

GRI Attachment 2020

R-kioski Oy

R-kioski published its first Sustainability report in 2020. As R-kioski wanted to align its sustainability reporting with the Global Reporting Initiative (GRI) framework, R-kioski's sustainability report is complemented with this GRI attachment. The sustainability report, together with this GRI attachment describes how R-kioski works with environment, social, economic and business ethics-related topics. The reporting is conducted according to the GRI core standard.

The GRI Content index is found at the end of this GRI attachment. The index describes where content related to specific GRI indicators can be found in the sustainability report or in this GRI attachment.

R-kioski's sustainability report 2020 can be found from this address: <https://www.r-kioski.fi/vastuullisuus/>

In questions related to R-kioski's sustainability reporting, and related sustainability work, you can contact Ann-Charlotte Schalin (Ann-Charlotte.Schalin@r-kioski.fi).

Materiality analysis and stakeholder dialogue

As a part of R-kioski's increased focus on sustainability and our wish to report according to best practice, we have conducted our first materiality analysis based on stakeholder dialogue. The purpose of the materiality analysis was to identify sustainability topics that are most relevant for R-kioski's stakeholders, what impact R-kioski has on these topics and which topics R-kioski is expected to report on. The materiality analysis was conducted according to the Global Reporting Initiatives (GRI) framework and external consultants were used to conduct interviews and surveys. R-kioski's management team went through the results of an initial analysis and agreed upon the final material topics to be prioritized in R-kioski's sustainability work and reporting.

The purpose of the materiality analysis is to identify the most important sustainability topics to focus on. The evaluation on material topics was based on R-kioski's economic, environmental, and social impact, in addition to listening to the expectations and information needs of R-kioski's most important stakeholder groups. For the report preparation process, R-kioski's management team prioritized the stakeholder groups listed in table below and named contact people from each stakeholder group. Stakeholder views were then gathered through interviews and surveys, which were conducted by an external consultant. As Reitan Retail and Reitan Convenience sustainability-related priorities became clearer, these were also considered. The results from stakeholder dialogue were prioritized and validated in an internal workshop, in order to define the final 10 material topics to focus R-kioski's sustainability work on.

R-kioski has followed the GRI reporting principles to the extend reasonable (R-kioski's 2020 sustainability report was prepared before the decision to implement the GRI-recommendations). In



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up-coming years, the principles regarding report content and quality can be taken into consideration when producing the sustainability report.

Stakeholder group	Important Topics	
Customers	<ul style="list-style-type: none"> • Good treatment of customers • Employee wellbeing, health and safety • Security in store • Fair and Equal employment, diversity • Product safety • Education and training of employees 	Stakeholder survey, daily contact
Franchisees	<ul style="list-style-type: none"> • Good treatment of customers • Employee wellbeing, health and safety • Security in store • Education and training of employees • Nearby produced and domestic products • Value based leadership • Wide product range • Sustainable transportation and logistics • Vegetarian food & meat free alternatives • Packaging materials • Waste & recycling • Carbon footprint and reduction actions 	Stakeholder interview, survey, continuous contact
Product/service suppliers, Warehouse	<ul style="list-style-type: none"> • Reducing carbon footprint, Greenhouse gas emissions • Responsible supply chain • Business strategy and strong co-operation with suppliers • Good corporate citizenship, business ethics, transparency and corporate governance • Employee wellbeing, health and safety • Minimizing waste, recycling, circular economy • Fair & equal employment • Wide assortment • Fresh, vegetarian and healthy alternatives • Packaging materials 	Stakeholder interview, survey, continuous contact
R-kioski employees	<ul style="list-style-type: none"> • Good treatment of customers • Employee wellbeing, health and safety • Education and training of employees • Fair and equal employment, diversity • Value based leadership • Nearby produced and domestic products • Reduction of (food) waste • Community involvement and local value creation • Reduction of plastic • Business strategy and strong co-operation with suppliers • Good corporate citizenship, business ethics, transparency and corporate governance • Working environment • Energy efficiency 	Stakeholder interview, survey, continuous contact

The results from stakeholder dialogue were prioritized and validated in an internal workshop, in order to define the final 10 material topics to focus R-kioski's sustainability work on. These are visualized with bold text in below materiality matrix.





