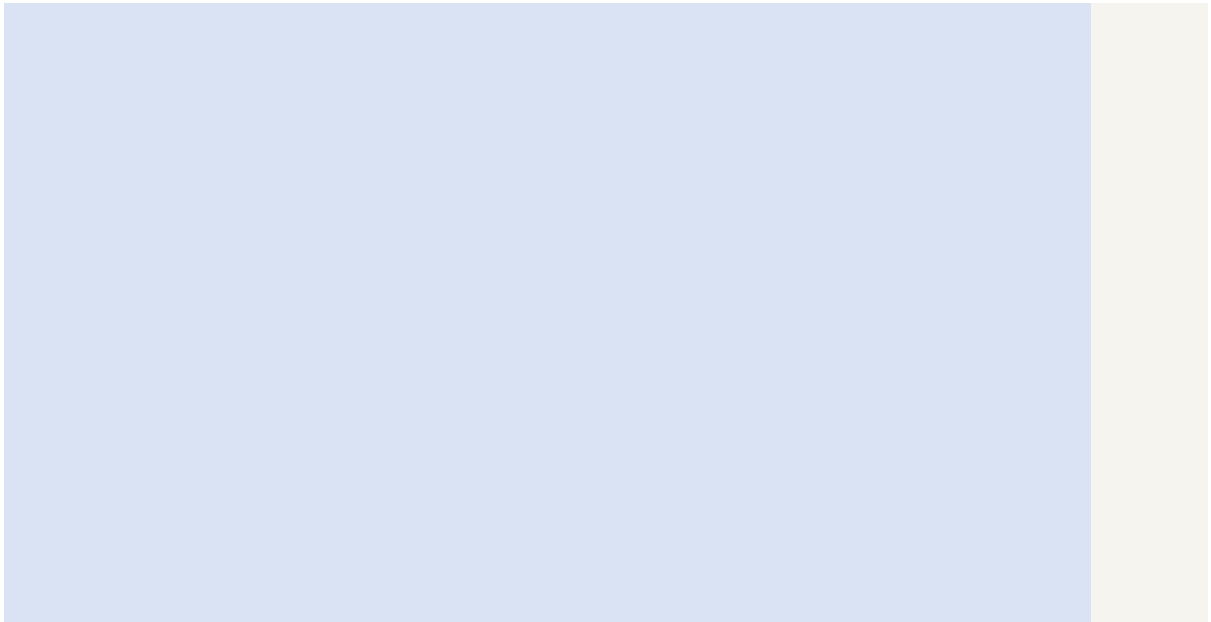


# Reitan Retail Responsible Procurement Policy

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# 1. Introduction

## 1.1 Purpose of the policy

Reitan Retail strives to have a sustainable business practice that respects people, society, and the environment. The greatest risks of negative impact are often found in the supply chain of our goods, which is why we are committed to responsible procurement and supply chain management. Our supply chain and how we conduct procurements are key to reach strategic goals and make positive impact on society, environment, and people.

The Responsible Procurement Policy outlines the requirements and practices we expect our business areas to adhere to. Its aim is to ensure a sustainable and enduring supply chain while aligning with our mission, objectives, and sustainability strategy.

This policy document, together with our Code of Conduct, Supplier Code of Conduct and associated internal processes and routines, forms the basis for our work on labour and human rights, climate, environment, animal welfare, anti-corruption, and other forms of financial irregularities such as money laundering, in our procurements.

## 1.2 About Reitan Retail

Reitan Retail is a leading retail company in the Nordic and Baltic countries, and operate within the discount grocery, convenience and mobility sector in Norway, Sweden, Denmark, Finland, Estonia, Latvia, and Lithuania. Reitan Retail comprises of the business areas Uno-X Mobility, Reitan Convenience, REMA 1000 Norge and REMA 1000 Danmark.

Our goal is to make everyday a little bit easier and the world a little bit better. Responsibility is one of three core areas of our business concept; customers choose us because we offer close, simple, and responsible solutions.

Reitan Retail and its business areas – hereby referred to as Reitan Retail - are responsible for procuring all our goods and services.

## 1.3 Scope, roles and responsibilities

This policy covers direct and indirect procurement for all our business areas and their affiliated companies. The business units are required to align their procurement practices, including supplier code of conduct, supplier agreements, and internal procedures, with the principles outlined in this policy. The objectives and aims stated in this policy are accomplished through the efforts of the business units and their affiliated companies. Reitan Retail commit to creating opportunities for cross-functional collaboration where it is deemed appropriate with the aim of sharing information, methodologies, and knowledge.

The owner of this policy is the Chief Operating Officer, COO, at Reitan Retail, and has the overall executing responsibility. This policy is approved by the Board of Directors of Reitan Retail AS.

The CEO of each business area is responsible for the implementation and compliance of the policy. Managers of relevant units are responsible for ensuring that employees under their

management and relevant third parties have understood the contents of the policy and established processes that ensure compliance with the policy. All managers and those in charge have a duty to report deviations from the principles of the policy internally.

