Accounting principles

ICA Gruppen has drawn up its own accounting principles, which are detailed below. The accounting principles are partly based on the GRI framework but have been adapted for the Group's operations based on the materiality analysis.

ICA Gruppen's Sustainability Report mainly covers operations that have a significant, direct impact from a sustainability perspective, i.e. ICA Gruppen's own operations. The report covers all companies within ICA Gruppen. There are certain exceptions, however, which are detailed below. A Group-wide IT system is used to collect sustainability data. The system supports continuous reporting with the aim of ensuring the long-term quality of the indicators included in ICA Gruppen's ongoing monitoring of and reporting on sustainability work. Each company reports data according to the Group's definitions and procedures for sustainability reporting.
The accounting principles are explained in detail below.

Climate impact of the Group's own operations
ICA has a policy of recalculation against the base year whereby, in the event of significant changes that could involve an increase or decrease in emissions, a retroactive recalculation against the base year is carried out. The significance threshold has been adjusted to 5% in line with SBTi.
Activities that could trigger a recalculation:
• changed corporate structure due to acquisitions or divestments
• outsourcing of activities
• adjusted calculation models, changed emission factors or changed inputs
By 2030 ICA Gruppen intends to have net zero climate emissions from its own operations. This means continuing to reduce emissions in line with the Paris Agreement, while gradually replacing carbon offsetting with balancing measures. Since 2020 all emissions from ICA Gruppen's own operations have been carbon offset in full by investing in carbon offsets for the corresponding amount of carbon dioxide equivalents (CO_2e). ICA Gruppen has submitted its commitment to the Science Based Targets initiative (SBTi) to adopt climate targets in line with the organisation's Corporate Net-Zero Standard. This commitment involves ICA Gruppen aiming to reach the 1.5°C goal in the Paris Agreement and to reach net zero emissions throughout the value chain no later than 2050. In 2024 the accounting principles for ICA Gruppen's climate targets will be further defined to meet the SBTi criteria.

ICA Gruppen's climate target for its own operations covers GHG emissions from refrigerants and energy use in stores, pharmacies, warehouses and offices, as well as from goods transport between warehouses and stores/pharmacies and deliveries from central e-commerce warehouses, and from business travel (Scope 1, Scope 2 and parts of Scope 3). Operations in Sweden, the Baltics and Asia are all covered. This includes ICA Sweden as well as ICA Global Sourcing, ICA Real Estate, ICA Bank, Apotek Hjärtat and Rimi Baltic.
Outcomes relative to the target of net zero emissions are reported in tonnes of carbon dioxide equivalents. See the respective area for more detailed information on emission factors.
Emissions according to the GHG Protocol include the following in each scope:
• Scope 1: Emissions from refrigerants in warehouses and in ICA Gruppen-owned stores, emissions from business travel using leased company cars and cars provided as a fringe benefit, and emissions from goods transport using ICA's own vehicles and heating from diesel and gas in the Baltic counties.
• Scope 2: Emissions from energy in warehouses and in ICA Gruppen-owned stores, pharmacies and offices.
• Scope 3: Emissions from business travel, refrigerant and energy emissions from Swedish ICA stores not owned by ICA Gruppen and emissions from transport between warehouses and stores/pharmacies, plus deliveries from central e-commerce warehouses.

Energy
Comprises stores, pharmacies, warehouses and offices. To calculate electricity consumption (kWh) in Swedish stores a sampling of stores from each format is used. The same calculation principle is used for the pharmacies. The actual consumption is then extrapolated by the total number of stores and pharmacies to report the total electricity consumption at the end of the reporting period. To calculate energy consumption per square meters in stores, pharmacies, warehouses and offices, the area (in square meters) of the stores, pharmacies, warehouses and offices in operation at the end of the measurement period is used.

