



Corporate Responsibility Report 2019

Raisio plc

Healthy and responsible food from Raisio

Raisio is an international company specialised in healthy, responsibly produced food and fish feeds. In Raisio's products, the focus is on well-being, health, good taste and sustainable development. Profitable growth is ensured through our strong expertise and drive for innovation. Raisio's shares are listed on Nasdaq Helsinki Ltd, and the company has some 36,000 shareholders. In 2019, the Group's net sales totalled EUR 236 million and comparable EBIT was EUR 27 million. Raisio employs some 320 persons.

Raisio's production plants are in Finland and the company has operations in ten countries. The Group's head office is in Raisio, Western Finland. The key markets of Benecol products are Finland, the UK, Poland, Ireland and Belgium. In addition to Benecol, Raisio's well-known brands in Finland are Elovena, Sunnuntai, Torino, Nalle and Benella. In Eastern Europe, Raisio sells oat products under the Nordic brand. The key markets for fish feeds are Finland and Northwest Russia. In addition, Raisio sells oat products to industrial and catering customers, particularly in Finland and Europe.

Food for Health, Heart and Earth.



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From President and CEO:

Responsibility at the core of Raisio's strategy

At Raisio, responsibility is part of our strategy and everyday work. Raisio's purpose "Food for Health, Heart and Earth" guides our operations. We have made responsibly produced, safe, healthy and high-quality food for over eighty years, and we still believe in continuous improvement. That is why we have set ambitious goals for our responsibility work.

2019 was the first year of our new responsibility programme, Good Food Plan. We embarked on a journey to become a forerunner in responsibility through numerous concrete actions. The results of our work are presented in this Corporate Responsibility Report.

Raisio is committed to the UN Global Compact's sustainability initiative and its ten principles concerning human rights, labour practices, environment and corruption. We will continue to promote these principles in our operations and value chain. Our work also supports the UN Sustainable Development Goals, such as responsible consumption and production, climate action, life below water and good health.

Committed personnel and open collaboration with stakeholders are at the heart of successful responsibility work. Let's continue working together for more responsible food.

Pekka Kuusniemi

President and CEO
Raisio plc





GOOD FOOD PLAN 2019 - 2023

Good Food Plan 2019 - 2023

Raisio's purpose "Food for Health, Heart and Earth" guides and inspires us to operate responsibly. Our responsibility programme, Good Food Plan 2019-2023, is part of the company's Healthy Growth Strategy that aims, among other things, to make Raisio a forerunner in responsibility. The Good Food Plan defines the targets and actions for our responsibility work. It is crystallised into five themes, in which we want to grow into a forerunner of responsibility by the end of 2023

The programme sets ambitious goals for Raisio's responsibility work, and its implementation began in early 2019. Based on the stakeholder analysis, Raisio's teams worked together to compile the Good Food Plan.

GOOD FOOD PLAN THEMES:

1. Environmentally Friendly Packaging
2. Climate Change and Carbon Neutrality
3. Healthy Food
4. Food Professionals
5. Sustainable Food Chain



The first year's achievements of the Good Food Plan



Environmentally friendly packaging

- Recycling instructions on packaging
- Several test trials with carton-based materials
- Cooperation with packaging material suppliers, research institutes and subcontractors

Target 2023:
**NO PLASTIC PACKAGING,
100% RECYCLABLE**



Climate change and carbon neutrality

- Alternatives as the carbon-neutral energy solution at Nokia mill
- New teleconferencing equipment in conference rooms
- Subcontractor cooperation: info letter and energy questionnaire sent 1/2020

Target 2023:
**100% CARBON-NEUTRAL
OWN PRODUCTION**



Healthy food

- Updated criteria for Raisio's healthy food
- Healthy novelties, e.g. Elovina snack biscuits 100% oats
- Elovina instant oatmeals meet Heart Symbol targets

Target 2023:
**80% OF PRODUCTS HEALTHY
ALTERNATIVES**



Food professionals

- Trainings for superiors, value workshops
- Healthy food online training and nutrition lectures
- Health Days
- Opportunities for voluntary work

Target 2023:
**EXCELLENT EMPLOYEE
EXPERIENCE AND
HEALTHY LIFESTYLE**



Sustainable food chain

- Responsibility included in the risk assessment and audit processes of suppliers
- Roadmap for using certified raw materials and reducing palm oil
- Training and workshop on human rights
- Clarified use of the Supplier Code of Conduct

Target 2023:
**SUPPLY CHAIN RESPONSIBILITY
AND COMMITMENT TO HUMAN
RIGHTS**

ENVIRONMENTALLY FRIENDLY PACKAGING



Environmentally Friendly Packaging

We promote the use of environmentally friendly packaging. We aim to stop the use of plastic packaging in our consumer products and to ensure the recyclability of all consumer packaging by the end of 2023.

The purpose of a package is to protect and ensure the shelf-life and safety of a product. Consumers want to have environmentally friendly and easily recyclable product packaging. In 2019, we started our journey towards the elimination of plastic packaging. As our first steps, we surveyed the recyclability of materials as well as cardboard-based packaging options.

At the beginning of 2019, we conducted an extensive study on the recyclability of packaging materials in our markets. The study showed that consumers' possibilities to recycle packaging vary from one market to another. For example, consumers can return Benecol drink bottles to plastic

recycling bins in Finland but not in the UK. We are trying to find packaging options that can be recycled in all markets.

We have built cooperation with research institutes, packaging manufacturers and paper industry to find new cardboard-based packaging options for our products. Processes in packaging changes are lengthy and we do not compromise on the quality or safety of products. We made several test trials with carton-based recyclable materials. After the trials, the products are tested for shelf-life and durability to ensure the suitability and safety of packaging materials.

As part of the environmentally friendly packaging, we avoid unnecessary and oversized packaging. That is why we also look into opportunities to reduce the amount of plastic in our current packaging.

We updated our internal guidance on the recycling instructions and labelling of our consumer packaging. New easy-to-understand recycling instructions clearly indicate how consumers can recycle the packaging. Recycling labelling in line with the guidelines is updated as packages are renewed.

OUR GOOD
FOOD PLAN
TARGET
2023

With our consumer products, we will stop using plastic packaging.



All our consumer product packaging will be recyclable.



We want to be a forerunner in environmentally packaged foods.



Recyclable consumer
packaging in 2019



Packaging materials in
consumer products in 2019



What do we mean by environmentally friendly packaging?

1.

We stop using plastic packaging. We aim to find packaging options that contain no plastic, or plastic is used only as coating, and that are suitable for cardboard recycling.

2.

We prefer cardboard-based packaging.

3.

The recycling labelling on packaging is clear and packaging is easy to recycle.

4.

We optimise the packaging sizes and reduce the use of plastic.

