

# Corporate Governance Report 2020

## A long-term approach and the capacity and courage to continue to evolve

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The pandemic has affected society, individuals and businesses on a scale never seen before. ICA Gruppen and our various operations have also been impacted, albeit in different ways and to different degrees. Without in any way minimising the challenges, it is fair to say that, overall, the short-term impact has been relatively limited for us compared to other industries. The longer term consequences will, however, be more significant. The pandemic has in the most tangible way helped to strengthen the trends we have been seeing for many years; the primary ones being changed consumer behaviour, extensive digitalisation, a strong rise in online shopping and an increased focus on sustainability. We now find ourselves in a new situation – a new normal.

The consequences also include a greater focus on public health and the future food supply. Both of these areas clearly intersect with ICA Gruppen's business, and here – thanks to our size and focus – we have both a responsibility and an opportunity to make a positive contribution. Numerous initiatives are under way within the Group and the Board is monitoring their progress with great interest.

### A long-term perspective

The new climate and the new normal requires us to have great organisational capacity, financial strength and the courage to continue to evolve. One of the main things the Board can do in this situation is to stake out a long-term strategy for the future. As a large Group, we need to be consistent in our position while at the same time designing in the flexibility that will allow us to adapt rapidly to changes. This is a challenge – but it is also incredibly stimulating.

Our perspective for this work is always long term. In order to reap we must constantly plough and sow. ICA has been around for a little over 100 years and we plan to be here for at least another 100. We take a long-term approach in everything we do and in all the decisions we make – from strategy and investment decisions to assessment criteria for senior executive bonus programmes.

### A sound corporate culture

Through good and relevant corporate governance we want to ensure that our corporate culture is sound and helps the Group and its operations to develop – as a whole and as individual parts. To help us we have purpose-built systems, procedures and processes to follow up on targets, internal control and risk management.

The Board has performed its duties during the year through Board meetings and in various committees. The fact that each Board member serves

on at least one committee ensures participation and that continuity is maintained between the meetings. In a fast-changing world it is even more important to constantly evaluate the Board's composition and expertise. We are always reviewing the make-up of the Board based on changing talent needs, and we will continue to do so in the future. In my opinion, the mix of skills on the current Board corresponds well to developments in the world around us.

### A stable platform

Entrepreneurship, a desire to evolve and seeing things from the retailer's perspective have always been key parts of our DNA – and they will continue to be important pieces of the puzzle as we navigate the new normal. Our starting position is strong. As a result of the structural changes we have made in recent years, we have a stable platform and a financial position that together provide good conditions for both con-

tinued investment and a solid and stable return for shareholders.

### Proposal on increased dividend

Alongside large, forward-looking investments, we are now proposing to the shareholders' meeting a dividend of SEK 13, an increase from the previous year of SEK 1. The fact that we are able to do this in a year such as this one characterised by changes in the world around us and internally shows the strength and stability of our operations and our Group.

### Constructive dialogue and strong commitment

One of the Board's most important tasks is to support the ICA Gruppen Management Team (IMT) and also to critically evaluate its work. To succeed in this it is essential to have an open and constructive dialogue between the Board and the IMT. From the Board's perspective, our experience is that this is indeed the case.



I would also like to take this opportunity to express our appreciation of the commitment witnessed in the efforts of everyone within the organisation. We live and work in a rapidly changing time, where having the capacity and courage to transform, develop and think in new ways is entirely critical in order to succeed. The enthusiasm, which – despite significant challenges and changed working conditions – has shone through over the past year, bodes well for our future.

Stockholm, February 2021

Claes-Göran Sylvén  
*Chairman of the Board*

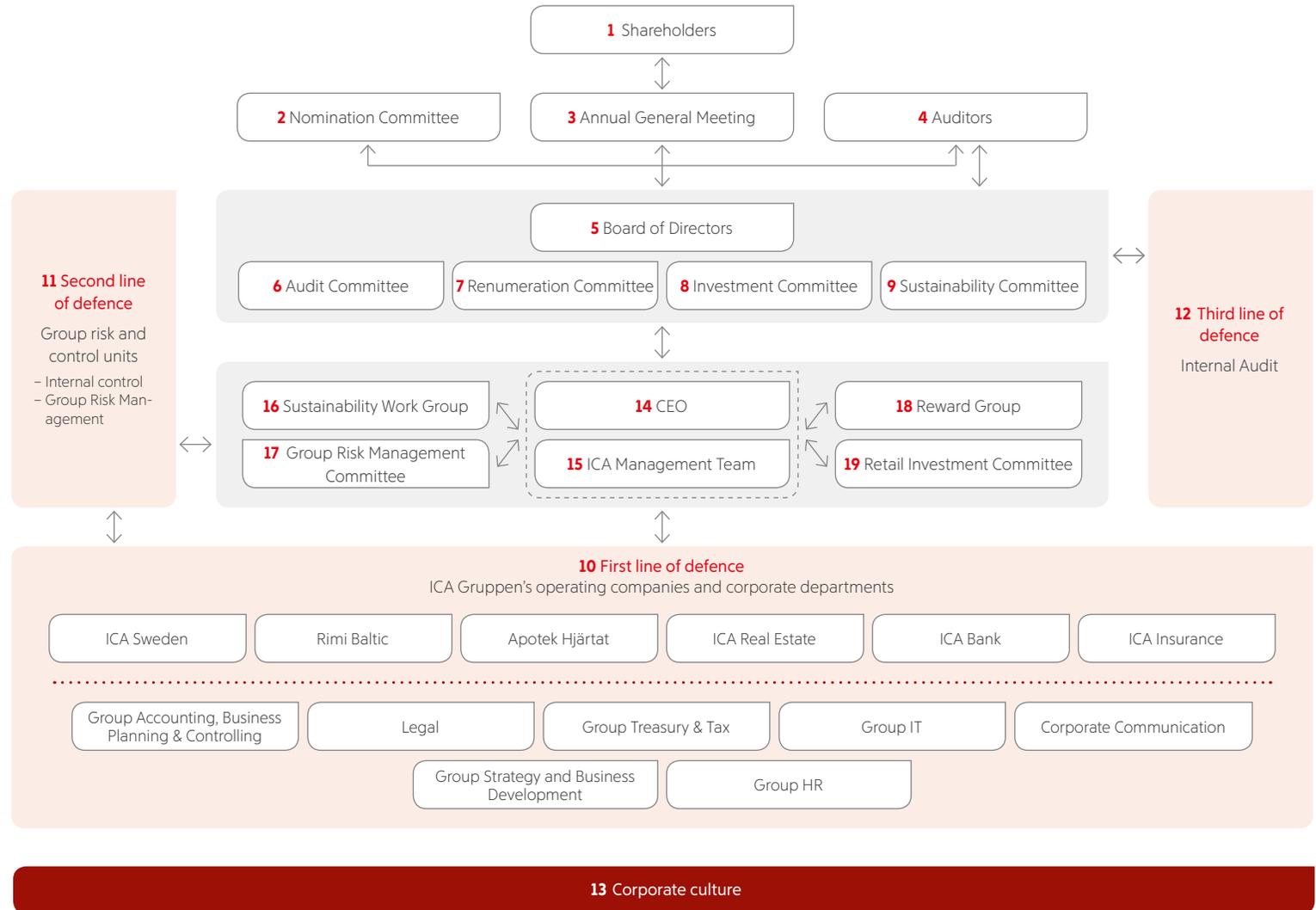
CORPORATE GOVERNANCE REPORT

# Governance for value creation

Good corporate governance is about ensuring, on behalf of all shareholders, that ICA Gruppen AB (publ) (ICA Gruppen or the Company) is managed in a sustainable and responsible way and as efficiently as possible. The overall goal is to increase shareholder value and in so doing, meet the requirements owners have with respect to their invested capital. The main external and internal control instruments for ICA Gruppen are the Swedish Companies Act, Nasdaq Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code (the Code), the Articles of Association, the rules of procedure for the Board of Directors, the instructions for the Board committees, the instructions for the CEO, including instructions on financial reporting, and the policies established by the Board. ICA Gruppen's Board of Directors is responsible for the Company's organisational structure and the administration of the Company's affairs. The CEO is responsible for ensuring that the day-to-day administration of the Company is carried out in accordance with the Board's guidelines and instructions. In dialogue with the Chairman of the Board, the CEO also compiles an agenda for Board meetings and is otherwise responsible for providing the meetings with information documents and materials for use as a basis for decisions.

**Further information:**

- Swedish Companies Act, [government.se](http://government.se)
- Nasdaq Stockholm, [nasdaqomxnordic.com](http://nasdaqomxnordic.com)
- Swedish Corporate Governance Code, [bolagsstyrning.se](http://bolagsstyrning.se)
- ICA Gruppen's Articles of Association, [icagruppen.se/en](http://icagruppen.se/en)

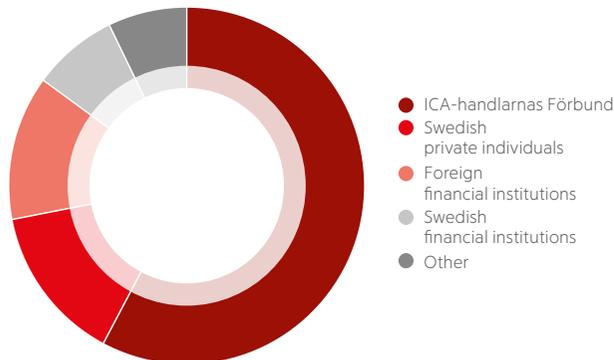


CORPORATE GOVERNANCE REPORT

## 1 Shareholders

ICA Gruppen has been listed on Nasdaq Stockholm in the Large Cap segment since 8 December 2005. The largest shareholder is ICA-handlarnas Förbund with a holding of 54%. The remaining 46% is owned by institutional investors and private individuals in Sweden and other countries. None of these shareholders holds more than 10% of the shares in the Company, either directly or indirectly. The Company has one class of shares with equal voting rights and dividend entitlement. In voting at general meetings each share carries entitlement to

one vote and all shareholders may vote for the full number of shares they represent. As of 31 December 2020 the Board of Directors had no outstanding authorisations from the Annual General Meeting for the Board to issue new shares or acquire treasury shares. More information on ICA Gruppen's shares and shareholders can be found in the section "Shares and shareholders" on pages 68–69 of the Annual Report and on the Company's website, [icagruppen.se/en](http://icagruppen.se/en).



## 2 Nomination Committee

The rules for ICA Gruppen's Nomination Committee were adopted at the 2020 Annual General Meeting. The Nomination Committee is to consist of four members representing the Company's shareholders. Shareholders can register their interest in appointing a member of the Nomination Committee. Of the shareholders who have registered their interest in appointing a member, the three shareholders with the largest shareholdings in terms of voting power, based on the list of registered shareholders maintained by Euroclear Sweden AB as of the last trading day in August, are entitled to appoint a member. Of these three shareholders, the largest shareholder in terms of voting power is entitled to appoint two members and the subsequent largest shareholders in terms of voting power are entitled to appoint one member each. Should one of these shareholders fail to appoint a member of the Nomination Committee within 10 days of the last trading day in August, the right to appoint a member shall transfer to the shareholder that has the next largest shareholding as of the last trading day in August and that has not already appointed a member.

