



# SUSTAINABILITY AT KOTIPIZZA 2022

# WITH THE GOOD ONES



# WITH THE GOOD ONES FOR GOOD

Sustainability makes operations steadfast now and in the future.

**The year 2022** brought with it unexpected events for Kotipizza and the world. Russia launched a reprehensible war of aggression against Ukraine, and the energy crisis began to shake up restaurant franchisees and partners. As a result, food costs started to rise, the availability of ingredients became more difficult and inflation weakened Finnish consumers' purchasing opportunities. Especially at the beginning of the year, there was still a need to protect Kotipizza franchisees and employees and customers from the COVID-19 pandemic.

Changes in the operating environment also impacted our sustainability work. While we continued our journey towards the longer-term goal of carbon-neutral food products, we also developed ways to support the survival of stakeholders in the present, for example by strengthening the financial management skills of restaurant franchisees and by targeting financial aid to Ukrainians affected by the war. In the supply chain, we focused on ensuring the supply of high-quality and sustainable ingredients for pizzas, while in the sales channels, we offered our customers delicious options in different price ranges.

Despite the challenges, we remained in the chain's operations with the good ones, in accordance with our updated mission. Our mission means that we understand that we cannot solve all the world's problems, but that we want to do our best to take care of people and minimise our carbon footprint, for example. We also insist that our partners take full responsibility of their actions. The real positive impact – on the environment, people and economy – always comes from working with them. By working together, it's possible to steer the entire restaurant industry into a more sustainable direction, including across country borders.

In our climate work, we took a leap forward by compiling a carbon roadmap for our emission-reduction measures in the coming years based on the carbon footprint calculations carried out in the previous year. In 2022, climate-friendly wind power was already in use in more than 140 Kotipizza restaurants. In addition, the restaurant network piloted new climate-resistant solutions, such as reusable pizza boxes and electric scooters in deliveries. In order to strengthen a good working atmosphere and the significance of pizza

work, restaurants studied their personnel satisfaction and measures to improve it more comprehensively than before.

The past year has shown how important it is to tenaciously hold on to sustainability principles. It will contribute to the success of Kotipizza now and in the future. We are delighted that our investments in sustainable development have been visible to our stakeholders. In 2022, Kotipizza once again ranked number one of its industry in the Sustainable Brand Index™ survey, which measures Finnish consumers' perceptions of the sustainability of brands. According to several studies, customers and employees, among others, place increasing weight on sustainability, but at the same time they are more critical of companies' actions and words on the subject.

Our stakeholders and we ourselves expect a lot from Kotipizza's sustainability. This gives us a reason and energy to continue our work in all areas of activity. On the pages of this report, you can read about the progress made in 2022.



**Anna Rahikainen**  
Sustainability Director

# SUSTAINABILITY IN FIGURES

The Climate Calculator has  
already been used by nearly

**42 000**

online store visitors

Nearly

**80 %**

of our ingredients were of  
domestic origin

We rescued

**26 581**

pizzas from going to waste  
through ResQ Club

A total of

**80 %**

of our suppliers have accepted  
Kotipizza's Code of Conduct  
for Partners

More than

**140**

restaurants got their electricity  
from the Kotipizza  
wind turbine

Mushroom Master  
vegetarian mushroom pizza  
set a sales record with

**58 860**

units sold

Overall restaurant employee  
satisfaction was at a level of

**77/100**

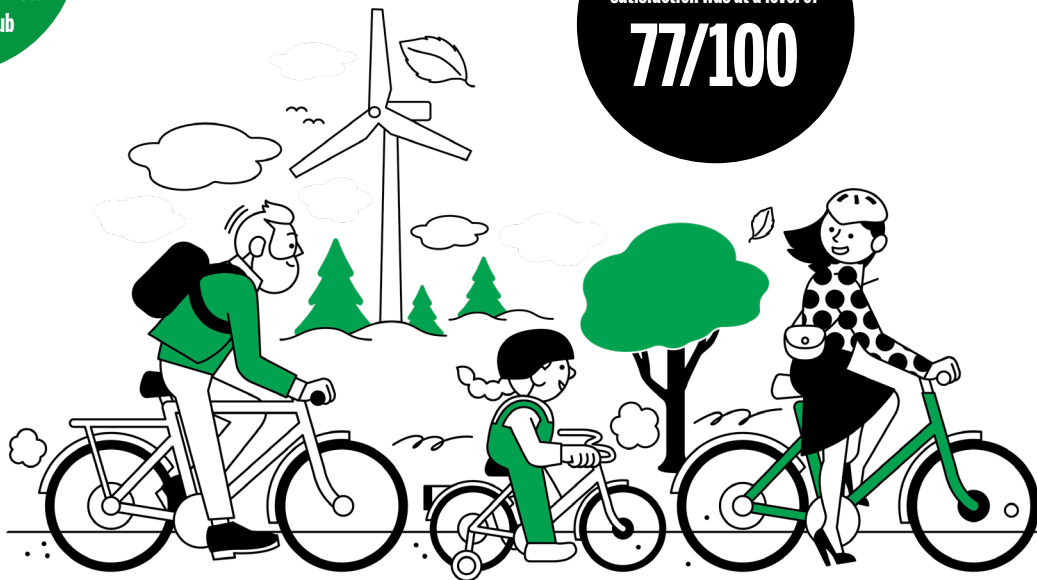
**70 %**

of our franchisees  
would recommend  
Kotipizza franchising to  
interested parties

We trained

**1 230**

Kotipizza franchisees and  
employees in restaurant  
operations



# CARBON ROADMAP STEERS AWAY FROM CLIMATE EMISSIONS

The action plan outlines how the target of carbon-neutral food products by 2030 can be achieved.