5.

Our packages must be easy to use and protect the product well.

HEALTHY FOOD



Healthy Food

As defined in its strategy, Raisio focuses on healthy and tasty food. At the end of 2019, 77 (69) per cent of Raisio's consumer products were healthier alternatives in their own categories.

Raisio's view on healthy food is based on the generally approved concepts confirmed by the science of nutrition. While developing healthy products, we strive for the best possible combination of taste and healthiness. We pay special attention to the good taste of products, the quality of fat and the amounts of wholegrains, sugar and salt.

To support product development, we have defined healthy criteria for all product categories. The criteria take issues essential to health into account in each category. We updated the criteria in 2019, paying stronger attention to the local nutritional recommendations and definitions in all Raisio's markets, such as The Heart Symbol and

Nutri-Score requirements. We made changes regarding, for example, the health requirements of instant oatmeals by updating them to meet the changed Heart Symbol's criteria. Healthiness of instant oatmeals is now assessed using the same criteria as with ready-to-eat porridges; nutritional values are analysed for ready porridge, not for dry matter.

At the end of 2019, 77 per cent of our consumer products were healthier alternatives in their own categories while the year before, 69 per cent met our health criteria. The improvement resulted mainly from the change in health criteria and partly from the launch of new healthy products.



In 2023, at least **80%** of our products will be healthy alternatives in their own categories.

We make genuinely healthy food.

OUR GOOD FOOD PLAN TARGET 2023

Healthy novelties



Elovena snack biscuits

During 2019, we further developed the recipes of popular Elovena snack biscuits and launched new flavours. Grain raw material in the renewed wheat-free Elovena snack biscuits is 100 per cent oats. We also improved the quality of fat in the biscuits by replacing margarine with rapeseed oil and by reducing the amount of sugar. We will continue the renewal of Elovena snack biscuit range in 2020.





Long-term work continuing

The development of healthy products is long-term work. Raisio started determinedly and systematically to examine the product healthiness in 2016. At that time, 63 per cent of consumer products were healthy alternatives in their categories. Over the course of four years, we have modified the company's product portfolio making it increasingly healthy;

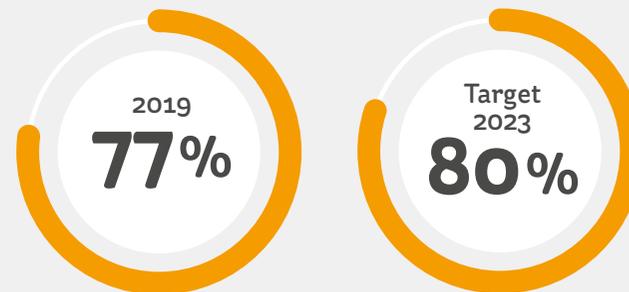
now, the share of healthy products is already 77 per cent. Most of the new products are healthy. In addition, we have redesigned our existing products by, for example, reducing salt and sugar.

Raisio offers cholesterol-lowering Benecol products and grain-based Elovana, Nalle, Sunnuntai, Torino and Nordic products. The company's key brands are Benecol and Elovana with a promise strongly related to health.

In addition, healthy and eco-friendly Benella Fish is produced using Raisioaqua's fish feeds.

Benecol products are proven to lower cholesterol, safely and effectively. Good properties of Elovana products are based on nutritionally versatile wholegrain oats with nutrients in a suitable proportion: carbon hydrates, protein, fat, minerals and B vitamins.

Healthy consumer products





CERTIFICATIONS OF RAISIO'S PRODUCTION SITES

- Quality Management System ISO 9001
- Environmental Management System ISO 14001
- BRC or FSSC food product safety certificate in all food production plants
- Mills certified for organic production
- Kosher certificate at all food production plants
- Halal certificate in the Benecol ingredient production
- RSPO Supply Chain certificate at the Nokia mill
- Certified Gluten Free label for the Nokia mill's production of gluten free oats
- Fish feeds comply with the requirements of the ASC (Aquaculture Stewardship Council) standard for rainbow trout farming

Certifications and quality systems ensure the safety of production. They ensure, for example, the functionality of our traceability processes.

Product safety as a priority

We ensure product safety at all stages of the supply chain, from product development and procurement to production and distribution. We promote the quality and safety of products with certifications, internal and external audits, staff training and effective in-house control processes. At Raisio, there was no need for any public product recalls in 2019. In our own and our subcontractors' production plants, several external and internal audits were conducted related to the certification, product quality and traceability of raw materials.

Risks

As for the healthiness of food, consumers face information overflow

that Raisio identifies as a risk as it can lead to uncertainty about healthy choices. That's why Raisio communicates responsibly on nutrition and product healthiness in line with the nutrition recommendations.

Cooperation with organisations

Raisio cooperates with several organisations promoting heart health, such as European Atherosclerosis Society, Heart UK and Finnish Heart Association.

Raisio and the Finnish Athletics Federation (SUL) continued their long-term cooperation in children's nutrition and physical education. Elovena Power Days were organised in primary schools around Finland.



FOOD
PROFESSIONALS

Food Professionals

Raisio's strategic goal is to be an attractive employer. We determinedly promote the competence and work ability of our personnel and support in healthy lifestyles. In 2019, the priorities included strengthening of the common corporate culture, development of common practices and working on values.

The project Food Professionals in the Good Food Plan aims at excellent employee experience and supports personnel's healthy lifestyles. In 2019, we focused on strengthening Raisio's unified corporate culture and acting in line with Raisio's purpose. We enhanced well-being at work with a number of trainings related to work ability, accomplishing and superior work. Our project activities were also further developed.

Key factors of the unified corporate culture are common practices and processes that were further developed

through several superior trainings focusing on topics such as work community skills and raising difficult issues. Raisio determinedly works toward good and fair superior work.

The team in the Food Professionals project met three times. In addition, our work well-being team in Finland had several meetings, related to various topics such as occupational health and well-being.



Continuous improvement of work ability and competence

80 per cent of employees responded to the personnel survey conducted in spring 2019. The survey results, communicated to all employees, served as the base for the teams' development plans. Clarification of processes and responsibilities, and promotion of communication and feedback were identified as the key Group-level areas for improvement.

Superiors made self-assessments on their own superior work; several trainings were organised to respond to the identified competence improvement needs.

In spring 2019, we updated processes and guidelines related to personnel's work ability and work ability management together with the representatives of our personnel groups. With the new processes and guidelines,

we aim to support responsible and demanding people management, to ensure smooth work flow and to prevent problem situations.

In 2019, we also further developed Raisio's project activities. For people in different roles in our projects, we arranged tailored coaching based on which we started defining the operating models of Raisio's project work and project management.