If a member of the Nomination Committee represents a shareholder that has sold the bulk of its holding of shares in the Company, the member shall offer to give up their place and the Nomination Committee shall ask the Company's other shareholders who have registered their interest in appointing a member of the Nomina-

tion Committee, in order of size starting with the largest shareholder in terms of voting power that has not already appointed a member, whether such shareholder wishes to appoint a replacement for the member that has made their place available. However, except in special circumstances, no changes are to be made to the Nomination Committee's composition if the change takes place less than two months before the Annual General Meeting. Shareholders who have appointed members of the Nomination Committee have the right to dismiss those members and appoint new members to the Nomination Committee. Changes in the Nomination Committee's composition are to be announced on the Company's website as soon as they have taken place.

ICA Gruppen's Chairman is to be co-opted onto the Nomination Committee.

The Nomination Committee is to apply rule 4.1 of the Code as the diversity policy with which the Nomination Committee will ensure that the Board of Directors, taking into consideration the nature of ICA Gruppen's business, its stage of development and the circumstances in general, has an appropriate composition characterised by diversity and breadth with respect to the expertise, experience and backgrounds of the members elected by the general meeting. The Nomination Committee is also to focus on meeting the goal of having gender balance on the Board.

The Nomination Committee is to

present proposals regarding the following matters prior to the 2021 Annual General Meeting:

- (i) proposal for a chairman for the general meeting;
- (ii) proposal for number of Board members;
- (iii) proposal for members of the Board of Directors;
- (iv) proposal for Chairman of the Board;
- (v) proposal for board fees, broken down into amounts for the Chairman of the Board and other Board members and as remuneration for committee work;
- (vi) proposal for number of auditors;
- (vii) proposal for auditor or auditors, and proposal for fees to be paid to the Company's auditor or auditors; and
- (viii) proposed principles for the appointment of, and instructions for, the Nomination Committee.

### The work of the Nomination Committee

The current composition of the Nomination Committee was announced on 29 September 2020 and consists of Tomas Emanuelz and Anna-Karin Liljeholm representing ICA-handlarnas Förbund, Tommi Saukkoriipi representing SEB Investment Management and Emma Englén representing Spiltan Fonder. No compensation is paid by ICA Gruppen to the members of the Nomination Committee for their work and the members have established that there are no conflicts of interest that would affect their assignment.

The Chairman of ICA Gruppen's Board, Claes-Göran Sylvén, was co-opted onto the Nomination Committee. The Nomination Committee met with CEO Per Strömberg and CFO Sven Lindskog who, along with Claes-Göran Sylvén, provided information on ICA Gruppen's operations, Board work and focus areas. The Nomination Committee was also presented with the results of the 2020 evaluation of the Board. The chairman of the Audit Committee, Cecilia Daun Wennborg, informed the Nomination Committee about the work of the Audit Committee and cooperation with ICA Gruppen's Accounting department, and the evaluation of the audit work carried out by the Audit Committee in 2020.

Based on the information received by the Nomination Committee regarding the work of the Board of Directors and the Audit Committee, as described above, the Nomination Committee has obtained a sound basis for determining the following: whether the composition of the Board is satisfactory; the expertise needed on the Board; and the breadth and experience within the Board. Shareholders have been given the opportunity to submit suggestions and points of view on the work of the Nomination Committee prior to the 2021 Annual General Meeting. The Nomination Committee's proposals for the 2021 Annual General Meeting are presented in the notice of the meeting. More information on the work of the Nomination Committee will be presented in the Nomination Committee's report prior to the 2021 Annual General Meeting.

## CORPORATE GOVERNANCE REPORT

### 3 General Meeting

The general meeting of shareholders is ICA Gruppen's highest decision-making body. The general meeting that is held within six months of the end of the financial year and that presents the income statement and balance sheet is known as the Annual General Meeting (AGM). ICA Gruppen's Annual General Meeting is normally held in the Stockholm area. In addition to decisions on the adoption of the income statement and balance sheet, the Annual General Meeting also decides on, among other things, the appropriation of earnings, the composition of ICA Gruppen's Board of Directors, fees for the Board and guidelines for remuneration to senior executives, and also appoints external auditors. General meetings are convened by being advertised in

Post- och Inrikes Tidningar (the Official Swedish Gazette) and by posting the notice of the meeting on the Company's website, [icagruppen.se/en](http://icagruppen.se/en). When a general meeting is convened this information is advertised in Svenska Dagbladet, Dagens Nyheter and Dagens Industri. Shareholders who have registered their intention to attend according to the instructions in the notice of the meeting are entitled to participate in the general meeting, in person or by proxy, to vote at the meeting for or against the proposals presented and to pose questions to the Board of Directors and the CEO.

#### Annual General Meeting and Extraordinary General Meeting 2020

The 2020 Annual General Meeting took place on Tuesday

21 April 2020 at ICA Group headquarters. Ahead of the Annual General Meeting the board decided to reduce its original dividend proposal from SEK 12 to SEK 6 per share due to the extensive and the unforeseeable consequences of the covid-19 pandemic. The Annual General Meeting decided on dividends in accordance with the Board's proposal. Thereafter, an Extraordinary General Meeting resolved on 22 September 2020 on dividends of an additional SEK 6 per share. The total dividend in 2020 thus corresponded to the Board's original dividend proposal to the 2020 Annual General Meeting.

Minutes from the Annual General Meeting and the Extraordinary General Meeting and related documents can be found on ICA Gruppen's website, [icagruppen.se](http://icagruppen.se).

#### Annual General Meeting 2021

The 2021 Annual General Meeting will be held Thursday 15 April 2021. To minimise the risk of spreading the coronavirus, the Board of Directors has decided that the Annual General Meeting will be conducted without the physical presence of shareholders, proxies or external parties, and that shareholders shall have the opportunity to exercise their voting rights by post prior to the meeting. To be able to participate in the Annual General Meeting, shareholders must be registered in the shareholders register maintained by Euroclear Sweden AB as per 7 April 2021 and have submitted their postal vote in accordance with the instructions in the AGM notice so that the Company has received them by 14 April 2021 at the latest.

### 4 Auditors

The auditor conducts an independent audit of the Company's financial statements and determines whether these, in all material respects, are correct and complete and provide a fair presentation of the Company and its financial position and results. The auditor also examines the administration of the Company by the Board of Directors and CEO and also reviews the Company's sustainability reporting.

According to the Articles of Association the Annual General Meeting is to appoint at least one but no more than two auditors or one or two authorised accounting firms. The accounting firm KPMG AB was elected as auditor at the 2020 AGM for a term of one year. KPMG AB has therefore audited the Company's financial statements for 2020. Authorised Public

Accountant Helena Arvidsson Älgne has served as chief auditor. In addition to ICA Gruppen, Helena Arvidsson Älgne has significant audit assignments with LKAB, Momentum Group, Knowit and HiQ. She has no assignments that impact her independence with respect to ICA Gruppen.

The auditors attended one Board meeting to present KPMG AB's audit process for ICA Gruppen and to give Board members an opportunity to ask questions without the presence of the ICA Management Team. In addition, the auditors attended all of the meetings of the Board's Audit Committee.

The Audit Committee evaluates the auditor annually to ensure that the auditor's objectivity and independence cannot be called into question. The auditor confirms their independence annually in the Auditor's Report.

### 5 Board of Directors

The Board is to administer the Company's affairs in the interests of the Company and all its shareholders, and is to safeguard and promote a good corporate culture. The duties of the Board include, among other things:

- appointing, evaluating and, if needed, dismissing the CEO;
- establishing the Company's overall goals and strategy;
- identifying how sustainability issues affect the Company's risks and business opportunities;
- establishing the requisite guidelines for how the Company is to behave in the community to ensure its ability to

create long-term value;

- ensuring that there are appropriate monitoring and control systems in place for the Company's operations and for the risks the Company faces in connection with its operations;
- ensuring that there is satisfactory control of the Company's compliance with laws and other regulations that apply to the Company's operations, and ensuring the Company's compliance with internal rules; and
- ensuring that the Company's information procedures are correct, relevant, reliable and transparent.

According to the Articles of Association, ICA Gruppen's Board of Directors is to consist of between five and ten members elected by the Annual General Meeting. There are no other rules in the Articles of Association concerning the appointment or dismissal of Board members. The CEO makes presentations at Board meetings and the Company's General Counsel is the secretary to the Board. In addition to the AGM-elected members, the Board has two employee representatives, each with a deputy.

The 2020 Annual General Meeting re-elected Claes-Göran Sylvén (Chair-

man), Cecilia Daun Wennborg, Lennart Evrell, Fredrik Hägglund, Andrea Gisle Joosen, Jeanette Jäger, Magnus Moberg, Fredrik Persson, Bo Sandström and Anette Wiotti. Four of the AGM-elected Board members are women and six are men. The Board is made up of individuals with extensive and solid expertise in ICA's affairs and in retail, business development, IT, corporate finance, corporate governance, sustainability and industry. The Board has ongoing professional development in areas that are relevant to ICA Gruppen. In 2020 the Board received training relating to various parts of the busi-

ness, such as the Baltic and Swedish store operations, property management, banking and insurance, sourcing, IT, brand strategy, Apotek Hjärtat and HR.

The CEO, CFO and secretary to the Board are not members of the Board, but they do attend Board meetings except in matters where a conflict of interest may exist or where this is otherwise not appropriate.

ICA Gruppen's Annual General Meeting is to vote on discharging the Board of Directors and CEO from liability for the accounting period for which the accounting documents sub-

mitted to the AGM pertain. Discharge from liability is granted if, at the AGM, shareholders representing a majority of votes vote in favour of the proposal, as long as no shareholder representing at least one tenth of all shares in the Company votes against the proposal.

#### Independence of Board members

Five of the Board's members – Cecilia Daun Wennborg, Andrea Gisle Joosen, Jeanette Jäger, Lennart Evrell and Fredrik Persson – are independent in relation to ICA Gruppen, its management and the principal shareholders. Fredrik Hägglund and Bo Sandström

CORPORATE GOVERNANCE REPORT

Cont. 5 Board of Directors

are independent in relation to ICA Gruppen and its management, but not in relation to its principal shareholders since they are employed by ICA-handlarnas Förbund. Magnus Moberg and Anette Wiotti are ICA retailers and members of the board of ICA-handlarnas Förbund, and are considered to be independent in relation to ICA Gruppen and its management, but not in relation to the principal shareholder ICA-handlarnas Förbund. Claes-Göran Sylvé is an ICA retailer and member of ICA-handlarnas Förbund. He is considered to be independent in relation to ICA Gruppen and its management, but not in relation to ICA-handlarnas Förbund.

