the importance of staying focused, which implies being able to prioritise. This capability is crucial in order to deliver and succeed. At REMA 1000 we have specifically chosen not to focus on the full list of 17 goals but instead on the following four goals:

- No. 5** Achieve gender equality and empower all women and girls.
- No. 12** Ensure sustainable consumption and production patterns.
- No. 13** Take urgent action to combat climate change and its impacts.
- No. 17** Strengthen the means of global partnerships for sustainable development.






When reviewing our five focus areas, you will be presented with a fact box that describes how we at REMA 1000 support and contribute to the UN's vision to move towards a sustainable future for the next generation.

SUSTAINABLE DEVELOPMENT GOALS








REMA 1000's objectives 2015

including accomplishments

Focus	Objectives	Key performance indicators in 2015
 The healthy family	★ 1. Healthy products	3 % more focus products.
	★ 2. Happy families	3 new initiatives for solving family logistics.
 A happy environment	✓ 3. Sustainable resource consumption	3 new initiatives for sustainable resource consumption.
	✓ 4. A better climate	2 new initiatives for reducing our CO ₂ emissions and creating an overview of our CO ₂ footprint. Ensuring all palm oil in REMA 1000 products is certified.
	✓ 5. Improved animal welfare	15 % higher sales of products marked with animal welfare labels.
 The good supplier	★ 6. Ethical suppliers	Completing risk assessments on 95 % of our suppliers and prepared action plans for all suppliers flagged yellow and red.
	✓ 7. Partnerships with local suppliers	Closing 2 new supplier collaborations.
 REMA 1000's donations to welfare	✓ 8. More welfare	Supporting 1 specific initiative for a better future as well as 1 initiative for senior citizens in Denmark.
 A motivating workplace	✓ 9. Higher job satisfaction	Instigating coaching programme for our store owners who are in danger of suffering from stress
	✗ 10. Diversity at all levels	4 additional women in our team of store owners.
<p>? Not measured ✓ Ongoing ✗ Not yet achieved ★ Achieved</p>		

REMA 1000's objectives 2016

Focus	Objectives	Key performance indicators in 2016
 The healthy family	? 1. Healthy products	Add 4 % more focus products.
	? 2. Happy families	Develop the 3 initiatives from 2015 further including the development of 2 new initiatives that contribute to solving family logistics.
 A happy environment	? 3. Sustainable resource consumption	3 new initiatives for sustainable resource consumption.
	? 4. A better climate	2 new initiatives for reducing our CO ₂ emissions including introducing smart energy monitoring.
	? 5. Improved animal welfare	Intensify our contribution to the establishment of an official animal welfare label.
 The good supplier	? 6. Ethical suppliers	Make demands on our suppliers to scrutinise items and categories that constitute greatest risks. Follow up on the work progress of all our yellow and red marked suppliers.
	? 7. Partnerships with local suppliers	Conclude 4 new supplier collaborations.
 REMA 1000's donations to welfare	? 8. More welfare	Develop 'Project CHRISTMAS SURPLUS' further and introduce 1 initiative appealing to senior citizens in Denmark.
 A motivating workplace	? 9. Higher job satisfaction	Intensify our efforts to create a good work-life balance of storeowners through personal development courses.
	? 10. Diversity at all levels	2 additional women in our team of store owners.
<p>? Not measured ✓ Ongoing ✗ Not yet achieved ★ Achieved</p>		



2 The company

About REMA 1000



Revenue

In 2015 REMA 1000 generated revenue of DKK 11.4 billion. That is an increase of 9.6 % compared to 2014.



Stores and employees

In 2015 REMA 1000 opened 13 new stores and had 270 by their end of the year and a total of 8,895 employees.



Customer transactions

In 2015 customer transactions increased by about 8.9 % compared to 2014.

We work with more than 3,000 Stock-keeping units (SKU's) at REMA 1000 and work with people - both behind and in front of the cash register. We constantly strive to ensure REMA 1000 is correlated with health, reason, popular appeal and competences.

It is the 8 values of Odd Reitan that are written down in the small navy blue book that continually drive us. We consider it an internal textbook for all our store owners and managers in Denmark and Norway.

Our vision is to be recognised as the most values-driven business in Scandinavia; hence we constantly work on cultivating a culture where our customers are our highest priority. Our values control what we do and define who we are. We believe in effective operations, low costs, budgeting and large volume of goods.

Results in 2015

In Denmark REMA 1000's growth continued this year as we achieved a turnover of DKK 11.4 billion. This is an increase of DKK 1 billion compared to 2014 and an increase of 9.6%. Additionally, we opened 13 new grocery stores, so now we are up to 270 in total in 11 regions across the country.

We employ 8,895 employees and we believe our progress is the result of our values, being vested in attractive discounts.

At REMA 1000 we influence the lives of numerous Danes through the products we offer in our stores. Thus we have a natural responsibility to ensure that our products are high quality both in terms of the taste, nutrition and within limited environmental impact.

This report describes how we ensure that our efforts and product selection are sold to our customers through their great taste.

The values of REMA 1000

At REMA 1000 we all share the 8 values mentioned previously, thus we had them engraved in a stone placed at the entrance at our head-quarters. It serves the purpose of reminding us all that these values are an integrated, solid and stable part of REMA 1000.

Each store also has the 8 values framed and hung in the lunchroom to remind their employees of the values' importance.

We will succeed and we want to be the best at what we do. Our employees have great professional skills and strong inner values and must also influence our company. Our employees must be decision makers and our working environment has to be characterised by unity, respect and a common desire for success. We want to make great men and women, as Odd Reitan said.



The fundamental values of REMA 1000

We cultivate the business idea of the company

—

We have high business ethics

—

We shall be free from debt

—

We promote a winner culture

—

We talk to each other – not about each other

—

The customer is of highest priority

—

We want to have fun as well as profitability

By Odd Reitan, owner and founder of Reitan Group





3 Our five focus areas

Action and results 2015

The five focus areas are driven by our values, thus on the following pages we describe how we have reached the vast majority of our objectives for 2015 in the past 12 months. We strive to become Scandinavia's most values-driven business by constantly developing our five focus areas.



Focus area 1

The healthy family



Value to the outside world

Healthier products at good prices and initiatives making it easier for Danish families to live a healthy life contributing to better wellbeing in Denmark, thus solving family logistics in everyday life.



Value to REMA 1000

Focusing on healthier products and solving family logistics provides us with inspiration to innovate with new or exciting products and solutions. It is a competitive parameter.