We continued our Insights Discovery trainings held for many years. With these trainings, we aim to provide a common language for understanding people's differences and to make better use of different communication, interaction and feedback styles.

The whole company participated in the Unelmien työpäivä (Work Day of the Dreams) on 3 October 2019. We chose feedback as the theme for the day, and encouraged everyone to give feedback postcards to their

colleagues. In addition, we requested and received feedback from our customers and partners. The feedback postcards are now available on the intranet as permanent tools for all our employees.

Supporting healthy lifestyles

As a company focusing on healthy food, Raisio supports its personnel's expertise in healthy nutrition and lifestyles.

In spring 2019, we launched online training for all employees on healthy food. The training was completed by 43 per cent of the personnel. It focuses on the basics of healthy nutrition that every Raisio employee should know. In addition, our own nutrition experts held staff trainings on, e.g. benefits of whole grains and cholesterol-lowering diet.

We organised theme days on health in Finland, Great Britain, Ireland and Poland. During the days, employees' cholesterol levels were checked and our physiotherapist made mobility and strength testing.





On our way to a value-led company

A total of 38 value workshops, attended by almost all employees, contributed to the implementation of Raisio's values – courage, fairness and drive. The workshops dealt with activities based on Raisio's values and the way they are seen in everyday work. Some initiatives were also made to further develop the activities.

68 per cent of our employees completed the online training on Raisio's values. The training is now part of our induction programme. In addition, self-assessments on the behaviour based on values and leadership principles were conducted as part of performance appraisals, and they were also assessed in the personnel survey.

Better work safety with prevention

Accident prevention is the priority in the Group's safety work. The intro-

duction of preventive safety tools and monitoring of safety indicators helped reduce workplace accidents significantly.

We continued the determined improvement of Raisio's work safety culture. We encouraged everyone to use preventive safety tools and to make safety observations. A total of 82 (139) safety observations were made and 19 (24) near miss cases were reported. In addition, a number of safety quarters and walks were carried out.

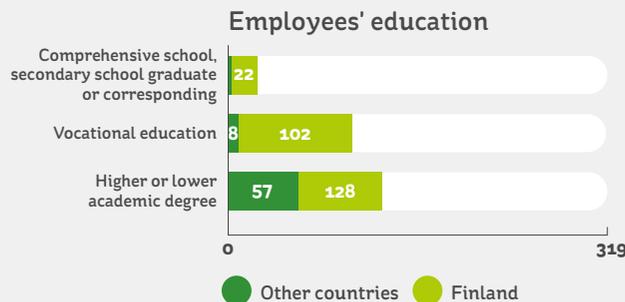
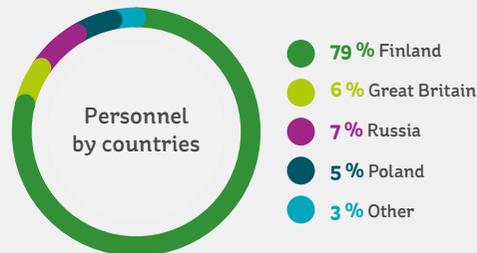
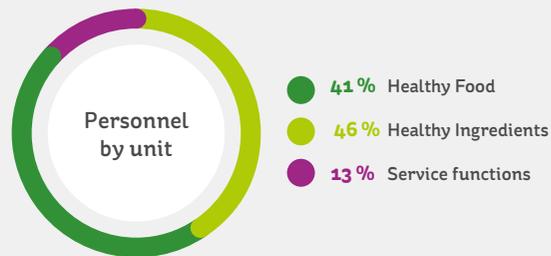
Cooperation with schools and universities

With cooperation projects, among other things, we continued our work together with schools and universities in Finland. We invited upper secondary school students to spend a day with us and arranged cooking classes for them. Raisio enabled several practical training periods and final projects for university students.

We also continued as a partner in the sixth and ninth graders' project Me & MyCity, Southwest Finland. Me & MyCity is a learning environment dealing with working life, economy and society for comprehensive school students.

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A total of 38 value workshops, attended by almost all employees, contributed to the implementation of Raisio's values – courage, fairness and drive.

PERSONNEL DATA	2019	2018	2017
Employees in the end of the year	319	319	325
permanent	306	303	314
fixed-term	13	16	9
full-time	312	311	318
part-time	7	8	13
Personnel turnover (%)	11	12.8	12.7
New employee hires	39	38	35
in Finland	26	18	28
in other countries	13	20	7
Employees left	31	29	26
in Finland	19	23	19
in other countries	12	6	7
Average age of personnel	46.3	46.8	47.4
Women men (%)	48 52	48 52	42 58
Women men (%) in managerial positions	39 61	38 62	34 66
Women men (%) in Executive Committee	33 67	40 60	33 67
Women men (%) in Board of Directors	33 67	40 60	33 67
Accidents at work	4	11	15
Accident frequency million working hours	5	15	20
Absences due to illness of theoretical working hours (%)	2.5	2	3
Appraisal and development discussions (%)	99	90	91
Appraisal and development discussions (%), incl. 2019 new hires	91		
The ratio of CEO's pay to that of the average worker	10.5 : 1	8 : 1	10 : 1



Personnel in figures

At the end of 2019, a total of 21 (22) per cent of the personnel worked outside Finland. Raisio's wages and fees for continuing operations in 2019 totalled EUR 23.7 (23.1) million including other personnel expenses.

Code of Conduct and risks

According to the Raisio Code of Conduct, the Group complies with the regulations of the International Labour Organization (ILO) and with local collective agreements, regulations and laws related to work in the countries where the company operates. HR management is also guided by internal policies and plans for, e.g. competence development and equality.

In terms of social and HR matters, Raisio considers workplace accidents and the stability and availability of competent employees as its major risks. Risks are managed by developing the occupational safety culture and by determinedly promoting competence management and well-being at work.



CLIMATE CHANGE AND CARBON NEUTRALITY

Climate Change and Carbon Neutrality

“Food for Earth” is part of Raisio’s purpose guiding us to take environmental impact into account in all our operations. We particularly focus on carbon neutrality of production and on material and energy efficiency.