**Resolving the climate crisis** will determine the future of the planet and people. The message from the Intergovernmental Panel on Climate Change (IPCC) and research is clear: the level of global warming must be stopped at 1.5 degrees Celsius. We must act now to ensure that our environment remains viable for present and future generations.

This is a goal that Kotipizza, too, must strive to achieve. As a restaurant operator, we bear our responsibility, because food production has a huge impact on the state of the climate. It is responsible for up to a third of the global emissions burdening the climate. That is why we must reduce our own emissions, involve our partners in the work and give consumers opportunities to make more sustainable choices.

In 2021, we set a clearer, measurable goal for the chain's climate work. We are committed to making Kotipizza's food products carbon-neutral by 2030. This means that the climate emissions generated in the preparation of food are avoided, reduced and compensated for in at least the same amount as they are generated, so that the climate is not burdened. In 2021–2022, we also calculated for the first time

the carbon footprint of Kotipizza's food products, that is, how much emissions we have to reduce.

In order to achieve the 2030 target, we must have an action plan to reduce the calculated emissions. In 2022, we built such a plan, the Kotipizza carbon roadmap. By following the roadmap, we will be well on our way to carbon-neutral food products.

## What the road map contains

The majority of emissions from Kotipizza's food products is generated in the production, storage and transport of ingredients – especially ingredients of animal origin – before they reach Kotipizza restaurants. Other significant sources of emissions include restaurants' energy consumption, including used electricity and heating, as well as the packaging of ingredients and ready-to-eat food products. In our 2022 baseline, our operations generated a total of 41.4 thousand tonnes of carbon dioxide equivalent. The figure corresponds, for example, to the average annual carbon footprint of 4,020 Finns or buying 647,000 new smartphones. Read more about calculating the emissions of food products

on page 12 of this report.

Emissions are reduced with large and small climate actions that come in different shapes and sizes. The most impactful targets focus on the areas of operations where the emissions are the highest. It's particularly important to make the production of the ingredients used by Kotipizza, restaurant operations and energy consumption as sustainable as possible. For example, we want our ingredient suppliers to commit to reducing their own emissions while at the same time we aim to increase the share of products containing only climate-friendly ingredients, such as vegetables or alternative proteins, sold at Kotipizza restaurants. In restaurant operations, we invest, for example, in ecological packaging and the prevention of food waste. Renewable energy sources are increasingly utilised in the transport of ingredients on their way from farm to fork as well as in our own restaurants and home deliveries.

In addition to the most impactful targets, numerous other measures are planned in all areas of our operations, ranging from marketing to digital kitchen solutions and

restaurant network planning. They are implemented as part of Kotipizza's comprehensive business development.

Despite ambitious emission reduction measures, restaurant operations and food production inevitably produce some emissions. When they have been reduced to a minimum, the rest will be compensated by investing in cooperation projects that remove carbon from the atmosphere using sustainable methods. At this stage, however, the focus of our work is strongly on reducing and avoiding emissions, not compensating for them. Currently, we estimate that the share of compensation in reducing emissions will be around 20–30 percent.

The aim is to reduce the climate emissions of food products by 25 percentage points from the current situation by 2025 and by 50 percentage points by 2027. We strive towards achieving the net zero level of carbon-neutral food products in 2030 at the latest. In addition to the total absolute amount of emissions, the development will be monitored with various indicators, such as the proportion of products sold.

Although the progress in reducing emissions is expected to continue, the main focus of the reductions lies towards the end of the roadmap. By then, we have not only developed our own understanding of climate actions and their implementation, but also the preparedness of the partners supporting Kotipizza's climate work, society and the value chain have had time to develop. The implementation of home

deliveries in a more climate-friendly manner, for example, also depends on the availability of suitable means of transport as well as the opportunities for charging or refuelling them in the areas where our restaurants are located.

**“Kotipizza has operated in line with the climate target long before the actual carbon roadmap was built.”**

### **The road is travelled together**

In our own operations, the most impactful way to promote positive change is concept and product development. We track and test, for example, what kind of recipes and taste experiences are enabled by the development of food technologies.

However, our partners' climate work is also extremely significant. The carbon footprint of our food products can only decrease towards zero if all the parties in the production chain avoid and reduce climate emissions in their own operations. Ingredient suppliers developing more sustainable production methods and the owners of our restaurant properties making the premises as energy-efficient as

possible and utilising renewable energy sources for their part, for example, play a key role in this.

