

# Green Finance Framework

April 2023

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# About ICA Gruppen

ICA Gruppen operates in a number of areas important to people's everyday lives, including grocery, pharmacies, banking and insurance. The core business is grocery retail. The idea is for other operations to support the core business, but they may also be developed further to embrace new business opportunities and themselves contribute to profitability and continued growth. The shared vision for all businesses is to make every day a little easier.

## A corporate structure that provides important advantages

During the last 10 years, ICA Gruppen has focused on building a strong and synergetic corporate structure that is well-equipped to meet changes in consumer behaviour, rapid digitalisation and extensive blurring of industry lines. The change process has included numerous structural changes. The goal has also been to take greater advantage of synergies within the Group. Coordination has

gradually been increased, intensified and broadened and now includes key areas such as offerings, customer insights, locations and marketplaces, investment and sourcing. Working together and leveraging economies of scale – physical as well as digital – bring benefits for the customers, businesses, employees, society in general and for ICA Gruppen.



## ICA Sweden

With close to 1,300 stores and a market share of around 35%, ICA Sweden is the leading grocery retail actor in Sweden. Operations are conducted in cooperation with independent ICA retailers, who own and run their own stores and meet the customers through locally adapted concepts and offerings. The independent ICA retailers have agreements with ICA Sweden in areas such as coordinated sourcing, logistics, market communication and store development. Operations also include extensive work with, among other things, store establishments, purchasing, logistics, IT and market communication, which makes it possible to achieve economies of scale.

## Rimi Baltic

Rimi Baltic operates a grocery retail business and almost 300 wholly owned stores in Estonia, Latvia and Lithuania. The properties owned by the Group in the Baltic region are also part of Rimi Baltic. With a combined market share in the region of around 13%, Rimi Baltic is one of the Baltic region's largest retail companies.

## Apotek Hjärtat

With 390 pharmacies, extensive online operations and a market share of around 31%, Apotek Hjärtat is the largest company in the Swedish pharmacy market. Pharmacy operations complement grocery retail and play an important role in ICA Gruppen's efforts to achieve a leading position in health. Many of the pharmacies are located next to an ICA store as well as at shopping centres, malls, healthcare clinics and hospitals.

## ICA Real Estate

ICA Real Estate is one of the Nordic region's largest real estate companies in the retail sector. The overarching mission is to meet the Group's long-term need for the right properties at the right locations in Sweden. The business concept is to build, manage and lease out both store and logistics properties for the Group's operations in Sweden at suitable and strategic commercial locations. The property portfolio includes stores, warehouses, buildings and land for future potential sites.

## ICA Bank

ICA Bank provides a broad range of banking and insurance services to private and corporate customers. In addition, ICA Bank helps strengthen customer loyalty to ICA stores, while reducing transaction costs for both the stores and ICA Gruppen.



# Sustainability at ICA Gruppen

Sustainability efforts form a natural and integral part of ICA Gruppen's operations and strategies. They help enhance the Group's long-term competitiveness and aim to create long-term value for both ICA Gruppen and the company's stakeholders.

ICA Gruppen's operations extend across grocery retail, medicines and other pharmacy products, property development and management, as well as banking and insurance services. The breadth of the business means the Group has an impact – both positive and negative – in many areas.

By virtue of its size, ICA Gruppen has a great responsibility – but also the capacity and plenty of opportunity – to positively contribute to and influence developments. A strong local presence combined with global value chains enables the Group to contribute both to the positive development of local communities and to solve shared global challenges.

## ICA Gruppen's sustainability framework

ICA Gruppen's sustainability work is broad and covers many different areas – the environment, health, inclusion and diversity, social responsibility, and quality. Extensive efforts are made in all areas – at Group level, within the operating companies and among the independent ICA retailers. The overall aim is to reduce adverse impacts while increasing the positive contributions that become possible when sustainability aspects are integrated into the business. Through collaboration and partnership, the strength of the Group structure is leveraged to create the greatest possible effects.

ICA Gruppen's sustainability efforts are based on a materiality analysis which starts with the UN Sustainable Development Goals, the Ten Principles of the UN Global Compact, ICA Gruppen's policies and structured dialogues with stakeholders. The materiality analysis was defined for the first time in 2008 and is revised each year, and the model used is continuously updated to meet requirements such as double materiality.