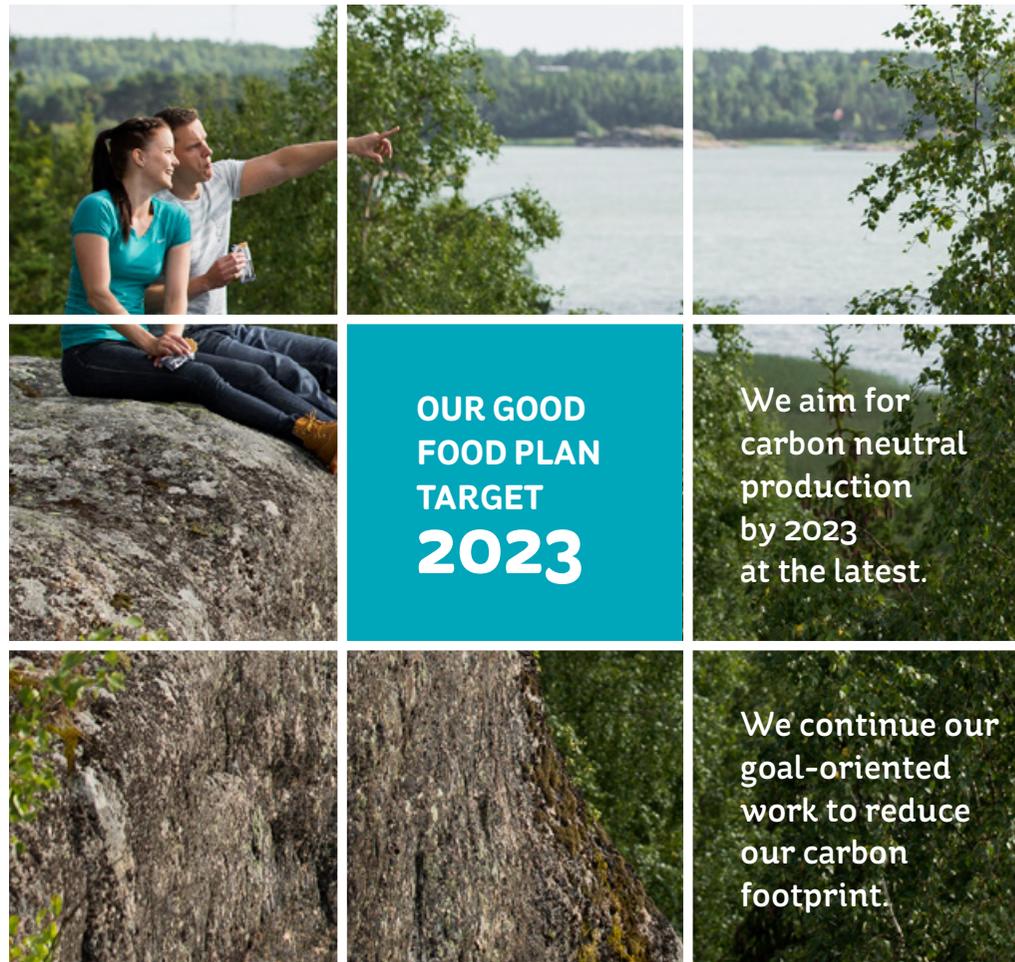
Raisio takes environmental impact into account widely in its operations and focuses especially on carbon neutrality in its production and on the advancement of material and energy efficiency. Raisio’s key environmental goal is carbon-neutral production by the end of 2023.

Of all the energy used by the Raisio Group, some 92 (90) per cent was produced in a carbon-neutral way in 2019. The company’s Raisio-based industrial area has already been carbon-neutral since 2018. Fossil energy was used only at the Nokia oat mill, where natural gas is the main source of energy. In 2019, we surveyed carbon-neutral alternatives for a new energy solution at the Nokia mill.

In 2019, we paid attention to the climate impact of commuting and business trips, and improved the technical functionality of remote meetings.

Raisio operates in accordance with the rules and regulations. No significant environmental damages were identified in the Group’s offices and the Group received no fines or sanctions for violations of environmental legislation in 2019.

Raisio reports the environmental impact arising from its production for continuing operations. In 2019, Raisio had four production plants, all in Finland.





CO₂e EMISSIONS AND ENERGY

CO ₂ e emissions	2019	2018	2017
Direct CO ₂ e emissions, tonnes	450	450	250
Indirect CO ₂ e emissions, tonnes	1050	1150	6400
Total CO ₂ e emissions, tonnes	1500	1600	6650
CO ₂ e emissions, t/tonne produced	0.01	0.02	0.06

Energy	2019	2018	2017
Energy, 1000 MWh	70	71	69
Renewable energy	37	37	21
Non-renewable energy	33	34	48
Energy, MWh/tonne produced	0.60	0.63	0.58

Electricity	2019	2018	2017
Electricity, 1000 MWh	28	29	29
Electricity, MWh/tonne produced	0.24	0.26	0.25

Heat	2019	2018	2017
Heat, 1000 MWh	42	42	40
Heat, MWh/tonne produced	0.35	0.37	0.34

The company's production plants are not located in protected natural areas or in areas of high biodiversity value, or in their immediate vicinity. All the production plants are ISO 14001 certified.

Engaging partners

Raisio requires its suppliers to take active steps to reduce environmental impact. Environmental issues are taken into account in the company's Supplier Code of Conduct.

In 2020, we will collect information on our subcontractors' energy solutions and on the climate emissions caused by the production of our products.

Risks

Raisio's most significant environmental risks are the impacts of climate change on, for example, energy prices and on the quality, availability and prices of Raisio's key raw materials, such as grains.

Carbon neutrality and energy efficiency

Raisio's key environmental goal is carbon neutral production by the end of 2023. In addition, energy efficiency will be enhanced in a targeted manner.

Raisio is involved in The Finnish Food and Drink Industries' Energy Efficiency Agreement. The company aims to reduce its total energy consumption by four per cent from the 2015 levels by the end of 2020. In addition to enhanced energy consumption, we aim to move completely to carbon-neutral energy by the end of 2023.

The company's own energy production accounted for about half of Raisio's total energy consumption in 2019. Raisio produces energy in the bioenergy plant of the Raisio-based industrial area.

”
All raw materials Raisio uses are renewable.

WASTE AND RECYCLING

Non-hazardous waste		2019	2018	2017
Recycling and recovery, tonnes		1607	1407	1210
Landfill, tonnes		32	0	2
Hazardous waste		2019	2018	2017
Recycling and recovery, tonnes		282	272	256
Landfill, tonnes		45	45	42
Total		2019	2018	2017
Total waste, tonnes		1966	1724	1510
Total waste, kg/tonne produced		17	15	13

Material efficiency

In 2019, Raisio was among the first to join the food industry’s materials efficiency commitment in Finland, aiming to reduce the environmental impact of manufacturing, distribution and consumption of food. Raisio’s materials efficiency work

focuses on packaging made of renewable materials, reducing foodstuff and food waste, and making better use of production side and waste streams. All these actions together reduce Raisio’s environmental load. In 2019, we surveyed possibilities for better utilisation of waste streams and improved food waste monitoring.

All raw materials Raisio uses are renewable and almost 85 per cent of them are plant-based. More information about the company’s raw materials on page 27.