Vision

REMA 1000 will contribute to our customers health and wellbeing.

At REMA 1000 we think about our customers health and we believe that the path to a healthier lifestyle should neither be a hassle nor expensive. Instead the healthy choice should be easy because we believe that good, pure and nutritious products give our customers a higher quality of life.

The Danes face a number of health challenges such as diabetes, obesity, asthma and allergies. In REMA 1000, we strive to offer a range of products that make it easier for our customers and their families to lead a healthier way of life.

We strive to develop a versatile product range focusing on fresh fruit, vegetables, ecological, and keyhole labelled products. We also focus on extending our product range of Asthma and Allergy labelled products, Nordic Eco-labelled products including REMA 1000's own product ranges: OrganicCircle, sugar free, lactose free and gluten free. We also launched our newly innovated whole wheat bread and a type of small batter cake, traditionally known as 'æbleskiver' in Danish. Many of our customers have been very receptive of both.

At REMA 1000 we strive to provide a wide range of quality products at low prices. We are constantly trying to innovate, and the product lines that we are able to influence, are closely developed in collaboration with our suppliers. We actively try to develop foods and recipes that reduce the levels of salt, sugar and fat, so they are in accordance to the requirements of the keyhole label developed by the Ministry of Environment and Food.

We aspire to secure Danish milk on our shelves in the future

We are aware that price increases are not part of the program for storeowners in discount chains, but we strive to become the biggest, most sustainable and responsible discount chain in Denmark, thus we chose in an untraditional manner to increase the price on milk by DKK 0.50 per carton sold in our stores.

The initiative is solely based on rescuing dairy farmers because the Danish agriculture is currently struggling economically due to falling prices. Customers can then automatically provide dairy farmers with a helping hand as each DKK 0.50 goes straight to the farmers. In 2015 we managed to collect tens of millions for the farmers at Arla.

At REMA 1000 we aspire to secure Danish milk by creating and investing in a future where our customers can buy Danish milk in the quantities they wish to.



Our partnerships



The Keyhole labelled foods meet one or more requirements for the content of fat, sugar, salt or dietary fibre. This makes it easy for customers in a simple and visible way to identify healthier foods and dishes in REMA 1000 stores, thus making it easier for customers to live in accordance with official dietary recommendations in their everyday lives.



The Wholegrain logo makes it easy to choose whole-grain products when our customers are buying foods in REMA 1000. Wholegrain means all parts of the grain are included when making the product, this is done as it contains the most fibre, vitamins and minerals.

Stop waste of food!

At REMA 1000 we have been persistent in our effort to make everyday organising easier for Danish families by providing initiatives, such as an inspiring weekly meal planner. We are constantly attempting to make it easier for our families to live in the best manner possible and although budgets are small, at the same time food waste must be avoided. We also collaborate with the dieticians 'Diætisterne på Frederiksberg' that develop new tasteful keyhole recipes for our **REMA 1000 meal planner**.

However, we are also aware that not all Danes have the same requirements. According to figures from Statistics Denmark the number of Danes living alone has never been higher with more than a third now living by themselves.

Due to this and in our effort to fight food waste, we decided to initiate a collaboration with Schulstad to introduce smaller product sizes at the same price per kilogram. We also decided to increase animal welfare through smaller portions by selling minced beef from Friland in 250 gram vacuum packs, which is recommended by World Animal Protection Denmark.

We are aware that sustainable – yet crucial – initiatives can affect revenue and earning on the short term, but in the long term, we are convinced that our customers appreciate not buying more than necessary. They should have the opportunity to buy good produce while also contributing to improving animal welfare and reducing food waste.

We also launched the website megetmindremadspild.dk in 2015 where you can find inspiration and good advice on how needless food waste can be avoided.



The local store

In the middle of a small and nice residential neighbourhood in Western Zealand lies a REMA 1000 on Korsørvej, Slagelse. This isn't a REMA 1000 store like any other – at least not according to the Pathuel family. This is the family's local store where they feel at home and are always made to feel welcome when shopping.

Both parents work far more than 37 hours a week while their children have their noses buried in their university books and all four are deeply engaged with their individual sport activities and social lives in their leisure time. Their everyday lives are extremely busy, planning meals must fit easily in their daily routine, with the need for easy and nutritious food being high.

The Pathuel family enjoys the products offered in their local REMA 1000 a lot, because of the high attention to detail,

quality and the large ecological range of produce. They even encourage their local store to expand its ecological range further, since it is difficult to have too many of these eco-options.

The Pathuel family is also very enthusiastic about REMA 1000's fresh, healthy, and price-conscious ready-meals as it allows them to spend more quality time together, and as Mr Pathuel said:

»Previously, ready-meals were dull but the products on the market now are fresh. There seems to be a better balance between food waste and price – this is a really good trend and we hope REMA 1000 will embrace this initiative even more.«

At REMA 1000, we truly appreciate that the Pathuel family would tell us about their REMA 1000 experience. We are confident that our local storeowners will continue doing their part to make it easier for Danish families to lead healthier lifestyles.

REMA 1000 contribute to Madskolerne's most successful year!

REMA 1000 is a discount chain with attitude and, as such, we cooperate with 4H and the Danish Agriculture and Food Council on 'Madskolerne', which in English can be translated to the food schools. We wanted to help create a better understanding of the nutrition in foods among all children who are interested in nature, animals, gardening and cooking. The more children taught to cook, the better.

There are 166 food schools, 2,692 participating children and 600 volunteers who all made a great effort towards making it a success. The vast majority of all purchases were also made in REMA 1000 stores across Denmark. There have never been so many food schools and children participating as in 2015! We are proud to contribute to creating good food habits and increasing knowledge about foods that are important for a healthy life. It is much more fun to cook, if you know where to start and we look forward to continuing our cooperation throughout 2016. You can see more on the website at madskoler.dk



Dilemma

At REMA 1000 we aspire to reduce food waste among Danes by reducing bread- and meat pack sizes, although we are also aware that smaller food sizes demand a greater amount of plastic packaging per sold unit. While plastic packaging does protect and increase the quality of products, it is also harmful to the environment when produced and disposed of.

Our approach to this dilemma is that we at REMA 1000 weigh and consider the level of food waste and the use of packaging but food waste currently is our main priority. Our ambition for the future is that we will work harder to create recycling solutions for our products, which we are in the position to influence.