We help and encourage our partners in this work as best we can. Successfully achieving carbon neutrality requires cooperation and getting our partners to invest more strongly into climate sustainability by setting an example.

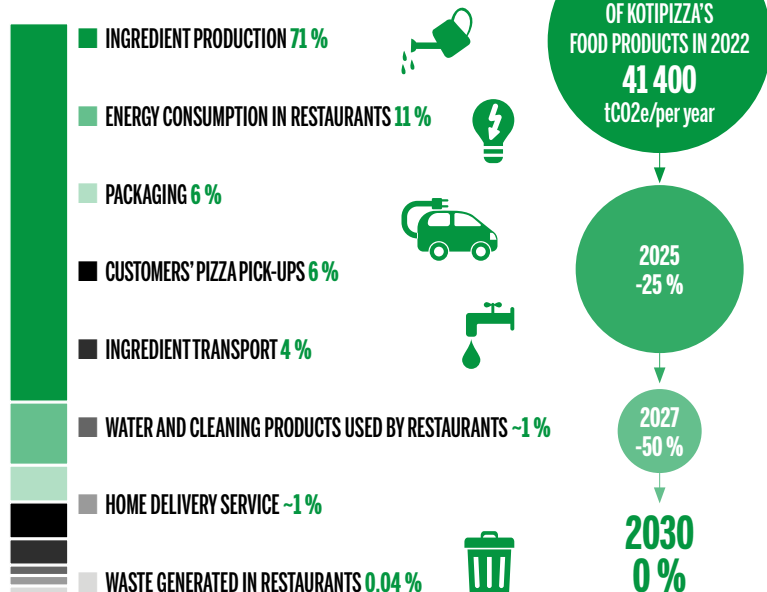
The pursuit of carbon neutrality is a long-term and multi-stage change journey. We don't yet know all the future work that technological development, for example, will make possible for us and our partners. That is why we cannot now, when we are just embarking on the journey, pinpoint exactly at what pace and by which means we will reach the target. However, as with all of Kotipizza's sustainability work, we also want to set our climate targets high. We believe that the target is possible and we will do our best to achieve it. The aim is to continuously refine and update the carbon roadmap with its figures and actions, while monitoring the amount of our climate emissions and communicating the progress of the work and possible setbacks openly to our stakeholders.

Kotipizza has operated in line with the climate target long before the actual carbon roadmap was built. Please see the adjacent image for our most important actions over the years, such as baking pizzas with climate-friendly wind power. On the following pages, you can read about the key projects of 2022, such as Kotipizza's Climate Calculator, the introduction of electric scooters and testing reusable pizza boxes.

# TOWARDS MORE CLIMATE-FRIENDLY PIZZA

Resolving the climate crisis is important for Kotipizza, because we are with the good ones. **Our target is to make our food products carbon-neutral by 2030**, which means that the production and preparation of the food we offer don't burden the climate. As a restaurant industry operator, it's our responsibility to reduce our operations' climate impacts. The roadmap describes our plan to achieve this target in cooperation with our partners. We don't yet know all the future work that technological development, for example, will make possible.

## THIS IS HOW OUR EMISSIONS ARE DISTRIBUTED:



## KEY TARGETS FOR REDUCING EMISSIONS:

### SUSTAINABLE FOOD PRODUCTION

- Suppliers commit to complying with Kotipizza's Code of Conduct. They produce data on the carbon footprint of their products, promote sustainable production methods and create a plan to reduce their carbon footprint
- 50% of the products sold contain only climate-friendly ingredients

### SUSTAINABLE RESTAURANT OPERATIONS

- Customer and ingredient packaging is fully recyclable and made from recycled and/or renewable materials as much as possible
- Using reusable takeout packaging
- The maximum level for food waste in restaurants is 1%

### SUSTAINABLE ENERGY CONSUMPTION

- Emissions from domestic transport, storage and import freight reduced by 50%
- 50% of home deliveries are made with renewable energy sources
- 100% of restaurants use electricity and heating produced with renewable energy