WATER AND EFFLUENT

Water	2019	2018	2017
Water, 1000 m ³	192	167	166
Water, m ³ /tonne produced	1.6	1.5	1.4
Effluent	2019	2018	2017
Effluent, 1000 m ³	59	52	52
Effluent, m ³ /tonne produced	0.50	0.46	0.44

Water

At Raisio, water is used, e.g. for the production of industrial steam and production processes. Most of the water used by Raisio is spent on the company's own energy production, i.e. the production of industrial steam. Industrial steam is widely used in our productions and heating of buildings. In Raisio's productions, water is used in small amounts. The specific water consumption for the whole Group is only about 1.5 cubic meters per tonne of product. Water usage is monitored

regularly and the aim is to further reduce it.

All Raisio's own production plants are located in areas where water availability and purity are at good levels. Water used by Raisio's production plants is artificial groundwater from the municipal water supply.

Raisio's operations generate relatively small amounts of waste water, about half a cubic meter per tonne

of product. Wastewater from all the plants and offices is conveyed through the municipal sewer system to the wastewater treatment plant. In the Raisio industrial area, wastewater is first treated in the company's own wastewater pre-treatment plant. Despite the low initial level, our goal is to reduce the specific volume of wastewater by five per cent from the 2017 level by the end of 2023.



**SUSTAINABLE
FOOD CHAIN**

Sustainable Food Chain

We determinedly work to ensure the responsibility of our supply chain. Sustainable food chain is based on ethical practices, respect for human rights and environment, and on traceability of raw materials.

Raisio's own activities cover only a small part of the value chain of our products. We recognise the importance of ensuring and development of procurement responsibility since many of our responsibility risks are related to the supply chain.

Supplier commitment to Raisio Supplier Code of Conduct, supplier audits and self-assessments, ensuring traceability, and the use of responsibility-certified raw materials are our key tools in the enhancement of supply chain responsibility. For the assessment of responsibility risks, we also use the BSCI risk country classification that guides to procure from low-risk countries.

We expect our suppliers to commit to the Raisio Supplier Code of Conduct. In 2019, measured in value of procurement, 92 (95) per cent of Raisio's raw materials, subcontracting and packaging were acquired from suppliers who have confirmed in writing to comply with the Raisio Supplier Code of Conduct. We clarified our internal guidelines to commit suppliers to Raisio Supplier Code of Conduct; we now require, for example, service suppliers to commit to the Code already at the offer request stage.

In 2019, we added the responsibility risk assessment as part of the risk assessment and auditing process of suppliers and subcontractors.



Tasty products from responsible raw materials

85 per cent of the raw materials in our own branded products are plant-based and 100 per cent are renewable.

Some 70 per cent of our raw materials are grains, such as oats, wheat and rye. We use raw materials of animal origin, for example, in fish feeds and dairy-based Benecol yogurt drinks. In terms of responsibility, most of our raw materials and services are ac-

quired from low-risk regions, such as Finland and Central Europe. All Raisio's subcontractors are located in Europe.

The supply chain of grains is as short as possible as we purchase 96 per cent of grains from Finland, mainly directly from farmers. In 2019, we used foreign grain only in our pasta products that need durum wheat, not farmed in Finland. A short supply chain ensures grain traceability and transparency in primary production.

In addition to grains, Raisio's important raw material groups include milk, fish meal, fish oil, oils and fats mainly purchased from long-term partners. A small part of the company's raw materials are only available from the higher-risk countries and then, a special attention is paid to the supplier's procedures and certifications.

We report the raw materials used to manufacture our brand products, both for our own and for our subcontractors' production. Raisio requires procurement responsibility and traceability of raw materials from its

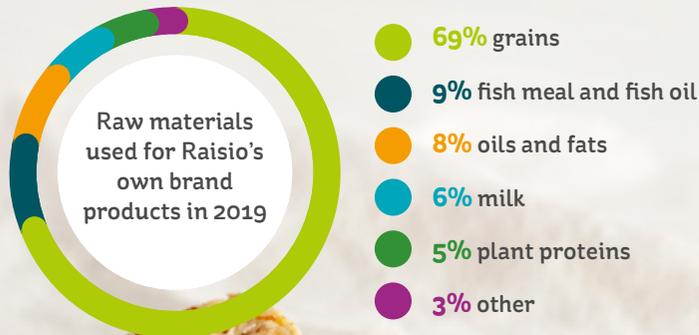
” We aim to reduce the amount of products containing palm oil.

subcontractors. All Raisio's subcontractors are located in Europe.

Certifications ensuring responsibility

In terms of the production of soy, palm oil and cocoa, Raisio has identified that risks related to, e.g., employees' rights and environmental responsibility are possible. Raisio's goal is to purchase only responsibility certified soy, palm oil and cocoa to ensure responsibly produced raw materials. All soy used by Raisio has been responsibility certified since 2014 and palm oil since 2015. In 2019, 78 per cent of cocoa and chocolate raw materials used by Raisio were certified.

Raisio aims to reduce the amount of products containing palm oil. During 2019, we renewed our Elovena snack biscuit recipe and replaced margarine containing palm oil by rapeseed oil. We now have already five Elovena snack biscuit flavours baked without palm oil. We will continue our recipe development in 2020.



Raisio's feeds promoting sustainable fish farming

In December 2019, Raisio's fish feeds were audited and found to meet the ASC (Aquaculture Stewardship Council) standard for rainbow trout farming. The ASC farming certificates are a guarantee of responsible and sustainable aquaculture. The certificate of conformity for feeds is valid for one year at a time; it indicates that feeds are produced responsibly in accordance with ethical, ecological and transparent principles.

Our Baltic Blend fish feeds recycle nutrients in the Baltic Sea. Finnish fish meal and fish oil made of MSC certified Baltic herring are used as raw materials in our Baltic Blend feed. Marine Stewardship Council (MSC) aims, among other things, to reduce overfishing, unsustainable use of resources. According to the Natural Resources Institute Finland, strong herring and sprat stocks in the Baltic Sea have been found to be sustainable, so the local feed production is not harmful to natural fish stocks.



” We have removed 245,000 kg phosphorus from the Baltic Sea with our Baltic Blend fish feeds.

When fish farmed in the Baltic Sea are fed with the local Baltic Blend, nutrients recycle and are not brought into the sea from the outside. Each kilo of fish farmed with local feed even reduces the phosphorus load ending up to the sea: the amount of phosphorus removed from the Baltic Sea in the form of herring used for fishmeal production is equal to or greater than the amount caused by fish farming.

We launched our Baltic Blend feed in 2016. After that, a total of 245,000 kilos of phosphorus have been removed from the Baltic Sea together with the Baltic herring used as feed raw material. It is 50,000 kilos more than the burden of the entire Finnish fish farming in the Baltic Sea during the same period. In addition, the Baltic Blend feed reduces significantly the nitrogen load of the fish farming.

