ICA GRUPPEN

Green Finance Framework

October 2026







About ICA Gruppen

ICA Gruppen AB (publ) is a leading retail company focused on food and health. The Group includes ICA Sweden, which mainly conducts grocery retail, Apotek Hjärtat, which conducts pharmacy operations, ICA Real Estate, which owns and manages properties, and ICA Bank, which offers financial services, as well as ICA Bank's subsidiary ICA Insurance, which offers insurance cover. All activities aim to offer products and services to consumers except for the real estate business, which primarily supports the Group's activities in the Swedish market.

ICA Gruppen's business model is based on combining local entrepreneurship with the benefits of scale and shared capabilities of the Group. Through coordinated sourcing, logistics, customer insights and investments, the Group creates value for customers, retailers, businesses and society while enabling each business to develop according to its own strategy.

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ICA Sweden

ICA Sweden is the leading grocery retail actor in Sweden with almost 1,300 stores. The independent ICA retailers own and operate their own stores, but have agreements with ICA Sweden in areas such as coordinated sourcing, logistics, market communication and store development.

Apotek Hjärtat

With about 400 pharmacies, extensive online operations and a market share of over 32%, 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.

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 both for the stores and for ICA Gruppen.

ICA Real Estate

ICA Real Estate has a large and actively managed property portfolio within the retail segment. Its overall mission is to satisfy the long-term need for appropriate properties in the right locations and to create the conditions for ICA Gruppen's businesses to increase growth and capture market shares.

Sustainability at ICA Gruppen

Sustainability is a natural and integral part of ICA Gruppen's operations and strategies and an important driver of long-term competitiveness and value creation across the Group.

Given its size and strong local presence, ICA Gruppen has the opportunity to positively influence developments in society while contributing to addressing shared global challenges. The Group's sustainability work is broad and covers the environment, social responsibility and responsible business conduct. Extensive efforts are carried out across the Group, within the operating companies and among independent ICA retailers. While the focus varies between the different businesses, the highest-priority areas include reducing climate impact across the value chain, inspiring customers to make sustainable and healthy choices, helping to improve public health, reducing food waste and increasing the share of domestic and locally produced assortment.

The overall aim of ICA Gruppen's sustainability work is to reduce adverse impacts and at the same time increase the positive contributions that can be achieved by integrating sustainability aspects into the business. This work is guided by the material impacts, risks and opportunities identified in the Group's double materiality assessment, which is conducted as part of ICA Gruppen's regular due diligence and risk management processes. The Group's overall materiality assessment is based on the impacts, risks and opportunities identified by each company within environmental responsibility, social responsibility and responsible business conduct.



Environment

ICA Gruppen endeavours to reduce its climate impact and resource use by taking proactive action across the value chain. An increased focus on organic and sustainability-labelled products also supports more sustainable food production over the long-term.

Climate change

Climate impact and targets

Food production accounts for a substantial share of global greenhouse gas (GHG) emissions. In the grocery retail value chain, the main climate impact stems from primary production, such as agriculture and forestry, although emissions also arise from transport and distribution.

ICA Gruppen's overarching climate goal is to reduce its climate footprint in line with the Paris Agreement's 1.5°C goal and achieve net zero emissions. To support this ambition, the Group has set climate targets for 2030 and 2050, approved by the Science-Based Targets initiative, covering Scope 1, 2 and 3 emissions.

ICA Gruppen also monitors several sub-targets addressing key emission sources up to 2030, including:

- Reducing the climate impact of customers' food purchases by 30%
- Reducing food waste from warehouses and stores by 35%
- Achieving fossil-free road transport of goods between warehouses and stores in Sweden
- Reducing energy consumption in ICA Gruppen's operations in Sweden by 20%
- Reducing the climate impact of construction, eliminating synthetic refrigerants and certifying all commercial properties, including warehouses, in ICA Real Estate's property portfolio

Transition plan and key reduction levers

ICA Gruppen has established a transition plan to reduce its GHG emissions, where priorities are translated into business-specific activities through each company's ordinary business planning. The plan is revised annually and covers emissions from the Group's own operations and energy use, as well as key Scope 3 categories such as raw materials, packaging, logistics and end-of-life management.

