



GUIDELINE



# Business Ethics Guideline



## Document Information

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Related Documents ( <u>governing document/s</u> )	[Code of Conduct] Business Ethics Policy, Whistleblowing Guideline Fraud Governance Guideline

## Distribution, Confirmation and Implementation

This steering document shall be distributed to the following functions or roles and shall be confirmed in accordance with the table below.

Confirmation required for the steering document	Read	Implemented
IMT	X	X
IMT + 1	X	X

IMT means the ICA Management Team. IMT+1 means an employee with managerial function reporting directly to an IMT Member.

By confirming that the steering document has been **READ**, the recipient acknowledges having read and understood the contents of the steering document.

By confirming that the steering document has been **IMPLEMENTED**, the recipient:

- has informed all pertinent persons within his/her respective unit of the content of this steering document; and
- has established a process to ensure that the principles and the minimum requirements of the steering document will be followed within his/her respective unit.

## Versions

This steering document has been updated since implementation and the most important changes are listed below.

Version (20XX:X)	Major changes since last version
2024:1	General review to adopt new structure (esp. sections 6-7). Awaiting decision on a proposed new Code of Conduct, the CoC is referred to in [brackets]. Inclusion of persons who the guideline applies to has been updated, including i.a. board members (section 1). Previous wording on laws and ethics guidelines has been moved to the Business Ethics Policy and CoC.

	<p>Sections 3, 4 and 5 have been modified and updated for easier understanding, focusing on anti-corruption, conflict of interest and fair competition.</p> <p>Section Fraud and Financial Crime has been removed, as this is not the core area of this document. Such wording to be included in proposed CoC.</p> <p>Competition Law is renamed Fair competition and covered in Section 5.</p> <p>Whistleblowing is integrated in section 6, Guidance, Compliance and Reporting.</p>
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# 1 Introduction

[ICA's Code of Conduct (the "CoC") consists of our values and business principles, and outlines ICA Gruppen AB's, including its subsidiaries (the "Group" or "ICA") commitment to conduct business in a responsible, professional, and transparent manner.] Our Business Ethics Policy (the "Policy") reflects the principles set out [in the CoC] relating to anti-corruption, conflict of interest, and fair competition.

The purpose of this guideline ("Guideline") is to provide guidance on ethical behaviour, protecting ICA's interests by ensuring that our employees are not influenced to act against ICA's best interest and that our employees promote fair competition. The Guideline is supplemented by local instructions in countries where ICA conducts operations and/or instructions for specific parts of the business ("Instructions").

This Guideline applies to all employees, in-house consultants, officers and board members of ICA, for all operating companies within the Group and at all times. Likewise, we expect our suppliers and other business partners to adopt corresponding principles when conducting business with or on behalf of ICA, directly or indirectly.

In this Guideline, the term employee includes employees, inhouse-consultants, officers and board members of the Group unless otherwise is stated.

## 2 Our Business Ethics Principles

We build our commitment to ethical business behaviour on a set of principles within anti-corruption, conflict of interest and fair competition. The principles enable us to drive profitable growth in a responsible and sustainable way with our business ethics commitments as a foundation.

## 3 We have zero tolerance towards all forms of bribery and we are cautious when offering and accepting gifts and hospitality

ICA has zero tolerance towards all forms of bribery. No employee may offer, give, ask for, accept or receive any form of bribe or improper benefit. A bribe occurs upon an attempt to influence a decision by offering some form of undue or improper advantage, favour or incentive. Bribery is a serious offence subject to criminal liability for the individual and corporate fines for ICA.

Any personal benefits received from someone else except ICA must always comply with the principles set out in this Guideline. Where national law or local generally accepted practices are more stringent, such local provisions must be respected.

We are cautious when offering and accepting gifts and benefits. We make sure that gifts, hospitality and other benefits are openly disclosed, of reasonable value and appropriate to the nature of the

business relationship. We do not accept gifts or other remuneration if it can be perceived that its purpose is to improperly influence a business decision.

No compensation, gift or other type of benefit is allowed conditional upon any act, decision, work or transaction. For example, we do not accept or provide any invitations to activities with suppliers or business partners during on-going procurement or business negotiations, regardless of whether the activity takes place during working hours or as a private leisure activity. All such invitations during ongoing negotiations must be approved by the immediate manager and if needed referred to the local legal department.

Particular caution should be exercised if benefits are provided to employees or contractors that work for public entities exercising public authority or carrying out public procurements, or to employees or contractors that holds a particular position even if he/she does not him/herself take decisions on those matters.

It is always forbidden to provide, promise or offer a benefit to a person who exercises public authority or decides in public procurement. Further, the prohibition extends to the situation if a benefit is provided to such person's relatives or someone who has indirect influence over the decision, by preparing or reporting on the matter, for the purpose of the recipient influencing a decision or a measure in the exercise of public authority or public procurement.

Anyone who receives a benefit and is unsure whether it is inappropriate shall consult with their immediate manager and/or the local legal department and decline the benefit if there is the slightest doubt whether the benefit is improper.