Renewable energy is energy from renewable sources such as wind, solar and hydro power, while non-renewable energy refers to energy from fossil sources such as coal and oil, and nuclear energy.
Energy consumption has been calculated on the following basis:
• ICA Sweden's stores: The calculation is based on actual use of electricity in stores covered by the central electricity agreement. Total consumption is extrapolated by the number of stores at the end of the reporting period using a standard formula. The standard formula is based on the following: Maxi ICA Stormarknad hypermarkets: 97% renewable and 3% non-renewable energy, ICA Kvantum: 91% renewable and 9% non-renewable energy, ICA Supermarket: 92% renewable and 8% non-renewable energy, and ICA Nära: 92% renewable and 8% non-renewable energy. This breakdown was established and updated following a review in 2022.
• Rimi Baltic stores: The actual consumption for all Rimi Baltic stores is used. • Apotek Hjärtat pharmacies: The calculation is based on actual electricity used by pharmacies covered by a central electricity agreement with Apotek Hjärtat's contracting party. Total consumption is extrapolated using the number of pharmacies at the end of the reporting period. For the pharmacies with no central electricity agreement with a contracting party, the following standard amounts apply: 84% renewable and 16% non-renewable energy.
Emissions of CO_2 from energy have been calculated on the following basis:
• The Nordic residual mix is used to calculate carbon emissions from the use of non-renewable energy in Sweden: 0.00007600 tonnes of CO_2/kWh (source: Grexel/Swedish Energy Markets Inspectorate 2022). When calculating carbon emissions for renewable energy in Sweden the emission factor of 0 tonnes of CO_2/kWh is used (source: Bixia 2023). When calculating carbon emissions from electricity from renewable sources in the Baltic countries, a global emission factor is used: 0.00013 tonnes of CO_2/kWh (source: IPCC). When calculating electricity from nuclear power in the

Baltic countries, the following emission factor is used: 0.00012 tonnes of CO_2/kWh (source: IPCC).
• The energy mix in the share of non-renewable electricity within Sweden is based on the Swedish Energy Markets Inspectorate's residual mix (https://www.ei.se/bransch/ursprungsmarkning-av-el/residualmix). The mix is broken down into energy from nuclear power, renewable and fossil sources. Within the Baltics the exact amount of electricity per type of energy is reported.
• When calculating carbon emissions from district heating in ICA Sweden the last year emission factor per supplier of central heating is used. For Apotek Hjärtat a calculated Swedish average of 0.056 kg CO_2/kWh is used. (Source: Swedish housing agency).
When calculating central heating in the Baltic countries a calculation based on a report from JRC 2023 is used and gives Lithuania 0,0002097 tonnes CO2/kWh, Latvia 0,0001988 tonnes CO2/kWh and Estonia 0,00026 tonnes /kWh. För heating with gas emissions factor 0,00024 tonnes CO2/kwh is used for all Baltic countries (source EU Joint Research Centre, 2023)
and for heating with diesel 0,000306 CO2/kWh.