**The work of the Board**

The main mission of the Board of Directors is to establish the Company's overall goals and strategy, and the Chairman oversees the work of the Board. The key issues for the Board to address are strategy work, monitoring and control of the Company's operations and risks, value creation and monitoring the Company's compliance with external and internal rules and regulations. The processes for monitoring and control of the Company's risk are described in more detail in the section "Risks and risk management" on pages 43-48 of the Annual Report. One of the ways that the Board monitors the Company's compliance with internal and external rules and regulations is through the risk-based audits performed by the Internal Audit department; see the section "The third line of defence" on page 59.

The Board's work is regulated in the rules of procedure established by the

Board each year, and by applicable laws and regulations. Every year the Board decides on instructions for the CEO and for the working committees, as well as other policy documents that provide guidance for ICA Gruppen's employees. The rules of procedure and instructions now in place were addressed and formally adopted at the Board meeting on 27 May 2020. The Board of Directors met 12 times in 2020.

ICA Gruppen's Board has four regular committees: the Audit Committee, the Remuneration Committee, the Investment Committee and the Sustainability Committee. The Committees report to the Board on an ongoing basis on their work. The Committees are to be regarded as the Board's working committees and do not assume the responsibility that is incumbent upon the Board as a whole.

Ahead of each Board meeting documents are distributed to the Board members via a virtual data room (VDR). The auditor in charge also has access to the VDR. The VDR offers email management, a chat function and voting proce-

dures as needed, and also enables users to see when documents are retrieved on an individual basis. The minutes from committee meetings are distributed to all Board members, the CEO, the person in charge of internal audits and to the auditor.

The following items are usually on the agenda of each Board meeting:

- Minutes of the previous meeting
- Information on matters addressed by the Board's Committees
- CEO's report
- CFO's report
- Quarterly reports on internal audit scrutiny and any action plans

**Evaluation of the Board of Directors**

An evaluation of the Board of Directors is carried out every year in order to develop the work of the Board and provide a basis for the Nomination Committee's evaluation of the Board's composition. In 2020 the evaluation of the Board took the form of the members and deputy members completing a questionnaire for Alumni AB. The evaluation of the Board showed that the Board

functioned well and that the Board is a well-composed group of highly committed individuals. The members contribute broad expertise and have many years' experience in various areas that are relevant to ICA Gruppen's operations.

**Conflicts of interest**

ICA Gruppen's Board of Directors has decided that Board members and the CEO must not deal with matters relating to agreements between themselves and the Company, nor matters between the Company and third parties if the person in question has a significant interest that could conflict with the Company's interests.

**Remuneration to the Board of Directors**

The Nomination Committee submits proposals to the Annual General Meeting for resolutions on Board fees. The 2020 Annual General Meeting voted in favour of the Nomination Committee's fee proposal. The Nomination Committee's remuneration proposals for the 2021 Annual General Meeting are presented in the notice of the meeting.

**6. Audit Committee**

The Audit Committee, through its work and in dialogue with the auditor, the head of the Internal Audit department and the Management Team, is to provide the Board with a good supply of information on the Group's operations. The purpose is to identify any shortcomings in routines and organisational structures based on governance, risk management and control. The purpose of the Audit Committee's work is to ensure that the Company's executive management establishes and maintains efficient procedures for internal governance, risk management and control. These are to be designed to provide reasonable assurance in reporting (financial reporting and operational risk) and compliance (laws, instructions and internal rules) and to ensure that the administrative processes are appropriate and efficient. The Audit Committee also examines whether the internal and external auditors'

work is carried out efficiently, independently and in a satisfactory manner, and follows up on the Internal Audit department's annual plan and strategic priorities. The Committee proposes measures that are adopted by the Board if so required. The majority of the members of the Committee are to be independent in relation to the Company and the IMT. At least one of the members who is independent in relation to the Company and the Management Team must also be independent in relation to the Company's principal shareholders. The Audit Committee consists of Cecilia Daun Wennborg (chairman), Lennart Evrell, Bo Sandström and Anette Wiotti. The Company's CFO is responsible for presenting information and the head of Internal Audit serves as secretary.

Annually recurring agenda items:

First quarter	Second quarter	Third quarter	Fourth quarter
<ul style="list-style-type: none"> <li>• Year-end accounts</li> <li>• Annual Report</li> <li>• Matters to discuss ahead of the AGM</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Statutory Board meeting</li> <li>• Appointment of committee members</li> <li>• Corporate governance documents</li> <li>• Interim report (first quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term plan (LTP)</li> <li>• Interim report (second quarter)</li> </ul>	<ul style="list-style-type: none"> <li>• Annual target (AT)</li> <li>• Interim report (third quarter)</li> <li>• Evaluation of the Board of Directors</li> <li>• Evaluation of the CEO</li> </ul>



## CORPORATE GOVERNANCE REPORT

## 7 Remuneration Committee

The Remuneration Committee is responsible for the preparation and evaluation of issues regarding remuneration and other terms of employment for the ICA Management Team, including pay structures, pension plans, incentive programmes and other terms of employment. The Reward Group also monitors and evaluates remuneration programmes for senior executives, both those that are ongoing and those that were con-

cluded during the year, and monitors and assesses the implementation of guidelines for remuneration to senior executives as well as remuneration structures and levels within the Company. The Reward Group also makes preparations for succession planning decisions. The Reward Group consists of Claes-Göran Sylvén (chairman), Andrea Gisle Joosen and Magnus Moberg.

## 8 Investment Committee

The Retail Investment Committee is responsible for the review and quality assurance of the documentary basis for decisions on acquisitions and divestments, including necessary risk analysis. In addition, the Retail Investment Committee has an investment and divestment mandate as set out in the Company's Bill of Authority. The Retail Investment Committee consists of Claes-Göran Sylvén (chairman), Jeanette Jäger, Fredrik Persson and Bo Sandström.

## 9 Sustainability Committee

The Sustainability Committee's mandate is based on the Code's rules on the responsibility of the Board of Directors to establish guidelines for how the Company should behave in society. The Committee's duties include preparing policies on business ethics and sustainability, as well as sustainability reporting. The Committee also works to monitor business ethics and sustainability. The Sustainability Committee consists of Cecilia Daun Wennborg (chairman), Andrea Gisle Joosen and Fredrik Hägglund.



## CORPORATE GOVERNANCE REPORT

## Board of Directors



Claes-Göran Sylvé



Cecilia Daun Wennborg



Lennart Evrell



Andrea Gisle Joosen



Fredrik Hägglund



Jeanette Jäger

Born	1959	1963	1954	1964	1967	1969
Education	Various courses of study (finance, business management, leadership development etc.)	Master of Science in Business and Economics	Master of Science in Engineering and Master of Science in Business and Economics	Master of Science in Business and Economics, MSc International Business	Master of Laws	Studies in business and finance
Elected	2013	2005	2019	2010	2013	2015
Other significant assignments	Chairman of the Board MQ MarQet AB. Board member Centrum Fastigheter i Norrtälje AB etc. ICA retailer, ICA Kvantum Flygfyren in Norrtälje.	Board member Getinge AB, Loomis AB, Bravida Holding AB, Hoist Finance AB, Oncopeptides AB, Hotell Diplomat AB, Atvexa AB and others. Member Aktiemarknadsnämnden (the Swedish Securities Council).	Board member Epiroc, Industriarbetsgivarna (Swedish Association of Industrial Employers), SCA and Svenskt Näringsliv (Confederation of Swedish Enterprise).	Chairman of the Board Acast AB. Board member BillerudKorsnäs AB, Dixons Carphone plc, James Hardie Industries plc, Qred AB and Logent AB.	CEO ICA-handlarnas Förbund. Chairman ICA Stiftelsen. Board member Hakon Swenson Stiftelsen and Svensk Handel (Swedish Trade Federation).	CEO, Bankgirot.
Previous significant positions	Chairman of the Board ICA AB. Board member Svensk Handel (Swedish Trade Federation). CEO Hakon Invest AB and ICA-handlarnas Förbund.	Vice President Ambea AB, CEO and CFO Carema Vård och Omsorg Aktieföretag. Acting CEO Skandiabanken, Head of Skandia Sweden and CEO SkandiaLink Livförsäkrings AB.	Previously CEO Boliden, SAPA and Munters.	Chairman of the Board Teknikmagasinet AB. Board member Lighthouse Group AB, Elektronikbranschen Sverige and Mr Green & Co AB etc. CEO Boxer TV Access AB, CEO Panasonic Nordic AB and Chantelle AB.	Board member ICA AB, Swedish Anti-Corruption Institute, Independent Retail Europe and EuroCommerce. Vice President and General Counsel ICA-handlarnas Förbund. General Counsel Hakon Invest AB. Lawyer, Clifford Chance, Brussels. Assistant Lawyer, Linklaters.	Head of Marketing and Communications Tieto, VP Financial Services Global Tieto, Capital Markets Global Tieto, Product and Market Director TDC. CEO Inne AB.
Total remuneration 2020/2021, SEK	1,300,000	825,000	650,000	650,000	600,000	600,000
Independence	Independent in relation to the Company and its management, but not in relation to the Company's principal shareholders.	Independent in relation to the Company, its management and the Company's principal shareholders.	Independent in relation to the Company, its management and the Company's principal shareholders.	Independent in relation to the Company, its management and the Company's principal shareholders.	Independent in relation to the Company and its management, but not in relation to the Company's principal shareholders.	Independent in relation to the Company, its management and the Company's principal shareholders.
Shareholding	657,889 shares (incl. related parties).	3,125 shares (incl. related parties).	2,000 shares (incl. related parties).	2,000 shares (incl. related parties).	17,067 shares (incl. related parties).	900 shares (incl. related parties).
Committees	Member of the Reward Group (chairman) and the Retail Investment Committee (chairman).	Member of the Audit Committee (chairman) and Sustainability Committee (chairman).	Member of the Audit Committee.	Member of the Reward Group and the Sustainability Committee.	Member of the Sustainability Committee.	Member of the Retail Investment Committee.
Attendance at meetings						
Board meetings	12/12	11/12	12/12	12/12	11/12	10/12
Audit Committee	–	4/4	4/4	–	–	–
Reward Group	5/5	–	–	5/5	–	–
Retail Investment Committee	10/10	–	–	–	–	9/10
Sustainability Committee	–	4/4	–	4/4	4/4	–

CORPORATE GOVERNANCE REPORT

Board of Directors, cont.