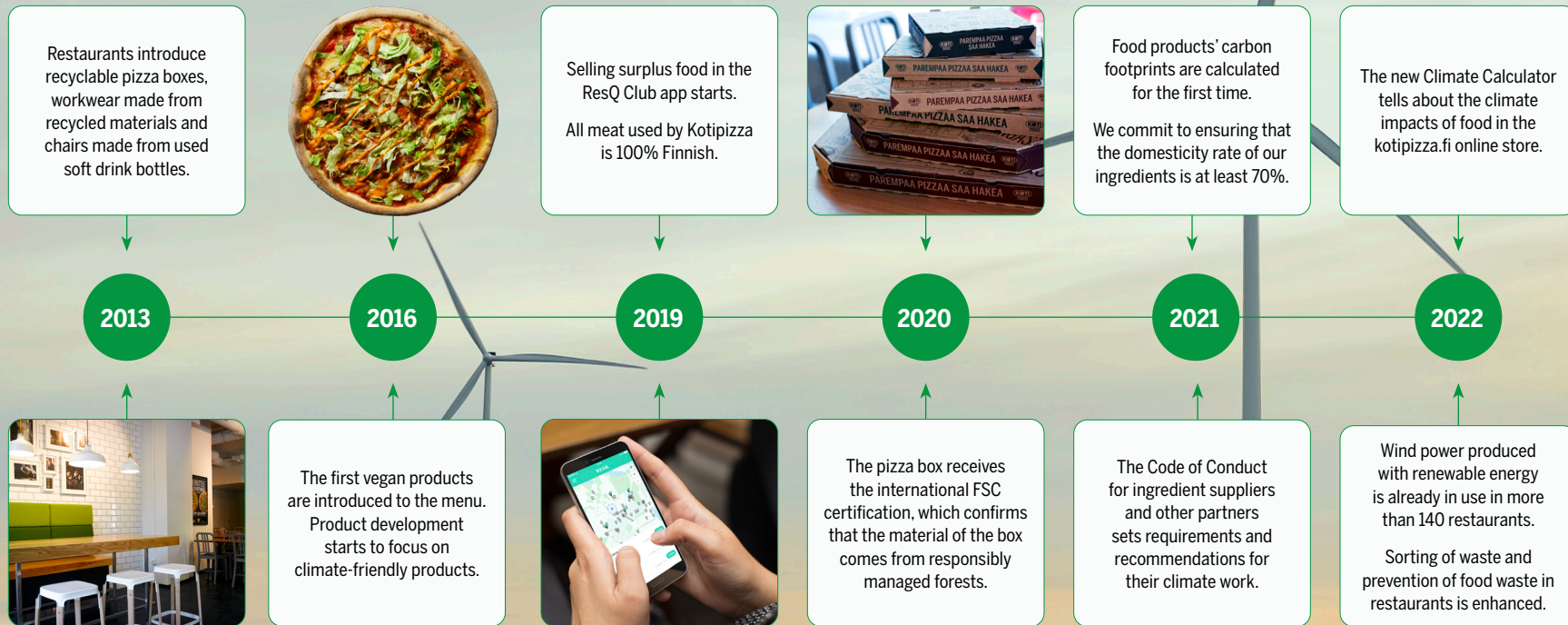
REVERSING EMISSIONS BY REMOVING CARBON FROM THE ATMOSPHERE USING A SUSTAINABLE METHOD

70-80 %

20-30 %

# KEY ACHIEVEMENTS IN CLIMATE WORK

In the past decade, the first climate actions have already been carried out.



# THE CLIMATE CALCULATOR INDICATES PIZZA'S CLIMATE IMPACT

**It is our responsibility** to provide as reliable and transparent information as possible about the climate impacts of food and the carbon footprint of our products. This gives our customers the opportunity to make sustainable choices. It is in everyone's interest to increase public understanding of climate issues.

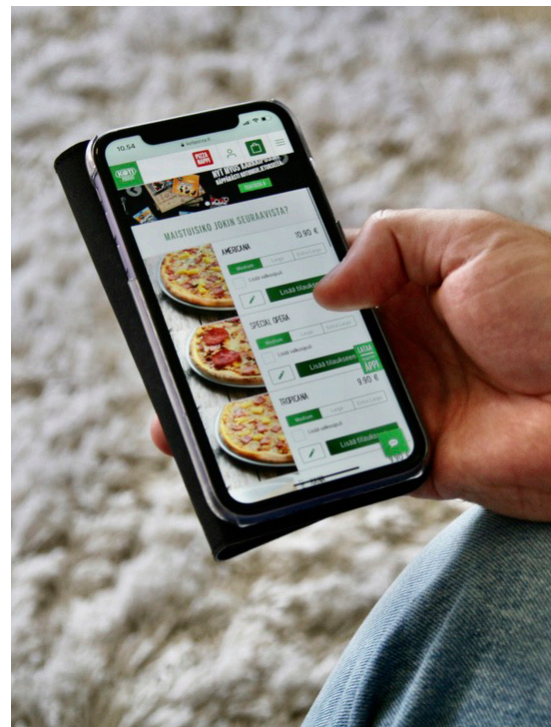
That is why we introduced, in June 2022, the Kotipizza Climate Calculator in the kotipizza.fi online store. It indicates the carbon footprint of each pizza or other dish. The carbon footprint information is reported on the product page in kilograms of carbon dioxide equivalent (kgCO<sub>2</sub>e). The unit of measurement describes the combined global warming effect of different greenhouse gas emissions produced by the pizza.

**The Climate Calculator** is dynamic, which means that it can be used, for example, to test how replacing fillings affects the climate emissions of the selected pizza. The calculator also specifies from where the emissions come from, for instance, from the production of ingredients and the preparation of the pizza in the restaurant. In addition, the calculator shows the average emissions of food products of different sizes on the menu, as well as how the emissions of each product relate to this average. The product-specific and dynamic calculator was the first of its kind in Finland and rare also globally.

**If they so wish**, the customer can use the Climate Calculator to help reduce the carbon footprint of their own meals. By using the tool, we at Kotipizza can, in turn, identify ways of preventing and reducing the climate emissions of all food products and monitor how we are progressing in our work to achieve carbon neutrality.