In unforeseen or suddenly arisen situations, where a direct rejection of the benefit is not possible as it could damage the relations between the companies, the benefit shall as soon as the circumstances permit be declared to the recipient's immediate manager for knowledge and processing. If a questionable benefit has already been received, it shall (if practically possible) be returned.

### 3.1 Key Considerations – Transparency, Value and Purpose

What is considered improper depends on the circumstances in each particular case. Actions that affect behaviour (i.e. actions that typically affect decisions or performance of services) are normally not permitted, but actions that affect attitudes (i.e. actions that typically are building relationship but do not affect decisions or behaviour) are normally allowed.

A benefit must be moderate and provided openly to be permissible. It shall be intended directly for, and approved by, the principal, i.e. ICA, and shall be compatible with the Policy and this Guideline. When deciding on whether or not an action is improper, special consideration should be given to the following.

### 1. Transparency

A benefit consisting of an invitation to an event should, in principle, be aimed at an undefined group of people, rather than at specifically chosen individuals. Further, it is important that the benefit is provided openly, i.e. a benefit should generally be directed to the company, be approved by it, or comply with that company's established policies on benefits.

### 2. Moderate value

The risk of influencing behavior is increased by the financial or personal value of the benefit for an individual, as well as the frequency of benefits to an employee.

### 3. Business Purpose

The risk that a benefit is deemed improper increases the weaker the link is to the work tasks of the recipient. Thus, it is important that the benefit has a clear connection to and forms a natural and useful part of carrying out one's duties and that it benefits the employer.

## 3.2 Proper Benefits

In normal cases, the following types of benefits are considered proper benefits and allowed within ICA as long as they meet the criteria of transparency and moderation.

- Customary business meals in accordance with local business practice.
- Moderate celebration of important birthdays, other noteworthy days or in conjunction with illness.
- Small samples of goods for private use provided during a company visit.
- Objects of insignificant or modest value and moderate souvenirs given to guests, e.g. during company events.
- Discounts which are generally provided to all ICA employees or to all employees of a certain office are normally approved (such discounts, however, may be taxable). However, discounts which are provided only to a certain employee/s, or employees of a certain department, may be regarded as bribes.
- Study visits (incl. visits to supplier facilities), courses, seminars and other training and informational events where the educational content is a major part of the event or conference and where the invitation is directed to relevant departments and managers within ICA. The managers shall subsequently choose the persons who will participate and shall approve any peripheral events.
- Meal or field trip during which work-related agenda items forms a substantial part.

For additional instructions, see local Instructions on entertainment, travel and meetings. Normally, ICA will bear the cost of travel and living arrangements. Where there is any uncertainty, the immediate manager and if needed the local legal department shall be consulted. The event must of course also be of benefit to ICA and the participation transparent and approved by the immediate manager.

### 3.3 Improper benefits

The following benefits are always deemed improper:

- Monetary gifts, gift cards and the like that could be considered as cash equivalents.
- Monetary loans, providing of security (guarantees), waivers of claims, repayments or interest and the like, on terms that are not market terms.
- Goods or services for private purposes, side-deliveries of goods or services from ICA's suppliers or business partners.
- Private discounts on goods and services, commissions, bonuses or kickbacks provided to an individual (i.e. other entities than ICA).
- Access to vehicles, boats, holiday home or the like for private use.
- Wholly or partially paid entertainment or holiday trip (without professional and/or educational purpose).
- Benefits conditional upon the recipient performing something for the provider and that is not approved by ICA.
- Offer that is perceived as generally unethical, e.g. strip club visits.

### 3.4 Intermediaries

In the event ICA should appoint an intermediary to represent ICA in a particular matter, ICA shall perform a systematic due diligence in order to examine the integrity of such partner. Such due diligence shall involve a risk assessment and check of the intermediary to ensure that the intermediary will neither give nor receive bribes. In the event of plans of using an intermediary, this must always be reported to the immediate manager and the local legal department before an agreement is entered into or other cooperation is initiated.

## 4 We act in the best interest of ICA

We act in the best interest of ICA and make sure that all our decisions inspire trust and are made without the influence of private interests or other loyalties. We shall avoid situations that create potential or perceived conflicts of interest between our personal interests and the interests of ICA.

Examples of conflicts of interest include, but are not limited to:

- Personal interests, directly or indirectly in a cooperation of transaction with ICA, its suppliers or customers.
- Employment of a closely associated person.
- Purchase of goods or services on behalf of ICA from a closely associated person or a company controlled or managed by such individual.

- Personal interests or subsidiary activities that could, directly or indirectly, become a conflict of interest and not be in the best interest of ICA.
- Shareholdings in ICA's supplier companies, business partners or competitors that could give rise to a conflict of interest.

A possible conflict of interest must promptly be reported to your immediate manager. The manager shall, together with a manager with relevant authority and if needed the local legal department, discuss and decide whether the specific situation is appropriate or not, and if possible mitigating measures could be taken in order to avoid a conflict of interest.