Magnus Moberg



Fredrik Persson



Bo Sandström



Anette Wiotti



Jonathon Clarke



Magnus Rehn

	Magnus Moberg	Fredrik Persson	Bo Sandström	Anette Wiotti	Jonathon Clarke	Magnus Rehn
Born	1966	1968	1975	1966	1968	1966
Education	Various courses of study (finance, business management, leadership development etc.)	Master of Science in Business and Economics	Master of Science in Business and Economics and Master of Science in Engineering Physics	Various courses of study (finance, business management, leadership development etc.)	Trained welder, studies in labour law	Upper secondary education
Elected	2008	2018	2019	2017	2013	2013
Other significant assignments	Chairman of the Board Nya Ulfmag AB, Storbutiken i Falköping AB and ICA-handlarnas Förbund. Board member Jomag AB etc. CEO Storbutiken i Falköping AB. ICA retailer, Maxi ICA Storknäd Falköping.	Chairman of the Board Confederation of Swedish Enterprise, JM AB and Ellevio AB. Board member AB Electrolux, AB Hufvudstaden, Ahlström Capital OY, Interogo Holding AG and Nalka Invest AB.	CFO ICA-handlarnas Förbund.	Vice Chairman ICA-handlarnas Förbund. Elected representative on boards and committees within ICA-handlarnas Förbund. ICA retailer, ICA Kvantum Arvika.	–	–
Previous significant positions	Chairman of the Board Köpet i Sandared AB. Board member Moberg & Svensson i Sandared AB and Ulfmag AB.	CEO Axel Johnson, Chief Analyst Aros Securities, various positions within ABB Financial Services.	CFO Telia Sverige, SATS Group and SAS Scandinavian Airlines Sverige.	Various roles as elected representative within ICA-handlarnas Förbund and ICA Sverige AB.	Employee representative, Handelsanställdas Förbund.	Employee representative, Unionen.
Total remuneration 2020/2021, SEK	600,000	600,000	700,000	650,000	–	–
Independence	Independent in relation to the Company and its management, but not in relation to the Company's principal shareholders.	Independent in relation to the Company, its management and the Company's principal shareholders.	Independent in relation to the Company and its management, but not in relation to the Company's principal shareholders.	Independent in relation to the Company and its management, but not in relation to the Company's principal shareholders.	–	–
Shareholding	50,000 shares (incl. related parties).	1,500 shares (incl. related parties).	0 shares (incl. related parties).	6,455 shares (incl. related parties).	0 shares (incl. related parties).	250 shares (incl. related parties).
Committees	Member of the Reward Group.	Member of the Retail Investment Committee.	Member of the Audit Committee and the Retail Investment Committee.	Member of the Audit Committee.	–	–
Attendance at meetings <sup>1</sup>	Board meetings	11/12	12/12	12/12	11/12	12/12
	Audit Committee	–	–	4/4	4/4	–
	Reward Group	5/5	–	–	–	–
	Retail Investment Committee	–	10/10	10/10	–	–
	Sustainability Committee	–	–	–	–	–

Marcus Strandberg

Deputy member  
Employee representative  
Handelsanställdas Förbund

Born: 1966  
Education: Upper secondary education  
Appointed: 2013  
Previous significant positions:  
Employee representative, ICA AB.  
Total remuneration 2020/2021, SEK: –  
Independence: –  
Shareholding: 0 (incl. related parties)  
Attendance at meetings:  
Board meetings 11/12  
Audit Committee meetings –  
Retail Investment Committee meetings –  
Sustainability Committee meetings –

Daniela Fagernäs<sup>1</sup>

Deputy member  
Employee representative  
Unionen

Born: 1975  
Education: Post-secondary education  
Appointed: 2020  
Previous significant positions:  
Board member, ICA Sverige AB (employee representative)  
Total remuneration 2020/2021, SEK: –  
Independence: –  
Shareholding: 0 (incl. related parties)  
Attendance at meetings:  
Board meetings 1/12<sup>1</sup>  
Audit Committee meetings –  
Retail Investment Committee meetings –  
Sustainability Committee meetings –

1) Joined the Board on 4 December 2020

CORPORATE GOVERNANCE REPORT

## Rules and regulations

### External rules

As a Swedish public limited company with securities listed on Nasdaq Stockholm, ICA Gruppen is, among other things, obliged to comply with the Swedish Companies Act, Nasdaq Stockholm's Rule Book for Issuers and the Code.

### Deviations from the Code, stock exchange rules or good stock market practice

The Company has not deviated from the Code or the stock exchange rules. Nor has the Company been the subject of a decision by the Disciplinary Committee at Nasdaq Stockholm or a decision on infringement of good practice in the stock market by Aktie- marknadsnämnden (the Swedish Securities Council).

### Internal rules

ICA Gruppen has a number of internal rules which, together with the external rules, form the framework for its operations. The main rules are the Articles of Association, the rules of procedure for the Board of Directors, the instructions for the Board committees, the instructions for the CEO including instructions on financial reporting, and policies. The Company's internal rules are based on governing documents at four levels:

1. Policies are issued by the Board of Directors and establish overarching rules for all employees.
2. Guidelines are issued by the ICA Management Team and they establish more detailed rules for all employees based on the applicable policy.
3. Instructions are issued by the respective operating company and cover employees in that company.
4. Procedures may be established by a department, business area or function for employees in that area.

The Company has the following policies:

#### • Data Protection Policy

The Data Protection Policy describes ICA Gruppen's objectives for data protection and establishes that ICA Gruppen must comply with the relevant data protection laws with a business perspective while retaining the trust of customers, employees, shareholders and other stakeholders. ICA Gruppen must also, throughout the organisation, have integrated, documented and continuous data protection processes for the purpose of being able to prove compliance with the relevant data protection legislation and internal rules.

#### • Financial Policy

The Financial Policy establishes the Board's financial risk level and defines objectives and guidelines for the Group's financial management. The policy defines the responsibility and routines for reporting and internal control that apply to financial management.

#### • HR Policy

The HR Policy establishes the overall framework in respect of employees of the Group. Among other things, it states that to meet customers' needs and expectations, the Group needs to have employees with different backgrounds and representing a broad range of experience and skills.

#### • Sustainability Policy

The Sustainability Policy describes ICA Gruppen's overall vision for sustainability issues in the following areas: the environment, health, quality, social responsibility and local production.

#### • Insider Policy

The Insider Policy establishes principles for trading in ICA Gruppen's shares and how the Company is to handle insider information.

#### • Communication Policy

The Communication Policy describes the principles for the Company's internal and external communication for the purpose of promoting uniform, clear and effective communication between the Company's employees and between ICA Gruppen and its external stakeholders.

#### • Business Ethics Policy

The Business Ethics Policy states that the corporate culture is to be based on responsibility, trust and high standards of professional behaviour.

#### • Risk Management Policy

The Risk Management Policy establishes the principles for the Company's management of risk (i.e. a future uncertain event that may have a negative impact on the Company's ability to achieve its business targets) and the level of risk-taking that ICA Gruppen can accept.

#### • Tax Policy

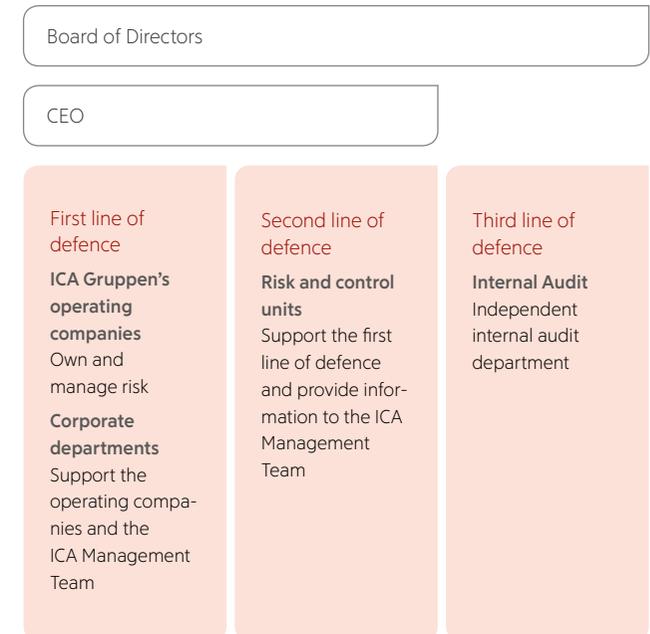
The Tax Policy establishes the Company's risk exposure relating to tax taking into account the applicable tax rules.

## ICA Gruppen's model for internal control

The basis of effective risk management is a strong and Group-wide risk culture. ICA Gruppen's model for internal control and governance is based on three lines of defence. It describes the division of responsibility for internal control and governance.

The Board is responsible for ensuring that there are processes in place to identify and define the risks within the organisation, and to measure and control risk-taking.

The CEO is responsible for the day-to-day task of maintaining efficient governance and control at an overall level. The CEOs of the operating companies are each responsible for maintaining good internal control within their segment.



CORPORATE GOVERNANCE REPORT

## 10 The first line of defence

The first line of defence consists of the Group's operations (ICA Gruppen's operating companies) and of ICA Gruppen's corporate departments (except the risk and control units). The operating companies are responsible within their respective areas for maintaining good internal control and for thereby identifying and managing risk. The corporate departments are to support the operations and the ICA Management Team, and ensure that there is good internal control and that identified risks are managed.

### Corporate departments Corporate Responsibility

ICA Gruppen's central Corporate Responsibility (CR) department supports each of the operating companies in the implementation of the Company's sustainability targets. The CR department monitors management systems, activities and KPIs relating to sustainability within the Group and prepares information and supporting documents for the Company's sustainability reporting.

### Group Accounting, Business Planning & Controlling (GAC)

GAC is responsible for managing and controlling all processes relating to accounting, business planning and control within ICA Gruppen. As part of this, GAC must ensure that monthly and quarterly reports as well as the Company's annual report are produced in a

manner that provides an accurate depiction of the Company's financial situation and business activities, and that reporting processes are in compliance with laws and regulations.

### Group HR

Group HR is responsible for the Group's HR strategy. This includes overall responsibility for processes relating to the organisational structure, recruitment, HR management, compensation, and skills and leadership development.

### Group IT

Group IT is responsible for developing Group-wide capabilities and synergies within IT. The department leads the work on the Group-wide IT strategy, monitors whether the Group is complying with the strategy in the short and long term, and is responsible for the Group's IT framework.

### Group Treasury & Tax

Treasury & Tax manages the Company's financial and fiscal issues. The department is responsible for the Company's financial administration and must also ensure, among other things, that the Company follows the established guidelines that the Company has decided upon regarding levels of financial risk, and that the Company manages taxation within the framework of applicable tax laws and regulations.

### Legal

The role of Legal is to create good conditions for the Company to achieve its business targets taking into account the risks that those targets involve, and to ensure that the business is run in compliance with laws as well as external and internal rules.

### Corporate Communication

This department is responsible for the Group's corporate communication. At the corporate level the department is responsible for providing strategic advice and managing the Company's communication planning and activities. The department handles all types of communication – from contacts with the media and community contacts to internal communication. It is not, however, involved in customer communication activities and advertising.

### Privacy Office

The Privacy Office is a Group-wide strategic department that coordinates ICA Gruppen's data protection processes and offers legal expertise to the operating companies in matters relating to processing personal data. The Privacy Office also establishes objectives for data protection activities, highlights risks at a general level and establishes a framework for how the operating companies are to comply with the data protection legislation in force and monitor their data protection procedures.