**At the end of 2022**, the Climate Calculator was used by approximately 1% of online store visitors. The tool has received positive feedback from stakeholders and it has sparked discussions on climate issues in Kotipizza's social media channels. According to online store user data, visitors who also view the Climate Calculator are more likely to make a purchase in the store. The calculator seems to give a boost to purchases for those who care about climate issues.

The figures in the calculator are developed as the carbon footprint calculation of food products is refined and emission reduction measures are implemented. The carbon footprints of pizzas have already started to decrease from the figures shown in the Climate Calculator, for example, through the use of climate-friendly wind power. We will also update the figures when there are changes to our practices, products or ingredients. The purpose is also to refine the functionality of the calculator to make it more user-friendly.



# CULTURE OF EXPERIMENTATION SUPPORTS CLIMATE WORK

**We constantly strive** to find new ways to reduce the climate emissions of our operations and enable our customers to do the same. Also in 2022, we boldly explored new kinds of climate-friendly solutions. Experiments are important steps on our journey towards carbon-neutral food products, as we learn something new every time.

In recent years, the environmental burden caused by packaging waste has been a hot topic among consumers, decision-makers and Kotipizza franchisees and employees. Also the European Union (EU) wants to curb the growing amount of waste. One solution to this is reusable food packaging that can be washed and reused.

Reusable packaging has been discussed increasingly in the food sector, although reusing packaging is not a new phenomenon. For example, a deposit system for refillable glass bottles was created in Finland already in the 1950s. In recent years, reusable packaging has also appeared in restaurants alongside traditional take-away containers. First in the form of reusable coffee cups, later also in the form of meal boxes.

Reusing packaging is supported not only by the need to combat the climate crisis, but also the EU's strong ambition to reduce packaging waste. According to the European Commission's proposal, 10% of takeaway food, for example,

will have to be packed in reusable packaging by 2030 and up to 40% by 2040.

**In early summer 2022**, we conducted a consumer survey at Kotipizza on reusable pick-up packaging. The survey received nearly 13,500 responses. Up to 85% of the respondents were very interested or interested in using a reusable pizza box, especially to protect the environment.

In late 2022, we were the first in Finland to test reusable pizza boxes in Kotipizza restaurants in cooperation with the Finnish circular economy startup Kamupak. The reusable pizza box pilot project was part of the 4everPack research project funded by Business Finland, in which 14 Finnish companies are looking for solutions for reusing consumer packaging together with VTT Technical Research Centre of Finland and the University of Vaasa.

**In the reusable pizza box test**, around 40 members of our loyalty programme Kotijoukot from all over Finland were recruited from among 12,000 volunteers. For a trial period of a few months, the Kotijoukot members received a box for them to try out, and feedback was collected on their user experiences. In addition, a reusable pizza box was available



Kamupak's reusable pizza boxes were available for testing in the Kotipizza restaurant in Keljonkeskus in Jyväskylä.

to all pizza pick-up customers for a deposit in the Kotipizza restaurant located in Keljonkeskus in Jyväskylä.

The reusable pizza box was considered to be of high quality, easy to use and convenient to transport. The test group reported that they are willing to recommend the box, especially from the point of view of reducing waste and decreasing the carbon footprint of food. The feedback received from consumers and restaurant staff during the test period was encouraging, and it was decided to continue the pilot project in 2023. The aim was to extend the test to home deliveries and to introduce an alternative lending system alongside the deposit.

**An increasing number** of pizzas bought at Kotipizza travel in the pizza box. If the box can be used over and over again, less packaging waste is generated. At the same time, natural resources are preserved as less materials are used to produce new packaging.

In another experiment conducted in 2022, we also looked for climate-friendly and agile ways to deliver pizza. Home delivery is becoming increasingly popular, and orders delivered may account for up to 60% of total sales in a Kotipizza restaurant.

In the summer, we introduced the Skick electric scooters in selected Kotipizza locations around Finland. The scooters can be charged with almost emission-free electricity produced with renewable energy. Therefore, using the



The Skick electric scooters designed and manufactured in Finland enable the reduction of delivery emissions.

scooters helps to reduce climate emissions compared to using vehicles powered by fossil fuels.

**The electric** scooter is convenient for home deliveries, especially in urban areas and over short distances, where using the scooter can significantly improve delivery efficiency. Short distances are quick to cover also during rush hours, and finding a parking space is easy compared to, for example, Kotipizza's delivery cars.

The electric scooter is equipped with a special delivery box that keeps the pizzas hot all the way to the destination. The scooter has been designed in Finland, and it's intended for all-year use in varying Finnish weather conditions. The journey continues even if asphalt changes to gravel or snow-surfaced roads.

In addition to the emission-free pizza deliveries, Kotipizza was interested in the solid structure of the Skick electric scooter that makes driving easy and safe. The maximum power of the electric motor and the scooter's maximum speed correspond to a light electric vehicle, and using it doesn't require registration or a driving licence.