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GRI Content Index

GRI Indicator	Reference	Comments
GRI 101 Foundation 2016		
GRI 102 General Disclosures 2016		
Organisational profile		
102-1 Name of the organization	2	
102-2 Activities, brands, products, and services	8, 25-26, https://www.r-kioski.fi/vastuullisuus/vastuullisuus-tuotteet/	
102-3 Location of headquarters	https://www.r-kioski.fi/yhteystiedot/	
102-4 Location of operations	9	
102-5 Ownership and legal form	9, 19, https://www.r-kioski.fi/yritys/	
102-6 Markets served	9, 10, 14, https://www.r-kioski.fi/yritys/	
102-7 Scale of the organization	https://www.finder.fi/Kioski/R-kioski+Oy/Vantaa/yhteystiedot/2618875 Number of customers served: 66 million	
102-8 Information on employees and other workers	GRI-appendix, page 6	
102-9 Supply chain	10, 33, 39	
102-10 Significant changes to the organization and its supply chain	GRI-appendix, page 7	
102-11 Precautionary Principle or approach	46-47	
102-12 External initiatives	12-13	
102-13 Membership of associations	Finnish Grocery Trade Association, Finnish Commerce Federation, The Finland Chamber of Commerce	
Strategy		
102-14 Statement from senior decision-maker	4-5	
Ethics and Integrity		
Value-Based Leadership	R-kioski finds that GRI's standard indicators do not cover all of R-kioski's material themes. Therefore we have chosen to disclose company specific topics such as Value-Based Leadership.	
102-16 Values, principles, standards, and norms of behaviour	44-47	
103-1 Explanation of the material topic and its boundary	44-47	
103-2 The Management approach and its components	44-47	
103-3 Evaluation of the management approach	44-47	
Governance		
102-18 Governance structure	Board of Directors, Executive Team	
Stakeholder Engagement		
102-40 List of stakeholder groups	GRI-appendix, page 2	
102-41 Collective bargaining agreements	Percentage of total employees covered by collective bargaining agreements is 100%	
102-42 Identifying and selecting stakeholders	GRI-appendix, page 1	

102-43 Approach to stakeholder engagement	GRI-appendix, page 1	
102-44 Key topics and concerns raised	GRI-appendix, page 2	
Reporting Practice		
102-45 Entities included in the consolidated financial statements	9, https://www.r-kioski.fi/yritys/	
102-46 Defining report content and topic Boundaries	GRI-appendix, page 7	
102-47 List of material topics	SDGs on page 12-13, GRI-appendix, page 3	
102-48 Restatements of information	Not relevant (first year of reporting)	
102-49 Changes in reporting	Not relevant (first year of reporting)	
102-50 Reporting period	2	
102-51 Date of most recent report	Not relevant (first year of reporting)	
102-52 Reporting cycle	Annual	
102-53 Contact point for questions regarding the report	ann-charlotte.schalin@r-kioski.fi	
102-54 Claims of reporting in accordance with the GRI standards	This report has been prepared in accordance with the GRI Standards: Core option	
102-55 GRI content index	https://www.r-kioski.fi/vastuullisuus/	
102-56 External assurance	No external assurance has been made	
Economic Responsibility & Profitability		
GRI 200 ECONOMIC STANDARDS 2016		
201-1	https://www.finder.fi/Kioski/R-kioski+Oy/Vantaa/yhteystiedot/2618875	
GRI 300 ENVIRONMENTAL STANDARDS 2016		
Sustainable products & raw material		
	42-43. R-kioski finds that GRI's standard indicators do not cover all of R-kioski's material themes. Therefore we have chosen to disclose company specific topics such as Sustainable products & raw materials.	
103-1 Explanation of the material topic and its boundary	GRI-appendix, page 7	
103-2 The Management approach and its components	GRI-appendix, page 7	
103-3 Evaluation of the management approach	GRI-appendix, page 7	
Reducing Carbon Footprint	12, 28-29, 33	
Emissions		
103-1 Explanation of the material topic and its boundary	GRI-appendix, page 8	
103-2 The Management approach and its components	GRI-appendix, page 8	
103-3 Evaluation of the management approach	GRI-appendix, page 8	
305-1 Direct (Scope 1) GHG Emissions	GRI-appendix, page 8	
305-2 Energy Indirect (Scope 2) GHG Emissions	GRI-appendix, page 8	
305-3 Other indirect (Scope 3) GHG emissions	GRI-appendix, page 8	
305-5 Reduction of GHG emissions	GRI-appendix, page 8	