Within food, efforts to reduce climate impact are primarily focused on reducing emissions in the production stage through product and supplier requirements, value chain collaboration and a long-term shift in the sales mix towards food with a lower climate impact. This makes supplier collaboration central, particularly through in-depth dialogues with suppliers of products with a high climate footprint to support emission reductions and credible transition plans. Reducing the climate impact of food sold will also require a shift in sales from high-carbon to low-carbon food, particularly through a higher share of plant-based food. Reliable climate footprint data is key to guiding this transition, and ICA Sweden has therefore been involved in developing a common method for climate calculations for food in the Swedish market.

A significant share of the climate impact of ICA Gruppen's products derives from land-use change, including deforestation. ICA Gruppen's work to reduce deforestation builds on the EU Deforestation Regulation and includes developing system support and processes to meet the legal requirements for the raw materials covered.

Energy, transport and properties

In parallel, long-term efforts are also under way to reduce emissions from goods transport by optimising flows between warehouses and stores and gradually transitioning to renewable fuels and electrification. By 2030, all goods

transport by road that is ordered and controlled by ICA for ICA Gruppen's companies in Sweden is to be fossil-free, through lorries powered by biogas, HVO and electricity.

ICA Gruppen's energy consumption is already largely fossil-free and renewable. The Group has a common energy strategy to ensure sustainable and future-proof energy management and supply, including targets to reduce energy consumption per square metre by 20% by 2030 compared with 2021 and to ensure that all electricity continues to come from renewable sources. This focus on energy efficiency is also reflected in the development and management of ICA Gruppen's properties. The environmental performance of buildings is addressed from the planning phase, with measures to reduce energy use, climate impact and embodied emissions. The Group aims to certify new buildings according to Miljöbyggnad or BREEAM and existing buildings according to Miljöbyggnad iDrift or BREEAM In-Use.

Climate-related risks and resilience

Climate change is already affecting ICA Sweden's operations across the value chain and could pose significant risks for ICA Gruppen in the medium to long term. These include physical risks, such as changing conditions for food production across geographies, extreme weather events that may disrupt crops and deliveries, as well as impacts on properties and infrastructure.

To better understand and manage these risks, ICA Gruppen maps and analyses climate-related risks across several business areas to assess the resilience of its business model. This includes Group-wide resilience analysis, climate risk analysis of ICA Sweden's value chain and climate risk and vulnerability analyses of ICA Real Estate's portfolio. ICA Sweden has also conducted scenario analyses for its assortment, purchasing and logistics operations.

ICA Real Estate has established a structured approach to climate risk management across its property portfolio. All properties have been screened for acute and chronic climate risks, with detailed climate and vulnerability assessments carried out for the most exposed assets. The analyses evaluate physical climate risks at the individual property level, including flooding and other water-related risks, temperature changes, wind exposure, and geotechnical risks. Assessments are based on the IPCC RCP 4.5 and 8.5 climate scenarios and are integrated into property development, acquisitions, and major maintenance projects.

For properties assessed as having higher risk exposure, ICA Real Estate conducts more detailed analyses and identifies appropriate mitigation and adaptation measures. ICA Real Estate's objective is for every property to have a dedicated climate risk strategy that includes risk assessments, mitigation measures, cost estimates and long-term adaptation actions.

Pollution

ICA Gruppen's operations contribute directly and indirectly to pollution risks across the value chain, particularly upstream through the use of fertilisers and chemical pesticides in agriculture, as well as through pollution linked to pharmaceutical production and construction materials. The Group works to reduce these risks through supplier requirements, internal targets and policies, including the Group's sustainability guidelines, as well as through informed assortment choices, voluntary standards and customer information. This includes restrictions on hazardous chemicals, product testing for selected categories and pesticide residue testing for fruit and vegetables. ICA Gruppen also works to phase out synthetic refrigerants in warehouses, stores, pharmacies and properties, while also supporting efforts to reduce antibiotic resistance and the use of hazardous pesticides in food production.

Water and marine resources

As a major purchaser of food, including fish and seafood, ICA Gruppen impacts water use and marine resources, mainly through upstream production and sourcing. Key risks relate to water-intensive crops in areas affected by water stress and unsustainable fishing practices. To address these risks, the Group promotes responsible water management and sustainable sourcing through supplier requirements, traceability, certified raw materials and category-specific standards. For private label products, additional requirements apply to high-risk categories such as seafood and cotton, including certification under recognised standards such as MSC, ASC, KRAV and relevant sustainability certifications for cotton.