Respect for human rights

The Raisio Group respects the UN declaration of human rights, the fun-

damental principles and rights at work as defined by the International Labour Organization (ILO) and human rights principles of the UN Global Compact initiative. Respecting human rights is an important part of Raisio Code of Conduct and Raisio Supplier Code of Conduct. The risk survey showed that the company's possible human rights risks are related to the supply chain. Raisio is not aware of any human right violations related to its operations.

In 2019, we increased our personnel's human rights skills with training available for all employees. In addition, employees from our procurement, legal and sales departments participated in a workshop where Raisio's practices related to human rights impact and issues were analysed in more depth. Based on the workshop, we agreed on the areas for further development on which we will continue to work in 2020. More than half of our procurement personnel attended the workshop.



92% of subcontractors and
raw material suppliers
committed to the Raisio
Supplier Code of Conduct





BASIS OF RESPONSIBILITY

Basis of Responsibility

The Good Food Plan sets goals for our responsibility work while the values and principles guide our operations. In this section, we discuss financial responsibility and stakeholder collaboration, among other things.

Our Code of Conduct and policies create a basis for responsible operations

Raisio Code of Conduct, policies and values form the basis for all our work and guide our decision-making. They are available on our website at www.raisio.com/policies. More information about our values in the section Food professionals, page 15.

Raisio Code of Conduct applies to all of the Group's operations, employees, management, Board of Directors and

Supervisory Board. Raisio Code of Conduct guides our day-to-day work and sets a foundation for profitable and responsible operations. We have an online training on the Code of Conduct in Finnish, English, Polish and Russian. The training is compulsory for all our employees. At the end of 2019, 81 (79) per cent of the staff had completed the training.

Raisio is committed to the UN Global Compact's sustainability initiative and its ten principles concerning human rights, labour practices, environment and corruption.

In addition, Raisio has internal guidelines on, for example, anti-corruption and avoidance of conflict of interests. Our operations have several certifications, which are discussed in more detail on page 14.

Consultation related to the ethics and legality of operations

Ethical conduct is defined in the Raisio Code of Conduct on which the company organises staff training regularly. In the issues related to ethical and

legal conduct, Raisio's employee can have support primarily from his/her own superior and the company's legal department.

Raisio has clear instructions for reporting abuse. The staff can report suspected or actual misconduct to the immediate superior or his/her superior. Employees can also report their suspicions of misconduct using a separate e-mail address; all the reports are investigated with absolute confidentiality, taking into account the requirements of local legislation.

PRINCIPLES AND POLICIES DEFINING RAISIO'S RESPONSIBLE OPERATIONS

- Raisio Group Code of Conduct
- Quality, Environment, Health and Safety Policy
- Raisio Group Supplier Code of Conduct
- Raisio's Privacy Statement
- Raisio's Disclosure Policy

Read more: www.raisio.com/policies

Financial responsibility

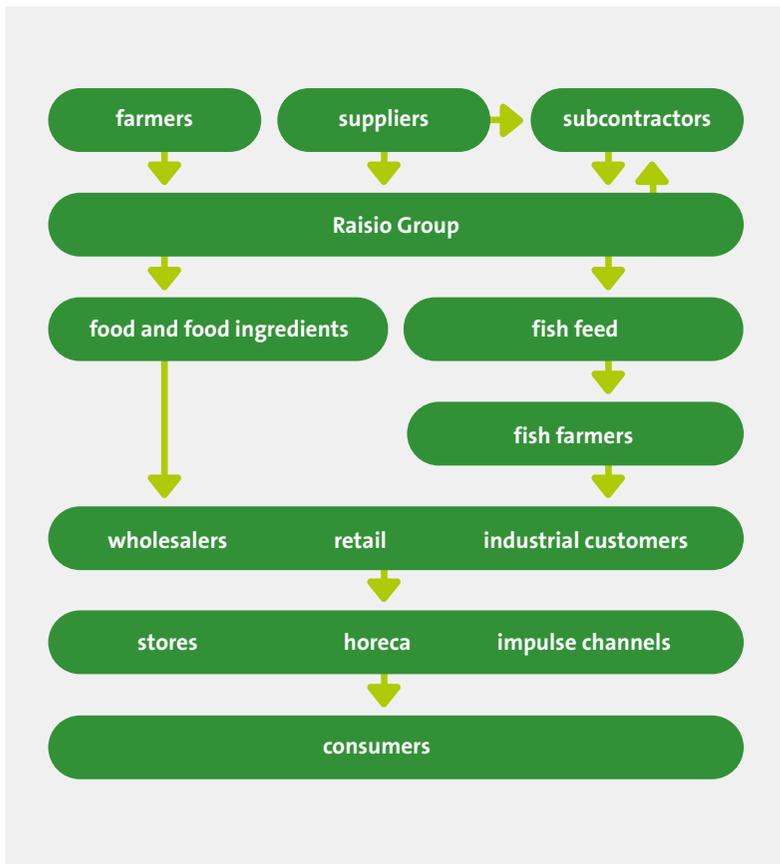
Raisio's operations produce added value to different stakeholders in the countries we operate. Financial benefits are shared between, among others, suppliers, personnel, owners and the public sector.

BREAKDOWN OF RAISIO'S ECONOMIC VALUE

NET SALES 236 M€



We describe Raisio's financial performance in more detail in the Annual Review published as a separate report.



Raisio's value chain

Raisio's value chain extends from primary food production to consumers. The company is responsible for the responsibility of its own operations. The opportunity to influence and degree of interaction vary in other parts of the value chain. Raisio's ability and willingness to develop responsible foods and fish feeds promote the sustainable food chain.

Raisio affects the beginning of the value chain, i.e., suppliers, by following its responsible procurement principles. Raisio expects its suppliers to commit to the company's Supplier Code of Conduct concerning, for example, environmental responsibility, working conditions in accordance with international regulations, prohibition of child and forced labour, and anti-discrimination.

Raisio's largest raw material group is grains that the company mainly

purchases from Finnish farmers. Some of the Group's branded products are made by subcontractors who work closely together with Raisio. Their agreements specify, for example, the quality requirements of raw materials used.

Understanding consumer needs and eating habits plays the key role in the development of the product range. Raisio is closely studying consumers' behaviour and changing needs. This way, Raisio can provide retailers with interesting, reliable branded products that correspond to consumer needs. For Raisio, it is particularly important to develop its brands so that they continue to interest consumers and retailers. Trade organisations, catering companies and industrial customers set us criteria regarding the product responsibility and require reporting of responsibility issues.

At the higher end of the consumer products value chain, Raisio influences consumers communicatively, for example through nutritional guidance, environmental labels, recipes and tips how to use the products. Raisio is engaged in a continuous dialogue with consumers e.g. in social media and customer service channels. Consumers are interested in the responsibility issues of Raisio's brands, such as the origin of raw materials and recycling of packaging.