## 2. Our commitment

### 2.1 Sustainability strategy

Reitan Retail's strategic approach to responsible sourcing is to drive transformation together with our suppliers that supports our sustainability promise – to make it easy for our customers to make responsible choices. Our Sustainability Strategy thus serves as the foundation for the procurement practices outlined in this policy, particularly our procurement related strategic ambitions for 2030, which include:

- Fundamental human rights including decent working conditions in our supply chain
- Decrease carbon emissions from products and increase our offering of more sustainable mobility solutions
- Decrease food waste and increase use of recycled packaging materials and recycling
- Preserving biodiversity and minimising negative environmental impact in the supply chain
- Improve animal welfare
- Increase our offering of healthier products

### 2.2 International standards and legislation

Reitan Retail obliges to comply with relevant legislation through our procurement practices, such as, but not limited to, the Norwegian Transparency Act, the EU Deforestation Act, the upcoming EU Due Diligence Directive, and the EU Corporate Sustainability Reporting Directive. We work continuously with due diligence in line with the OECD Guidelines for Multinational Enterprises.

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

## 3. Responsible Procurement Practices

### 3.1 Strategic and governance approach

Business areas are expected to operationalize Reitan Retail's Sustainability Strategy, with emphasis on strategic ambitions relevant for procurement, as mentioned in 2.1, through their responsible procurement practices. This involves embedding relevant sustainability ambitions in policies, procedures, and management systems, and setting clear targets and criteria for how to execute ambitions through responsible procurement.

### 3.2 Due diligence and risk management approach

Due diligence is a risk-based approach to responsible business conduct to ensure respect and protection of people, society, and the environment. Reitan Retail expects our business areas to

follow the same approach and integrate due diligence as part of overall enterprise decision-making, risk management and responsible procurement. Due diligence and risk management shall also reflect strategic ambition based on Reital Retail's Sustainability Strategy.

### 3.3 Operationalizing responsible procurement

#### 3.3.1 Traceability and transparency

Our long-term goal is to have full transparency and traceability in our entire supply chain. Our partial goal is to achieve traceability of high-risk suppliers and high-risk raw materials by 2030. To achieve our goal, Reitan Retail is required to collect information systematically from our suppliers and producers, and apply this in our due diligence and responsible procurement practices.

As a minimum, we need to know:

- Product content and country of origin of raw materials
- Country of location of all first-tier suppliers and our private label producers
- For certain high-risk ingredients we may require information on region of origin and additional documentation that confirms the raw material has been sustainably sourced.

We acknowledge that it can be challenging to map all suppliers and business partners and will systematically work to gather information on our business relations over time. The extent of information collected on suppliers and raw materials will depend on the severity of risks and how closely linked the identified risks are to the business areas/suppliers.

#### 3.3.2 Risk assessments

Risk assessment shall be conducted regularly and as part of the procurement process (see also 3.3.3 a and b), as detailed below. When conducting risk assessments, severity and likelihood of the adverse impact to environment, social and human rights, as well as governance, shall be considered. Where the likelihood and severity of an adverse impact is high, due diligence and risk management shall be more extensive. Risk assessments shall be based on credible sources on risks and traceability information on our supply chains.

##### a) High-level risk assessments

Reitan Retail is required to conduct regular, such as annual or bi-annual, high-level risk assessment of product and supplier portfolios and prioritise the most significant risk areas for further assessment. The high-level risk assessment shall include elements such as geography, industry, product and raw materials.

##### b) In-depth risk assessments

Based on significant risk areas identified in 3.3.1, Reitan Retail is required to carry out in-depth assessments to identify potential risks of adverse environmental, social, and human rights impacts and actual adverse impacts. Traceability data on the supply chain and products shall be used to assess and address risks, when appropriate and feasible.

Enhanced risk assessments and risk mitigating measures shall, at a minimum, be implemented at following levels:

- First tier: All potential high-risk suppliers of branded and private label products.
- Sub-tiers:

- All potential high-risk production sites of private label products.
- All potential high-risk raw materials of branded and private label products.

The level of detail and extent of the risk assessments can be adjusted depending on business areas's industries and supply chain.

### 3.3.3 Responsibility throughout the procurement process

#### a) Category strategy and product development

When developing category strategies, taking in or developing new products, Reitan Retail is required to consider criteria related to our sustainability strategy and risks related to potential adverse environment, governance, social and human rights impacts. Decisions related to the final category strategy, product content and composition, as well as when selecting the suppliers of new products, shall be aligned with mitigation of identified risks and our sustainability ambitions.

The same applies when changes are being done to existing products or sourcing existing products from a new market or new supplier (see also step 3.3.3.b).

#### b) Pre-qualification and onboarding of suppliers

When considering new suppliers, Reitan Retail is required to evaluate suppliers based on criteria related to our sustainability strategy and potential risks of adverse environment, social and human rights, and governance impacts of the supplier and its supply chain.