## Sustainability ambitions, objectives and focus areas

ICA Gruppen's ambition is to be a leader in corporate responsibility. The sustainability work is wide-ranging and includes numerous activities and initiatives. These ambitions come together in the concept

For a Good Tomorrow, which consists of five defined areas. These are complemented by targets set by each respective company and those set for specific issues.

AMBITION	FOCUS AREAS AND OBJECTIVES (EXAMPLES)
 <p>Local</p>	<p>Taking the ICA Idea and the unique local circumstances as our starting point, together with our customers, partners and suppliers, we will contribute to positive development in communities and a stronger food system throughout the grocery chain.</p> <ul style="list-style-type: none"> <li>• Contribute to positive community development</li> <li>• Strengthen local and domestic production of Swedish foods to increase employment and security of supply</li> <li>• Enable local suppliers to reach the market and the shelves of ICA stores</li> <li>• Strengthen the food system through research and innovation</li> </ul>
 <p>Environment</p>	<p>We will minimise our environmental impact, go from climate-neutral to net zero in our own operations and help our customers to make more sustainable choices.</p> <ul style="list-style-type: none"> <li>• Net zero emissions in own operations no later than 2030</li> <li>• Cut climate impact from customers' grocery purchases in half by 2030</li> <li>• Science-based climate targets by 2025</li> <li>• Cut food waste from warehouses and stores in half by 2025</li> <li>• Build with net zero climate impact by 2030</li> </ul>
 <p>Health</p>	<p>We will actively contribute to improved public health by leveraging the strength of our entire organisation.</p> <ul style="list-style-type: none"> <li>• Customer fruit and vegetable purchases to equate to consumption of 500 grams a day</li> <li>• Support physical and mental wellbeing</li> <li>• Promote the healthy and safe use of antibiotics</li> </ul>
 <p>Inclusion &amp; diversity</p>	<p>We work proactively on transparency, diversity and equality in order to be one of the most inclusive workplaces and help to build a more inclusive society.</p> <ul style="list-style-type: none"> <li>• 50/50 gender balance in key positions</li> <li>• A work environment free from harassment and discrimination</li> <li>• Raise awareness of diversity to enable positive change</li> <li>• Create the conditions to respect everyone's equal rights and opportunities to participate on equal terms</li> </ul>
 <p>Quality</p>	<p>By being open and transparent, we will actively take responsibility for quality and the impact of production on people, animals and the environment.</p> <ul style="list-style-type: none"> <li>• Increase digital traceability and transparency in our supply chain</li> <li>• Work according to Human rights due diligence</li> <li>• Certified risk raw materials in ICA Gruppen's own products by 2025</li> </ul>

An aerial photograph showing a winding asphalt road that curves through a dense forest. The forest is a mix of green and yellow trees, suggesting an autumn setting. In the background, there are several large, calm lakes reflecting the sky. The sun is low on the horizon, creating a warm, golden glow and long shadows across the landscape. The sky is filled with soft, white clouds.

## Reducing emissions and supporting sustainable food systems

For ICA Gruppen, determined sustainability efforts and strong community engagement mean long-term profitability. Together with producers and consumers, ICA Gruppen can influence society in a positive direction. For several years, ICA Gruppen has been working actively and in a structured manner with continuous improvement in all parts of the value chain. The ambition is to lead development towards greater sustainability and to conduct the Group's own operations in a climate-smart way.

Two areas of vital importance for the Group are to reduce climate impact throughout the value chain, and to support a more sustainable food system.

# Initiatives to reduce emissions and reach the net zero goal

ICA Gruppen's own operations have been climate neutral since 2020<sup>1</sup>. By 2030 the Group intends to have net zero climate emissions from its own operations. This means continuing to reduce emissions in line with the Paris Agreement, while gradually replacing carbon offsetting with balancing measures.

