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# Corporate Governance Report 2022

## Good corporate governance – a foundation for continued long-term profitable growth

The past year came to be characterised to a great extent by rising interest rates, high energy prices and a high rate of inflation. For ICA Gruppen this was mainly noticeable within the grocery sector, where a generally higher cost level brought great challenges not just for ICA Sweden, the independent ICA retailers and Rimi Baltic, but also for consumers, suppliers and producers.

One of the Board's main tasks in this situation is to support the ICA Management Team while also maintaining a long-term perspective. Through good, appropriate corporate governance we endeavour to ensure a sound corporate culture and decision-making that helps us overcome short-term challenges without losing sight of the long-term goals.

### Continuity and new perspectives

At the end of 2021 ICA-handlarnas Förbund and AMF Pensionsförsäkring AB made a bid for all of the shares in ICA Gruppen AB. The bid was successful and, as a result of the change, the share was delisted from Nasdaq Stockholm in mid-January 2022. The year 2022 was therefore the first with the new ownership structure. As a consequence of the changes on the ownership side, during the year there were relatively large changes within ICA Gruppen's Board of Directors including a number of new members joining. I am pleased to say that these changes have been a success. The remaining Board members have contributed continuity, while the incoming members have brought new points of view and new perspectives.

The level of commitment among the Board members has remained high. As previously, the Board has carried

out its duties both through formal board meetings and in various committees. The fact that each Board member serves on at least one committee ensures participation and maintains continuity between the formal meetings. This is also entirely in line with the ambition within the Group to speed up both decision-making and implementation processes. Naturally, this also applies to the Board's work.

### Changes on the management side

During the year changes on the management side were also announced. At the end of the year Per Strömberg left his role as CEO of ICA Gruppen. During his 10 years with ICA Gruppen Per has been a stable driving force in our transformation process. In a market going through significant changes, his input has contributed to strengthening the Group's position. As Chair of the Board I am pleased and grateful that as of 2023 he will continue to participate in the development of ICA Gruppen in his new role on the Board of Directors.

As well as Per, during the year Anders Svensson and Sven Lindskog also left or advised that they will be leaving their positions with the Group. For 10 years Anders was CEO of ICA Sweden and Deputy CEO of ICA Gruppen,

while Sven has been CFO for an equally long time. Both have contributed to ICA Gruppen's tremendous development in a highly commendable way.

We now welcome Nina Jönsson back to ICA Gruppen as our new CEO. Her wide-ranging background both in the supply chain and in retail gives her the experience needed for the role. Nina Jönsson also has a strong leadership style that is based on delegating considerable responsibility and authority out to the organisation, ensuring that the Group is able to act and can do so quickly. She combines this with a broad knowledge of business and a great understanding of the ICA Model from her previous six years with ICA Sweden as Assortment and Sourcing Director.

### Strategy stands firm

The names of individuals on the Board and management may change, but the long-term strategy remains firmly in place. We intend to continue to develop and grow both within our core business of grocery retail and within our complementary operations of non-food, pharmacy, banking and insurance. Guiding us along this path are our retailer perspective, entrepreneurship and local market knowledge. The ICA Idea will continue to be a key element as we move forward.

Our strategy is also supported by continued initiatives in the area of sustainability. These efforts involve a great many areas: emissions, climate impact and health, but also initiatives to support local food production and to ease the way for local suppliers. From the Board's position, we are following developments closely and with great interest. These are areas in which we can – and will – make a big difference. Our ambitions are high.

### Drive and go-ahead spirit

Developments in the world around us and changes in the grocery retail market will demand continued hard work and the courage to question previous truths and thinking patterns. It therefore feels reassuring and inspiring to see at close quarters the drive and go-ahead spirit that permeates our entire organisation – from the top down, and from the inside all the way out to our encounters with customers. In challenging times that is exactly what is needed.