Suppliers can be excluded from participating in and winning tenders based on severe risks and poor sustainability performance. By pre-qualifying suppliers, we aim to eliminate suppliers that are not able or willing to adhere to our standards and expectations.

#### c) Supplier management

Reitan Retail and business areas are expected to follow up suppliers to ensure mitigation of potential negative impacts and effective implementation of the sustainability strategy in appropriate levels of the supply chain and stages of the procurement process, such as, but not limited to:

- First tier suppliers of branded and private label products.
- Sub-tiers such as production sites of private label products and raw materials.
- During product development, and pre-qualification and onboarding of suppliers
- During tender and procurement processes, including internal practices related to lead time, order placement, price negotiations and more.

### 3.3.4 Holistic risk management and responsible procurement

Reitan Retail is required to develop and implement risk management plans and responsible procurement practices to ensure progress towards our sustainability ambitions and to effectively stop, prevent and mitigate adverse impacts identified through risk assessments and throughout the procurement process.

As part of risk management plans, Reitan Retail and business areas shall define concrete actions to mitigate and prevent identified risks and stop actual negative impact. Specific goals and KPIs shall be defined in the risk management plans, along assigned roles, responsibilities and timelines, to ensure accountability in implementation and for the purpose of tracking and monitoring, see also 5.1.

Relevant policies and procedures to optimize management systems for responsible procurement shall be developed and updated regularly. This may include policies related to high-risk areas, such as raw materials, specific procedures, systems and tools for responsible procurement and risk management.

## 4. Stakeholder engagement and collaboration

In connection to a due diligence process, Reitan Retail shall engage with relevant stakeholders. This means seeking dialogue with persons or groups who have interests that could be affected by a company's business activities, as well as those who have interest and/or ability to influence the company.

Stakeholder engagement aims to be meaningful, and needs to include two-way communication and ongoing dialogue, be responsive and conducted in good faith. This entails consulting with affected stakeholders, including workers and their representatives, and business partners, to gain insight on potential risks and harm, the appropriateness of risk mitigating measures and the effectiveness of risk management.

Reitan Retail shall seek to collaborate internally and with third parties to ensure effective implementation of this policy. Collaboration is relevant at all stages of due diligence and procurement, such as risk assessments, risk mitigation and stakeholder engagement. Examples of collaboration can include pooling knowledge, increasing leverage and scaling up effective measures.

## 5. Follow-up and reporting

### 5.1 Monitoring implementation

Reitan Retail shall work to assess whether identified adverse impacts have been responded to effectively. This entails that implementation of risk management plans shall be monitored and performance of risk mitigation efforts shall be tracked, appropriate qualitative and quantitative indicators are to be used for this purpose.

Reitan Retail shall monitor risk performance in the supply chain at all necessary levels, meaning suppliers, sub-suppliers, and raw materials where applicable. Measures for monitoring may include, but not limited to, supplier reporting, third party auditing, site visits/audits, certification schemes, traceability of products, stakeholder engagement.

Reitan Retail is also required to monitor and track implementation and effectiveness of the requirements in this policy and the commitments, activities and goals related to responsible procurement. Internal or third-party reviews or audits shall be conducted periodically of Reitan Retail and the business areas.

### 5.2 Handling breaches

Where we uncover breaches of the requirements in this policy internally, Reitan Retail shall communicate the issue with relevant parties and develop and implement a corrective action plan. Breaches in the supply chain are handled according to requirements in the specific business areas' Supplier Code of Conduct, which may include respect and protection of

workers' right to fundamental human rights and decent working conditions and zero tolerance for child labour, discrimination, or corruption. All actual and suspected breaches shall be reported and followed up.

### 5.3 Remediation of harm

If actual negative impact occurs in the supply chain, Reitan Retail shall seek to remediate the harm. The aim of remediation is to restore the affected person/persons or environment to the situation they would be in had the adverse impact not occurred, where possible. The remediation should be proportionate to the significance and scale of the adverse impact, meaning that the type of remedy or combination of remedies that is appropriate will depend on the nature and extent of the adverse impact. Affected stakeholders shall be consulted during the entire process of remediation.

Where Reitan Retail has caused or contributed to negative harm, we shall work to cease the negative impact and provide remediation to affected parties. In cases where we are directly linked to negative harm, we will collaborate with relevant parties to ensure remediation.

### 5.4 Reporting

Reitan Retail shall communicate and report on responsible procurement internally and externally, and in line with legal and internal reporting requirements. Results from regular monitoring and evaluation shall be reported and communicated to relevant parties and used to improve future processes.

For internal and external reporting purposes, Reitan Retail will define over-arching KPIs related to responsible procurement and the Sustainability Strategy. Business areas shall apply these KPIs, in addition to their own KPIs for risk management, see 3.3.4.





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