Status of REMA 1000's objectives and KPIs for 2015

REMA 1000's first objective for 2015 was to secure healthy products for our customers by introducing 3 % more focus items – this we have achieved. We have introduced products such as sugar and lactose free chocolate and whole grain buns from Gram Slot. In addition, we have added many other focus items that contribute positively to our selection of healthy products.

Our second objective for 2015 was to introduce three new initiatives to help organise family life. In order to do this we have improved our REMA 1000 app where it is now possible to create your own shopping list and synchronise it with friends and family. You can see the latest special offers, create your own personal meal plan and be inspired by more than 300 recipes at our website rema1000.dk/madunivers/.

We have also launched a new range of convenience or on-the-go products that fit perfectly in lunch pack's but also can be a great supplement for dinner. These are the products that the Pathuel family mentioned in the letter 'The local store'. Last but not least we have extended our YouTube channel with more than 100 videos where we, together with chef Per Thøstesen, have developed a number of delicious recipes that can provide customers with inspiration for great recipes with less waste.

Through these three initiatives, we have attempted at REMA 1000 to support the UN's twelfth sustainable objective to secure sustainable consumption and production patterns.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION





Focus area 2

A happy environment



Value to the outside world

Sustainable use of resources, respect for the environment and wildlife help secure that the world's resources do not run out and rich biodiversity prevails.



Value to REMA 1000

Sustainability is increasingly important to consumers and REMA 1000 has a competitive advantage in being the preferred choice for customers and employees that look for sustainable businesses.



Vision

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

At REMA 1000, we believe that we have responsibility to support the UN goal to create a sustainable future together. We address issues and do what we can to create a balance between consuming and protecting our planet's resources. Our overall objective is to be among the lowest priced grocery chains, as well as running a business that respects the environment.

Production and consumption of foods causes high CO₂ emissions, thus we are working on reducing our CO₂ footprint.

We produce our bags using 80 % recycled plastics because by doing this, we are able to reduce CO₂ output by 60 % compared with a conventional bag. We also develop solutions that reduce the amount of plastics we use in our product ranges, and since 2012 we have also worked on energy optimisation in all of our stores.

For a retail chain with 270 stores it is a great challenge to optimise while saving costs at all levels on an on-going basis. Even small progresses can read positively on the bottom line when it is implemented in several stores.

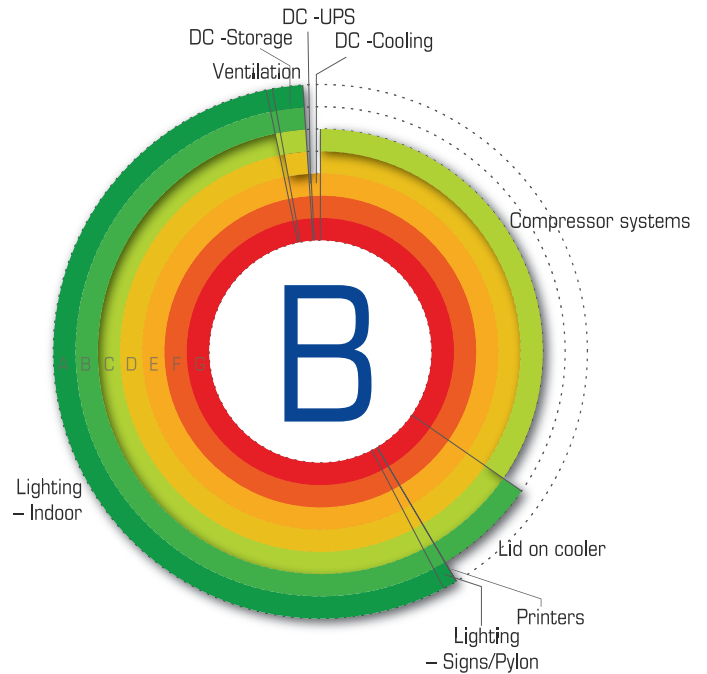
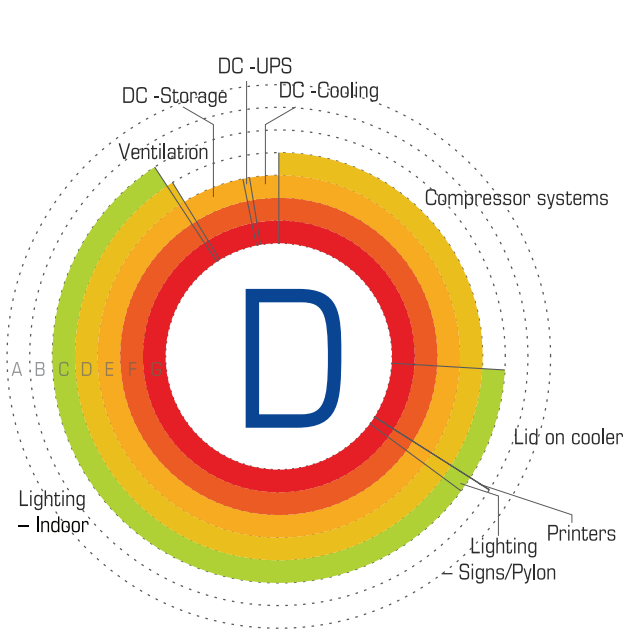
At REMA 1000 we have invested with the objective of reducing our overall energy consumption, through this, we have now managed to improve energy efficiency to the extent we are now one of the most energy efficient supermarket chains in Denmark. This optimisation has also reduced our CO₂ emissions significantly.

In 2015 we focused on lighting, ventilation and glass covers on refrigeration. We have managed through our intense efforts to create an energy saving of 5,809,344 kWh thereby reducing our CO₂ emissions by a total of 2,219 tons per year.

The renewal of lighting in our stores, especially, has led to large overall energy savings, since LED lights use significantly less power than other light sources. While old strip lights and halogen bulbs also burn out much faster and need replacing. The older light sources need to be changed in most stores after four years use, which can become highly expensive. In comparison, LED's last up to 15 years! Additionally, LED lights are also much more environmentally friendly than traditional sources of light as LED lights – unlike strip lights, halogen- and energy saving bulbs – do not contain mercury or any gases.

The Energy Wheel on the next page illustrates the specific areas and achieved energy optimisations, but also indicates how energy efficient REMA 1000 has become.