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Waste and Chemicals Management		
Reduction of Food Waste		
103-1 Explanation of the material topic and its boundary	GRI-appendix, page 12	
103-2 The Management approach and its components	GRI-appendix, page 12	
103-3 Evaluation of the management approach	GRI-appendix, page 12	
GRI 400 SOCIAL STANDARDS 2016		
Attractive Franchisor/Employer		
Training and Education	12, 14-15, 19	
Diversity and Equal Opportunity	12, 16-17, 44	
405-1 Diversity of governance bodies and employees	GRI-appendix, page 12	
405-2 Ratio of basic salary and remuneration of women to men	GRI-appendix, page 13	
Community Involvement & Local Value Creation		
413-1 Operations with local community engagement, impact assessments, and development programs	13, 20-24	
Good Treatment of Customers	12-14, 29. R-kioski finds that GRI's standard indicators do not cover all of R-kioski's material themes. Therefore we have chosen to disclose company specific topics such as Good treatment of customers	
103-1 Explanation of the material topic and its boundary	GRI-appendix, page 10	
103-2 The Management approach and its components	GRI-appendix, page 10	
103-3 Evaluation of the management approach	GRI-appendix, page 10	
Business Strategy & Strong Co-operation with Suppliers	13, 39	

Complementing disclosures

102-8 Information on employees and other workers

Permanent	Male	Female	Total
Full-time	10	70	80
Part-time	11	79	90
Total	21	149	170



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Temporary	Male	Female
Reservists	36	219

Total	Male	Female
	57	368

Franchise companies operate 85% of the stores. The franchise entrepreneurs together employ 1 712 persons, which are not R-kioski Oy's employees.

The data was compiled for Reitan for the year end 2020 -report (both R-kioski Oy and franchise companies) and b) for the Bureau of Statistics in Finland, mandatory annual reporting (R-kioski Oy).

102-10 Significant changes to the organization and its supply chain

In the beginning of January 2020, we had 513 stores, whereas in the beginning of January 2021 we had 474 stores. The net change was -39 in 2020 (41 closings 41 and 2 new locations: Helsinki and Kuopio). We made 31 major store renovations.

There has been no significant changes in the locations of suppliers or structure of the supply chain, nor relationships with suppliers, except that suppliers' investments in business development has been more cautious than usual due to uncertain covid-19 related circumstances.

Sustainable products & raw materials

It is important for our stakeholders that we ensure responsible practices in our entire value chain. We sell a wide variety of products, and in cooperation with our suppliers and logistics partners, we aim to ensure sustainable practices. Due to the fact that the greatest impacts occur in the preliminary stages of our value chain, we require our suppliers to have their own sustainability programs, through which they ensure that products bought by R-kioski are produced from sustainable raw materials. As a part of our cooperation, our suppliers keep us up-to-date on sustainability issues related to e.g. transportation, packaging, production, sub-suppliers and factories. We prefer to establish long-term partnerships in order to create durable solutions with our partners, while also taking the voice of the customers into consideration. A good example of this is our salads, which are both produced in Finland and now also only contain domestically raised poultry.