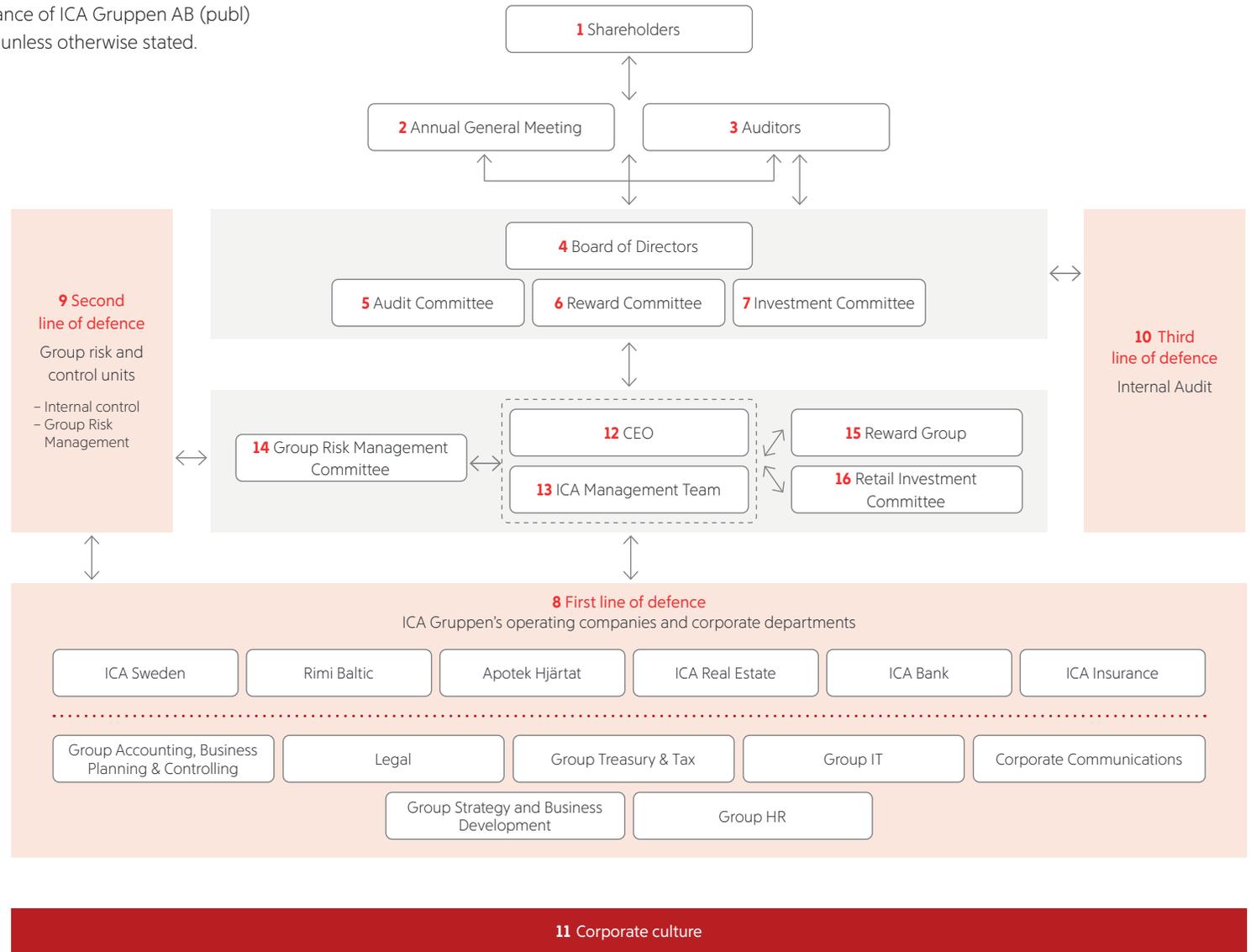
Stockholm, February 2023

Claes-Göran Sylvén  
*Chair of the Board*

This corporate governance report describes the governance of ICA Gruppen AB (publ) (ICA Gruppen or the Company) as of 31 December 2022 unless otherwise stated.