Biodiversity and ecosystems

Globally, food production is one of the main drivers of biodiversity loss, primarily linked to deforestation, land conversion and the use of agrochemicals. As a major purchaser and retailer of agricultural products and food, ICA Gruppen depends on functioning ecosystem services and works to promote sustainable agriculture, forestry and fishing practices.

Biodiversity-related requirements are set out in ICA Gruppen's product-specific requirements, including restrictions on red-listed species, certification requirements for palm oil, soy and wood, and the use of sustainability labels that support biodiversity, responsible fishing and reduced chemical use. Alongside these requirements, the Group seeks to reduce deforestation risks and increase the share of sustainability-labelled products.

In Sweden, biodiversity is also affected by declining agricultural production, which can reduce pastureland and landscape variation. ICA Sweden has long supported farmers and agricultural production in the country, including through collaboration with the Federation of Swedish Farmers. These efforts help maintain pastureland and biodiversity, while also supporting domestic food production and food security. Other initiatives include maintaining a high proportion of ingredients from Sweden in ICA's private label products and marketing local and domestically produced products.



For ICA Real Estate, the goal is for all buildings in the property portfolio to be environmentally certified by 2030. The environmental certification standards used for both new and existing buildings include requirements and award points for measures that support local ecosystems and biodiversity.

Resource use and circular economy

ICA Gruppen aims to promote efficient resource use and circular flows across the value chain, with a focus on preventing waste, increasing recycling and avoiding landfill where possible. Suppliers are expected to reduce product life-cycle impacts and ensure that packaging is recyclable, resource-efficient and preferably made from renewable or recycled materials.

In its own operations, the Group uses return systems for distribution and packaging materials where suitable, and stores and pharmacies sort waste for re-use, recycling, energy recovery, anaerobic digestion or composting. ICA Sweden works to prevent and reduce food waste through forecasting, monitoring, discounting short-dated items and using food at risk of being wasted in new products.

ICA Real Estate integrates resource efficiency and circular principles into construction projects through sustainability plans, material choices, waste reduction, re-use and recycling initiatives. For new developments, assessments are conducted for embodied carbon emissions from the construction phase, supported by internal performance monitoring and a roadmap to reduce embodied emissions over time.

Social responsibility

As part of its broader sustainability agenda, ICA Gruppen works to manage its impact on employees, workers in the value chain and the communities in which it operates. The Group focuses on good working conditions, health and safety, inclusion, diversity and respect for human rights. This includes attracting and retaining skilled employees and monitoring social conditions in the supply chain through a risk-based approach. To strengthen this work, ICA Gruppen also works with partners and industry initiatives, such as the Ethical Trading Initiative (ETI) Sweden, to promote sustainable working conditions among suppliers, and collaborates with authorities and non-profit organisations to support local communities.

Responsible business conduct

Responsible business conduct underpins ICA Gruppen's sustainability work and is essential to maintaining trust across its operations and value chain. The Group aims to be a positive force in society by actively ensuring compliance with external and internal frameworks and promoting a sound corporate culture. This includes preventing corruption, maintaining responsible supplier relationships and setting supplier and product requirements that promote good animal welfare. Through these efforts, ICA Gruppen seeks to promote ethical behaviour and responsible practices throughout the value chain.

Sustainability policy and related governance

ICA Gruppen's sustainability work is supported by the Group's governance structure, policies and due diligence processes, which are designed to ensure consistent implementation and follow-up. The Sustainability Policy and Sustainability Guideline set out the Group's overall position on sustainability matters beyond legal requirements and apply to employees, suppliers and business partners. The Policy is adopted by the Board, which has overall responsibility for sustainability reporting and performance follow-up, with support from the Board's Sustainability Committee.

The CEO has ultimate responsibility for sustainability within the Group, while day-to-day management is delegated to the Chief Corporate Responsibility Officer. The ICA Gruppen Management Team supports policy implementation and monitors material impacts, risks and opportunities. In addition, a sustainability management team, consisting of sustainability managers from all Group companies, supports governance, reporting, policy reviews and sustainability-related sourcing requirements.

ICA Gruppen's sustainability work is also governed by a number of Group-wide and business-specific policies, guidelines and requirements, including sustainability guidelines for grocery retail and pharmacy operations, ICA Bank's instruction for sustainability work, ICA Real Estate's sustainability strategy and sustainability plans, sourcing agreements with sustainability appendices, product-specific requirements and ICA-handlarnas Förbund's Store Policy.