We aim to reduce our negative environmental impacts through sustainable selections in our assortment. For example, we have introduced vegan products, as well as ensuring that 100% of the coffee we purchase is certified. Packaging materials have an important role in guaranteeing the freshness and safety of food products, however, it also causes waste and emissions. Due to this, we use packaging materials that reduce the burden on the environment. R-coffee cups, for example, are produced from renewable raw-materials and filters have been substituted with Swan-marked and



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compostable alternatives. One measure we have taken to reduce plastic is to remove the cutlery which used to be included with our R-salads. Instead, we now offer wooden cutlery, in case the customer needs to eat on-the-go. All of our serving and packaging dishes are produced either fully, or close to fully, from renewable raw materials. In addition to this, we guide our consumers in recycling the packaging after use.

We require our suppliers to adhere to our Code of Conduct. Moreover, our suppliers are again expected to monitor their own suppliers, to ensure compliance.

R-kioski has committed to promote the UN Sustainable Development Goals through its mother company Reitan Convenience. Our focus areas are health, environment, people and ethical trade.

We are aiming to increase the share of recycled packaging materials in our production. Currently, we are following the best-practice approaches in all our operating locations, but are continuously looking for better models and procedures for waste sorting and recycling.

R-kioski is aiming to reduce environmental impacts in cooperation with our supply chain, in short- and medium time horizons. For example, Ärrävesi-water will from 2021 and onwards be sold in bottles made from 100% recyclable materials.

R-kioski has not yet set any concrete targets of follow-up mechanisms for sustainable products and raw materials, as this is connected to the ongoing work of completing Reitan Retail's ESG-strategy.

Emissions

Reducing Carbon Footprint is a material topic for R-kioski due to our stakeholders highlighting the importance of taking our part of the responsibility to limit climate change. R-kioski's Scope 1 and 2 emissions were in total 2 576 tCO₂e in 2020. The greatest part of our emissions are indirect emissions from our value chain. That is why we have started measuring also our Scope 3 emissions, in order to get an overview of these and in order to be able to engage with our suppliers in order to reduce the emissions and related impacts. According to the GHG Protocol, franchisees can be calculated as indirect scope 3 emissions. It has been a conscious decision from our company to include the emissions from franchisees into R-kioski's scope 1 and 2 emissions.

In 2020, R-kioski started calculating its emissions, with a base year of 2019. Emissions have decreased from 2019 due to energy saving activities and the covid-19 pandemic. Climate change and the reduction of our carbon footprint was concluded to be one of the material topics after our stakeholder interviews and surveys. That is why we want to develop our management approach related to GHG emissions. Reitan Retail, that R-kioski is a part of, is committed to setting a science based target of limiting global warming to 1,5 degrees.

R-kioski and the Reitan Group measure emissions annually, and in case emissions would not develop in the right direction, there should be changes done into the management approach.

		2019	2020
Scope 1	tCO₂e	406,9	595,5
Scope 2 (location-based)	tCO₂e	2228,9	1980,6
Scope 2 (market-based)	tCO₂e	925,7	766,6
Scope 3			
Scope 3 Waste	tCO ₂ e	14,7	1,1
Scope 3 Fuel-and-energy-related activities	tCO ₂ e	983	869
Scope 3 Business travel	tCO ₂ e	113,5	70,5
Scope 3 Upstream transportation and distribution	tCO ₂ e	274,7	246,8
Scope 3 Purchased goods and services	tCO ₂ e	560,7	480
Scope 3 Total	tCO₂e	1946,7	1667,4

In 2020, R-kioski's Scope 1 emissions were 595,5 tCO₂e and Scope 2 emissions 1 980,6 tCO₂e (location-based). With the market-based method, the Scope 2 emissions were 766,6 tCO₂e. The base year for R-kioski's carbon footprint is 2019, which is the first year that R-kioski has emissions data for. The Scope 1 emissions in base year were 406,9 and the Scope 2 (location-based) 2 228,9 tCO₂e.