By the end of 2022, several electric scooters were already delivering hot treats. The scooters were taken into use permanently in the restaurants. Kotipizza's brand-coloured vehicles have attracted attention on the streets. Photos of them are snapped often, and their use has received positive

feedback from other road users. The Skick-branded vehicles are manufactured by the Finnish Arctic Rides Oy.

**“We are constantly looking for new ingredients that are not only delicious, but also as climate-friendly as possible.”**

The third experiment of 2022 focused on product development. The primary production of ingredients is responsible for the majority of emissions generated by Kotipizza's food products, approximately 71 percent. The carbon footprint of ingredients of animal origin, such as beef and cheese, is often larger than that of, for example, plant-based pizza toppings. We are constantly looking for new ingredients that are not only delicious, but also as climate-friendly as possible.

To find them, we tasted more than 100 different alternative proteins in Kotipizza's product development in 2022. Of these, 23 of the tastiest and most suitable for our products were available for testing by Kotipizza's Kotijoukot loyalty program customers.

**Consumers were** interested in alternative proteins, as nearly 1,000 enthusiastic loyalty program customers volunteered to test them. Approximately 60 of them were invited to our product development kitchen in Helsinki. Pizza fans arrived from places such as Iisalmi, Turku and Sotkamo, ready to share their opinions and ideas about the products to be tested. The group consisted mainly of omnivores interested in alternative proteins.

The testers gave positive feedback on the opportunity to see Kotipizza's product development activities. Working together with our customers gives us important food for thought on what kinds of diverse and sustainable flavour experiences we can offer in the future.

### WHAT ARE ALTERNATIVE PROTEINS?

Protein-rich ingredients that can be used as alternatives to more traditional sources of protein, such as meat and cheese. Alternative proteins are made from various vegetables, such as legumes, or by fermentation from mushrooms. Popular Finnish plant protein products include Nyhtökaura® and Härkis®. Alternative proteins can also be found among cell culture products, such as cell-cultured meat. In 2022, Kotipizza's menu included two alternative proteins, curry-flavoured fava bean and seitan.

# HOW IS THE CARBON FOOTPRINT OF PIZZA CALCULATED?

**Kotipizza's climate work**, including the carbon roadmap, is based on a carbon footprint calculation carried out with an external expert partner in 2021–2022. The aim of the calculation was to find out how much greenhouse gas emissions burdening the climate Kotipizza's food production generates, and to identify the opportunities for decreasing and avoiding emissions from food products. At the same time, the calculations enable communicating the carbon footprint of the products to stakeholders.

Kotipizza's carbon footprint calculation covered all ingredients used by Kotipizza, their production, transport, processing and packaging, emissions from the production of food products, such as energy and water consumption in

restaurants, an estimate of waste generated in restaurants and emissions from restaurant cleaning, and the effect of the pizza box. In addition to these, the average emissions from pizza delivery were calculated together with an estimate of how customers transport the pizzas they pick up from restaurants.

**The pizza-specific** calculation was based on the ingredients listed in Kotipizza's recipes. Some of the emission factors for the ingredients – the figures representing the ratio between the emissions from the use of the ingredients and the amount of ingredients – are based on data reported by the ingredient suppliers. Where this data was not available, data from reliable public sources, such as scientific studies, was used. The

information will be updated to reflect as closely as possible the current situation and the actual ingredients used in restaurants.

There are currently no accurate, generally accepted methods for calculating the climate impact of food. Each organisation carries out the calculation as it sees fit and decides what is included in the calculation. The international Greenhouse Gas Protocol's (GHG) Product Life Cycle Accounting and Reporting Standard was used as the starting point for Kotipizza's calculation and the specification, and it provides a good foundation for decisions. This commonly applied standard classifies emissions into different types. The emissions of Kotipizza's food products are so-called indirect Scope 3 emissions, to say that they are generated, for



example, in the procurement of ingredients or in restaurants run by franchisees. Applying the standard supports the reliability of the calculation and the possibility to compare the figures with, for example, the figures reported by other restaurant chains.

**The calculation** is focused on the chain's food products. It does not currently include, for example, the operations of Kotipizza's head office, drinks and desserts made by partners and sold in restaurants, travel by customers to eat at a restaurant, the procurement of work equipment, or food waste at the customer's home. This decision has been made because the emissions from the production and preparation of food products account for the most significant and essential part of the chain's climate impacts. These are the emissions that we can influence the most through our own and our supply chain's actions.

The calculation is based on the figures for 2020 from 195 brick-and-mortar restaurants and 101 shop-in-shop restaurants, which are located, for example, at traffic stations.

**The combined** carbon footprint of all food products sold in 2020 was approximately 38,000 tonnes of carbon dioxide equivalent. In 2022, the corresponding figure was 41,400 tonnes of carbon dioxide equivalent as the volume of products sold increased.

The production of ingredients is the most significant source of emissions (71% of the carbon footprint). The second-largest source of emissions is energy consumption in restaurants (11%). Emissions from packaging and customers' pizza pick-ups are the third largest sources of emissions (both accounting for 6%).