**Corporate governance reporting requirements**

As ICA Gruppen is no longer a listed company, the Company is no longer subject to the Swedish Corporate Governance Code ("the Code") and the Code's more extensive requirements concerning the content of the corporate governance report. The Company still has transferable securities in the form of listed notes, however, and to maintain transparency regarding the governance of the Company, ICA Gruppen has chosen to continue reporting more extensively than is required of issuers of such securities under the Swedish Annual Accounts Act (1995:1554).



**Governance for value creation**

Good corporate governance is about ensuring that the Company conducts its business 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 Board of Directors is responsible for the Company's organisational structure and the administration of the Company's affairs. The CEO 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 Chair 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.

## 1 Shares and shareholders

ICA Gruppen is today 87.3% owned by ICA-handlarnas Förbund and 12.7% by occupational pensions company AMF Tjänstepension. As of 31 December 2022, ICA-handlarnas Förbund's shareholding consists of 128,205,128 Class A ordinary shares. AMF Tjänstepension holds 18,728,223 Class E ordinary shares as of the same date. There are no holdings of treasury shares.

The difference between Class A and Class E ordinary shares is that the latter have a preferential right to dividend in the event that the general meeting of shareholders resolves to pay a dividend. The difference between Class A and Class E shares is described in more detail in note 12 to the annual report for the parent company on page 55.

In voting at general meetings each share carries entitlement to one vote. As of 31 December 2022 the Board of Directors had no outstanding authorisations from the general meeting to issue new shares or acquire treasury shares.

## 2 General meeting

The general meeting of shareholders is the Company'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). Decisions at a general meeting are normally taken by simple majority. However, certain decisions, such as on amendments to the Articles of Association, must be approved by a qualified majority.

The 2022 Annual General Meeting was held on 31 May 2022 at ICA Gruppen's head office. The Annual General Meeting resolved that no dividend is to be paid for the 2021 financial year. The minutes of the Annual General Meeting and related documents are available on the Company's website, [icagruppen.se/en](http://icagruppen.se/en). At an extraordinary general meeting on 3 February 2022 a decision was taken to increase the maximum number of elected board members to 11, to dissolve the Nomination Committee and to elect the Board of Directors presented on pages 102–103 below. At an Extraordinary General Meeting on 20 December 2022

Per Strömberg was elected to the Board of Directors with effect from 1 January 2023, thereby expanding the Board to its maximum number of AGM-elected members.

## 3 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 2022 AGM for a term of one year. KPMG AB has therefore audited the Company's financial statements for 2022. Authorised Public Accountant Helena Arvidsson Älgne has served as chief auditor. In addition to ICA Gruppen, Helena Arvidsson Älgne has significant audit assignments with, among others, Studsvik Nuclear AB, LKAB, Alligo, Momentum Group, Knowit and Beijer Alma. 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.

## 4 Board of Directors

The Board is to administer the Company's affairs in the interests of the Company and 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.

### Composition of the Board of Directors

According to the Articles of Association, ICA Gruppen's Board of Directors is to consist of between five and eleven members elected by the general meeting of shareholders. 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.

At the extraordinary general meeting on 3 February 2022 board members Cecilia Daun Wennborg, Andrea Gisle Joosen and Lennart Evrell stood down from the

Board, all at their own request. Jan Amethier, Göran Blomberg, Bengt Kjell and Katarina Romberg were elected as new members. At the ordinary general meeting held on 31 May 2022 these new members were re-elected along with Claes-Göran Sylvén (Chair), Magnus Moberg, Fredrik Persson, Bo Sandström, Charlotte Svensson and Anette Wiotti. At an extraordinary general meeting held on 13 June 2022 Bo Sandström left the Board with effect from 1 July 2022 and was replaced by Tomas Emanuel. At an Extraordinary General Meeting on 20 December 2022 Per Strömberg was elected to the Board of Directors with effect from 1 January 2023.