The emissions have been calculated using the Greenhouse Gas Protocol. All greenhouse gases specified in the GHG Protocol have been included in R-kioski's carbon footprint calculations. R-kioski does not have biogenic emissions. R-kioski's consolidation approach is financial control. The emission factors used in the calculations have been gathered from different sources, mainly DEFRA and IEA.

R-kioski has started to gather Scope 3 emission data, and the current scope 3 emissions add up to 1 667,4 tCO₂e from categories purchased goods and services, fuel-and-energy-related activities, upstream transportation and distribution, waste and business travel. It should be noted that as R-kioski has only recently started gathering Scope 3 data, it is likely that the emissions from this scope will increase in future accounting years. Especially the category purchased goods and services is expected to increase.

R-kioski has implemented various actions to reduce energy use and emissions from own operations. Some examples of actions done in 2020 have been highlighted in the Sustainability report on page 28. As a result, our Scope 1+2 emissions were reduced by 59,7 tCO₂e, representing a reduction of 2,3%.

R-kioski has as a part of Reitan Retail the ambition to become net zero in own operations (Scope 1 & 2) by 2030, and net zero in the entire value chain (Scope 1, 2 & 3) by 2050.



Good Treatment of Customers

AIMING FOR EXECUTION EXCELLENCE IN SALES AND CUSTOMER SERVICE

In R-kioski we live and breathe customer service. Monitoring and analyzing the metrics of everyday service quality is one of the most integral parts of a franchisee's responsibilities in store management – covering everything from reviewing POS and sales reports to following up on the handling of customer feedbacks on a case-by-case basis.

R-kioski uses the NPS recommendation index as a strategic planning tool and it is measured twice a year. In the 2020 service experience survey conducted by the Finnish Commerce Federation, R-kioski was ranked in TOP3 in overall service experience.

Franchisees are regularly supplied with chain-level service indicator results of different topics. R-kioski chain management experts carry out two concept evaluations yearly, including a step-by-step assessment of everything related to customer experience. The third yearly measurement is required from the franchisee him/herself – giving them an excellent opportunity to verify the effectiveness of development procedures made. R-kioski's regional sales managers also produce a written quality report on the level of store operations during every store visit, approximately once a month. Franchisee is consulted on steps to take, and a follow-up measurement will take place accordingly. R-kioski also utilizes mystery shoppers regularly, focusing on living up to the expectations of customers.

In the end, the success in customer service is stated in R-kioski's Best standards metrics (Leadership, Execution excellence, Profitability, Upselling), benchmarking all key indicators related to the franchisee's convenience business unit.

FRANCHISEE AND STAFF TRAINING TO SUPPORT THE EXECUTION EXCELLENCE

R-kioski franchisees are trained to always prioritize customer service over other routines, and to plan everyday tasks in ways, which enable focusing on excellent customer service. The Support office provides franchisees with management tools for organizing routines and tasks properly, as well as management trainings to ensure their ability to improve efficiency. R-kioski has a comprehensive and systematic training program for all of its franchisees and salespersons.

ENGAGEMENT FUELS PROFESSIONALISM

All great businesses are built by great individuals. A committed R-kioski franchisee with high-quality management and a trained sales team with execution excellence are the key players in ensuring world-class service in the stores. To be the best in class, both knowledge, skills and experience-based professionalism are needed, in addition to the tools and expertise provided by R-kioski support office.