**“The accuracy of the calculation is affected by the availability of data.”**

**The average emissions** of all food products of different sizes on the menu are 3.96 kgCO<sub>2</sub>e when eaten in the restaurant and 4.76 kgCO<sub>2</sub>e when delivered home or picked up from the restaurant. For example, the average climate emissions of normal-sized pizzas from the menu eaten in the restaurant are 2.30 kgCO<sub>2</sub>e. Of all the normal-sized menu items, finger food cauliflower (“Dippikukkakaali”) has the smallest carbon footprint and the Meat Master (“Lihamestari”) pizza the largest carbon footprint. Preparation emissions are the same for all food products, 0.34 kgCO<sub>2</sub>e per product. This represents 14% of the carbon footprint of the average food product. The home delivery or pick-up of a product from a

restaurant increases its carbon footprint by an average of 0.8 kgCO<sub>2</sub>e.

**Kotipizza's carbon footprint calculations** and the related data collection practices will be developed to make them more accurate and comprehensive. The aim is, for example, to include drinks and desserts in addition to the main food products, and to expand the calculation to the so-called Scope 1 and 2 emissions arising from the operations of Kotipizza's head office, such as commuting.

The accuracy of the calculation is affected by the availability of data. As the carbon footprint is a somewhat new concept, many of Kotipizza's partners in the supply chain have not yet completed their own calculations. We don't know exactly how customers transport the pizza they pick up to their home. Specific information on, for example, water consumption or food waste are not yet available from all three hundred Kotipizza restaurants. Therefore, we have also used estimated figures in the calculation. For example, energy consumption has been estimated on the basis of the restaurant's surface area, and the amount of waste has been inferred from the monitoring of an average restaurant. The data will become more accurate as we develop the ways to collect information. However, at the moment, the information is comprehensive and accurate enough to guide our sustainable choices as well as those of our stakeholders.

# TAKING THE EMPLOYEE EXPERIENCE TO THE NEXT LEVEL

We want to offer Kotipizza franchisees and employees meaningful work in the best company

In 2022, our main goal in social sustainability was to offer every Kotipizza franchisee and employee meaningful work in the best company. At the same time, it is one of the cornerstones of Kotipizza's business strategy.

Over the year, the topics of occupational well-being and meaningfulness of work were discussed more than ever both in the Finnish public debate and among Kotipizza's stakeholders, which demonstrates the importance of the topic, especially for restaurant franchisees and employees.

Our ambition is to develop the Kotipizza franchisee and employee experience and take it to the next level. However, this is only possible when it is understood which matters are important to the restaurant staff and how these are realised. To find out what makes working with pizza meaningful, we conducted an employee insight survey called Siqni for employees of Kotipizza restaurants at the end of 2022.

A traditional employee survey generally assumes that all the issues presented in the survey are equally important to all employees. Siqni is different in this regard. In the Siqni survey, the employee first selects the five most meaningful issues for

themselves from among 30 different factors – for example, the organisation's sustainable mission, professional development opportunities or a fair salary – and then determines how they are realised and how they should be realised.

According to the survey results, the most important things for Kotipizza employees are a strong team spirit at the workplace and a working environment where you can be yourself. In the opinion of the respondents, these things were also achieved reasonably well. This is reflected in the Flame index score of 79 given by Kotipizza employees. The Flame index, on a scale of 0 to 100, is the average of how well the issues the employees find the most significant are realised in the workplace. The limit for a good result is considered to be 80.

On a scale of 0 to 100, the overall satisfaction of the Kotipizza employees with their work and workplace was 77. The good atmosphere at the workplace and happy and professional colleagues, among other things, were praised by the respondents. Kotipizza's sustainable operations and living up to the company's values were also appreciated.



Development targets were also identified. The shortage of employees in the restaurant sector, which may have a negative impact on the well-being of employees, was visible in the responses, among other things.

The implementation of the Signi survey was an important step in developing the employee experience, and it benefitted everyone. Restaurant employees had the chance to think and explain what was important to them in their work. Through the results, restaurant franchisees are able to understand the specific things their employees value and how they are realised. The answers help franchisees to develop their

human resources management and operations based on the needs of the personnel. In turn, the general, chain-level results help Kotipizza's chain management to allocate future development projects where they are needed. In the future, the survey will be conducted annually in order to monitor the employee experience and its development.

We can make Kotipizza a genuinely more attractive and better workplace only by cooperating with the restaurant personnel. This is why two so-called experience teams were established in 2022. One of the teams consisted of employees of Kotipizza restaurants and the other of restaurant

franchisees. With the experience teams, Kotipizza's chain management reviews all the stages of the employee path, from recruitment to the termination of the employment relationship, in order to identify development targets and measures.

The purpose of the experience teams is to ensure that the ideas and tools take the employee experience in the right direction and that they are realisable in the daily life of the restaurant. The members of the experience teams can make their voices heard and influence their work together with the chain management. The teams' operations will continue in 2023.