Goods transport
This is the transportation of goods between ICA Gruppen's warehouses and stores/pharmacies, and
goods delivered from cental customer fulfilment centres. The transportation of goods to warehouses is not included. Apotek Hjärtat only uses leased transport solutions, while ICA Sweden uses leased transport solutions for the majority its goods transport but owns a number of transport solutions, and also owns most of its e-commerce transport solutions. Rimi Baltic uses transport solutions from third party service providers to transport goods between warehouse and store, but owns all its e-commerce transport vehicles.
ICA Sweden reports fuel consumption per fuel type as well as emission factors for each type of fuel for all distances driven by a haulage supplier.
Emissions of CO_2 from goods transport within ICA Sweden have been calculated on the following basis:
• As of 1 January 2022 diesel and HVO that are less than 98% fossil-free are considered as diesel subject to the reduction obligation with an emission factor of 2.33 kg CO_2/litre, regardless of which emission factors are reported by the haulage companies. The emission factor for diesel subject to the reduction obligation is calculated based on the Swedish Energy Agency's emission factor for reference diesel. For other types of fuel the calculation is based on the same emission factors as those reported by haulage companies (based on data from the respective fuel supplier).
For 2023, diesel subject to the reduction obligation has been calculated with a fossil-free percentage of 33.4%, which is included in reporting of the share of fossil-free road transport. This share was calculated from estimates based on the fossil-free share in 2021 according to the Swedish Energy Agency report "Drivmedel 2021" (Fuel 2021) published in September 2022. The calculation takes into account the emission factors of the various fuels included according to the same report, and what is required to comply with the statutory reduction obligation. (Source: emission factors and energy mix from the Swedish Energy Agency).
The haulage companies working with Apotek Hjärtat report a mix of actual consumption and standard amounts based on distances driven and emission factors for each fuel.
Emissions of CO_2 from goods transport within Apotek Hjärtat have been calculated on the following basis:
• Haulage companies report emission factors for each type of fuel based on information from the respective fuel supplier.
Emissions of CO_2 from goods transport within Rimi Baltic have been calculated on the following basis:
• Fuel consumption for transport vehicles from third party service providers to Rimi Baltic is calculated based on distances driven and average fuel consumption. Fuel consumption for Rimi Baltic's own transportation
of goods is obtained directly from the fuel supplier.
• Emission factor for diesel for Rimi Baltic from EEA (European Environment Agency)
• Renewable fuels from the Swedish Transport Administration (2022).
For Rimi Baltic the reporting period December previous year, to November reporting year is used for e-commerce transports.
ICA Sweden and Apotek Hjärtat check and register emission factors annually against reference emission factors from NTM (Network for Transport Measures), which were produced in 2022 for all types of fuel. The emission factors are based on WTW (Well to Wheel).

Refrigerants
Comprises refrigerant refilling in all warehouses and stores. Data for ICA Sweden's warehouses is based on official refrigerant reports and is reported for the current year. Data on refrigerants in ICA Sweden's stores refers to the previous year's consumption. Data on Rimi Baltic's consumption of refrigerants, in warehouses and stores, refers to the current year's consumption. For ICA Gruppen's interim reports standard quarterly data is used for refrigerants based on annual data. At the end of the year data comes in for ICA Sweden's warehouses and for Rimi Baltic's stores and warehouses, and this annual data for that year is used as a basis to establish standard data for the next year's interim reporting. For the Swedish ICA stores fullyear data from the previous year is updated in the second quarter and this data is then used as a basis for standard data for future interim reports. In the case of Apotek Hjärtat, data for the previous year is reported in April and this is then used as a standard amount in subsequent quarters.
Emissions of CO_2 from refrigerants have been calculated on the following basis:
• In accordance with current legilsation GWP (Global Warming Potential) values are used based on the greenhouse gas impact refrigerants have had during a 100-year period. Tables with GWP values are available in Appendix I and II to EU 517/2014, these are based on the fourth report of the IPCC.

Business travel
Comprises business travel by air booked through the central
travel agency for ICA Gruppen in Sweden and Rimi Baltic's central travel agency, and flights booked at the Asian office ICA Global Sourcing.
Comprises business travel by rail for ICA Gruppen in Sweden booked through the central travel agency or directly through travel providers using the ICA customer number.
Comprises business travel by road for Rimi Baltic, ICA Gruppen in Sweden and ICA Global Sourcing.
Emissions of CO_2 from business travel have been calculated on the following basis:
• Carbon dioxide emissions from air and rail travel are provided by the travel provider. For ICA Global Sourcing air travel is calculated using the ICAO (UN) carbon emissions calculator.
• Emission factor for business travel by road within Sweden, Trafikverket.
• Emission factors for business travel by car within the Baltics, calculation based on official CO2 data, Fleetnews
• For Rimi Baltic business travel by car and business travel with own car for ICA Sweden, is the reporting period December previous Year, to November reporting year, used.