Energy Wheel Before and after



Before 2015

	rating	share	consumption (kWh)
Compressor systems	D	26,0 %	6.133.441
No lid on coolers	C	8,0 %	1.894.911
Printers	B	0,0 %	6.852
Lighting			
- Signs/Pylon	C	1,1 %	263.895
- Indoor	C	55,6 %	13.151.778
Ventilation	D	0,5 %	119.424
Data center			
- Storage	E	5,6 %	1.311.834
- UPS	E	0,6 %	140.366
- Cooling	E	2,6 %	611.376
Consumption			23.633.878

CO₂ 9.028 tonnes

Rating D

Efficiency 65 %

From 2015 and onwards

	rating	share	consumption (kWh)
Compressor systems	C	34,6 %	5.183.915
No lid on coolers	B	6,8 %	1.024.325
Printers	A	0,0 %	1.860
Lighting			
- Signs/Pylon	A	0,8 %	126.636
- Indoor	A	54,4 %	8.137.562
Ventilation	A	0,4 %	55.728
Data center			
- Storage	A	1,8 %	274.532
- UPS	E	0,2 %	29.375
- Cooling	E	0,9 %	127.945
Consumption			14.961.878

CO₂ 5.715 tonnes

Rating B

Efficiency 89 %

Sustainable palm oil in REMA 1000

We are aware at REMA 1000 that palm oil is part of the production of hundreds of foods and everyday commodities from shampoo, soap, stearin used in candles, biscuits, chocolate and ready meals. Palm oil is the primary reason for deforestation in rainforests; leading to greater CO₂ emissions in the atmosphere, as CO₂ stored in trees and soil for thousands of years is released when they are cut down. Once the rainforest is transformed into a palm oil plantation, both animals and plants also lose their habitats.

REMA 1000 is a member of the Roundtable on Sustainable Palm Oil (RSPO) to ensure sustainable palm oil is used in our products, we also continually work with WWF:

»The Danish consumers only have a single supermarket where there spending votes for the rainforest. That is REMA 1000 which currently is leading the way« a WWF-representative stated.

In REMA 1000's Corporate Social Responsibility Report 2014, we identified the objective to secure that all palm oil used in REMA 1000's own-brand products is to be RSPO-certified in 2015 – we have now achieved this goal. Currently, we are working on labeling all products that contain sustainable palm oil. Furthermore we are currently cooperating with suppliers about substituting RSPO-certified palm oil with other types of oils.



Dilemma

At REMA 1000 we want to reduce our CO₂ footprint by only using sustainable or RSPO certified palm oil in all our products, however this may entail a change in product quality when we are compelled to change the product formulation. Nevertheless we strive to retain the high quality of our products.

Additionally, we have few a products such as our green lemonade ice cream where palm oil is part of the substance that makes up the ice cream's green colour, and it is simply not possible to get sustainable palm oil in this format yet. Suggesting that there is a small amount of palm oil in our green lemonade ice creams that is neither sustainable nor RSPO-certified. We do however have the aim to only use sustainable or RSPO-certified palm oil throughout our production chain in the future.





Status of REMA 1000's objectives and KPIs for 2015

REMA 1000's third objective for 2015 was about attaining sustainable resource consumption through the implementation of 3 new initiatives. We have achieved this by first of all ensuring that 50% of the lorries driving for us have one of the newest two generations of Euro-engine. Secondly, we have started using electric terminal tractors at our terminals in Horsens. Additionally, we have managed to replace all exterior lighting to LED, which has reduced our energy consumption by more than 50 %. We continue using environmental friendly refrigerated trailers in our entire transportation fleet of trucks, and we are continually working on shifting our purchase of power to renewable energy.

Our fourth objective for 2015 was about ensuring a better climate by implementing two new initiatives that create an overview of our CO₂ footprint and reduce our emissions. We have launched the use of electric terminal tractors to also reduce our CO₂ emissions and noise level and we have established a charging station for two electric vehicles at our headquarters. We also have the ambition to recycle waste heat at our headquarters to reduce our gas consumption by 10 %, but unfortunately it has not been possible to carry this initiative out in 2015 due to unforeseen challenges with tax. We will continue working on this objective throughout 2016.

We also wished to ensure that all palm oil in REMA 1000's own-brand products is RSPO-certified, which we have now achieved as previously mentioned.

Our fifth objective for 2015 was about ensuring higher animal welfare by increasing sales of our animal welfare labeled products by 15 %. We have now achieved this although an official animal welfare label does not yet exist. That said, together with the Danish Animal Welfare Society, we strive continually to extend the product range and increase sales of organic products. In 2015 we launched the organic and free-range meat named Friland Kødkvæg to our range.

At REMA 1000 we actively and continually work together with partners to create an official animal welfare label so that our customers easily can recognise the products that takes animal welfare into account.

At REMA 1000 we make the effort to support the UN's sustainable development goal number 13, which is about taking urgent action to combat climate change and its impacts.



»Together with the Danish Animal Welfare Society, we strive continually to extend product ranges and increase sales of organic products, and in 2015 we launched the organic and free-range meat named Friland Kødkvæg to our range.«



Focus area 3

The good supplier



Value to the outside world

Working closely together with suppliers and ensuring they understand our needs, it is possible to ensure that they do not use harmful production methods, commit corruption or violate human rights, together with their own suppliers.



Value to REMA 1000

At REMA 1000 we focus on good suppliers. We ensure that our suppliers comply with our standards including maintaining relationships that can be important in the future struggle for resources.



Vision

At REMA 1000 we want to ensure that all our suppliers comply with our business ethics standards as stated in our "Supplier Code of Conduct".

At REMA 1000 we believe that good business relations mean having a close dialogue with suppliers and maintaining mutual respect. We make demands of our suppliers and they in turn make demands of their suppliers and of us. For us it is vital that our suppliers behave in an ethically correct manner in business relations so we can take responsibility for working and environmental conditions in the countries our quality products originate from.

Together with the **Danish Ethical Trading Initiative (DIEH)**, REMA 1000 has developed and implemented a guideline for responsible and ethical supply chain management. The guideline contains an in-house policy for responsible procurement and a 'Supplier Code of Conduct' our suppliers sign when they do business with REMA 1000, which includes 14 principles for ethical trade.

The principles refer to the familiar and fundamental human rights and labour rights of the UN and ILO.