# STANDING WITH UKRAINE

Kotipizza participated in defending democracy



**Russia's war of aggression** in Ukraine deeply touched and still touches also us at Kotipizza. In March 2022, we participated in the defence of democracy primarily through humanitarian aid by donating EUR 50,000 to the Disaster Relief Fund of the Finnish Red Cross to help people affected by the conflict in Ukraine. The Disaster Relief Fund helped to

secure people's basic needs.

The Red Cross provided the area with water, food, shelter and health services and helped search for missing persons. We also encouraged our customers and other stakeholders to lend a helping hand, as the need in Ukraine is great and help will be needed for a long time to come.

**In addition** to the financial aid, we provided 300 pizzas to asylum seekers at a reception centre in Tampere. We also checked that there are no links in Kotipizza's business – especially in the supply chains – that directly or indirectly support Russia's military operations.

# KOTIPIZZA IN THE SUSTAINABLE LIFE EVENT

Providing information on corporate sustainability work and its impacts to consumers

**We all** have the power to influence our sustainable choices. How can consumers identify a climate-friendly and sustainable restaurant? We wanted to make answering the question even easier by spreading information on Kotipizza and other restaurant companies' sustainability work and its impacts.

**In 2022**, Kotipizza was the main partner of the Sustainable Life Event (Kestävän elämän tapahtuma), which was organised for the first time. This free-of-charge event was the first in Finland to focus solely on sustainable products and services. The event provided consumers with information and inspiration for and tasters of a more sustainable everyday life and lifestyle.

**As the main partner**, we organised panel discussions for consumers on current sustainability issues. On the main stage decorated with characters familiar from our pizza box, the climate impacts of eating out and the consumption



habits of vegetarian and vegan products, among other things, were discussed. The discussions were led by futurist Perttu Pölönen, and the participants included Kotipizza's Sustainability Director Anna Rahikainen, journalist, activist and author Suvi Auvinen and lecturer Markus Vinnari from the University of Helsinki. The experts tackled the issues openly and boldly and answered questions from the public. Important aspects for Kotipizza, such as the development trends of alternative proteins and the planetary diet in the Finnish food system, were also raised in a consumer-friendly manner.

**The Sustainable Life Event** was connected to the website [www.ostavastuullisesti.fi](http://www.ostavastuullisesti.fi) focusing on sustainable consumption. The website features products and services curated by an independent panel of sustainability experts to make it easier for consumers to make more sustainable consumption decisions. The website's offering also includes Kotipizza's "Superseitan" pizza, which we participated in the Finland's most sustainable product 2022 competition.

# SUSTAINABILITY THEMES

Technological and regulatory developments are fuelling our work.

**The previous year**, we started updating Kotipizza's sustainability programme. However, as a result of the changes in the operating environment, we postponed the reform and focused on continuing the work on familiar themes in 2022 to ensure the continuity of Kotipizza's sustainability and business operations. New projects were executed in each theme, such as creating the carbon roadmap, launching the Climate Calculator, restaurant personnel's employee satisfaction surveys and the experiments on reusable pizza boxes and electric scooters.

In the promotion of the themes, technological and regulatory developments were highlighted even more. In setting up the Climate Calculator, the data collected of the carbon footprint and the online store as a digital user interface were harnessed as tools to support more sustainable consumer choices. In the summer of 2022, the legislation on waste management in Finland was reformed, and we improved our waste sorting and increased the recycling rate in our restaurants. In the coming years, regulation is likely to have an even stronger impact on our

operations, as, for example, sustainability reporting and ensuring human rights and climate work in the value chain will be developed under the leadership of the European Union.

**The implementation** of the themes will also increasingly require influencing the stakeholders. For example, the motivation and commitment of Kotipizza franchisees are

## CLIMATE AND ENVIRONMENT

Emissions and carbon footprint, recycling, food waste, circular economy, biodiversity

## SUSTAINABILITY IN THE SUPPLY CHAIN

Safe and sustainable ingredients, Finnish production, sustainable and audited production methods, openness and information on the origins, human rights, sustainable products and product development, nutritional content and impact on well-being

preconditions for promoting employee well-being and equality in restaurants. Our dialogue with ingredient suppliers and owners of restaurant properties enables us to implement the measures in the carbon roadmap. At the Sustainable Life Event, we had the opportunity to exchange ideas with consumers and experts about Kotipizza's sustainability. We can't alone be with the good ones.

## PIONEERSHIP

Product quality, tools for sustainable consumption, documentation and reporting, corporate activism

## SUSTAINABLE WORKPLACE AND CORPORATE CULTURE

Ethical and compliant operations and equality, development of franchising, employer image and purposefulness of the work, occupational safety and well-being, high-quality leadership in the chain and restaurants, employment



Founded in 1987, Kotipizza is the largest pizza chain in the Nordic countries and one of the most well-known restaurant brands in Finland. The chain consists of over 300 restaurants managed by nearly 280 independent franchisees around Finland. The restaurants are the workplace of more than 2,000 Kotipizza employees from bakers to drivers. Our mission is to be with the good ones.

#### **Kotipizza Oyj 2022**

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Learn more about Kotipizza's sustainability work on our website at [kotipizza.fi/vastuullisuus](https://kotipizza.fi/vastuullisuus) (in Finnish).