SUFFICIENT STAFFING

Excellent service performance demands focus on top-quality personnel management, always enabling sufficient staffing. The franchisee has an overall control over the functionality of the store's team performance and staffing, covering all stages of employment relationship from recruitment to compensation. The franchisee plans the staffing needs and resources and is personally committed to keeping the store open. This is a very efficient working model, as the best and most accurate information regarding location specific issues (such as peak hours) is always available directly to the franchisee in the store without any delay. Our POS and reporting system give the franchisee all necessary key performance indicators related to staffing and sales data. The franchisee also makes a monthly action plan to forecast changes in staffing needs, ensuring reaction time.

Customer feedback is collected via five paths:

- franchisees and their staff at the stores
- online consumer feedback form <https://www.r-kioski.fi/palaute/>
- call center (open 17/7) for franchisees and consumers
- social media channels: Facebook, Instagram, Twitter
- intra-chat for communication between stores and the support office.

R-kioski centralized call center is serving franchisees in all matters related to commercial actions (orders, deliveries, remittance correction, product- and campaign inquiries, questions about inventory and economy, complaints, cashier peripheral device matters, subscription orders), and it is an important point of contact between stores and the support office.

CUSTOMER FEEDBACK MONITORING

R-kioski centralized customer service receives roughly 500 customer feedbacks per month. They are assorted under correct headlines and handled using WordPress. Every feedback is of utmost importance to R-kioski, and the feedbacks are handled individually according to GDPR regulations and considering the point of view of all parties involved.

Feedback, which considers a particular store and its performance, is first directed to R-kioski's sales manager and then to the franchisee with suggestions for improvement. After that the franchisee personally contacts the customer.

R-kioski Call center follows weekly:

1. The response rate



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2. The resolution rate during 1st call
3. SLA report including a.) top10 topics b.) tickets transferred to depts c.) response time (committed to be 24hrs)
4. Feedback survey among franchisees after every call

"Lovely staff in the R-kioski in the arriving flights' hall. Special thanks to the ladies, who helped me on Sunday morning. You made my Christmas a better one :)"

Reduction of Food Waste

Food waste generated throughout value chains is an increasingly problematic issue on a global level, and we recognize that we need to be a part of the solution to solve this. We reduce food waste by making thoughtful assortment choices, by using Ekoteko-discount stickers and by launching coupon campaigns. Moreover, we lower the prices of products approaching their Best Before date. In order to minimize food waste from storage, we use terminal deliveries for large parts of products with short shelf life and the products are delivered based on orders made by kiosks. The remaining potential food waste from storage is redirected to charity. When it comes to products that are prepared on-site at the kiosks, we aim to utilize the same ingredients in recipe planning. The merchants and kiosk personnel are provided training in order planning, to prevent purchase of superfluous produce. Additionally, they receive training to minimize waste when preparing products. When it comes to baked goods, we are trying to minimize food waste through our "From good to better" (Hyvästä Paremmaksi) – measure. If any baked goods are in danger of going to waste, we offer them to customers as tasting samples at the end of the day. We are also actively assessing the prospect of creating a mobile app aimed at reducing food waste from our kiosks. Our ambition is to make our kiosks as good and efficient as possible at sorting and recycling.

To improve efficiency for our supply chain operations, and to reduce food waste, we have established a new partnership with Relex. This will enable us to improve store forecasting and replenishment, promotion forecasting, and mobile collaboration between stores and central teams.

Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees

Within R-kioski's management team, both the share of males and females is 50 percentage. There are two persons in the age group 30-50 in the management team, and 4 persons who are over 50 years old.



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Of employees within R-kioski Oy (excluding franchisees), 82,5% are female and 17,5% male. The amount of employees in different age groups is as follows:

- Below 30 years: 100 persons
- 30-50 years: 145
- Over 50 years old: 97

405-2 Ratio of basic salary and remuneration of women to men

The ratio of the basic salary and remuneration of women to men for each employee category (including stores and support office) is presented below

Management Team	109
Middle Management	112
Senior Experts & Team Leaders	90
Experts	95
Office Workers	102
Store Workers	100