You can read more about our policy in our 'Code of Business Conduct' on our website rema1000.dk/social-responsibility/csr/reports/

»At REMA 1000 we believe that good business relations mean having a close dialogue with suppliers and maintaining mutual respect. We make demands of our suppliers and they in turn make demands of their suppliers and of us.«

REMA 1000 focus on suppliers

At REMA 1000, our responsible supply chain efforts are risk-based, focusing on suppliers operating in countries where regulation and law enforcement is less effective than in Denmark. In our efforts to create a sustainable future, we keep an eye on suppliers in **developing countries** and maintain a close dialogue to ensure they live up to the ethical guidelines of REMA 1000.

We ordinarily offer a wide selection of products that are labelled **"Fairtrade"** and we continually launch campaigns on these products including coffee, tea, wine, jam, chocolate and fruit. At REMA 1000 we do not only want our customers to benefit, but also strive to improve working and living conditions for some of the world's poorest farmers and workers in Africa, Asia, South and Central America.

REMA 1000 supports the local supplier

At REMA 1000 we prioritise local products because of the great taste and high quality, and because products are not transported over long distances. This way we can reduce our CO₂ footprint. We want to be able to face our customers in the local community and we believe local presence and support is crucial. Our co-ownership and collaboration with Gram Slot in Southern Jutland – one of the largest organic farms in Denmark – is an example of how we want to make the stages of production from farm-to-table transparent.

»REMA 1000 was one of the first chains that we initiated a partnership with and this has benefitted us. I believe that the closer cooperation, the better the result – and this is something we have today.«



REMA 1000 business relations with Thisted Bryghus

A small brew house named Thisted Bryghus has been operating in Northwest Jutland for more than a century. Thisted Bryghus has always cherished the local community and their master brewer was the first to develop Danish organic beer, which is now a large part of their foundation.

Since 2010, REMA 1000 has distributed good and tasty beers across the country, and quoting a Thisted Bryghus representative: *»REMA 1000 was one of the first chains that we initiated a partnership with and this has benefitted us. I believe that the closer cooperation, the better result – and this is something we have today.«*

We believe at REMA 1000 that the reason why our partnership has been such a success is due to our shared values. We put the customer first, whilst adapting to local needs and focusing on organic innovations. This would not have amounted to much without the mutual respect we have for each other's professions.

»I like that you get on well with the people you work with. This applies equally to REMA 1000's headquarter staff and to employees at warehouses and local stores. I often speak to store owners and employees when visiting stores across the country. It is all about creating a business relation that benefits both parties« a representative from Thisted Bryghus said.

We at REMA 1000 agree with this thinking, because it is our belief that that a positive personal customer experience needs to be cherished.

We look forward to many more opportunities together with Thisted Bryghus in the future, but also together with others of our other greatly appreciated suppliers.



Dilemma

REMA 1000 strives to become Denmark's most sustainable and responsible discount chain, but this is only possible with the right support from our suppliers.

We are also facing the challenge that not all of our suppliers have sustainability at the top of their agenda. Our approach is to emphasize the importance and seriousness of this matter and to help our suppliers improve so we can promote ethical trading together.



Status of REMA 1000's objectives and KPIs for 2015

REMA 1000's sixth objective for 2015 was to ensure ethical suppliers. We have worked on improving our supply chain management and we have managed to meet our KPI on mapping and risk assessing 95 % of our suppliers. We have engaged in close dialogue with the suppliers we assessed that did not live up to our 'Supplier Code of Conduct' fully, to develop an action plan that ensures that we only work together with the best 'ethical suppliers'.

Our seventh objective for 2015 was to initiate two new partnerships with local suppliers.

We have partnership agreements with 3 new local suppliers: Randers Bryghus, Butler Is-The, and Viborg Bryghus. We look forward to opportunities together in the future.

Through these initiatives, we attempt at REMA 1000 to contribute to the UN's sustainable development goal number 17, strengthening the use of global partnerships for sustainable development.

17 PARTNERSHIPS
FOR THE GOALS



»We have partnership agreements with 3 new local suppliers: Randers Bryghus, Butler Is-The, and Viborg Bryghus. We look forward to opportunities together in the future.«



Focus area 4: REMA 1000's donations to welfare



Value to the outside world

Clubs and events concerning sport and health contribute to supporting a good and healthy wellbeing of both children and adults in Denmark. Donations to charities help to ensure there is food on the table where the needs are greatest.



Value to REMA 1000

Our support may contribute to customer loyalty within the local community, branding us as a company that thinks about others and creates greater motivation among employees in the company.



Vision

REMA 1000 strives to become the discount chain that supports opportunities for creating a positive wellbeing for children, teenagers and adults.

REMA 1000 is different from other Danish supermarket chains since it is independent owners that run all our stores. We operate under a franchise concept allowing owners the opportunity to be entrepreneurs, so REMA 1000 has assumed the position of being the local store that listens to the local community.

All store owners at REMA 1000 try to uphold our mantra 'discount with attitude' in their stores and they take initiatives to support the local community. **In 2015 we sponsored more than 337 local activities from children's sports clubs to bingo at nursing homes.** In REMA 1000 we aspire to give Danes sporting experiences because exercise is not only healthy for the body, but it also improves energy and mental well-being, so we help to increase our customers' quality of life.

There are many children and young adults, who feel lonely and do not have many friends at school. Sports club membership provides an opportunity to create new relationships. At REMA 1000 we try to reduce the number of people feeling lonely in Denmark. In 2015 we also initiated a partnership with the Danish Diabetes Association to distribute the cookery books **'20 healthy everyday meals'** and **'Make your day easier – with food and movement'**. The local community then had the opportunity to make many new delicious and healthy recipes while supporting an important cause to tackle diabetes.

At REMA 1000, we are proud of our local store owners positive contributions to their local communities.

Cooking Kids

At REMA 1000 we believe it is important that children understand, engage with and are interested in food and nature. We believe that a healthy and sustainable society starts in school so we decided to support the competition 'Cooking Kids' organised by Copenhagen House of Food together with Copenhagen Cooking and Nordea foundation, once again. Cooking Kids focuses on cookery skills, food taste and quality. Approximately 2100 children and adults attended the three competitions in 2015. There were lots of food-loving children with their chef's hats, organic raw ingredients and children cooking. REMA 1000 contributed the raw ingredients and sponsored the prize for this year's winner of Cooking Kids 2015, which included a tour of Gram Slot – one of the largest organic farms in Denmark – for the entire winning class.