The board members elected by the general meeting are thus currently Claes-Göran Sylvén (Chair), Jan Amethier, Göran Blomberg, Tomas Emanuel, Bengt Kjell, Magnus Moberg, Fredrik Persson, Katarina Romberg, Per Strömberg, Charlotte Svensson and Anette Wiotti. Three of the elected board members are women and eight are men. In addition to the AGM-elected members, the Board has two employee representatives, each with a deputy. 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 2022 the Board had continuing professional development activities within various parts of the operations such as ICA Sweden, ICA Real Estate, Apotek Hjärtat, ICA Bank, ICA Insurance 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

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 CEO</li> </ul>

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 to which the accounting documents submitted to the AGM pertain.

### 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 Chair oversees its work. 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 111-115 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 "Third line of defence" on page 105.

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 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 24 May 2022. The Board of Directors met 13 times in 2022.

ICA Gruppen's Board now has three regular committees: the Audit Committee, the Reward Committee and the Investment Committee. The Board's Sustainability Committee was dissolved at the board meeting held in connection with the extraordinary general meeting on 3 February 2022. 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 pro-

cedures 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 regularly on the agenda of ICA Gruppen's Board meetings:

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

### 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

Remuneration to the Board of Directors is decided at the Annual General Meeting. The 2022 Annual General Meeting approved the fees proposed in the notice of the meeting.

## 5 Audit Committee

The Audit Committee, through its work and in dialogue with the auditor, the head of the Internal Audit department and the ICA 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 procedures 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. Until 3 February 2022 the Audit Committee consisted of Cecilia Daun Wennborg (chair), Lennart Erevell, Bo Sandström and Anette Wiotti. On 3 February 2022 the committee was reconstituted with Bo Sandström (chair), Bengt Kjell, Katarina Romberg and Anette Wiotti as members. On 13 June 2022 Bo Sandström was replaced by Göran Blomberg, who was also appointed as the new chair of the committee. The Company's CFO is responsible for presenting information to the committee and the head of Internal Audit serves as secretary.

## 6 Reward Committee

The Reward Committee is responsible for the preparation and evaluation of matters relating to 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 Committee also monitors and evaluates variable remuneration programmes for senior executives, both those that are ongoing and those that were concluded 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. In 2022 the Reward Committee consisted of Claes-Göran Sylvén (chair), Andrea Gisle Joosen (until 3 February 2022), Jan Amethier (from 3 February 2022) and Magnus Moberg. Per Strömberg is a member of the committee as of 1 January 2023.

## 7 Investment Committee

The 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 Investment Committee has an investment and divestment mandate as set out in the Company's Bill of Authority. In 2022 the Investment Committee consisted of Claes-Göran Sylvén (chair), Göran Blomberg (until 27 September 2022), Tomas Emanuelz (from 27 September 2022), Charlotte Svensson and Fredrik Persson.