Most of ICA Gruppen's direct emissions are associated with emissions from transport, refrigerants and use of energy in stores, pharmacies, warehouses and offices. To further reduce these emissions, multiple initiatives are taking place within the Group:

### Optimisation of transport, electrification and transition to renewable fuels

At the end of 2022, goods transport accounted for just over 60% of the Group's remaining greenhouse gas (GHG) emissions. Efforts to reduce these emissions involve the optimisation of flows between warehouses and stores, and a gradual transition to renewable fuels and electrification

of transport. By 2030, all goods transport by road within ICA Gruppen's Swedish companies is to be fossil-free. In Sweden's metropolitan regions (Stockholm, Gothenburg and Malmö) this will be the case by 2025. Continued investments in biogas vehicles, as well as vehicles and infrastructure for electrified transport, create conditions for accelerating emission reductions going forward, in accordance with ICA Gruppen's fuel strategy.

### Sustainable construction

The construction and real estate sector accounts for more than 20% of Sweden's total GHG emissions. The sector also contributes to large emissions abroad through imported goods. As one of the Nordic region's largest real estate actors in the retail sector, ICA Gruppen has a significant responsibility. Efforts to minimise climate impact begin right from the planning phase. In 2020, a strategic decision was made to, as far as each project allows, use a timber frame when constructing new buildings. The advantages



Electric truck departing warehouse. By 2030 all goods transport on road within ICA Gruppen's Swedish companies is to be fossil-free.

compared with concrete and steel include considerably lower carbon emissions, fewer loads and shorter distances when transporting materials, easier maintenance and also timber's carbon sequestration capacity. Replacing concrete with wood can reduce emissions of carbon dioxide by as much as 40%.

### Ongoing improvements in energy efficiency and transition to renewable energy

To achieve business- and emissions-related targets and to reduce operational and financial risk, ICA Gruppen has

adopted a Group-wide energy strategy. Overall targets include reducing energy use by 20% by 2030. All energy used by then is to be renewable.

This vision will be reached through a combination of both ongoing optimisation work and major change projects, including larger solar parks on retail, office and logistic properties. Electricity produced on site is to be present in 25% of store properties and constitute 10% of energy use at logistic properties.

<sup>1</sup> Including scope 1, Scope 2 and parts of Scope 3, as defined in ICA Gruppen's Accounting principles. More information in ICA Gruppen's Annual Report 2022.



## Certified properties

In 2020, ICA Real Estate decided that the company's properties in Sweden, both new and existing buildings, must be certified in accordance with an accepted external sustainability standard. Existing retail properties are certified according to Miljöbyggnad iDrift and existing logistic properties according to BREEAM In-Use. The chosen certifications for new construction include the Miljöbyggnad, BREEAM and LEED certification schemes

and the ambition is to implement the add-on certification "NollCO<sub>2</sub>" where applicable, taking into account the conditions of each project. NollCO<sub>2</sub> requires that the building's GHG emissions during the construction process are below established limit values and that the building's energy use during operation is also limited. The remaining climate impact must be compensated so that the total climate impact is net zero.

## Supporting sustainable food systems

Global food production is highlighted by the UN climate panel as one of the biggest causes of the changes taking place in climate, biodiversity and the health of the planet and people. ICA Gruppen's ambition is to halve the climate impact from customers' purchases of food by 2030, compared with the base year 2020. However, as much as 60%

of the climate footprint from Swedish food consumption occurs abroad. To reduce the customers' impact, changes are therefore required in the entire value chain, from production to consumption. Here, ICA Gruppen wants to be a driving force that contributes to reducing the negative impact, all the way from farm to table.

### Promoting climate-smart food production and consumption

To facilitate more sustainable food systems – locally and globally – changes are needed to promote more sustainable production, a transition of consumption to a higher percentage of plant-based food and reduced waste throughout the value chain. Comprehensive efforts are also being made by ICA Gruppen to change habits and behaviours by engaging with and inspiring customers to make climate-smart choices. Other activities include shifts in the range, including the ICA Swedish plant-based concept, and fruit and vegetable initiatives.



### Protecting biodiversity

Biodiversity and healthy ecosystems are a precondition for life on Earth – and for food production. At the same time, food production itself has a large impact on biodiversity, and it is for this reason that ICA Gruppen is working actively with the issue, both in Sweden and in the global value chain. The Group applies strict criteria for the goods sold and works through partnerships to promote sustainable food production in Sweden. Addressing the risk of deforestation and overfishing has been an important

parameter in the criteria for ICA Gruppen's high-risk raw materials. Organic products have clear benefits for biodiversity and the Group works actively to offer a broad range of organic and sustainability-labelled products in the private label assortment.