ICA Gruppen's sustainability due diligence process aims to identify and manage negative impacts on human rights, the climate and the environment in the Group's value chain. Together, these processes support a risk-based approach in line with applicable legislation and international standards.

For further and updated information on ICA Gruppen's sustainability strategy, targets, policies, governance and performance, please refer to ICA Gruppen's website and the Group's latest annual report.

List of policies and guidelines with a bearing on sustainability

Policy	Guidelines
Covers the entire ICA Gruppen Adopted by the Board	Covers the entire ICA Gruppen Adopted by the ICA Gruppen Management Team
Governance of Steering Documents Policy	
Code of Conduct	
Authority and Approval Policy	Contract Management Guideline
Business Ethics Policy	Business Ethics Guideline
Whistleblowing Guideline	
Communication Policy	Communication Guideline
Sponsorship Guideline	
Information Security Policy	Information Security Guideline
Data Protection Policy	Data Protection Guideline
Risk Management Policy	Risk Management Guideline
People Policy	
Insider Policy	
Sustainability Policy	Sustainability Guideline
Tax Policy	Fraud Governance Guideline
AI Policy	IT Guideline

Rationale for Green Financing

Sustainability is deeply embedded in ICA Gruppen's business model and long-term strategy. As a leading food retailer, ICA Gruppen recognises that the food value chain has significant impacts on the climate, the environment and the use of natural resources, from production and sourcing to logistics, stores and consumer choices. At the same time, ICA Gruppen has an important opportunity to contribute to more sustainable production and consumption patterns.

To address these challenges and opportunities, ICA Gruppen has established ambitious sustainability targets, including a commitment to achieve net zero emissions across its value chain by 2050. The Group is also working to reduce environmental impacts and strengthen resilience throughout its operations and value chain.

Green financing is an important enabler of this transition. This Green Finance Framework supports ICA Gruppen's continued investments in activities and projects that contribute to the Group's sustainability ambitions and environmental objectives. The Framework enables ICA Gruppen to raise capital through green debt instruments, including bonds, commercial paper and loans (Green Debt), and to allocate the proceeds to Eligible Green Projects.

The Framework has been developed to align with the International Capital Market Association's (ICMA) Green Bond Principles (June 2025) and the Green Loan Principles (March 2025) 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, together with their recommendation for external review, form the basis of this Framework:

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

In accordance with the Principles' recommendation for external review, an independent second-party opinion has been provided by S&P Global Ratings. The Framework and the second-party opinion are publicly available on ICA Gruppen's website.

ICA Gruppen developed the Framework in collaboration with Danske Bank and Svenska Handelsbanken.





Use of Proceeds

Allocation of net proceeds

An amount equal to the net proceeds of the Green Debt will be used to finance or refinance, in whole or in part, investments undertaken by ICA Gruppen or its subsidiaries that support the Group's environmental objectives and sustainability strategy. These investments may take the form of assets, capital expenditures and operating expenditures that are aligned with the Green Project categories defined in the following pages (Green Projects), which together will form a portfolio eligible for financing and refinancing through Green Debt. All Green Projects are subject to ICA Gruppen's evaluation and selection process and approval by the Green Finance Committee. The overarching objective of the Green Projects is to contribute to climate change mitigation and reduce the 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, 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 are considered annual costs, 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.

EU Taxonomy approach

The EU Taxonomy Regulation is a classification system for sustainable finance that defines which economic activities can be considered environmentally sustainable. It is a key tool for supporting the EU's climate and environmental objectives and the ambitions of the European Green Deal.

To qualify as environmentally sustainable under the Taxonomy, an economic activity must comply with the applicable Technical Screening Criteria, including the requirements for making a substantial contribution to at least one of the six environmental objectives and for doing no significant harm to the other objectives, and comply with the Minimum Safeguards. The six environmental objectives are climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

ICA Gruppen acknowledges the importance of the EU Taxonomy as a common classification system for environmentally sustainable economic activities. ICA Gruppen's principal activities in grocery retail and wholesale are currently not covered by Taxonomy-eligible economic activities. However, for Green Project categories where corresponding EU Taxonomy criteria exist, such as Green Buildings, ICA Gruppen has sought to align the eligibility criteria with the relevant Technical Screening Criteria where appropriate and feasible. In addition, each Green Project category has been mapped to the environmental objective that is considered most relevant to the expected environmental benefits of the underlying activity.