REMA 1000s supports the Danish Cancer Society

For the fourth successive year in 2015 we supported the Danish Cancer Society's work with children and young adults who have cancer. Our efforts have resulted in a donation of more than DKK 10 million in total over the past four years. The partnership is based on annual sales of selected everyday commodities such as spring water, organic carrots, keyhole labelled rye bread,

and recyclable bags. Further, REMA 1000's store owners and employees also voluntarily participate in various activities such as Break Cancer, Relay for life and National Collection.

The financial support has contributed to research of better and gentler treatment methods, prevention and support groups.



Kræftens Bekæmpelse



From food waste to Christmas SURPLUS

In our fight against food waste, we decided to initiate an innovative partnership with The Danish People's Aid and Stop Wasting Food Movement Denmark. Together we created 'Project Christmas SURPLUS' and distributed food surplus' to 500 vulnerable families throughout Denmark.

The project involved collecting food surplus from REMA 1000 and suppliers, which were repacked into Christmas aid packages together with a gift voucher for REMA 1000. Retired REMA 1000 employees happily volunteered to pack the many Christmas aid packages which were sent to 50 stores. Storeowners at REMA 1000 also decided to participate in the partnership and made stores and personnel available long after closing time on the busiest days of the year.

Beneficiary families were selected from families who had applied for Christmas aid at The Danish People's Aid.

They turned up on 23rd December 2015 at 20:00 in selected REMA 1000 stores in Aarhus, Aalborg, Randers, Odense and Copenhagen. Volunteers from Stop Wasting Food Movement Denmark and The Danish People's Aid handed out Christmas aid in participating stores.

Anders Jensen, Purchasing and Marketing Director at REMA 1000, said:

»It was very easy for us at REMA 1000 to agree to participate in this initiative, since we have actively been fighting food waste since 2008. At the same time, it is important for us to support vulnerable families. We hope that we together with The Danish People's Aid and Stop Wasting Food Movement Denmark can avoid throwing out a large amount of food while supporting families during Christmas.«

The partnership with The Danish People's Aid, Stop Wasting Food Movement Denmark, and REMA 1000 will continue in 2016. We have the ambition to involve more stores so many more families can benefit from Project Christmas SURPLUS in Denmark.



Dilemma

We strive to do good at REMA 1000 by helping create a sustainable future for Denmark through initiatives such as philanthropy or said differently, by giving money to charity. However, we have also acknowledged that our goodwill may lead to the dilemma that it is tough to decide which charitable purposes to (not) support.

Additionally, we have realised that philanthropy is not sustainable because charitable purposes depend on our donations. Therefore, what do you do if you want to do good in the long term? Our approach to this dilemma is that we have decided to increasingly focus our efforts on strategic partnerships with like-minded organisations where we together can make money on providing sustainable solutions for Denmark.



Status of REMA 1000's objectives and KPIs for 2015

REMA 1000's eighth objective for 2015 was to create more prosperity by supporting 1 specific initiative for a better future for Denmark, and this we have achieved with "Project Christmas SURPLUS" where we, as previously mentioned, contributed to creating a better Christmas for many Danish families. We look forward to continuing and intensifying efforts throughout 2016.

Further we had the objective of supporting 1 initiative appealing to senior citizens in Denmark, which we partially achieved by introducing smaller bread and minced beef products as previously mentioned in 'Focus area 1: The healthy family' as this addresses senior citizens or other Danes living alone.

All our donations and initiatives at REMA 1000 are driven by our values. This is our modest way of supporting the UN's sustainable development goal number 17, which is about strengthening the means of global partnerships for sustainable development.

17 PARTNERSHIPS
FOR THE GOALS



»Our approach to this dilemma is that we have decided to increasingly focus our efforts on strategic partnerships with like-minded organisations where we together can make money on providing sustainable solutions for Denmark.«



Focus area 5

The motivating workplace



Value to the outside world

A motivating workplace with well-being, learning and room for diversity provides people with happiness and self-worth. It contributes to building competent and well-functioning individuals within Danish society.



Value to REMA 1000

A motivating workplace makes those working at REMA 1000 happier and healthier. Happier employees are better employees and this has a positive impact on retention.



Vision

REMA 1000 aspires to become the most motivating workplace for employees in Denmark.

All managers and storeowners at REMA 1000 represent the company and it is expected that they set the good example for employees and others by demonstrating the 8 values of Odd Reitan.

Our sixth value reads *»We talk with each other – not about each other«* and our eighth value reads *»We want to have fun and profitability.«* These values steer what we do and define who we are, and we live these values at REMA 1000.

The 8 values drive job satisfaction both at our headquarters and our stores across the country. As an employee at REMA 1000, you are part of the winning team in one of Denmark's' most successful concepts within retail trade.

At REMA 1000 we are proud to educate all employees. Our in-house **student training** gives 75 young, ambitious adults the opportunity to strengthen their professional and social skills.

Our training gives people more opportunities in the retail trade across Denmark. It helps individuals think outside the box, which is good for Danish society. At REMA 1000 everyone is able to succeed.

From the very start when our employees walk through the door, they each have the opportunity to develop themselves throughout their career. At REMA 1000 we offer our employees leadership training which ensures good leadership, and competent managers breed competent employees.

»Our sixth value reads »We talk with each other – not about each other« and our eighth value reads »We want to have fun and profitability.«

Hello
my name is

Nina



»I would like to get my own store as soon as possible – hopefully within the next 3 years.«

Meet REMA 1000's talented Nina

Why did you originally take an apprenticeship at REMA 1000 ?

»I started in REMA 1000 directly after high school and was soon in a position of responsibility in the store. I like the flexibility that comes with responsibility, and ended up taking an apprenticeship. When I completed the apprenticeship, I started as the second in command in Fredericia. After two years I applied to REMA 1000's talent team, because I realised I would like to become a store owner.«

Can you tell me more about why you want to be a store owner?

»I cannot sit still, so the physical work motivates me and I especially like to be responsible for the finances, schedules, building the shop up and sell the goods that are good for our local customers. I also think it's fun to perform 100 % every single day, and at REMA 1000 they let you know if you do not perform.

I hope to get my own store as soon as possible – hopefully within the next 3 years.«

The division between women and men on the student team is about 50:50, yet there are a small number of women seeking to go further in REMA 1000's talent team to become a store owner. Why is this, do you think?

»In REMA 1000 you will be treated equally regardless of gender, but at my age you must consider whether you want to prioritise career or family. I have not yet had children, so have time to build on my career. I believe that it is possible to have both your own store and children, if you are passionate enough. You have to get up early and work very hard all day. You must take the bad with the good. I also have the offer of a second job and I have two horses, so I have to be motivated to get everything done. It's good if you really want it.«

What is your advice to other women who dream to become a store owner just like you?