## Board of Directors



Claes-Göran Sylvé



Jan Amethier



Göran Blomberg



Jonathon Clarke



Tomas Emanuelz



Bengt Kjell



Magnus Moberg

	Claes-Göran Sylvé	Jan Amethier	Göran Blomberg	Jonathon Clarke	Tomas Emanuelz	Bengt Kjell	Magnus Moberg
Born	1959	1961	1962	1968	1973	1954	1966
Education	Completed courses of study in areas such as finance, business management, leadership development etc.	Master of Science in Business and Economics	Master of Science in Business and Economics	Trained welder, studies in labour law.	Completed courses of study in areas such as finance, business management, leadership development etc.	Master of Science in Business and Economics	Completed courses of study in areas such as finance, business management, leadership development etc.
Elected	2013	2022	2022	2013	2022 (from 1 July)	2022	2008
Other significant assignments	Chair of the Board MQ MarQet AB. Board member Centrum Fastigheter i Norrtälje AB etc. ICA retailer, ICA Kvantum Flygfyren in Norrtälje.	CEO Cinder Invest AB, board member Hermes Medical.	CEO ICA-handlarnas Förbund. Chair of the Board Catena Media LTD.	—	Board member and CEO TE Invest AB. Board member ICA-handlarnas Förbund, CEO and ICA retailer ICA Maxi Sundsvall.	Vice Chair Pandox, Indutrade and Logitea. Board member Industrivärden and Dunker Foundations.	Chair 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 Storköping AB.
Previous significant positions	Chair of the Board ICA AB. Board member Svensk Handel (Swedish Trade Federation). CEO Hakon Invest AB and ICA-handlarnas Förbund.	Various management positions at JP Morgan, Svenska Handelsbanken and SEB.	Board member ICA AB, CFO Hakon Invest AB, RNB Retail and Brands AB.	Employee representative, Handelsanställdas Förbund.	Board member ICA-handlarnas Förbund, board member ICA Maxi Lindhagen, CEO and ICA retailer ICA Supermarket Esplanad.	Chair of the Board Hemfosa, Nyfosa, Amasten, Kungsleden and SSAB. CEO Handel och Industri and acting CEO, Industrivärden.	Chair of the Board Köpet i Sandared AB. Board member Moberg & Svensson i Sandared AB and Ulfmag AB.
Total remuneration 2022/2023, SEK	1,350,000	791,700	—	—	582,000	833,000	630,000
Committees	Reward Committee (chair) and Investment Committee (chair).	Reward Committee (from 3 February 2022).	Investment Committee (from 3 February 2022 to 27 September 2022), chair of the Audit Committee (from 13 June 2022).	—	Investment Committee (from 27 September 2022).	Audit Committee (from 3 February 2022).	Reward Committee.
Attendance at meetings	Board meetings	14/14	13/14	13/14	4/14	10/14	14/14
	Audit Committee	—	—	2/4	—	2/4	—
	Reward Committee	6/6	4/6	—	—	—	6/6
	Investment Committee	12/12	—	4/12	—	7/12	—

## Board of Directors, cont.



Fredrik Persson



Magnus Rehn



Katarina Romberg



Per Strömberg



Charlotte Svensson



Anette Wiotti

	Fredrik Persson	Magnus Rehn	Katarina Romberg	Per Strömberg	Charlotte Svensson	Anette Wiotti
Born	1968	1966	1979	1963	1967	1966
Education	Master of Science in Business and Economics	Upper secondary education	Master of Science in Business and Economics	Master of Science in Business and Economics	Systems science. Strategy at Stanford.	Completed courses of study in areas such as finance, business management, leadership development etc.
Elected	2018	2013	2022	2023	2021	2017
Other significant assignments	Chair of the Board Business-Europe, JM AB and Ellevio AB. Board member AB Electrolux, Holmen AB, AB Hufvudstaden, Ahlström Capital OY and Interogo Holding AG.	–	Head of Alternative Investments and Property AMF. Chair of the Board AMF Fastigheter. Board member Bergvik Skog Öst, SR Energy and Rikshem intressenter.	Board member ICC Sweden.	Executive Vice President and CIO at SAS AB and board member at Combiest Mix AB.	Vice Chair ICA-handlarnas Förbund. Elected representative on boards and committees within ICA-handlarnas Förbund. ICA retailer, ICA Kvantum Arvika.
Previous significant positions	CEO Axel Johnson. Chief Analyst Aros Securities. Various positions within ABB Financial Services.	Employee representative, Unionen.	Transaction Manager Structured Finance SEB.	CEO ICA Gruppen 2012–2022. 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.	Board member at Boozt AB. Head of BA Communication Services at Postnord AB. CTO Bonnier AB and various managerial positions at Bonnier News AB.	Various roles as elected representative within ICA-handlarnas Förbund and ICA Sverige AB.
Total remuneration 2022/2023, SEK	630,000	–	–	–	630,000	680,000
Committees	Member of the Investment Committee.		Audit Committee (from 3 February 2022).	Reward Committee (from 1 January 2023).	Investment Committee.	Audit Committee.
Attendance at meetings	Board meetings	13/14	14/14	11/14	–	14/14
	Audit Committee	–	–	4/4	–	4/4
	Reward Committee	–	–	–	–	–
	Investment Committee	10/12	–	–	–	12/12