Raisio is a forerunner in responsible fish farming. The company's fish feed innovations have significantly reduced the environmental impact of the fish chain.

Open cooperation with stakeholders

Raisio is in constant dialogue with its stakeholders; this is an essential part of the corporate responsibility work. The most material themes of the company's responsibility work have been defined through a stakeholder analysis. Raisio's key stakeholder groups are personnel, consumers, customers, owners, suppliers and subcontractors, media, and schools and institutes. The identification of stakeholders has been done together with Raisio's Units.

The table below shows our approach to stakeholder engagement and topics and concerns raised in 2019.

STAKEHOLDER GROUP	INTERACTION CHANNEL	STAKEHOLDERS' KEY TOPICS AND CONCERNS IN 2019
Personnel	Continuous and open interaction in the work community, performance appraisals, trainings, staff info, superior letters, intranet, personnel surveys, working groups	Personnel survey findings, value work
Consumers	Consumer service, social media, brand websites, newsletters, advertising, media communication, consumer studies, product demonstrators	Product packaging, raw material responsibility
Customers e.g retailers, wholesalers, bakeries, industrial and catering customers, fish farmers	Direct customer contacts, websites, events, customer magazine AquaMakasiini for fish farmers	Product packaging, raw material responsibility, environmental targets
Owners, institutional investors and analysts	Financial statements in the form of stock exchange releases and through other financial reporting, investor section on the website Face-to-face dialogues with investors and analysts, e.g. general meetings, road shows, management meetings and capital market days	Raisio's strategy and its implementation, investments
Authorities	Meetings, influencing in organisations, see: Raisio's memberships	No specific topics for discussion in 2019
Suppliers, contract farmers, subcontractors	Direct contacts, meetings, audits, Supplier Code of Conduct, suppliers' self-assessments, contract farmer events, fairs	Product safety, commitment to Supplier Code of Conduct required
Media	Direct contacts, meetings, interviews, press conferences, releases, social media, websites	Raisio's strategy and its implementation, investments
Schools and institutions	Sponsor schools, speaker visits, company visits, projects, research collaboration, cooperation through Raisio's Research Foundation	Responsibility, oat properties, career opportunities at Raisio

Material responsibility themes

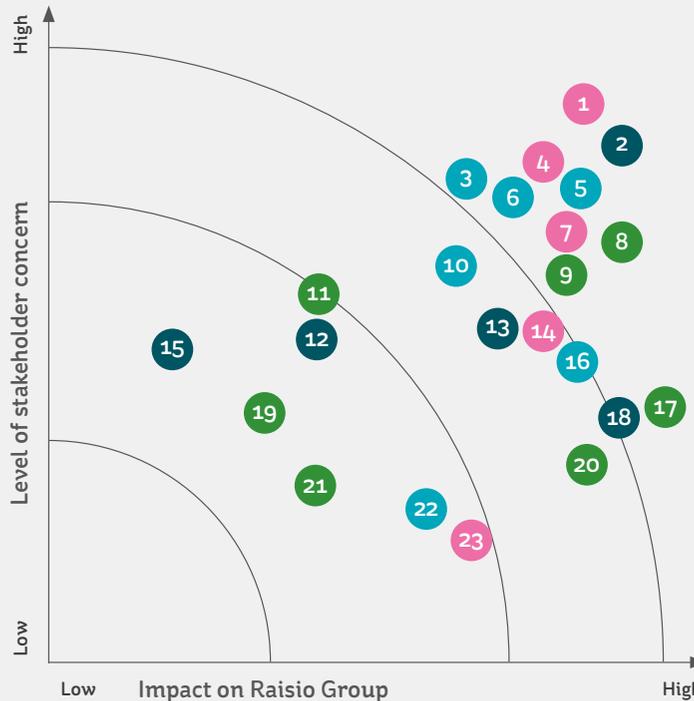
In our responsibility work, we focus on the themes most material to the company's stakeholders and operations. The Materiality Assessment of responsibility themes guides Raisio's responsibility work. The targets of our Good Food programme are based on the assessment.

Raisio's Materiality Assessment was updated at the end of 2017. With a stakeholder analysis, we surveyed stakeholders' views on important responsibility themes; a total of 1,400 consumers, customers, employees and investors participated in the analysis. After the analysis, Raisio's management evaluated the current or potential economic, social or environmental impact of the themes for the company. Raisio's Board of Directors has confirmed the Materiality Assessment.

The key responsibility aspects identified and prioritised, based on the views of Raisio and its stakeholders, are grouped in the matrix below.

RAISIO'S MOST IMPORTANT RESPONSIBILITY THEMES

Numbers indicate the importance according to the stakeholders.



Healthy and natural

- 1 Uncompromised product safety
- 4 Use of natural flavors and colorants and avoiding additives
- 7 Clear and understandable product markings
- 14 Lower sugar content products
- 23 Plant-based ingredients

Sustainable food chain

- 8 Traceability of raw materials
- 9 Environmentally friendly product packaging
- 11 Waste minimization in production
- 17 Responsible supply chain management
- 19 Local ingredients and raw materials
- 20 Sustainable product innovations
- 21 Use of renewable energy in production

Workplace safety and wellbeing

- 3 Improving employee well-being
- 5 Preventing work-related accidents
- 6 Employee competence development opportunities
- 10 Ensuring equality and non-discrimination in the workplace
- 16 Promoting development of open company culture
- 22 Promoting work-life balance

Responsible business conduct

- 2 Acting according to ethical principles
- 12 Responsible tax paying and planning
- 13 Responsible product marketing
- 15 Prevention of human trafficking in the supply chain
- 18 Business performance

Personnel involved in the development of the responsibility programme

The Materiality Assessment provided us with a strong foundation to plan our responsibility programme. Our goal was to have an ambitious and clear programme that should commit the organisation extensively to responsibility work.

We clarified the responsibility themes creating a competitive advantage and outlined our goals in ten internal workshops during 2018. The Raisio Group Executive Committee confirmed our new responsibility targets and the Good Food Plan in the autumn 2018.

New responsibility management model

We started to carry out the Good Food Plan in early 2019. At the same time, we also updated Raisio's responsibility management model. Each of the five programme themes has its own steering group and a project manager. The steering groups have members from the different parts and countries of the organisation. In addition, all the themes have owners in the Group Executive Committee.

The new management model and participatory approach have engaged employees more extensively in the responsibility work. The Good Food Plan's targets are integrated to the processes and targets of different operations.