### Group Strategy and Business Development

The Group Strategy and Business Development department, in cooperation with the CEO and ICA Management Team, is responsible for developing the Group's common strategy. It also runs Group-wide strategic projects and M&A activities. Also part of this department is the CDO (Chief Digital Officer) unit, which designs the Group's digital strategy and drives and supports Group-wide digital development, such as the ICAx innovation hub, e-commerce cooperation between ICA Gruppen's operating companies and applications that involve automation, AI and Advanced analysis.

## 11 The second line of defence

In the second line of defence are the Group's risk and control units, which are tasked with supporting the first line of defence and providing information to the ICA Management Team. These functions are carried out by the Internal Control and Group Risk Management departments.

### Internal Control

Within ICA Gruppen the Internal Control department is tasked with coordinating and supervising internal governance and control over financial reporting within the Group. Internal control over financial reporting is aimed at managing the risk of material errors in financial reporting with a reasonable degree of certainty and ensuring compliance with laws and regulations that are of significance for financial reporting. The department identifies business-critical processes and key controls within the Group that are to be evaluated regularly. The evaluation is based on periodic self-evaluation and selective

quality review processes. The results are compiled in reports and submitted by Internal Control to the operating companies, the ICA Management Team and the Audit Committee.

### Group Risk Management (GRM)

The role of GRM is to create good conditions for long-term and efficient risk management and security activities within ICA Gruppen. GRM coordinates the Group's risk management work and monitors compliance with the Group's framework for risk management. It also supports the subsidiaries and strengthens the Group's risk management through training, by developing tools, by carrying out risk analysis for specific risk areas and by proposing measures to manage identified risks.



## CORPORATE GOVERNANCE REPORT

## 12 The third line of defence

The third line of defence is Internal Audit. Internal Audit is a department for independent review and control that is tasked with examining the efficiency and reliability of the Group's internal governance and control.

Internal Audit has been commissioned by the Board to review corporate governance, risk management and the governance and control of ICA Gruppen's business processes. Its mandate covers all operations within ICA Gruppen in Sweden and the Baltic countries. Each year the Audit Committee draws up a risk-based plan for Internal Audit's work to ensure that it focuses on

the areas where the most value can be added to ICA Gruppen. In 2020 Internal Audit's reviews covered programmes for change that are in progress as well as core processes within ICA Gruppen. In addition, it examined areas such as information security and data protection, e-commerce, sustainability and compliance with external regulations. Store audits constitute a special area within the review of business processes.

The observations and recommendations made by Internal Audit aim to reduce the level of risk within a business area and to increase efficiency and improve ICA Gruppen's processes. It is

the responsibility of the respective management teams within ICA Gruppen's operating companies to put in place appropriate action plans based on the recommendations made by Internal Audit. An important aspect of the work of Internal Audit is to conduct a quarterly review of the established action plans.

Internal Audit conducts separate quarterly meetings with the ICA Management Team (IMT Audit Update) which include a review of the results of audits completed during the quarter, follow-up of action plans relating to audits completed previously and discussion regarding future audits. Internal Audit

also reports quarterly to ICA Gruppen's Audit Committee, which in turn reports to the Board. This reporting covers the audit work carried out over the past quarter and the status of the action plans. Internal Audit also prepares a report annually which is presented to the Board.

## 13 Corporate culture

ICA Gruppen's corporate culture is based on the vision of making every day a little easier and on the Group's values of simplicity, commitment and entrepreneurship. These values are the foundation for ensuring the Company has committed and talented employees who in turn ensure that ICA Gruppen has efficient corporate governance and risk management procedures. Simplicity means an approach in which the employees are transparent and honest in their interactions and trust each other. Commitment means taking responsibility for what we do, for the Company's community and for the

shareholders, which promotes good governance within the Company. Entrepreneurship enables us to create opportunities and take action. It also means that we are driven by a constant desire to improve and take responsibility for ensuring good corporate governance, while paying attention to the risks associated with the business. All employees have a responsibility to ensure that the Company complies with external and internal rules, and to take action if the Company is in any way non-compliant. To do this employees can contact their immediate superior, safety officer

or the HR department. It is also possible to anonymously report issues through the Company's online whistleblower service, or to the head of the Company's Internal Audit department. ICA retailers, i.e. business owners operating ICA stores (not employees of ICA Gruppen), are responsible for ensuring that their business is in compliance with external and internal rules. The Company and the ICA retailers' membership organisation, ICA-handlarnas Förbund, have together created an accountability board tasked with addressing matters relating to the commitments of the ICA retailers and

their responsibilities pursuant to the statutes of ICA-handlarnas Förbund. The accountability board can issue reminders or warnings and can expel members from ICA-handlarnas Förbund.



## CORPORATE GOVERNANCE REPORT

## ICA Gruppen's work on business ethics

ICA Gruppen's ethics and anti-corruption efforts are of crucial importance, and the Company takes active steps to maintain a high level of trust among customers, suppliers, employees, partners, shareholders and the community in general.

Business ethics are an integrated aspect of the recurring risk assessments that are made.

**Anti-corruption work**

As a major player with operations in several countries and suppliers spread across much of the globe, ICA Gruppen is exposed to risks relating to corruption and fraud. Neither ICA Gruppen nor its management accepts any form of corruption, bribery or unethical business practices and active steps are taken to ensure that this does not occur. ICA Gruppen works in accordance with a business ethics governance model that has been applied within the Group since 2015. This includes the Business Ethics Policy and its guidelines and procedures to monitor compliance with these, the whistleblower service, risk analysis, training, communication and reporting.

**Internal and external framework for business ethics**

Efforts to prevent business ethics risks are based on both external frameworks and internal rules and guidelines. The external frameworks include

the laws and regulations applicable to the business, industry practice and general good practice. ICA Gruppen's work on business ethics is also based on the Company's support of the UN Global Compact, the UN Sustainable Development Goals and the Swedish Anti-Corruption Institute's Code of Business Conduct.

The internal rules include ICA Gruppen's Business Ethics Policy and its associated guidelines. The Business Ethics Policy describes ICA Gruppen's anti-corruption stance and guidelines, including how to approach gifts and benefits, conflicts of interest and fair competition. In addition to the Business Ethics Policy and associated guidelines, there are also internal guidelines regarding corporate hospitality, meetings and travel.

ICA Gruppen's Business Ethics Policy specifies that the Group is to act and be perceived as a responsible and progressive actor. The policy includes guidelines and principles relating to business ethics, and these are to be followed by all employees. The basis for good business with and within ICA Gruppen is defined in the Business Ethics Policy and the Sustainability Policy. The Group's suppliers and partners are expected to follow the intentions of these and act ethically and responsibly. Suppliers and partners undertake to meet ICA Gruppen's requirements set out in agreements.

**Responsibility and governance**

ICA Gruppen's Board of Directors sets the Business Ethics Policy and makes revisions to it. Matters of an ethical nature are addressed by the Company's Sustainability Work Group and referred to the Sustainability Committee within ICA Gruppen's Board. Monitoring of the performance of operating companies is carried out according to ICA Gruppen's established process for monitoring compliance with policies and guidelines. Business ethics aspects are included in the annual risk analysis that is carried out for each company within the Group.

The members of the ICA Management Team have a responsibility to ensure that activities in their area of responsibility are conducted in accordance with the Group's Business Ethics Policy and guidelines. Managers within the Group are responsible for ensuring that the policy and its guidelines are implemented within the relevant target group. Each employee is responsible for following the policy and its guidelines and thereby helping to promote a sound culture of business ethics and a high level of ethical awareness within the Group.

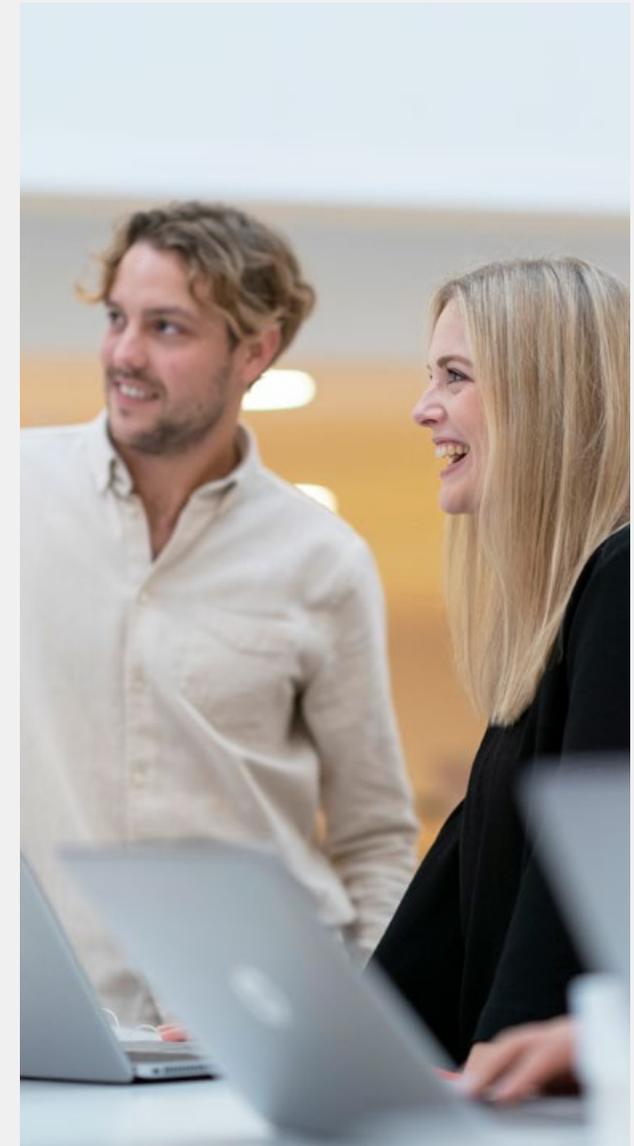
**Training and follow-up**

ICA Gruppen has produced internal online training to ensure that all employees are familiar with the Business Ethics Policy and act in accord-

ance with it. The training is mandatory for all white-collar employees within the Group and is also available to other employees. The number of employees who have completed the online training is monitored and reported internally. To complement the online training, teacher-led courses are provided to the groups of employees who are the most exposed to business ethics dilemmas. Additional information is also provided on an ongoing basis to spread awareness about business ethics within the Group. In 2020 a digital platform was established for training and information in the area of business ethics at ICA.

**Whistleblower service**

ICA Gruppen's external, web-based whistleblower service allows employees to anonymously report any irregularities that they believe contravene laws, rules or important position statements in ICA Gruppen's governing documents. The whistleblower service has clear procedures and processes for how to handle any issues reported. In 2020 the whistleblower service was available to employees in Sweden (except those working for individual store companies), in the Baltic states and in Asia.