Green Project categories

Green Project category	Eligibility Criteria	Contribution to ICA Gruppen's sustainability strategy
GREEN BUILDINGS[1] SDG: 7, 11 Environmental Objective: Climate Change Mitigation 	**New buildings (building application filed on or after 31 December 2020):** • Buildings that have, or are designed to achieve, a certification in accordance with at least Miljöbyggnad 'Silver', BREEAM 'Excellent' or LEED 'Gold', combined with either: – a primary energy number at least 10% lower than the level required by the national building regulation, or – qualification as a Zero Emission Building (ZEB) in accordance with the Energy Performance of Buildings Directive (EPBD) and EU Taxonomy. **Existing buildings (building application filed before 31 December 2020) that meet one of the following criteria:** • Buildings with an Energy Performance Certificate (EPC) of class A, or • Buildings qualifying within the top 15%[2] 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 • 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, or • Buildings that have achieved a reduction in energy use (measured as primary energy demand) by at least 60% within a period of 10 years, consistent with the proposed amendments to the EU Taxonomy technical screening criteria for buildings and verified through appropriate technical documentation. **Major renovations that meet one of the following criteria:** • The building renovation meets minimum energy performance requirements of the national building regulation for major renovations, or • The building renovation leads to a reduction in energy use of at least 30% compared with the pre-investment situation. **Direct energy efficiency measures** • 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.	Green Buildings support the transition to a low-carbon and climate-resilient built environment and contribute to ICA Gruppen's objectives related to climate change mitigation, energy efficiency, resource efficiency and long-term operational resilience. As part of its sustainability approach, ICA Real Estate monitors embodied carbon emissions through life cycle assessments (LCA) covering the construction phase (A1-A5). To support continuous improvements, ICA Real Estate monitors regulatory and market developments and works to progressively reduce embodied carbon emissions in future developments. ICA Real Estate has also established a structured approach to climate risk management. Properties are screened for both acute and chronic climate risks, with detailed vulnerability assessments conducted for the most exposed assets. The assessments consider physical climate risks, including flooding, water-related risks, temperature changes, wind exposure and geotechnical risks, based on recognised climate scenarios. The results are integrated into property development, acquisitions and major maintenance projects, supporting climate adaptation and long-term resilience. For higher-risk properties, more detailed analyses and mitigation measures are undertaken, with the objective of developing property-specific climate risk strategies and adaptation plans.

1) Buildings will primarily include buildings in Sweden but may also include buildings from the other countries where ICA Gruppen operates.
2) 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.