RAISIO'S RESPONSIBILITY MANAGEMENT MODEL

Board of Directors	Monitoring the implementation of responsibility; confirming the material themes and key principles.
Board of Directors' Audit Committee	Auditing the non-financial report as part of the Board of Directors' report.
President and CEO and the Group Executive Committee	In charge of the Raisio Group's Corporate Responsibility as part of the company's strategy.
Vice President, Legal Affairs and Corporate Responsibility	Leading the Raisio Group's responsibility work; in charge of the progress of the responsibility programme, the Good Food Plan.
Responsibility Working Group	Developing and coordinating the Raisio Group's corporate responsibility work. Consulting and assisting the entire organisation to carry out the Good Food Plan. In charge of the responsibility reporting and communications.
Responsibility steering groups	In charge of the practical organisation and implementation of the activities in the Good Food Plan's 5 key projects and the achievement of the goals.





RAISIO PLC OR ITS SUBSIDIARIES ARE MEMBERS OF FOLLOWING ASSOCIATIONS:

- The Finnish Food and Drink Industries' Federation (ETL)
- ETS, Elintarviketieteiden Seura
- CLC, Climate Leadership Coalition
- FBTA, Finnish Business Travel Association
- FEFAC, European Feed Manufacturers' Federation
- Functional Foods Forum
- Food and Drink Federation (UK)
- Food Drink Ireland (IBEC)
- Gafta, The Grain & Feed Trade Association
- The National Emergency Supply Agency (NESA)
- ICC, International Chamber of Commerce
- IGD - Institute of Grocery Distribution (UK)
- International Plant Sterols and Stanols Association (IPSSA)
- Water Protection Association of Southwest Finland
- VYR, The Finnish Cereal Committee
- Pro Ruis ry
- RTY, The Association of Clinical and Public Health Nutritionists in Finland
- RTRS, Roundtable of Responsible Soy
- RSPO, Roundtable on Sustainable Palm Oil
- The Association for Finnish Work
- FACG, The Finnish Anti-Counterfeiting Group
- Finnish Fish Farmer's Association
- The Finnish Oat Association
- LOGY, The Finnish Association of Purchasing and Logistics
- The Scientific Agricultural Society of Finland
- The Finnish Packaging Association
- STY, The Finnish Association for Industrial Property Rights
- Turku Chamber of Commerce
- Turun Kauppakorkeakouluseura ry
- Ålands Fiskodlarförening rf

GRI



We report in accordance with the GRI Standards

Raisio's Corporate Responsibility Report is based on the Good Food Plan themes. The report has been prepared in accordance with the GRI Standards: Core option. The report has not been assured by a third-party.

Raisio reports on its corporate responsibility performance as a Group and the reporting covers all the Group's operations. The comparison figures include only continuing operations. The Group's boundaries include the parent company, Raisio plc, its subsidiaries and the subsidiaries owned by them that are listed in the financial statements.

Raisio's Corporate Responsibility Report includes the effects of the Group's own operations.



GRI CONTENT INDEX

CODE	GRI CONTENT	LOCATION	FURTHER INFORMATION	UN GLOBAL COMPACT
	Organisation profile			
102-1	Name of the reporting organisation	2		
102-2	Primary brands, products and service	2		
102-3	Location of the organisation's headquarters	2		
102-4	The countries where the organisation operates	2		
102-5	Nature of ownership and legal form	2		
102-6	Markets served	2		
102-7	Scale of the organisation	2 and Annual Review		
102-8	Information on employees and other workers	19		
102-9	Supply chain	33		
102-10	Significant changes to the organisation and its supply chain	No significant changes		
102-11	Precautionary principle or approach	14, 19, 22, 27		
102-12	External initiatives	31		
102-13	Memberships of associations	37		

CODE	GRI CONTENT	LOCATION	FURTHER INFORMATION	UN GLOBAL COMPACT
	Strategy			
102-14	Statement from the senior decision-maker	3		x
102-15	Key impacts, risks and opportunities	14, 19, 22, 27, 33		
	Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	18, 31		x
102-17	Mechanisms for advice and concerns about ethics	31		x
	Governance			
102-18	Governance structure	Corporate Governance Statement		
102-20	Executive-level responsibility for economic, environmental and social topics	36		
102-35	Remuneration policies	Remuneration Statement		
102-38	Annual total compensation ratio	19		
	Stakeholder engagement			
102-40	List of stakeholder groups	34		
102-41	Collective bargaining agreements	19		

GRI CONTENT INDEX

CODE	GRI CONTENT	LOCATION	FURTHER INFORMATION	UN GLOBAL COMPACT
102-42	Identifying and selecting stakeholder groups	34		
102-43	Approach to stakeholder engagement	34		
102-44	Key topics and concerns raised	34		
	Reporting practice			
102-45	Entities included in the consolidated financial statements	Annual Review		
102-46	Defining report content and topic boundaries	39		
102-47	List of material topics	35		
102-48	Restatements of information	No restatements.		
102-49	Changes in reporting	No significant changes	Raisio reports continuing operations	
102-50	Reporting period	2019		
102-51	Date of the most recent report	3/2019		
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the report	communications@raisio.com		
102-54	Claims of reporting in accordance with the GRI Standards	In accordance with the GRI Standards: Core option		

CODE	GRI CONTENT	LOCATION	FURTHER INFORMATION	UN GLOBAL COMPACT
102-55	GRI content index	39		
102-56	External assurance	No external assurance		
	Economic impacts			
201-1	Direct economic value generated and distributed	32		
204-1	Proportion of spending on local suppliers	27	We report grain purchases from Finnish farmers	
205-2	Communication and training about anti-corruption policies and procedures	Annual Review		x
	Environmental impacts			
301-1	Materials	27	We report raw materials used in our products	x
302-1	Energy consumption	22		x
302-3	Energy intensity	22		
302-4	Reduction of energy consumption	22		x
303-1	Water consumption	24		x
304-1	Operational sites in areas of high biodiversity value	22		x
305-1	Direct GHG emissions	22		x

GRI CONTENT INDEX

CODE	GRI CONTENT	LOCATION	FURTHER INFORMATION	UN GLOBAL COMPACT
305-2	Energy indirect GHG emissions	22		x
305-4	GHG emissions intensity	22		x
305-5	Reduction of GHG emissions	22		x
306-1	Effluent	24		x
306-2	Waste	23		
307-1	Non-compliance with environmental laws and regulations	No non-compliance issues		x
	Social impacts			
401-1	New employees hires and employee turnover	19		x
403-2	Injuries and occupational diseases	19	No distribution by gender	x
404-3	Development discussions	19		
405-1	Diversity of governance bodies and employees	19		x
	Food processing, sector disclosures			
FP1	Compliance with responsible procurement principles	26		x
FP2	Certified raw materials	27	Raisio reports on use of responsibility certified raw materials	x
FP5	Products manufactured in certified sites	14		