



THE ICA GROUP'S ANNUAL REPORT 2010

APPENDIX

GRI Report



Standard Disclosures

Table of content

| | | | | | |
|------|---|-------|---|-------|--|
| p. 3 | Statement by CEO Kenneth Bengtsson | p. 11 | Corporate Responsibility Awards 2010 | p. 38 | Social Performance (LA): <i>We develop with our employees</i> |
| p. 3 | Organizational Profile (2.1-2.10): <i>This is the ICA Group</i> | p. 12 | Report Parameters (3.1-3.13): <i>About the ICA Group's Corporate Responsibility Report</i> | p. 42 | Social Performance (HR): <i>Global trade and human rights</i> |
| p. 4 | Strategy and Analysis (1.1-1.2): <i>The ICA Group's corporate responsibility goals</i> | p. 15 | Economic Performance (EC): <i>Engagement and investments - creating value in society</i> | p. 45 | Social Performance (SO): <i>The ICA Group - part of the community</i> |
| p. 5 | Governance, Commitments, and Engagement (4.1-4.17): <i>ICA's Good Business</i> | p. 20 | Environmental Performance (EN): <i>Environment and climate change - critical to our future</i> | p. 47 | The GRI Index with Global Compact principles |
| p. 8 | Cooperation partners and stakeholder dialogues | p. 28 | Social Performance (PR): <i>How we take responsibility for a sustainable product range</i> | p. 49 | Auditor's review report |

How we report our corporate responsibility work

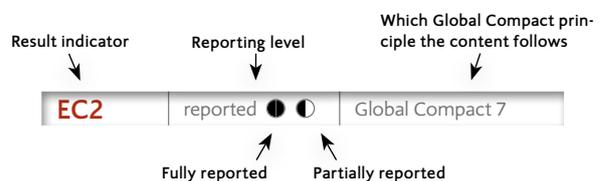
The GRI Report follows the latest version of the Global Reporting Initiative's (GRI) G3 guidelines, covers all significant principles in the UN's Global Compact and describes corporate responsibility issues of interest to our stakeholders.

We will continue to refine the report in line with the GRI's guidelines, ICA's Good Business philosophy and the UN's Global Compact. The ICA Group's GRI Report 2010 has been speed checked and Confirmed by a third party and complies with level B+ according to GRI.

Contact: Kerstin Lindvall, SVP Corporate Responsibility, ICA Sweden AB

Reading our GRI Report

Each performance indicator begins with the following symbols, which describe what the indicator means, the level to which we report it and whether the content also follows one of the Global Compact principles.



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"Responsibility is central to everything we do"

"Serving as a driving force in society's sustainable development is a linchpin in our business model. This is why we have translated our values into seven position statements we call "ICA's Good Business." These position statements describe how we work, and everyone who works with ICA is expected to know and follow the guidelines. ICA's Good Business also encompasses the ten principles of the UN Global Compact, which ICA has signed. ICA also supports the Global Compact's "Caring for Climate" initiative.

For us, the equation is simple. If we do not take responsibility today, we will only hurt ourselves as a business tomorrow. Minimizing our environmental impact, primarily by reducing energy consumption in stores, has therefore been a high priority for many years. An exciting example of how far we have come is ICA Kvantum Sannegården in Gothenburg, the first store we have built entirely based on our guidelines on maximizing energy efficiency while not sacrificing customer experience. It is a store of the future that will serve as a model for all new stores."

"If we do not take responsibility today, we will only hurt ourselves as a business tomorrow."

Kenneth Bengtsson

! Read the President's statement in its entirety on page 2-5 in the ICA Group's Annual Report.

This is the ICA Group

- The ICA Group is one of Northern Europe's leading retail companies, with around 2,200 of its own and retailer-owned stores in Sweden, Norway, Estonia, Latvia and Lithuania. ICA also has offices in these countries and sourcing operations in China and Vietnam. The Group includes ICA Sweden, ICA Norway, Rimi Baltic, ICA Real Estate and ICA Bank, which offers financial services to Swedish customers.

- ICA AB's head office is located in Solna, Sweden. ICA AB is a joint venture 40 percent owned by Hakon Invest AB of Sweden and 60 percent by Royal Ahold N.V. of the Netherlands.
- The ICA Group offers a wide range of products in its stores, including other suppliers' brand-name products as well as its own private labels. The first ICA private label was launched in 1922.

Today the following product lines are an important part of our CR work:

- ICA Gott liv, our line of healthy alternatives
- ICA I love eco, our organic product line
- ICA Skona, our green product line for cleaning products.

! Read more about the ICA Group in our Annual Report 2010.