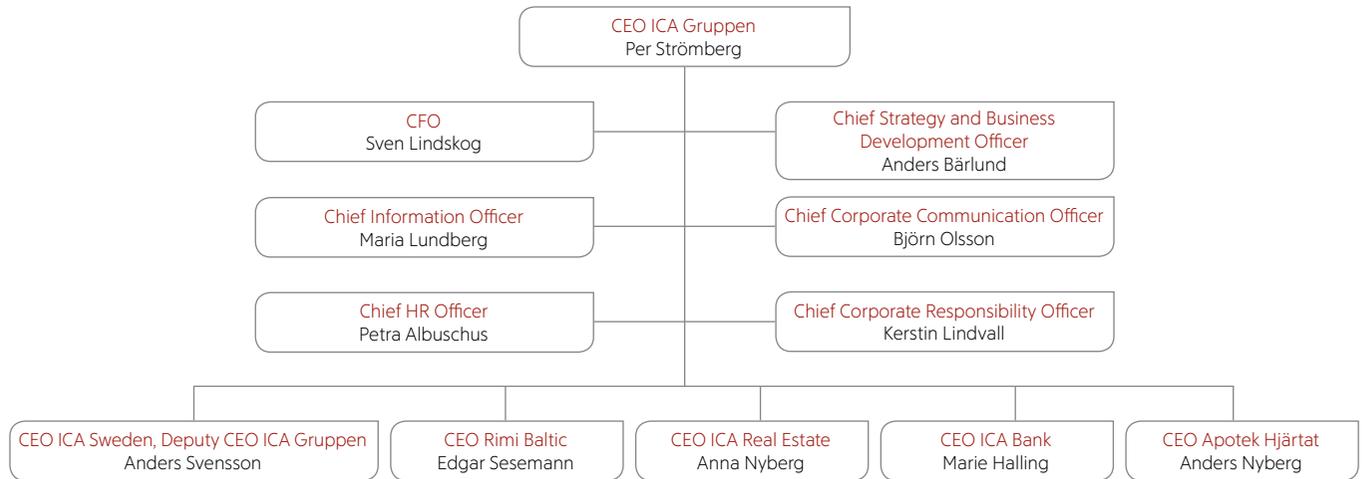
CORPORATE GOVERNANCE REPORT

## 14 CEO

CEO Per Strömberg is responsible for the day-to-day administration of the Company in accordance with the guidelines and instructions issued by the Board. In dialogue with the Chairman of the Board, the CEO also compiles an agenda for Board meetings and is responsible for providing the meetings with information documents and material as a basis for decisions. In addition, the CEO must ensure that the members of the Board receive information on ICA Gruppen's performance in order to make well-founded decisions. The Board has

approved Per Strömberg's significant assignments and financial commitments outside the Company, such as his positions as a member of the Steering Group for GEN-PEP and as a board member of The Consumer Goods Forum, EuroCommerce and ICC Sweden. The CEO has no significant shareholdings or proprietary involvement in companies with which the Company has significant business ties. An evaluation of the CEO was carried out by the Board in 2020 without the CEO and other members of management being present.

## ICA Management Team



## 15 ICA Management Team

Alongside CEO Per Strömberg, the members of the ICA Management Team are the CFO, Chief HR Officer, Chief Strategy and Business Development Officer, Chief Information Officer, Chief Corporate Communication Officer, Chief Corporate Responsibility Officer and the CEOs of ICA Sweden (also Deputy CEO of ICA Gruppen), Apotek Hjärtat, Rimi Baltic, ICA Real Estate and ICA Bank. The ICA Management Team meets regularly to discuss matters relating to, for example, corporate governance, reporting and strategy. In addition, the ICA Management Team prepares information on matters where the rules of procedure

state that a decision by the Board is required, and assists the CEO in executing decisions made by the Board. In addition to their collective responsibility for the management of the Company, each member of the ICA Management Team bears individual responsibility for his or her respective area of the Company. At the beginning of each financial year the ICA Management Team assesses its work, focusing on the quality of decisions, agendas, the meeting structure, effectiveness and the ICA Management Team's overall performance.

### Committees supporting the ICA Management Team

In support of the ICA Management Team's work, four committees have been established:

### 16 Sustainability Work Group

The Sustainability Work Group manages and prepares information on sustainability and is headed by Chief Corporate Responsibility Officer Kerstin Lindvall.

### 17 Group Risk Management Committee

The Group Risk Management Committee has overall responsibility for maintaining an overview of the Group's risk exposure by providing guidance and governance, and for reporting on significant changes in the risk profile. The Committee is headed by CFO Sven Lindskog.

### 18 Reward Group

The Reward Group addresses and prepares information on matters relating to employment terms for employees and is headed by the Chief HR Officer Petra Albuschus.

### 19 Retail Investment Committee

The Retail Investment Committee addresses and prepares information on investment-related matters and is headed by CEO Per Strömberg.

CORPORATE GOVERNANCE REPORT

## ICA Management Team



Per Strömberg

CEO ICA Gruppen. Employed at ICA and member of ICA Management Team since 2012.



Petra Albuschus

Chief HR Officer (CHRO) ICA Gruppen. Employed at ICA since 2008 and member of ICA Management Team since 2015.



Anna Nyberg

CEO ICA Real Estate. Employed at ICA and member of ICA Management Team since 2020.



Anders Bärlund

Chief Strategy & Business Development Officer (CSO) ICA Gruppen. Employed at ICA and member of ICA Management Team since 2019.



Marie Halling

CEO ICA Bank. Employed at ICA and member of ICA Management Team since 2014.



Sven Lindskog

CFO ICA Gruppen. Employed at ICA and member of ICA Management Team since 2014.

Born	1963	1968	1973	1979	1963	1963
Education	Master of Science in Business and Economics	Master of Science in Engineering	Master of Science in Engineering	Master of Science in Engineering	Master of Laws	Master of Science in Business and Economics
Other assignments	Board member of The Consumer Goods Forum, EuroCommerce and ICC Sweden. Member of the steering group for GEN-PEP.	Board member Electra Gruppen AB.	—	—	Deputy board member Svenska Bankföreningen (Swedish Bankers' Association).	—
Experience	President and CEO Lantmännen (2007–2012) and Sardus AB (2006–2007). Kraft Foods (1988–2006), including as CEO Kraft Foods Sweden, CEO Kraft Foods Denmark, Business Development Director Kraft Foods International, London. Various managerial positions at Kraft Freia Marabou, Sweden.	SVP Logistics ICA Sweden (2008–2015). Procter & Gamble Nordic (1993–1998, 2005–2008), Procter & Gamble UK (1998–2001), Procter & Gamble ETC Belgium (2001–2005), including as Director of Logistics, Nordics.	Various roles at Vasakronan AB (2007–2020) including SVP Property Development, SVP Business Development, Head of Business Unit and Head of Retail, and member of Vasakronan's management team (2015–2020). Head of Property with responsibility for leasing, Hufvudstaden AB (2003–2007). Ericsson Radio Systems AB, DGS (2000–2003), Telaris Fastigheter (1997–2000).	McKinsey & Company (2004–2019), focusing on retail and consumer goods. Partner since 2013. Most recently responsible for McKinsey's work involving the retail sector's digital and commercial transformation in Asia, based in Manila in the Philippines.	Swedbank (2005–2014), including as head of the Eastern region and member of Swedbank's Group Executive Committee, head of Retail Banking and Private Banking. FöreningsSparbanken (1996–2005), including as head of Corporate Banking FöreningsSparbanken Stockholm.	CFO Höganäs Group (2007–2014). CFO Sardus Group (2006–2007). CFO Unilever Nordic (2005–2006). Other senior positions at Unilever Nordic (1998–2004). Unilever global head office, the Netherlands (1996–1998). Unilever Hungary (1994–1996). Unilever Sweden (1989–1993).
Shareholding	14,070 shares (incl. related parties).	1,690 shares (incl. related parties).	0 shares (incl. related parties).	0 shares (incl. related parties).	3,250 shares (incl. related parties).	2,100 shares (incl. related parties).

CORPORATE GOVERNANCE REPORT

## ICA Management Team, cont.



Kerstin Lindvall

Chief Corporate Responsibility Officer (CCRO) ICA Gruppen. Employed at ICA since 1997 and member of ICA Management Team since 2016.



Maria Lundberg

Chief Information Officer (CIO) ICA Gruppen. Employed at ICA since 2015 and member of ICA Management Team since 2018.



Anders Nyberg

CEO Apotek Hjärtat. Employed at ICA and member of ICA Management Team since 2015 (CEO of Apotek Hjärtat since 2009).



Björn Olsson

Chief Corporate Communication Officer (CCCO) ICA Gruppen. Employed at ICA since 2004 and member of ICA Management Team since 2009.



Edgar Sesemann

CEO Rimi Baltic. Employed at ICA since 1999 and member of ICA Management Team since 2008.



Anders Svensson

CEO ICA Sweden and Deputy CEO (DCEO) ICA Gruppen. Employed at ICA and member of ICA Management Team since 2009.

Born	1971	1968	1956	1971	1961	1964
Education	Agronomist	Master of Science in Engineering	Studies in business and finance, DIHR (advertising and communication diploma)	Master's degree in Political Science, Economics and Commercial Law	Diploma in Market Economics	Master of Science in Business and Economics
Other assignments	Chief Corporate Responsibility Officer ICA Sverige AB. Board member UN Global Compact Sweden and member of Monitoring Board of the Swedish Chemicals Agency.	—	Board member Swedish Pharmacy Association and Humana AB.	—	Board member Stockholm School of Economics in Riga Foundation (SSE Riga).	Chairman Svensk Handel AB (Swedish Trade Federation). Board member Stadium AB, Swedish Food Retailers Federation and Confederation of Swedish Enterprise.
Experience	ICA Sweden (1997–), including as Chief Corporate Responsibility Officer (2010–), Head of Environment & Social Responsibility (2002–2009), Quality Specialist (1999–2001) and Head of Environment (1997–1999). Swedish Board of Agriculture, coordinator for EU funding (1996–1997).	CIO ICA Sweden (2015–2017), Head of Development Axfood IT (2011–2015), SVP Tieto Sweden AB Head of Retail & Services (2008–2010), other senior roles within Tieto (1999–2008).	Deputy CEO ICA AB (2006–2008) and Axfood (2001–2005). ICA (1992–2000), Deputy CEO ICA Sweden, SVP Strategy & Business Development, CEO ICA Öst. Åhléns (1988–1992), Regional Manager/Marketing Manager Livs. Chairman Swedish Pharmacy Association (2012–2016).	Head of Media Relations/Acting Head of Communications, Svensk Handel (Swedish Trade Federation) (2000–2003).	ICA, including as CEO Rimi Estonia (2008), Sourcing Director ICA AB, ICA Sverige AB and ICA Handlarnas AB (1999–2008). Business Unit Director Grocery KF Stormarknader (1992–1998). Category Director B&W Stormarknader (1990–1992). Departmental Manager B&W Falkenberg and B&W Täby (1986–1990).	Arla Foods (2002–2009), including as SVP Arla Foods Consumer Nordic, Managing Director Arla Foods Sweden. Procter & Gamble Nordic and Procter & Gamble UK (1993–2002) including as Director of Logistics, Nordic, and Sales Director, Sweden. Andersen Consulting (1988–1993), Consultant.
Shareholding	750 shares (incl. related parties).	0 shares (incl. related parties).	13,639 shares (incl. related parties).	1,923 shares (incl. related parties).	3,100 shares (incl. related parties).	4,740 shares (incl. related parties).