Climate target for ICA Gruppen's suppliers
ICA Gruppen's suppliers of consumer goods sold, representing 70% of the estimated upstream climate impact, are to have adopted science-based climate targets by 2025 at the latest.
The outcome is calculated as follows: Supplier data including sales data are updated every year. For 2023 the data from 2023 is used. The climate impact from suppliers has been calculated based on ICA Gruppen's in-store sales of the central assortment in 2023 and emission factors
from Mistra Sustainable Consumption 2019 ($kgCO_2e$/SEK). Rimi's sales have been translated from EUR to SEK (EUR rate 11.4765 taken from Riksbanken,

average
for 2023).
Suppliers with climate targets approved by the Science Based Targets initiative (targets set) are updated based on data from the Science Based Targets website. The estimated climate footprint of ICA Gruppen's suppliers that have approved climate targets is then established in relation to the total climate footprint of ICA Gruppen's suppliers to determine the extent to which targets have been met. Target achievement (percentage of the suppliers' total climate footprint that suppliers with Science Based Targets account for) is reported in the Annual Report.

Waste
Comprises ICA Sweden's and Rimi Baltic's warehouses, as well as Rimi Baltic's stores. Apotek Hjärtat is not included in the reporting. National laws and regional waste management systems define the types of waste included.
Information on waste management methods and amounts is obtained from waste contractors.
Rimi Baltic's waste from stores is based on actual volumes for all stores.
Composted waste consists of biodegradable organic waste, i.e. waste sorted as compostable and 90% of organic waste fractions including packaging.
Incinerated waste comprises incinerated waste fractions and 10% of organic fractions including packaging.
Recycled/reused waste includes glass, metal, wood, plastics and other non-landfill waste.
For categories where ICA Gruppen has producer responsibility, such as pharmaceuticals, batteries, electronic
products and packaging, disposal is in accordance with applicable legal requirements and any permits required. The waste arising from ICA Gruppen's producer responsibility is not included in the reported waste volumes.
ICA Gruppen seeks to reduce waste to landfill and improve conditions to facilitate sorting and recycling of waste.

Food waste
ICA Gruppen intends to reduce its food waste by half by 2025, with 2016 as the base year. Food waste is measured according to the FLW Protocol (Food Loss & Waste Protocol). The indicator being used – i.e. the measurement that is to be halved – is food waste, percent by weight. This is measured by dividing total food waste (tonnes) by total food sold (tonnes). Food waste is food that is prepared to be eaten by humans but which, for various reasons, is not eaten by humans. Food consists of the main food categories of Fresh Foods, Dry Groceries and Fruit & Vegetables. Both food and inedible parts (e.g. peel and bones) are included. The weight of packaging is not included.
ICA Gruppen's food waste is waste that arises in ICA Gruppen's own food handling, which includes:
• Food waste from stores
• Food returned from stores
• Food waste from warehouses
• Food waste from customer fulfilment centres
Food waste for which compensation is received from external actors (e.g. suppliers) is not included in ICA Gruppen's food waste. Reporting includes the warehouses and stores of ICA Sweden and Rimi Baltic. For the Swedish ICA stores the calculation of total food waste (tonnes) is based on the actual food waste from a selection of stores (around 85% are included in the selection). For other stores the amount is extrapolated at the end of the reporting period using a standard formula. For ICA Sweden's warehouses and customer fulfilment centres as well as Rimi Baltic's warehouses and stores, the actual data for total food waste is used. From the end of 2019, food that the Swedish ICA stores report as a charitable donation for human consumption is excluded from total food waste (tonnes). Food that the Swedish ICA stores report as clearance is excluded from total food waste (tonnes). As of 2021 food that goes for repurposing is also excluded. For Rimi Baltic food that is donated to charity has been excluded since the base year 2016.

Climate impact of customers' food purchases
ICA Gruppen intends to cut the climate impact of customers' food purchases in half by 2030, using 2020 as the base year. The ambition is in line with the Carbon Law and the Paris Agreement. The climate impact of customers' food purchases is measured in CO_2e per kg of food sold, and is calculated by dividing the total climate impact from store food sales (measured in CO_2e) by the total store food sales (measured in kg).
The calculations for ICA Sweden are based on the following:
• Total store food sales: sales in kg from the central assortment of food at the Swedish ICA stores.
• Climate impact of store food sales: The climate impact of food is calculated using the RISE climate database, which is based on life cycle assessment and is updated annually. Total sales are measured against the RISE climate database for the current year. A CO_2e value is then assigned to the products at the product group level. For mixed product groups, a standard value has been assigned (based on the highest sales in the product group). The products with no CO_2e value in the climate database is assigned the CO_2e value of a similar product.
Rimi Baltic: Current reporting does not include Rimi Baltic. The monitoring process is being developed and calculation principles will be updated when Rimi Baltic is included in the reporting.