In Sweden, biodiversity is under threat from a reduction in agricultural production, resulting in less pastureland and consequently less variety in the landscape. ICA Gruppen therefore works actively to promote Swedish agriculture,



### Organic and certified sustainable food value chains

Organic labels and third-party sustainability certifications are important tools to ensure a sustainable value chain and safeguard the environment, biodiversity and animal welfare. Rules for organic farming are based on principles such as limiting the use of artificial fertilisers and pesticides, prohibition of the use of hormones and antibiotics, and practising crop rotation to protect the soil from depletion.

As national regulations are often not sufficient to ensure sustainable food value chains, third-party sustainability certifications play an important role in

addressing potential adverse impacts. Certification schemes such as KRAV, the EU organic label, Fair-trade, MSC, ASC, Rainforest Alliance, FSC and GOTS, set strict requirements on traceability and sustainability and help to establish long-term, close purchasing relationships that also support smallholder farmers. Certifications are particularly important for high-risk products such as seafood, cocoa, coffee, tea, palm oil, soy and cotton, where there are higher risks of negative impacts on people and the environment.

through the partnership with LRF, within the ICA Växa initiative, and by having a high proportion of Swedish products in the Group's own-label assortment. The ICA Växa initiative, launched in 2020, provides a framework for bringing together various projects and areas aimed at increasing the share of sustainable, Swedish-produced plant-based foods and encouraging innovation in the food industry. A further aim is to strengthen the local ecosystems between retailers, smaller businesses and producers.

In some cases, the properties also affect biodiversity. By having a lot of green space next to properties, the negative impact can be reduced. Meadows, storm water ponds and compost solutions also create the conditions for a positive impact on an area's biological diversity. Educational efforts around biodiversity and ecosystem services aim to visualise opportunities for measures in early stages of projects and also to show possible management actions to strengthen biodiversity on and around the properties.

**Traceability and transparency**

Traceability and transparency are essential if customers are to feel safe and have confidence in ICA Gruppen's operations and products, as well as for efforts to ensure quality and decent production conditions in the value chain. Among other things, this involves ensuring where the products come from, how they are transported and stored, what they contain and how the suppliers operate their businesses. ICA Gruppen's quality ambition involves a greater emphasis on traceability and transparency, including making more information about the supply chain available to consumers.

The products that ICA Gruppen sell are to meet high standards in regard to the impacts of their production on people, the environment and animal welfare. Suppliers need to meet the Group's demands on environmental sustainability, for example establishing an environmental policy, targets and plans to reduce and monitor their environmental impact, including impacts on biodiversity. The products must also be safe to use and be produced under decent working conditions and in accordance with animal welfare legislation in force. The requirements are defined in the Group's sourcing agreements.

**Respect of human rights in the value chain**

A sustainable food system also includes aspects related to social responsibility and human rights. Such human rights issues are integrated in the Group's Sustainability Policy and requirements are defined in the Group's purchasing agreements. The Group has a human rights due diligence (HRDD) process in place in line with the principles outlined in the UN Guiding Principles on Business and Human Rights. The process ensures that the Group continuously identifies, acts on and prevents any adverse impacts on human rights throughout the value chain.

All suppliers of ICA Gruppen's own brands in high-risk countries must be verified and approved by either ICA Gruppen or a third party. In the event irregularities are detected at a production facility used by the Group, a specific action plan is established which is followed up on in a new audit where the identified issues must have been addressed, otherwise the supplier agreement will be terminated.



**Private label – product and production quality**

The standards for ICA Gruppen's private labels are particularly high. Suppliers of the products must be quality-certified to a standard accepted by the Group. On-site social audits are also in place for suppliers in high-risk countries. In addition, by 2025, all materials identified as risk raw materials in the private label assortment must have achieved a third-party sustainability certification.