#### 4.1 Board appointments

Board appointments in supplier companies to ICA, business partners or competitors of ICA are not permitted for ICA employees, unless for specific reasons and this has been approved in writing by corporate management with relevant authority within ICA.

ICA's employees may have board appointments for ICA stores. Decisions regarding such engagements shall be taken by corporate management at the respective local ICA company.

## 5 We compete in a fair manner

We compete in a fair and honest manner, without engaging in any inappropriate activities or unfair trade practices. ICA's employees shall know applicable competition law rules and shall always strive to ensure that the operations are conducted in accordance with such rules. ICA shall ensure that relevant employees receive regular training regarding competition law issues which relate to the operations.

We must never agree or collude with competitors, customers or suppliers in a way that improperly influences the marketplace or the outcome of a bidding process in breach of competition laws. Examples of such actions are improper agreements or concerted practices to fix prices, rebates, delivery terms or other commercial terms or dividing market segments. Improper information exchange between competitors could also constitute such prohibited practices. We only collect and use information about our competitors in a legal and ethical manner.

Even if ICA is not regarded as being dominant on a certain market, ICA is an important player and shall always thus act in such a manner that we do not take advantage of our position on the market in an unlawful way.

Competition issues are complex. Any questions shall be discussed with your immediate manager and if needed the local legal department.

#### 5.1 Horizontal and vertical relationships

Competition laws contain rules governing agreements, cooperation and behaviour regarding both horizontal and vertical relationships on a market. Throughout our organisation, ICA must take into



account competition issues at all levels in the operations, i.e. both with regard to agreements between suppliers and retailers and relationships between ICA stores.

#### Horizontal relationships

It is, including but not limited to, **forbidden** to:

- provide information to competitors regarding planned or established prices and discounts or current sales volumes, i.a. so-called benchmarking;
- reach an agreement with competitors regarding which prices are to be applied for customers, e.g. through advertising flyers or choice of pricing profile;
- reach an agreement with competitors regarding dividing the market into various customer segments, regions or the like; or
- reach an agreement with competitors regarding a joint boycott of a supplier (without objective reasons for doing so).

It is permissible to have contacts with competitors within the context of, for example, industry organisations or shared projects which do not affect the competition situation. If a competitor takes an initiative to discuss impermissible questions, such initiatives shall be rejected. ICA employees who participate in such contexts must be observant and vigilant and ensure that they do not participate in discussions which may involve a risk of being impermissible. Meetings must therefore have a clear agenda, with defined points and naturally may not contain points and/or address issues which may be at risk of being regarded as unlawful cooperation.

#### Vertical relationships

Vertical agreements with, for example, suppliers, shall not contain certain limitations which may be sensitive from a competition point of view. Supplier and retail agreements shall thus not contain, including but not limited to, the following limitations:

- Exclusivity undertakings should, as a general rule, be avoided within ICA. There may be reasons for exceptions, but this must always be assessed in the individual case and in consultation with the local legal department.
- Agreements regarding prices to end-customers. However, maximum prices are permissible.
- Agreements according to which goods shall not be sold onwards.

## 5.2 Unfair Trade Practices

ICA is committed to abide by applicable legislation on prohibition against unfair trading practices in the food supply chain when dealing with its suppliers.

# 6 Guidance, Compliance and Reporting

If you have any questions regarding this steering document, please consult with your immediate manager, the manager's manager or Group Legal.

Group Legal is responsible for implementing and monitoring this document.

Enforcement and compliance follow-up is part of every manager's responsibility. All employees are responsible for familiarizing themselves with the contents of ICA's steering documents and for acting in accordance therewith.

Acts that are inconsistent with this steering document can, apart from conflicting with ICA's values and ethics, result in criminal sanctions and are subject to disciplinary action up to termination of employment depending on the severity of the incident. Penalties for breach of laws concerning bribery are often severe and may involve civil and criminal penalties (including imprisonment). Also, violation of competitive legislation can result in ICA being liable to pay an administrative penalty and/or damages.

All employees are encouraged to voice concerns with their immediate manager and to highlight examples of good practice.

Any deviations from this steering document shall be reported to Group Legal ([legal@ica.com](mailto:legal@ica.com)).

Group General Counsel coordinates and ensures, with help from internal or external expertise, that reported deviations are investigated and that the actions taken are consistent with this Guideline [and the CoC], sound business practices and applicable legislation.

ICA's whistleblowing process offers a possibility to reduce risks and maintain trust in our operations. ICA provides access to a whistleblowing service, where reporting can be made anonymously. The whistleblowing service is a secure web-based reporting tool. Details on the whistleblowing process and service are provided in our Whistleblowing Guideline and on the ICA Group/local intranet.

There shall be no retaliation or other negative consequences for persons reporting in good faith. The information received will be managed in accordance with applicable data privacy laws and regulations.

## 7 Updates and Reviews

This document shall be reviewed and updated annually or as needed based on the recommendations of Group General Counsel.