Supplier-related data
Quality-certified suppliers are all suppliers of ICA Gruppen's corporate brands who have undergone an assurance procedure and hold an associated valid certificate in accordance with one of the quality standards accepted by ICA Gruppen.
Information on socially audited suppliers refers to active corporate brand suppliers in high-risk countries whose production units have undergone an initial ICA Social Audit and/or an audit under any of the third party audit schemes accepted by ICA Gruppen. If zero tolerance deviations are detected the supplier will not be approved. If critical deviations are identified during an audit the supplier generally gets a chance to correct the problems within a set period of time stated in the audit protocol. If the supplier corrects the problems to the Group's satisfaction within the period set, the supplier is approved. The length of time the supplier is approved is determined by the principles for approval in the relevant standard and, if the standard does not stipulate a timeframe for approval, by ICA Gruppen's governing documents. Furthermore, in individual cases, a personal assessment is made of the period of validity based on ICA Gruppen's governing documents. Production unit refers to a factory, farm or processing plant.
High-risk countries are identified according to the amfori BSCI (Business Social Compliance Initiative) definition for the current reporting period. BSCI factors in, for example, political stability and absence of violence, quality of regulatory systems, rule of law, control of corruption, government effectiveness and the ability of people to be heard.

Quality work and product safety
Public recalls are recalls where there is considered to be a risk to health or the environment, i.e. the public is informed via a press release or by other means.

Quality in stores
The number of certified ICA stores in Sweden refers to stores approved and certified by a third party in accordance with the Swedish standard for food handling in stores.
Stores that have adopted the Swedish standard for food handling in stores refers to Swedish ICA stores that apply the standard but have not been certified by a third party.

Environmental work in stores
Swan ecolabelled stores are ICA stores in Sweden approved and certified by a third party in accordance with the Swan criteria. Stores that have been approved according to Miljösmart Butik (ICA Sweden's environmental programme for stores) are Swedish ICA stores that have been

approved in an internal audit performed by ICA Sweden's sustainability coaches.

Employees
Employees are personnel employed by ICA Gruppen, i.e. including employees in stores owned by a company within the Group. Data is based on the number of employees at year-end, with the exception of the categories Average number of employees (FTEs) and Gender distribution all employees, which are based on the average number of full-time employees. Number of FTEs includes individuals employed on a permanent, temporary or probationary basis. Another exception is the category Percentage of employees with a Swedish/foreign background, which is based on the number of employees that worked in Sweden during the year. Employees of ICA Sweden's subsidiary stores are excluded. ICA has received help from Statistics Sweden to produce data on the employees' backgrounds. Based on the Statistics Sweden definition, an employee with a foreign background is one who was either born in another country or whose parents were both born in another country. Employee turnover is calculated as the number of permanent employees who leave during the year in relation to the average number of permanent employees. Sickness-related absence is calculated as the number of hours of sickness-related absence in relation to the number of scheduled working hours. Sickness-related absence is calculated on a rolling 12-month basis up to and including November of the current year. Gender distribution, all management levels refers to all managers with responsibility for staff within the Group. The gender distribution for the Board of Directors and ICA Management Team refers to ICA Gruppen's AGM-elected board members and IMT at the end of the year. The gender distribution for business-critical positions refers to positions with significant operational responsibility, a substantial impact on operations and a major responsibility for the continuation of the business. Type of employment relates to all employees, broken down into those that work fulltime (100%) and those that work part-time, i.e. less than 100%. Age distribution, all employees is a breakdown by age group of all individuals employed on a permanent basis. Permanent employees means individuals employed for an indefinite period or on a probationary basis, regardless of their degree of employment, as of December. Temporary employees means staff whose employment is for a limited term.