Marcus Strandberg

Deputy member  
Employee representative  
Handelsanställdas Förbund

**Born:** 1966  
**Education:** Upper secondary education  
**Appointed:** 2013  
**Previous significant positions:** Board member, ICA AB (employee representative)  
**Total remuneration 2022/2023, SEK:** –  
**Attendance at meetings:** Board meetings 14/14  
Audit Committee meetings –  
Investment Committee meetings –  
Reward Committee –

Daniela Fagners

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 2022/2023, SEK:** –  
**Attendance at meetings:** Board meetings 12/14  
Audit Committee meetings –  
Investment Committee meetings –  
Reward Committee –

## Rules and regulations

In addition to the external laws and regulations applicable to ICA Gruppen's operations, ICA Gruppen has a number of internal rules that – along with the external rules – provide a framework for the business. The main internal 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 Company'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 securities and how the Company is to handle insider information.

- **Communication Policy**

The Communication Policy describes the principles of the Company's internal and external communication for the purpose of promoting communication that is uniform, clear and effective in the long term, both 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 principles for the Company's tax exposure taking into account the applicable tax rules.

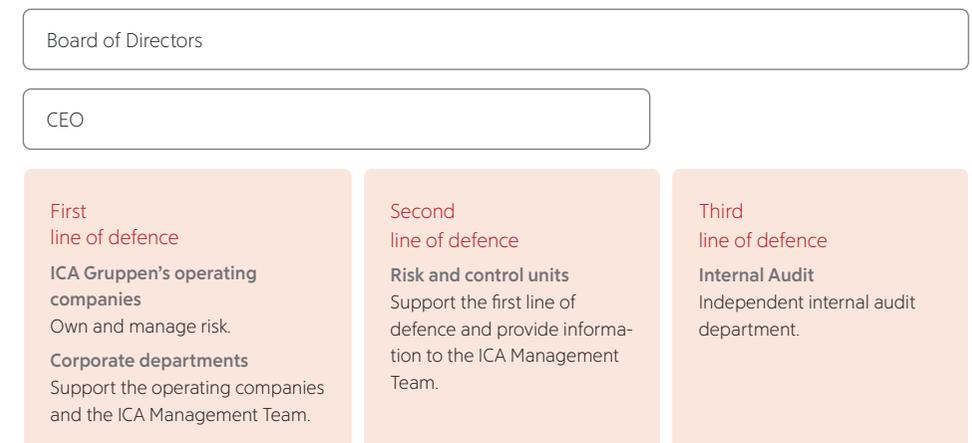
## ICA Gruppen's model for internal control

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.



### 8 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 for maintaining good internal control within their respective areas 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 controlling 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

Group Treasury & Tax manages the Company's financial and fiscal matters. The department is responsible for the Company's financial administration and must also ensure, among other things, that the Company follows the 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 legal risks that those targets involve, and to ensure that the business is run in compliance with external and internal rules.

#### Corporate Communications

This department is responsible for the Group's corporate communications. At the Group 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 analytics.

## 9 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.

## 10 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 tasked by the Board with evaluating 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 2022 Internal Audit's reviews covered ongoing projects and transformation as well as core processes within ICA Gruppen. In addition, the reviews looked at information security and data protection, business continuity management, 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.

## 11 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, their 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.