»They must first and foremost determine whether they have the motivation and drive. Someone who can manage other people well can easily manage their own store. Then they can determine how far they are willing to go.«

REMA 1000 employee health

At REMA 1000 we focus on our employees' health through our **KRAM (Diet, Smoking, Alcohol & Motion)** programme. We focus on healthy food and provide a healthy selection of foods in our staff canteen. We also offer our employees assistance in giving up smoking.

Employee health is important for us. There are opportunities to improve in this area. Our aim is that the health of our employees must reflect the focus we have on health in our stores. This applies to both physical and mental health, including work life balance.

Our employees are ambitious and at REMA 1000 we want to be even better and ensure that work is not detrimental to the health of employees.

We once again in 2015 offered all our employees free entry in the Danish Cancer Society bike campaign TRÆDTIL Denmark and Bering Stafetten in Horsens.

REMA 1000's diversitetspolitik

At REMA 1000 we want to be inclusive and diverse, and therefore we have developed a Diversity Policy. We believe that our grocery stores must reflect the diversity we have in Danish society. We cooperate with the Land Association LEV where through their national **KLAP (Creative Long-term Work Planning)** programme we help to get people with disabilities into the workforce. This includes people living with disabilities such as autism, muscular dystrophy, brain damage or other challenges, whom have special requirements.

We have approximately 150 KLAP-employees at REMA 1000 and they are all helping to create a good and fun working environment with their amazing attitudes.

In 2015, we also launched a collaboration with the **Brain Injury Association**, where we screened and matched a wide range of members of the Brain Injury Association with a permanent job in local REMA 1000 stores. We call the project 'LIKE' (Local communities, Inclusion, Grocery & Employed) and we look forward to continued cooperation throughout 2016.


**HJERNESKADE
FORENINGEN**
LIV DER REDDES - SKAL OGSÅ LEVES





Meet REMA 1000's store owner Per in Seden

How would you describe life as a store owner?

»I own store no. 48 and I've been in REMA 1000 for 17 years. Not all store owners have the healthiest way of life because it requires a lot of hard work. We are a different type of people and our circle of friends is limited, by the time we get around to starting the BBQ, everyone else is already eating dessert. We typically work 60-70 hours a week, so being a store owner is a lifestyle choice.«

What does REMA 1000 do to improve storeowners' health?

»They sent me on a course called 'The 7 Habits' together with some of the chain's other store owners, and got me to think about my work life balance. I made some decisions about how to change my life and create a better balance.

Together with my wife, I decided that we should eat more healthily and exercise more – now we do a brisk 2 km walk after supper and walk 10 km three times a week during a round of golf. Previously we ate more fatty foods like gravy and potatoes, but now we eat meat and vegetables. People tell me they can see I've lost weight.

My wife and I also plan to go on 4 trips a year, because it is important to get away from everyday life and maintain a caring relationship, also with our daughters.«

Now you have told a little about your goals for your private life, but what goals have you set for your professional life?

»I have made a plan for how I want to progress with my store and I have told my managers. The bonus will be based on our bottom line. This motivates my employees to take responsibility and make an extra effort, because together we can create the best results.«

What is your advice for the other store owners who are also trying to create a healthier balance between private and professional life?

»They should be out in the fresh air, get their heart rate up and maintain a good diet. This creates benefits in everyday life, which most likely will create better bottom-line results.

After the course on 'The 7 Habits' I realised that I have always been a little unapproachable and closed, but now I pride myself in being open. My door is always open for my employees and I tell them that I am open. I am always there for them and am willing to take inspiration and advice from others. It helps to motivate the employees and it's nice that I can draw get input from them. It is also important to let them lead.«





Meet REMA 1000's Regional Manager Merete

How long have you worked as Regional Director in the region of Southern Denmark?

»I started in the job in March 2015 and I sensed immediately that the job as Regional manager would be a great and exciting challenge for me. I am always looking for a challenge and have had various jobs both in retail and elsewhere throughout my career.«

At REMA 1000 there is a focus on diversity, but there is still a minority of female leaders and store owners. What are your thoughts on this?

»At REMA 1000, we are good at creating room for gender diversity, and during recruitment we pay no attention to whether it is a man or woman to be hired, but rather focus on the right person for the job. Personal profile and the job requirements are the most important – not the gender!

One of the reasons women often give up their ambitions may be that they think that they have to choose between family and career. There can be too much emphasis on this choice for women.

I've never doubted that I can easily be a good mother at the same time as also being good at my job. I have always socialised with others whom believed that such things can easily be accomplished. I have been very privileged in this regard.«

What is your advice to other women who also wish for a well-functioning career and family life?

»They must dare to chase after what they believe in and be passionate to succeed. You shouldn't let others decide what is right for you and in line with our values at REMA 1000, women must be able to choose what they do and don't want to do and be aware of the consequences.

Many women have a tendency to be too hard on themselves and on each other. We must recognise the importance of cooperation and seeking outside help. Much more is possible this way. Moreover, remember what you do is often good enough – whether it is buying buns for your children's birthday instead of baking them yourself, this is good enough. The important thing is that there are buns for the kids.... ☺.«



»You shouldn't let others decide what is right for you and in line with our values at REMA 1000, women must be able to choose what they do and don't want to do and be aware of the consequences.«



Dilemma

At REMA 1000, we believe that inclusiveness and diversity are critical for success. We are pleased and proud that the distribution of women and men for our trainee programme is almost 50/50. On the other hand, we are aware that we are far from this gender representation in the applications for the talent team, the 2-year training programme to become an independent store owner.

We are disappointed because we know that the women in our trainee program can be as good as their male colleagues at running and owning their own stores. In 2016 we will focus on what is needed to motivate our female employees to become independent store owners.



Status of REMA 1000's objectives and KPIs for 2015

REMA 1000's ninth goal for 2015 is to increase job satisfaction among our store owners by running a coaching course for those who are at risk of stress. It is an area we continue to work with, having already sent some of our store owners on the course "The 7 Habits". The interview with store owner Per above shows how the course has helped him to create a better balance in everyday life.

Our last and tenth goal for 2015 was that we would work on diversity at all levels of REMA 1000, and we set a goal that we should have more than 4 women store owners. In 2015, we have recruited 3 female middle managers and 2 female store owners.