The ICA Group's corporate responsibility goals



Good profitability goes hand in hand with community engagement and conscientious corporate responsibility (CR) work. This is the very foundation of ICA's business. With the help of strong shared values and an attitude that every link in the chain is important, from supplier to employee and customer, we have integrated CR work in every area of the Group's operations. ICA is a sustainable company with a solid financial footing, a commitment to the environment and strong social engagement.

The ICA Group's CR strategy is focused on creating a more sustainable value chain, from primary production to customer, and guiding us in integrating the issues of climate change, food safety, quality in stores and corporate responsibility into day-to-day operations. We are continuously working to improve our CR work and to increase transparency through an active dialogue externally and internally. The CR strategy is based on our materiality analysis which is defined annually to identify current areas and issues that are of importance to our economic, environmental and social performance.

ICA's most important Group goals are shown below. They are complemented by more customer-oriented targets for each company to strengthen their local presence.

ICA's CR work is coordinated with our two owners, Royal Ahold and Hakon Invest. Ahold and ICA support similar philosophies in this work, report using the same guidelines and generally share the same approach to how this work is performed. Hakon Invest supports and actively monitors ICA's sustainable development work, and encourages its portfolio companies to share their knowledge.

ICA's most important goals

Economic

- Increase sales faster than the total market in each sector.
- Reach an operating margin of 3.5–4 percent.
- Reach a return on equity of at least 14–16 percent over a business cycle.
- Maintain an equity/assets ratio at 30–35 percent in the long term.

Environment

- Reduce the Group's direct greenhouse gas emissions by 20 percent by 2012 compared to 2006.
- Reduce the Group's direct greenhouse gas emissions by 30 percent by 2020 compared to 2006.

Social

- 100 percent of ICA's corporate brand suppliers in high-risk countries will be socially audited by 2011.
- 80 percent of suppliers of ICA's corporate food brands will be GFSI certified by 2010.

 *Read more about the outcome 2010 in our Annual Report, page 10–11.*

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ICA's Good Business – the fundamental values in everything we do

ICA's Good Business is the seven position statements that serve as the foundation for ICA's CR work and are based on the UN Global Compact's ten principles on human rights, labor standards, the environment and anti-corruption. Each position is backed by ICA's policies and guidelines we use on a daily basis.

The foundation of ICA's corporate responsibility work

The ten principles of the UN Global Compact.



ICA is a participant in the United Nations Global Compact and supports the following ten international principles.

Businesses should:

1. Support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Eliminate all forms of forced and compulsory labor.
5. Effectively abolish child labor.
6. Eliminate discrimination in respect of employment and occupation.
7. Support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.
10. Work against corruption in all its forms, including extortion and bribery.

ICA's Good Business

ICA's Good Business describes the Group's stance on corporate responsibility. Together with ICA's core values, they are essential to achieve the Group's vision and mission.

ICA will:

- Be driven by profitability and high ethical standards.
- Listen to customers and always base decisions on their needs.
- Nurture diversity and growth among its employees.
- Maintain an open dialogue internally and with the community.
- Ensure quality and safe products.
- Promote a healthy lifestyle.
- Adopt sound environment practices to promote sustainable development.

ICA's CR policies, with guidelines for daily operations

- Business ethics policy (incl. competition law compliance).
- New store policy.
- Health policy.
- Information policy (incl. guidelines for financial information).
- Customer policy.
- Personnel policy.
- Quality, environmental and social compliance policy.
- Sponsorship policy.

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ICA's Good Business philosophy and policies are shared by the entire Group. Although this work rests on the same foundation, there are local variations in the markets where the ICA Group is active that affect conditions on a practical level. There are several reasons for these local variations:

- **Different markets:** ICA Sweden is the leader in a mature market. In Norway, on the other hand, ICA Norway is in an upstart working hard to turn around a negative long-term trend. In Estonia, Latvia and Lithuania, Rimi Baltic operates in a potentially expansive, but uncertain market.
- **Differences in customer behavior:** Customer preferences tend to vary. In the Baltic countries, which has been hard hit by the financial crisis and recession, food prices are a critical issue. In Sweden, the recession and financial crisis have not affected spending patterns as much, and consumers have the freedom to buy less price-focused alternatives such as organic and Fairtrade products. Norwegian customers have felt the recession to an even lesser extent. They remain interested in healthy meal solutions.
- **Different opinions:** Different topics garner different responses depending on local opinions in the country. In Sweden, food shrinkage, additives and greenhouse gas emissions are major concerns. Norwegians feel strongly about healthy living and nutrition. Interest in not throwing food away unnecessarily has also grown in Norway. Due to the financial crisis, the Baltic countries have been forced to focus on economic issues, although the public is also concerned about GMO's and littering.
- **Similarities:** The common denominator is an interest in local foods. Country-of-origin labeling has grown in popularity in all our countries. Sweden has the Swedish Seal of Quality, and in Norway a new industry trademark, "Nyt Norge" ("Enjoy Norway") has had a major impact. Latvia uses the same type of labels, "Green Spoon" and "Grown in Latvia with Pride".