**Product development process private label products**



# Rationale for ICA Gruppen's Green Finance Framework

The production and consumption of food represent a major share of global GHG emissions and are associated with negative impacts on biodiversity. ICA Gruppen is addressing these impacts through its commitments to achieve net zero climate impact from its operations and to halve the climate impact of customers' grocery purchases by 2030. In addition, ICA Gruppen supports sustainable food systems through the promotion of climate-smart production and consumption, the protection of biodiversity, and reduced environmental impact throughout the value chain.

Setting up this Green Finance Framework is a further step towards increasing the engagement and investments in a more sustainable direction. The Framework enables ICA Gruppen to mobilise debt capital to support investments contributing to climate change mitigation and reduced environmental impact from food production and consumption. It is developed to align with the International Capital Market Association's (ICMA) Green Bond Principles (as of 2021 with June 2022 Appendix 1) and the Green Loan Principles (as of February 2023) administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA).

The four core components of the Principles along with the recommendation of External Review form the basis of this Framework:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- Verification

The Framework allows ICA Gruppen to raise capital through green debt products such as bonds, commercial paper and loans (Green Debt). The terms and conditions of the underlying documentation for each Green Debt instrument issued by the Group shall provide a reference to this Framework. ICA Gruppen has worked with Danske Bank to develop the Framework, and CICERO Shades of Green, part of S&P, has provided a second-party opinion, which is publicly available at ICA Gruppen's website.



USE OF PROCEEDS:

# Definitions

## Allocation of net proceeds

An amount equal to the net proceeds of the Green Debt will finance or refinance, in whole or in part, investments undertaken by ICA Gruppen or its subsidiaries that are in accordance with the Green Project categories defined in the next pages (Green Projects). These Green Projects may take the form of capital expenditures and operating expenditures, which together will form a portfolio of assets eligible for financing and refinancing with Green Debt. The overarching goal of the Green Projects is to contribute to climate change mitigation and reduced environmental impact from food production and consumption.

## Exclusions

Net proceeds from Green Debt issued by the Group will not be allocated to environmentally harmful activities for which the purpose is fossil energy production, weapons and defence, potentially environmentally harmful resource extraction, gambling or tobacco.

## Financing and refinancing

An amount equal to the net proceeds can finance both existing and new Green Projects financed by ICA Gruppen. New financing is defined as allocated amounts to Green Projects financed within the reporting year, and refinancing is defined as allocated amounts to Green Projects financed prior to the reporting year. The distribution between new financing and refinancing will be reported in ICA Gruppen's annual Green Finance Reporting.

Operating expenditures qualify for refinancing with a maximum look-back period of three years prior to the issuance date of the Green Debt instrument. Purchasing costs for products defined under the 'Eco-efficient and/or circular economy adapted products' category is considered as an annual cost, with no potential to aggregate from year to year, and a look-back period of one year will be applied on a rolling basis for this category.

USE OF PROCEEDS:

# Green Project categories

Green Project Category	Eligibility criteria
<b>GREEN BUILDINGS</b>  	<p><b>New buildings (building application filed after 31 December 2020):</b></p> <ul style="list-style-type: none"> <li>Buildings that have, or are designed to achieve, a certification in accordance with at least Miljöbyggnad 'Silver', BREEAM 'Excellent' or LEED 'Gold', combined with a primary energy number at least 10% lower than the level required by the national building regulation</li> </ul> <p><b>Existing buildings (building application filed before 31 December 2020) complying with one of the following criterion:</b></p> <ul style="list-style-type: none"> <li>Buildings with an Energy Performance Certificate (EPC) of class A, or</li> <li>Buildings qualifying within the top 15% most energy efficient buildings within the national building stock, determined through a specialist study assessing the criterion and applicable thresholds in the relevant national context, or</li> <li>Buildings that have, or are intended to achieve, a design-stage or post-construction certification in any of the following building certification schemes at the defined threshold level or better: LEED 'Gold', BREEAM 'Excellent', Miljöbyggnad 'Silver' or the Nordic Swan Ecolabel</li> </ul> <p><b>Major renovations complying with one of the following criterion:</b></p> <ul style="list-style-type: none"> <li>The building renovation meets minimum energy performance requirements of the national building regulation for major renovations, or</li> <li>The building renovation leads to a reduction in energy use of at least 30% compared with the pre-investment situation</li> </ul> <p><b>Direct energy efficiency measures</b></p> <ul style="list-style-type: none"> <li>The installation, maintenance and repair of energy efficiency equipment, instruments and devices such as energy efficient refrigeration display cases and cold rooms, lighting, heat pumps and energy control</li> </ul>
<b>RENEWABLE ENERGY</b> 	<ul style="list-style-type: none"> <li>Installation and operation of on-site solar power and its related infrastructure</li> </ul>
<b>CLEAN TRANSPORTATION</b> 	<ul style="list-style-type: none"> <li>Purchase/lease of passenger cars operated on electricity or biogas</li> <li>Purchase/lease of light- and heavy-duty vehicles powered by electricity/hydrogen or biogas</li> <li>Expenditures related to the procurement of goods transport services using electric/biogas/hydrogen vehicles</li> <li>Installation of charging points for electric vehicles</li> </ul>
<b>ECO-EFFICIENT AND/OR CIRCULAR ECONOMY ADAPTED PRODUCTS</b>  	<ul style="list-style-type: none"> <li>Expenditures related to the purchase of products included in ICA Gruppen's private label products and certified according to the following sustainability certification schemes: KRAV, the EU organic logo, MSC, ASC, Rainforest Alliance, UTZ, FSC, PEFC, Bra Miljöval, Nordic Swan Ecolabel and GOTS, or certification schemes with equivalent environmental requirements.</li> </ul>

1 Will primarily include buildings in Sweden but may also include buildings from the other countries where ICA Gruppen operates.  
 2 In Sweden, ICA Gruppen's current method of assessing this criterion is based on a study published by Fastighetsägarna (via consultancy CIT energy management) which has interpreted what the Taxonomy's 15% most energy efficient buildings criterion means in the Swedish context in terms of thresholds on energy performance for different building categories. Fastighetsägarna is a trade organisation for real estate companies in Sweden and it intends to update the thresholds on an annual basis. In Q4 2022, the threshold for store and warehouse premises for groceries was 75 kWh/m<sup>2</sup>/year.

## Project evaluation and selection process

ICA Gruppen's overall management of environmental, social, corporate governance and financial risks is a core component of the decision-making processes. The process for Green Project evaluation and selection is based on the same standard due diligence procedures and decision-making.

The evaluation and selection process for eligible Green Projects is a key component in ensuring that an amount equal to the Green Debt proceeds is allocated to Green Projects eligible under this Green Finance Framework. To oversee this process, ICA Gruppen has established a Green Finance Committee (GFC) chaired by the Chief Corporate Responsibility Officer. The GFC also comprises the Chief

Financial Officer, the Head of Treasury and Tax and, when needed, senior management from other relevant business areas. The GFC will convene annually or when otherwise considered necessary.

The evaluation and selection process is based on the following steps:

- From existing and new investments, sustainability experts and representatives within ICA Gruppen evaluate potential Green Projects' compliance with the Green Project categories presented in this Green Finance Framework. Based on the analysis, the experts can nominate investments as potential Green Projects.

- When potential Green Projects have been nominated, a list including their environmental and/or sustainability-related details will be reviewed by the GFC. The GFC is solely responsible for the decision to acknowledge the investment as eligible in line with the Green Finance Framework. Eligible Green Projects will be tracked using a dedicated Green Register. A decision to allocate proceeds will require a consensus decision by the GFC, giving each committee member veto power. Decisions made by the GFC will be documented and filed.

For the avoidance of doubt, the GFC holds the right to exclude any Green Project already funded by Green Debt proceeds. If a Green Project is paid back or amortised, or for other reasons is deemed by the GFC to not be eligible anymore, funds will follow the procedure under Management of Proceeds until reallocated to another Green Project.

## Management of proceeds

### Tracking of net proceeds

The net proceeds from Green Debt will be managed according to a portfolio approach. ICA Gruppen will use a Green Register to track the allocation of net proceeds from Green Debt to eligible Green Projects. The purpose of the Green Register is to ensure that net proceeds from Green Debt only support the financing of Green Projects. The Green Register will form the basis for the impact and allocation reporting.