## Guidelines for remuneration of senior executives

The Annual General Meeting 2020 approved the following guidelines for remuneration of senior executives.

Senior executives in this context are the CEO of ICA Gruppen, the Deputy CEO of ICA Gruppen and the senior executives making up the executive management of ICA Gruppen.

### How the guidelines promote the Company's and the Group's business strategy, long-term interests and sustainability

In brief, the Company's and the Group's business strategy is aimed at ensuring lasting growth and profitability in a market in major transition. One of the strategic objectives determining priorities is that ICA is to be a positive force in the community. This means that ICA aspires to lead the development towards a more sustainable and healthier society. More information on the Company's strategic priorities can be found in the Company's Annual Report and on the Company's website, among other places.

To successfully implement the Company's and the Group's business strategy and safeguard the long-term interests of the Company and the Group, the Company and the Group need to be able to recruit, develop and retain senior executives with relevant experience, expertise and advanced leadership skills. It is therefore important that the Company and the Group

are able to offer their senior executives a competitive remuneration package.

On this basis, the Company and the Group must seek to offer their senior executives terms that provide motivation and are in line with market levels, and that are also well-balanced and reasonable based on the executives' expertise, responsibilities and performance.

The guidelines for remuneration aim to provide a clear framework for remuneration of senior executives so that terms can be formulated that benefit the Company's business strategy and long-term interests – including its lasting growth and profitability – and that contribute to long-term growth in shareholder value.

### Components of the remuneration package

The remuneration package is to be in line with market levels and may consist of the following components:

- Fixed cash remuneration
- Variable cash remuneration
- Pension benefits
- Other benefits

### Fixed cash remuneration

The fixed cash remuneration for senior executives is to be in line with the market and based on responsibilities, expertise and performance. The level

of fixed cash remuneration is to be reviewed regularly, usually annually.

### Variable cash remuneration

Senior executives may be included in two variable remuneration programmes taking the form of a cash bonus, one of which runs for one year ("Annual Bonus Programme") and the other for three years ("Long-term Bonus Programme").

The variable cash remuneration is to be linked to pre-determined and measurable criteria which may be financial or non-financial. The criteria are to be designed so as to promote the Company's and the Group's business strategy and long-term interests, including sustainability, by being clearly linked to business targets and/or the Company's and the Group's strategies.

The Board of Directors makes decisions regarding:

- Whether a new Annual Bonus Programme is to be launched
- Whether a new Long-term Bonus Programme is to be launched
- The structure and details of the bonus programmes, based on these guidelines
- Cost frameworks for the bonus programmes
- The financial targets for the Annual and Long-term Bonus Programmes

- Adjustments to the arrangements of current bonus programmes in extraordinary circumstances
- Authorisation of the Company's Remuneration Committee to make decisions regarding variable cash remuneration, with the authorisation effective from time to time being regulated by instructions for this work

### Financial targets

Financial targets that the Company generally considers to have a good link to promotion of the Company's and the Group's business strategy, long-term interests and lasting growth are:

- Operating profit/loss (EBIT)
- Net sales growth
- Market share growth
- Return on capital employed (ROCE)
- Operating working capital days

In bonus programmes covering senior executives the figures stated above are to be weighted such that, combined, they make up at least 60% of the total potential outcome relating to financial targets.

### Assessing the fulfilment of criteria

At the end of the measurement period for fulfilment of the criteria for paying variable cash remuneration it shall be determined to what extent the criteria have been fulfilled. This assessment

shall be based on an evaluation of the criteria as they are described in the senior executives' bonus agreements.

A maximum level of combined variable remuneration shall be set for each senior executive and year. The total variable cash remuneration paid to the CEO of ICA Gruppen shall not exceed 100% of annual basic salary and holiday supplement. For other senior executives the total variable cash remuneration paid shall not exceed 50% of annual basic salary and holiday supplement.

The amounts paid under variable remuneration programmes shall not be pensionable, unless stated otherwise in the rules of any collectively agreed pension plans that are applied.

Payment of variable cash remuneration shall be conditional upon the senior executive remaining employed for the full term of the bonus programme. If a senior executive retires during the term of a programme, payment may be allowed provided that the senior executive participated in the programme for at least two thirds of its term.

### Annual Bonus Programme

The total bonus paid to the CEO of ICA Gruppen under the Annual Bonus Programme shall not exceed 50% of annual basic salary and holiday supplement. For other senior executives the total bonus paid under the Annual

Bonus Programme shall not exceed 25% of annual basic salary and holiday supplement.

The framework for the total potential outcome of the Annual Bonus Programme shall be as follows:

- At least 50% of the total potential outcome shall be based on the outcome for financial targets. These may be measured at both Group and/or unit level.
- Up to 50% of the total potential outcome may be based on non-financial targets. These shall normally be linked to business targets and/or strategies at Group and/or unit level.

The targets shall be reviewed ahead of the launch of each new Annual Bonus Programme so that they are relevant in terms of the current strategic focus and priorities.

### Long-term Bonus Programme

The total bonus paid to the CEO of ICA Gruppen under the Long-term Bonus Programme shall not exceed 50% of annual basic salary and holiday supplement. For other senior executives the total bonus paid under the Long-term Bonus Programme shall not exceed 25% of annual basic salary and holiday supplement.

The framework for the total potential outcome in the Long-term Bonus

## CORPORATE GOVERNANCE REPORT

Programme shall be as follows:

- At least 30% of the total potential outcome shall be based on the outcome for financial targets. These may be measured at both Group and/or unit level.
- At least 30% of the total potential outcome shall be based on the relative financial outcome. This is assessed by comparing the results for financial key ratios that are considered to contribute to long-term growth in shareholder value with the corresponding key ratios for a pre-determined comparison group of companies with similar operations. The outcome shall be dependent on the Company's ranking in comparison with this group.
- At least 15% of the total possible outcome shall be based on targets clearly linked to the Company's and the Group's aspiration to lead the development towards a more sustainable and healthier society.

#### Special arrangements for variable remuneration programmes at credit institutions

Due to the stricter rules on remuneration programmes at credit institutions, the CEO of ICA Bank is not covered by the variable remuneration programmes launched for senior executives. This is taken into account – within the framework of applicable guidelines – when the total remuneration package is determined for the CEO of ICA Bank.

#### Pension benefits – retirement pension

Senior executives may be covered by an individually designed pension plan or a collectively agreed pension plan.

#### Individually designed pension plan

Senior executives who are covered by an individually designed pension plan shall have a total premium for retirement pension, including waiver of premium, amounting to a maximum of 40% of annual basic salary and holiday supplement.

#### Collectively agreed defined contribution pension plan

For senior executives with contracts stating that they will receive a pension in accordance with a collectively agreed defined contribution pension plan, premiums will be paid in accordance with the detailed terms of the collectively agreed pension plan.

The Company has no direct influence over the maximum premium levels for collectively agreed pension plans and consequently no maximum premium is stated in these guidelines.

#### Collectively agreed defined benefit pension plan

For senior executives with contracts stating that they will receive a collectively agreed pension plan that is principally a defined benefit plan, premiums will be paid in accordance with the detailed terms of the collectively agreed pension plan.

The Company has no direct influence over the maximum premium levels for collectively agreed pension plans and consequently no maximum premium is stated in these guidelines.

#### Pension benefits – disability pension

Disability benefits for senior executives shall be designed so as to replicate the benefits paid under collective agree-

ments applied within the Company and the Group. In addition, senior executives may be offered financial cover for any higher salary elements for which collective agreements do not provide compensation in the form of disability benefits.

The Company has no direct influence over the maximum premium levels for disability insurance and consequently no maximum premium is stated in these guidelines.

#### Other benefits

The cost of other benefits for senior executives employed in Sweden shall not normally exceed of 15% of fixed annual cash salary. Examples of other benefits which senior executives employed in Sweden may receive include a company car, health insurance, domestic services and financial cover for family/survivors. In special cases the cost may exceed 15%, but shall not then exceed 70% of fixed annual cash salary. Where a decision is taken to allow the cost to exceed 15% there must be special circumstances. Examples of special circumstances include overnight accommodation or visits home that are taxed as benefits where these are paid for in full or in part by the employer for a limited period of time due to the executive's family residing in a different location to the executive's place of work.

#### Employment arrangements that are entirely or partly subject to rules other than Swedish rules

Senior executives whose employment arrangements are entirely or partly regulated by rules other than Swedish

rules may receive a level of remuneration or remuneration components that deviate from these guidelines. However, the total remuneration shall be assessed as being relevant as regards promoting the Company's and the Group's business strategy, long-term interests and sustainability, and the terms shall be adapted to binding legislation, regulations and practice in the market concerned.

Senior executives whose terms of employment are entirely or partly regulated by rules other than Swedish rules may be covered by an expanded package of other benefits. The value of this expanded package shall not exceed 200% of their fixed annual cash salary. Examples of benefits that may be included in an expanded package include paid accommodation, insurance for working abroad, payment of school fees for accompanying children and paid visits home for the family.

#### Remuneration in extraordinary circumstances

Additional remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with a view to either recruiting or retaining a senior executive, or as compensation for extraordinary work beyond an individual's usual duties. Such remuneration may not be paid in an amount exceeding 100% of fixed annual cash salary per year and senior executive. Decisions on such remuneration shall be made by the Board of Directors after being prepared by the Remuneration Committee.

#### Terms relating to termination of employment and severance pay

A mutual notice period of six (6) months shall apply to senior executives. Severance pay corresponding to a maximum of 12 months of fixed cash salary may be payable to senior executives if the employer terminates the employment. Any earnings from new employment shall be deducted from such severance pay.

If a senior executive resigns, the employer may choose to invoke a non-competition clause in cases where such a clause has been agreed. During the period the non-competition clause applies, the employer will pay compensation equivalent to a maximum of 60% of fixed salary. Severance pay and compensation paid during the non-competition period shall not be pensionable.

#### Consideration of remuneration and employment terms for other employees

In preparing the Board's proposal for these guidelines on remuneration, consideration was given to the salaries and employment terms of the Company's and the Group's other employees. To do this, the Remuneration Committee and the Board of Directors took into consideration information concerning the employees' remuneration and remuneration components, as well as the rate of increase in remuneration over time, as part of their assessment of whether the guidelines are reasonable.

#### Decision process for establishing, reviewing and implementing the guidelines

The Remuneration Committee shall monitor and evaluate the application of

the guidelines, variable remuneration programmes for senior executives that are ongoing and those that were concluded during the year, as well as remuneration structures and levels within the Company and the Group. For each financial year the Board of Directors shall prepare a remuneration report and make this available to shareholders on the Company's website at least three weeks prior to the Annual General Meeting.