How ICA manages its CR work

The overall strategic direction of ICA's CR work is set at the Group level and is managed through strategic planning and business planning processes. Overarching responsibility for CR issues rests with ICA's CEO.

The Business Ethics and Policy Committee of Group Management, which has been in place since 2005, is responsible for monitoring CR goals and strategies, ICA's Good Business and related Group-wide policies. It also proposes CR priorities and monitors ethical dilemmas, risks and public opinion about the ICA Group. The cross-organizational team is led by the head of the Corporate Responsibility department.

The line organization can direct questions to each policy owner, who informs and involves the Business Ethics and Policy Committee when needed. Every employee is responsible for complying with ICA's Good Business, and everyone is encouraged to report irregularities based on ICA's Good Business and related policies. If they are noticed early enough, we have a better chance of preventing risks and taking action. This benefits not only us but also our employees and other stakeholders.

A whistleblower possibility is included in ICA's business ethics policy, to ensure that any employee or manager who becomes aware of an irregularity and does not want to report it through the normal chain of command can do so anonymously.

 *Read more in the ICA Group's Annual Report, page 40–41.*

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Risks and opportunities with our CR work

ICA's CR work entails both risks and opportunities. We must constantly adapt to demands for greater transparency, regulatory changes and increasing requirements placed on sustainability in every level of the supply chain. Unless we can satisfactorily meet the market's expectations and our own goals, there is a risk that the brand and ICA's position in the market will suffer. There is also a risk that cost efficiencies will be affected unless satisfactory measures are taken to conserve energy and reduce waste, among other things.

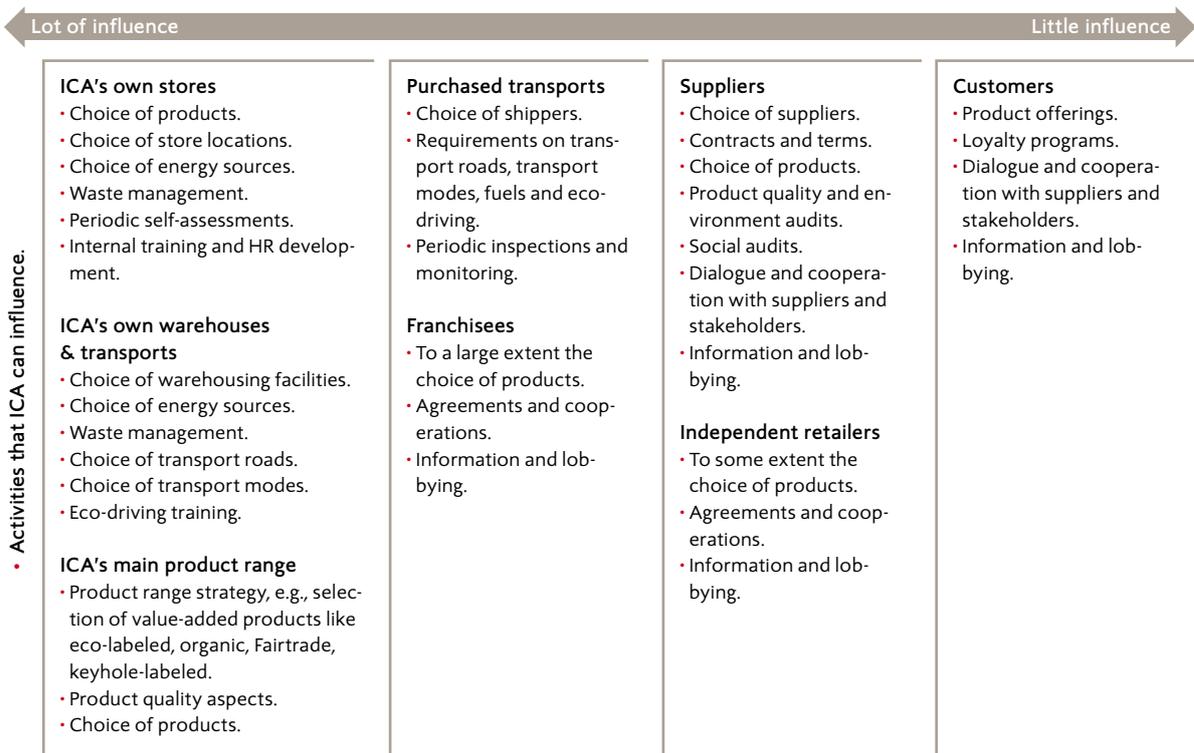
On the other hand, our market position could improve if ICA can meet customer demand for environmentally friendly and healthy products better than the competition. We can also be more cost-effective by reducing consumption of energy and materials in our operations.