### Temporary holdings

Unallocated net proceeds may temporarily be placed in the liquidity reserve managed by ICA Gruppen Treasury.

### Exclusions

Temporary holdings will not be placed in entities with a business plan focused on fossil energy generation, research and/or development within weapons and defence, environmentally negative resource extraction, gambling or tobacco.



# Reporting and transparency

To enable the monitoring of performance and provide insight into prioritised areas, ICA Gruppen will annually, until full allocation and in the event of any material developments, provide investors with a report describing the allocation of proceeds and the environmental impact of the Green Projects. The report will also include a section describing the methodology, base-lines and assumptions used in impact calculations.

In the event ICA Gruppen would have other Green Debt instruments outstanding than bonds, the company may choose to report, in relation to these other financial instruments, directly and non-publicly, to the lenders or counterparts.

## Allocation reporting

Allocation reporting will include the following information:

- A summary of Green Debt developments,
- The outstanding amount of Green Debt issued, presented per type of debt instrument,
- The balance of the Green Projects in the Green Register (including any temporary investments and Green Debt repayments),
- The total proportion of net proceeds from Green Debt used to finance new Green Projects, and the proportion of net proceeds from Green Debt used to refinance Green Projects,
- The total aggregated proportion of net proceeds from Green Debt used per Green Project category,
- In the event of outstanding Green Commercial Paper, ICA Gruppen will report quarterly on the value of the Green Projects and total value of outstanding Green Commercial Paper and Green Debt.

## Impact reporting

Impact reporting aims to disclose the environmental impact of the Green Projects financed under this Framework, based on ICA Gruppen's financing share of each project. As ICA Gruppen can finance a large number of smaller Green Projects in the same project category, impact reporting will, to some extent, be aggregated.

The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best effort basis. The impact report will, if applicable, be based on the impact indicators presented in the table below.

Green Project	Impact indicators
<b>GREEN &amp; ENERGY EFFICIENT BUILDINGS</b>  	<b>New buildings &amp; existing buildings</b> <ul style="list-style-type: none"> <li>• Annual energy use avoided compared with applicable national building code (kWh/m<sup>2</sup>)</li> <li>• Annual GHG emissions avoided (tonnes of CO<sub>2</sub>e emissions)</li> </ul> <b>Major renovations</b> <ul style="list-style-type: none"> <li>• Energy use reduction compared with pre-investment situation (kWh/m<sup>2</sup> or in percentage terms)</li> <li>• GHG emissions avoided as a result of the renovation (tonnes of CO<sub>2</sub>e emissions)</li> </ul> <b>Installation, maintenance &amp; repair</b> <ul style="list-style-type: none"> <li>• Annual energy savings (MWh)</li> <li>• Annual GHG emissions avoided (tonnes of CO<sub>2</sub>e emissions)</li> </ul>
<b>RENEWABLE ENERGY</b> 	<ul style="list-style-type: none"> <li>• Installed renewable energy capacity (kW)</li> <li>• Annual renewable energy generation (MWh)</li> <li>• Annual GHG emissions reduced/avoided (tonnes of CO<sub>2</sub>e emissions)</li> </ul>
<b>CLEAN TRANSPORTATION</b> 	<ul style="list-style-type: none"> <li>• Number of vehicles financed</li> <li>• Number of charging points installed</li> <li>• Avoided GHG emissions from goods transport services (tonnes of CO<sub>2</sub>e emissions)</li> </ul>
<b>ECO-EFFICIENT AND/OR CIRCULAR ECONOMY ADAPTED PRODUCTS</b>  	<ul style="list-style-type: none"> <li>• % of sales from certified products out of total sales of private label products</li> </ul>



## External review

### Second-party opinion

CICERO Shades of Green, part of S&P, has provided a second-party opinion to this Framework, verifying its credibility, impact and alignment with the ICMA and LMA Principles.

### Post-issuance review

An independent external party, appointed by ICA Gruppen, will on an annual basis, until full allocation and in the event of material developments, provide a review confirming that an amount equal to the net proceeds has been allocated to Green Projects.

### Publicly available documents

The Framework and the second-party opinion will be publicly available on ICA Gruppens's website, together with the post-issuance review and the reporting, once published.

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