### 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 ben-

efits, 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. In 2022 matters of an ethical nature were addressed by the Company's legal department and reported to the Board of Directors. 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 also 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 provides internal online training to ensure that all employees are familiar with the Business Ethics Policy and act accordingly. 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, classroom-based courses are provided to the groups of employees who are the most exposed to business ethics dilemmas. To make it more accessible, this training can also be completed digitally. Employees also have access to local information, such as a digital platform for information and training in the area of business ethics. Additional information is also provided on an ongoing basis to spread awareness about business ethics within the Group.

#### 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. The whistleblower service is available –via separate channels– to those working for ICA Gruppen's operations in Sweden (except employees of independent store companies), the Baltic states and Asia.

## 12 CEO

CEO Nina Jönsson 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 Chair 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 Nina Jönsson's significant assignments and financial commitments outside the Company, such as her positions as a board member of The Consumer Goods Forum and Svensk Handel (Swedish Trade Federation). The CEO has no significant shareholdings or proprietary involvement in companies with which the Company has significant business ties. An evaluation of the earlier CEO Per Strömberg was carried out by the Board in 2022 without the CEO and other members of the management team being present.

## 13 ICA Management Team

Alongside the CEO, 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, 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 their 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, three committees have been established:

#### 14 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 the CFO.

#### 15 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.

#### 16 Retail Investment Committee

The Retail Investment Committee addresses and prepares information on investment-related matters. The CEO chairs the Retail Investment Committee.

## ICA Management Team



Nina Jönsson<sup>1</sup>

CEO ICA Gruppen. Employed at ICA 2010–2016. CEO from 2023.



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	1965	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 Svensk Handel (Swedish Trade Federation), board member The Consumer Goods Forum.	—	Board member Ancore Fastigheter AB.	—	Board member Svenska Bankföreningen (Swedish Bankers' Association).	—
Experience	President and CEO Plantasjen Group 2020–2022. President and CEO HL-Display 2016–2020. Vice President Assortment & Buying ICA Sweden 2010–2016. Procter & Gamble 1991–2010 including as Country Manager for P&G Sweden, Commercial Director at P&G UK, Head of Marketing Strategy for Eastern Europe, the Middle East and Africa at P&G Switzerland and P&G Russia.	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).

<sup>1</sup> Per Strömberg was CEO until 31 December 2022.

## 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.



Eric Lundberg<sup>1</sup>

CEO ICA Sweden. Employed at ICA and member of ICA Management Team since 2021.



Monika Magnusson<sup>2</sup>

CEO Apotek Hjärtat. Employed at ICA since 2016 and member of ICA Management Team since 2022.



Benny Svensson<sup>3</sup>

Chief Information Officer (CIO) ICA Gruppen. Employed at ICA and member of ICA Management Team since 2022.



Björn Olsson

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



Gedrius Bandzevičius

CEO Rimi Baltic. Employed at ICA since 2017 and member of ICA Management Team since 2022.

Born	1971	1978	1973	1971	1971	1974
Education	Agronomist	Master of Media, higher vocational education programme and Berghs School of Communications.	Pharmacist, Uppsala University	Master of Science in Engineering	Master's degree in Political Science, Economics and Commercial Law.	Executive MBA, Baltic Management Institute; MBA Business Management, Marketing, Vilnius Gediminas Technical University; BSc Transport Management, Vilnius Gediminas Technical University.
Other assignments	Chief Corporate Responsibility Officer ICA Sverige AB. Board member Beijer Ref AB, UN Global Compact Sweden and member of Monitoring Board of the Swedish Chemicals Agency.	Board member SA Service AB (Apoteks-föreningen, the organisation for the Swedish pharmacy industry) and MD International AB (Min Doktor).	—	—	—	Chair of the Council of the Lithuanian Retailers' Association. Board member Investor Forum Lithuania.
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).	CEO Apotek Hjärtat 2021–2022. President and CEO Kjell & Company 2018–2020. Marketing Director Apoteket AB 2015–2018. Nordic Marketing Director Plantasjen 2010–2013. Head of Marketing Bauhaus 2008–2010. Head of Marketing Lidl Sweden 2004–2007.	Sales Director Apotek Hjärtat 2020–2022, prior to that Sales Manager (2016–2020), Format Manager and Business Developer. Various managerial positions within the pharmacy industry including Operations Manager Boots Apotek, Regional Manager Apoteket AB and Vårdapoteket, as well as roles within project management and skills development at the then Apoteket AB.	CEO IKEA IT AB, CIO INGKA Group, CDO IKEA Sweden, Inter IKEA Group.	Head of Media Relations/Acting Head of Communications Svensk Handel (Swedish Trade Federation) (2000–2003).	Senior Vice President Circle K Poland (2015–2017). Vice President and Managing Director UAB Statoil Fuel and Retail Lietuva (2012–2015).