We have not managed to live fully up to our goal, but we will intensify our efforts in 2016 because we have no doubt that our female employees can easily assume a management position or operate their very own successful REMA 1000 store if they have the desire and drive to do so.

At REMA 1000, we support UN sustainable development goal number 5 by these efforts, to ensure gender equality and provide all women and girls the equal opportunity to perform.



4 Appendices

Appendix 1

Donations and sponsorships



Sports

AC Horsens
AquaCamps
ALT for damernes Kvindeløb
Viking atletik (Bornholm)
Christiansborg Rundt
Den store svømmedag
Frederikssund OAKS
Fængselscup
Giraf Cup
Horsens selvforsvar, børn og unge
Horsens løbet
Horsens petanque klub
Horsens svømmeklub
Søndersøløbet
Team Danmark kapsejlads
Team Hårup cykelklub
Dansk handicap idræt
Håndboldskolerne
NOVO Nordisk sportscamps
TennisCamps
Lillebælt halvmaraton
T. H. Motorsport



Illness

Børnecancerfonden
Globeathons march
Hjernebarnet
Diabetesforeningen
Hjerneskadeforeningen
Danske Hospitalsklovne
Knæk Cancer
Ladywalk
Parkinson Foundation tour
Team giv håb
Tour de Femme
Kræftens Bekæmpelse
Scleroseforeningen
Støt Brysterne løbet
Team Best of Horsens
Familier med kræftramte børn
Stafet for livet
Tour de Taxa – indsamling til
Kræftens Bekæmpelse



Children

Børns voksenvenner
Julemærkehjemmet
Julemærkemarchen
Madkamp – DM i Madkundskab
MOT
Cooking Kids
Madskolerne
Ungdommens Røde Kors
Børn Vilkår



The fight against food waste

Julehjælp
Projekt hjemlæs



Culture

Fairtrade by København



Aid

Blå Kors
Danmarks Indsamling
Dansk Folkehjælp
Indsamling til
Syriens flygtninge 2015
Røde Kors Julehjælp

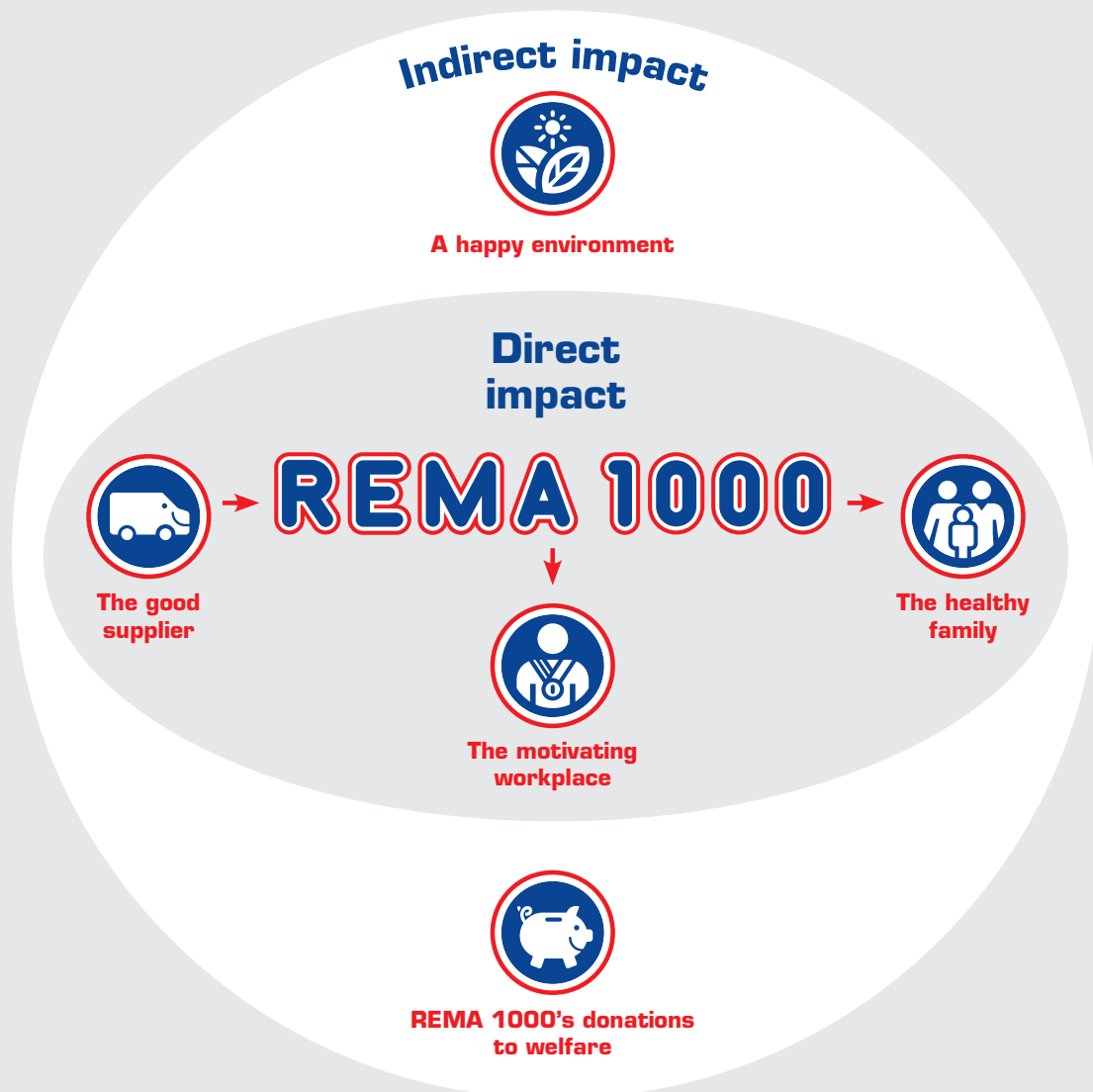


Other

Horsens Kræmmermarked
Danmarks Naturfredningsforening
Mens Health week

Appendix 2

The five focus areas of REMA 1000



REMA 1000 is a value driven company. One of our values is: »We have high business ethics«. We acknowledge our responsibility to customers, employees, suppliers and the surrounding world when running our supermarket chain.

REMA 1000



We are looking forward to continuing our collaboration with employees, suppliers, customers and partners to realise our objectives for 2016 to create new ways of linking value and sustainability.

REMA 1000
Discount with attitude!