The duties of the Remuneration Committee include preparing the Board's resolution on proposed guidelines for remuneration of senior executives. The Board is to prepare proposed new guidelines at least every four years and submit the proposal for decision at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting.

Proposed new/revised fixed cash remuneration and variable cash remuneration for the CEO of ICA Gruppen shall be prepared by the Remuneration Committee for decision by the Board of Directors. The CEO of ICA Gruppen shall not be present when the Board is deciding on these matters.

#### Deviation from the guidelines

The Board of Directors may decide to deviate entirely or partly from the guidelines in individual cases provided that there are judged to be special circumstances that make it necessary to deviate from the guidelines in order to satisfy the long-term interests of the Company and the Group or to ensure the financial viability of the Company and the Group.

CORPORATE GOVERNANCE REPORT

## Data protection within ICA Gruppen

ICA Gruppen continues to drive its data protection work with the aim of creating trust by always putting individuals' privacy at the heart of these efforts. The work is structured and continuous, and is led by the Company's Privacy Office along with the Data Protection Officers in the Group. In 2020 this involved, among other things, work to improve the systematic approach taken by the companies to achieve sustainable compliance, action to mitigate risks identified and continued adaptation of systems, processes and structures to ensure compliance with the data protection legislation in force within the geographic and sectoral areas where the Company operates.

A key aspect of maintaining and developing the Group's data protection processes is the administrative

structure that has been established. The structure is based on the fact that responsibility for data protection lies with the operations within each company, with a supporting organisation. The Privacy Office is a Group-wide unit consisting of data protection experts who advise the operations and also drive and coordinate the data protection work jointly with the Group's Data Protection Officers. The companies in the Group that process a not insignificant amount of personal data have a Data Protection Officer (DPO), a data protection unit, a personal data controller for each particular business area and supporting Data Protection Guardian(s) (DPG). These are to ensure that the company in question handles personal data in compliance with the data protection legislation in

force and the Group's internal governing documents.

Identified data protection risks are to be managed by each operating company and in certain cases escalated from that company's risk group to the Group Risk Management Committee in accordance with ICA's risk management process.

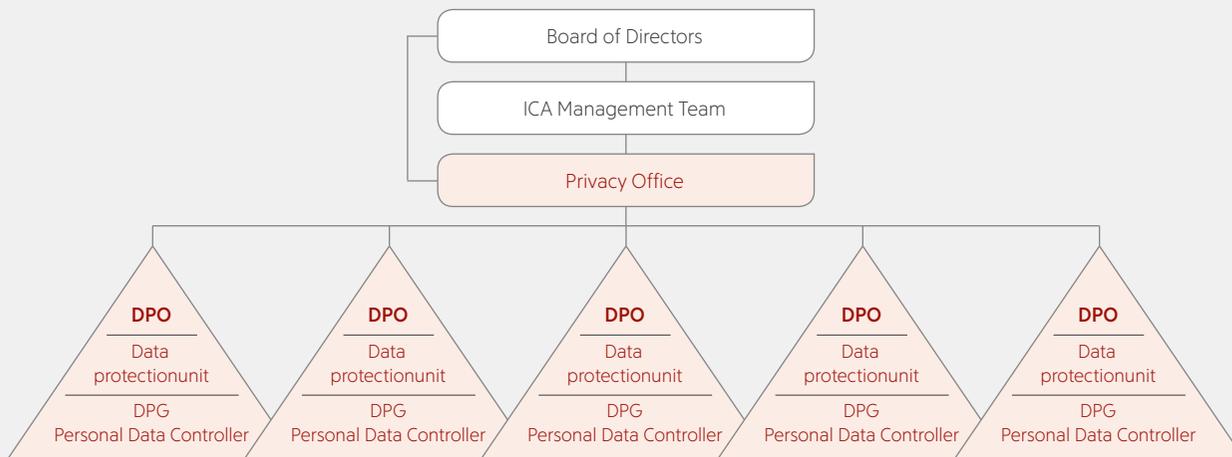
During the year the Privacy Office worked on various improvements in areas where risks had been identified after monitoring compliance within the Group or in connection with new data protection practices. The Privacy Office also focused on establishing sustainable compliance using enhanced management resources.

The Head of Privacy Office reports on the data protection work on a regular basis to the ICA Management Team and the Board, while the Data

Protection Officers report to their respective companies' management.

Managers within the Group are responsible for the Group's Data Protection Policy and associated guidelines being implemented in the operations. All members of the ICA Management Team have a responsibility to ensure that activities in their area of responsibility are conducted in accordance with the GDPR and the Data Protection Policy with its associated guidelines.

The Company has a process based on ISO 27035 for dealing with personal data breaches. The Group's employees have been informed about and are constantly reminded of what a personal data breach is and of what is expected of the employees in terms of reporting.



## Corporate governance within ICA Bank

As a credit institution ICA Bank has special financial rules and regulations to adhere to regarding governance, risk management and internal control.

ICA Bank's Board of Directors has ultimate responsibility for ensuring that ICA Bank has satisfactory control over the risks that are associated with its operations. The bank's Board must ensure that the risk framework functions in a way that does not jeopardise ICA Bank's ability to meet its obligations.

ICA Bank has a structure for corporate governance and risk management based on the principle of the first, second and third line of defence:

**The first line of defence** involves governance and risk management within the day-to-day business operations. It is the business operations that have the delegated responsibility for implementing ICA Bank's established risk strategy and for ensuring that the bank stays within the parameters set by the Board of Directors.

**The second line of defence** consists of the Risk Control unit and the Compliance unit which, among other things, oversee, control and report on the bank's risks and on the bank's compliance with internal and external rules. These units report to the bank's CEO and present reports on an ongoing basis to the bank's CEO and Board.

The Risk Control unit is an independent unit that is responsible for coordinating, supervising and monitoring the risk management carried out in the first line of defence to ensure compliance with internal and external rules. Risk Control is to provide support and advice to ICA Bank's business operations in their risk management and in the implementation of risk management and risk control rules.

The Compliance unit is an independent unit that is responsible for identifying areas where there is a risk that ICA Bank will not fulfil its obligations according to laws, regulations and other rules that govern the licensed operations, and to verify that this risk is managed by the departments concerned. Compliance also provides advice and support to the bank's business operations and Board, and verifies that the internal rules and compliance procedures are followed.

**The third line of defence** is Internal Audit. This is an independent auditing unit that supports ICA Bank's Board in its evaluation of management as well as risk management, governance and control within the operations. Internal Audit also reviews and evaluates the Risk Control and Compliance units. For a more detailed description of ICA Bank's corporate governance, see the bank's website ([icabanken.se](http://icabanken.se)) and the report entitled "Årlig information om kapitaltäckning och riskhantering" which is on the bank's website (Swedish only).

## CORPORATE GOVERNANCE REPORT

## The Board's report on internal control over financial reporting

This section has been prepared in accordance with the Swedish Corporate Governance Code and Annual Accounts Act, and describes the Company's internal control and risk management in relation to financial reporting. The aim is to provide shareholders and other stakeholders with an understanding of how internal control over financial reporting is organised within the Company.

The Board of Directors is responsible for ensuring that ICA Gruppen has good internal control and processes to guarantee compliance with established principles for financial reporting and internal control. The Board is also responsible for ensuring that financial reporting conforms to the Swedish Companies Act, applicable accounting standards and other requirements applicable to listed companies.

ICA Gruppen's work on internal control over financial reporting is defined by the Group's "Framework for internal control over financial reporting". The framework is based on two components and five recurring activities. The components are i) laws, rules and regulations and

governing documents, and ii) roles and responsibilities. The recurring activities are i) selection, ii) risk assessment, iii) define and implement checks, iv) evaluate and report compliance and v) improvement activities. ICA Gruppen's framework is based on the framework for internal governance and control produced by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework has five basic components: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring and Improvement Activities.

### 1. Control Environment

A good control environment forms the foundation for an effective internal control system within a company. A good control environment is built on an organisation with clear decision paths, where authority and responsibilities are distributed based on governing documents and where there is a corporate culture with shared values. The control environment is also affected by the actions of management and individual employees based on these values. The Board's rules of procedure and the instructions for the CEO ensure a clear division of roles and responsibilities designed for effective control and management of operational risks. The Board has also adopted a number of basic policies and governing documents of significance for maintaining effective control, such as the Bill of Authority, Risk Management Policy, Financial Policy, HR Policy, Sustainability Policy, Business Ethics Policy and Communication Policy. Management has also established guidelines for financial reporting and for preventing and identifying irregularities.

### 2. Risk Assessment

The Audit Committee is responsible for ensuring that significant risks of errors in

financial reporting are identified and managed. Within ICA Gruppen there is continuous dialogue with each operating company to ensure good internal control and awareness of operational risks. For a description of the Group's risks and risk management, see the section "Risks and risk management" on pages 43–48 of the Annual Report.

### 3. Control Activities

ICA Gruppen's internal control structure for financial reporting is based on established policies and guidelines. The point of departure for ICA Gruppen's internal control structure is the Group's business-critical processes, in which control activities have been implemented based on the assessed risk of errors in financial reporting. The Company mainly uses three types of controls:

1. Group-wide controls relating to adherence to the Group policies and guidelines.
2. Process controls for the Group's business-critical processes. Many different types of activities are included, such as approval, permits, reconciliation, scrutiny of business results, securing assets and division of responsibilities. These control activities are aimed at managing the risk of errors in each of the pro-

cesses. The controls that manage the material risk of errors are classified as key controls and are included in the Group's regular monitoring of internal control.

3. IT controls relating to IT processes, the IT platform and IT applications that are critical from a financial or commercial perspective.

### 4. Information and Communication

Effective and correct communication of information, both internally and externally, is important for ensuring complete and accurate financial reporting at the right time. Policies, procedures, handbooks and other documents of significance for financial reporting are updated and communicated to the relevant employees on an ongoing basis. The Group's Accounting department has direct operational responsibility for ongoing financial accounting and works to achieve consistent application of the Group's guidelines, principles and instructions for financial reporting. Subsidiaries and operating units provide regular financial reporting and report on operating activities to the ICA Management Team, which in turn reports to the Board of Directors. The Communication Policy and associated

guidelines ensure that external communication is transparent, accurate, relevant and reliable, and otherwise meets the requirements for companies listed on Nasdaq Stockholm. Financial information is provided regularly through annual reports, interim reports, press releases and notices on the Company's website, icagruppen.se/en.

### 5. Monitoring and Improvement Activities

The Board continually assesses the information submitted by the ICA Management Team and the Audit Committee. The Audit Committee's monitoring of the efficiency of internal control is of particular importance. As part of the monitoring process, Internal Audit reports quarterly and Internal Control twice a year to the Audit Committee. These reports describe any deficiencies identified in internal control and the plan of action established to deal with these. The monitoring process thus ensures that action is taken to deal with any deficiencies and that proposed measures arising from internal and external audits are heeded. In addition, the ICA Management Team, Internal Audit and Internal Control review and follow up as described in this section.