1. Eric Lundberg succeeded Anders Svensson as CEO of ICA Sweden on 1 September 2022.

2. Monika Magnusson succeeded Eric Lundberg as CEO of Apotek Hjärtat on 1 September 2022.

3. Benny Svensson took up his position on 1 June 2022.

**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 2022 it included efforts 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, as well as new practice within the geographic areas and sectors in which 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 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 have 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 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:

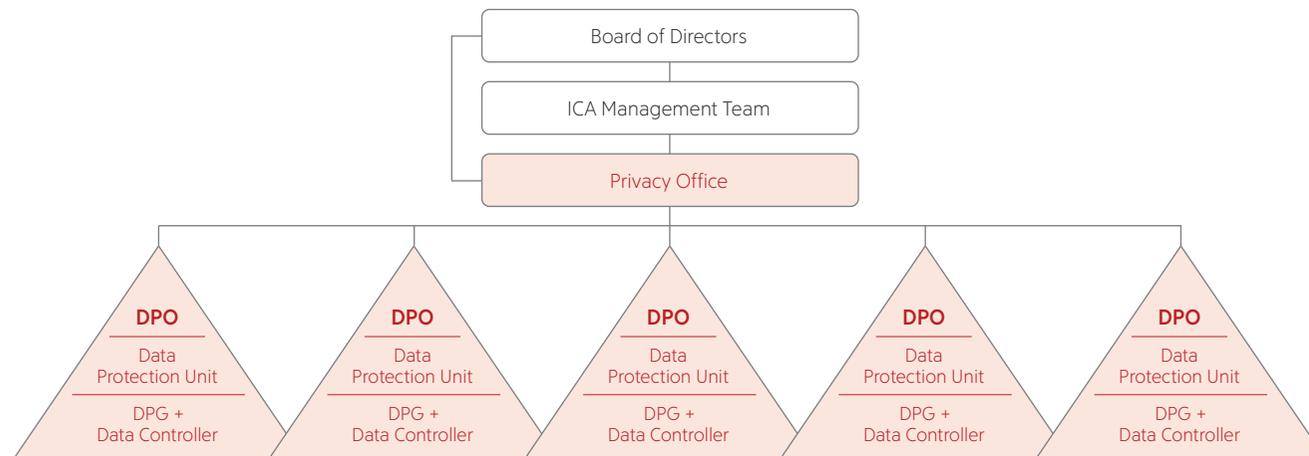
**The first line of defence** involves risk management and governance within the day-to-day business operations. It is the business operations that have the delegated responsibility for implementing ICA Bank's established risk strategy and for ensuring that the bank stays within the parameters set by 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 (ica-banken.se) and the report entitled "Ärlig information om kapitaltäckning och riskhantering" which is on the bank's website (Swedish only).



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

This section has been prepared in accordance with the 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 companies with listed securities.

ICA Gruppen's work on internal governance and 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 111–115 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 processes. 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 statements 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](http://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.



[www.solberg.se](http://www.solberg.se)

Photo: Joakim Bergström, Marcus T Bergman,  
ICA Experience, ICA Bildgrupp, Jennie Smith  
among others.

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