Green Project category	Eligibility Criteria	Contribution to ICA Gruppen's sustainability strategy	
RENEWABLE ENERGY SDG: 7 Environmental Objective: Climate Change Mitigation 	• Installation and operation of on-site or off-site solar power and its related infrastructure. • Installation and operation of geoenergy solutions, including borehole thermal energy storage systems and related infrastructure for renewable heating, cooling and energy storage.	Renewable Energy contributes to ICA Gruppen's sustainability strategy by supporting the transition to a low-carbon economy, reducing GHG emissions and increasing the share of renewable energy in the Group's operations. The category supports ICA Gruppen's climate ambitions and transition plan through investments in renewable energy generation and related infrastructure.	ICA Real Estate invests in solar photovoltaic installations across retail, logistics and commercial properties, enabling local renewable electricity generation that is consumed directly within operations. In addition, the company utilizes geoenergy solutions for low-carbon heating and cooling at selected properties, contributing to improved energy efficiency and reduced climate impact, increasing energy self-sufficiency and operational reliability.
CLEAN TRANSPORTATION SDG: 11 Environmental Objective: Climate Change Mitigation 	• Purchase/lease of light-duty vehicles operated on electricity. • Purchase/lease of heavy-duty vehicles powered by electricity/ hydrogen, biogas or HVO100. • Expenditures related to the procurement of goods transport services using electric/biogas/hydrogen/HVO100 vehicles. • Installation of charging points for electric vehicles.	Clean Transportation supports ICA Gruppen's transition towards a low-carbon and climate-resilient society and contributes to the Group's climate objectives by reducing greenhouse gas emissions from transportation, supporting the transition to fossil-free goods transportation and increasing the use of renewable and low-emission transport solutions. The Group invests in and supports the transition to low-emission transportation through vehicle electrification,	charging infrastructure, increased use of renewable fuels and other measures aimed at reducing transport-related greenhouse gas emissions. These measures contribute to lower transport-related emissions and support ICA Gruppen's ambition to achieve net zero emissions and a fossil-free transport system.
ECO-EFFICIENT AND/OR CIRCULAR ECONOMY ADAPTED PRODUCTS SDG: 12, 15 Environmental Objective: Protection and restoration of biodiversity and ecosystems 	• 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, FSC, PEFC, Bra Miljöval, Nordic Swan Ecolabel and GOTS, or certification schemes with equivalent environmental requirements.	ICA Gruppen's private label products support the Group's sustainability objectives by promoting sustainable sourcing, certified supply chains, traceability, environmental standards and the availability of environmentally labelled and organic products. Extensive supplier requirements covering environmental performance, quality, social responsibility and product safety help strengthen sustainability throughout the value chain. ICA Gruppen has identified priority raw materials for which specific sustainability requirements have been established, including certification requirements for selected commodities. These priority commodities are based on sustainability-related risks, such as potential impacts on biodiversity and ecosystems. ICA Sweden participates in the Swedish Risk Commodities Platform coordinated by Ethical Trade Sweden (Etisk Handel Sverige) and has incorporated requirements for more sustainably sourced soy and palm oil, including feed-related supply chains, into its product requirements. ICA Sweden's ambition for a sustainable customer offering sets a shared direction and joint priorities for both developing	the assortment and strategies for driving sales of a more sustainable assortment. This includes increasing the share of foods with a lower climate impact, foods with a sustainability certification and/or label, and food with Swedish origin of raw materials. ICA Gruppen also promotes the use of Swedish raw materials in its private label product range. Through long-term collaborations, increased sourcing from Sweden and initiatives that highlight local and domestic products, ICA may contribute to maintaining agricultural landscapes and supporting biodiversity, while also meeting consumer demand for products of Swedish origin. All suppliers manufacturing ICA-branded products are required to comply with ICA's sustainability and quality requirements. This is supported by a structured process for supplier assessment, product testing and ongoing quality assurance, covering areas such as product safety, quality, traceability, environmental performance and social responsibility. Suppliers operating in higher-risk markets are subject to additional audits, inspections and follow-up measures.

Process for project evaluation and selection

ICA Gruppen's overall management of environmental, social, corporate governance and financial risks is a core component of the decision-making processes. The Group's sustainability due diligence process aims to ensure that negative impacts on human rights, the climate and the environment in the Group's value chain are identified and managed proactively. 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.

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.

The balance of the proceeds will be adjusted on an annual basis, to match allocations to eligible Green Projects (re)financed during this period. In the event a project has been sold or is no longer eligible, ICA Gruppen commits to substitute the project as soon as practical, on a best-efforts basis.

Temporary holdings

Unallocated net proceeds may temporarily be placed in the liquidity reserve managed by ICA Gruppen Treasury. In the event of any unallocated proceeds, the aim is for these to be allocated within 36 months.

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 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 report annually on the allocation of proceeds and the environmental impact of the Green Projects. Allocation reporting will continue until full allocation of the net proceeds, while impact reporting will continue annually for as long as Green Debt remains outstanding, subject to the availability of relevant data. The report will also include a section describing the methodology, baselines and assumptions used in impact calculations. If ICA Gruppen has Green Debt instruments outstanding other 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-efforts basis. The impact report will, if applicable, be based on the impact indicators presented in the table below.

Green Project categories

Green Projects	Impact indicators
Green & energy-efficient buildings	• Annual energy use reduced or avoided compared to applicable national building code (MWh or kWh/m^2) • Annual GHG emissions reduced or avoided (tonnes of CO_2e emissions)
Renewable energy	• Installed renewable energy capacity (kW) • Annual renewable energy generation (MWh) • Annual GHG emissions reduced/avoided (tonnes of CO_2e emissions)

Green Projects	Impact indicators
Clean transportation	• Number of vehicles financed • Number of charging points installed • Avoided GHG emissions from goods transport services (tonnes of CO_2e emissions)
Eco-efficient and/or circular economy adapted products	• % of sales from certified products out of total sales of private label products



External review

Second-party opinion
S&P Global Ratings has provided a second-party opinion on this Framework, verifying its credibility, impact and alignment with the ICMA and LMA Principles.

Post-issuance review
Until full allocation, and in the event of material developments, an independent external party appointed by ICA Gruppen will annually review whether an amount equal to the net proceeds has been allocated to Eligible Green Projects.

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

www.solberg.se

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