Generally, we are best able to address sustainable development issues through our local presence in each market and by educating and informing customers.

The model below shows ICA's degree of influence and ability to affect every part of the value chain.

! Read more about; risks and opportunities with climate change on page 17, the ICA Groups' financial risks in our Annual Report and its appendix and in our owner Royal Aholds' Annual Report.

ICA's influence on its supply chain



Cooperation partners and stakeholder dialogues



ICA cooperates with a number of organizations and participates in several networks focused on corporate responsibility, the environment, public health and food safety. Maintaining a continuous dialogue with these groups is also an important part of ICA's CR work.

Among the most important dialogue partners are:

- **Global Compact:** The UN initiative to promote corporate citizenship internationally. ICA has signed the Global Compact's Caring for Climate action platform and is a member of a Swedish government initiative overseen by the Ministry for Foreign Affairs to encourage Swedish companies to be ambassadors for human rights, fair labor practices, a better environment and anti-corruption practices, in accordance with the principles of the Global Compact.
- **Global Social Compliance Program (GSCP):** International alliance seeking to build a consensus on best practices for labor standards in consumer goods supply chains. The program is run by the Consumer Goods Forum (formerly CIES), which is a principal partner of ICA.
- **Global Food Safety Initiative (GFSI):** Alliance between a number of the world's leading experts on food safety from retailers, manufacturers, food service companies and service suppliers in the food industry. Coordinated by the Consumer Goods Forum.
- **Ethical Trading Initiative (ETI):** ICA is a member of the Norwegian Ethical Trading Initiative (ETI) since 2001 which is a forum for ethical trade and other challenges in global supply chains.
- **Business Social Compliance Initiative (BSCI):** European platform for companies to improve work conditions at consumer goods suppliers in high-risk countries. ICA participates together with one of its owners Ahold, which is a member.
- **World Wide Fund of nature (WWF):** ICA has worked with the environmental organization WWF on the issues of sustainable fishing, palm oil and free range meats.
- **World Childhood Foundation, Red Cross, the Scoutmovement, the Glada Huddik Theatre, The H.M. King Carl XVI Gustaf's Foundation for Young Leadership and the Swedish Cancer Society/Pink Ribbon:** ICA Sweden has longstanding cooperations with these organizations.
- **Swedish Society for Coeliacs and Swedish Asthma and Allergy Association:** Annual campaigns at the Swedish ICA Maxi and ICA Kvantum-stores offering the local organisations a platform to highlight the allergy handicap. At the same time the consumers get hands-on assistance in food allergy issues in the stores.

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- **Swedish National Institute of Public Health:** ICA is cooperating on a project called "A healthier Sweden" to draw attention to the importance of a proper diet and exercise.
- **Federation of Swedish Farmers (LRF):** ICA Sweden and LRF have cooperated for years and are now working together on various projects. The goal is to meet the increased demand for foods made from Swedish commodities.

Dialogue with ICA's stakeholders

ICA has identified its stakeholders from the materiality analysis and the relevant CR issues. The most important stakeholder groups are customers, employees, owners, independent ICA retailers in Sweden, franchisees in Norway, suppliers, government authorities and a number of NGOs. These groups have different expectations and place different demands on the Group's CR work. Maintaining a continuous dialogue is also an important part of ICA's CR work.

By cooperating with consumer and environmental organizations, trade organizations, sports clubs and other interest groups, ICA has the opportunity to compare and improve the way it works. The aim is to use different methods to structure the dialogue. Key interest stakeholders include:

- Consumer Goods Forum (CGF)
- Dagligvarehandelns Miljöforum (DMF)
- Dagligvareleverandørens Forening (DLF),
- Employers' Confederation of Latvia
- "Employers will fight against HIV" (Rimi Baltic is a member)
- EU Animal Welfare Platform
- Forest Stewardship Council (FSC)
- Good Pharmacy Practice (GPP)
- Greenpeace
- Green Warriors of Norway
- Handels- og Servicenæringens Hovedorganisasjon, (HSH)
- International Chamber of Commerce (ICC)
- Investors Forum in Lithuania
- KRAV/Debio
- Latvian Association of Food retailers
- Latvian Chamber of Commerce and Industry (LCCI)
- Livsmedelshandlarna (SSLF)
- Marine Stewardship Council (MSC)
- Mattilsynet
- Roundtable on Sustainable Palm Oil (through Ahold)
- Roundtable on Responsible Soy (through Ahold)
- Swedish Trade Federation
- Svensk Dagligvaruhandel
- Swedish Food Federation
- Swedish Institute for Food and Biotechnology (SIK)
- Swedish National Food Administration
- Swedish Society for Nature Conservation
- Swedish Association of Environmental Managers
- Sweden Forest & Trade Network
- Swedish Consumer Coalition
- Swedish Pharmacy Association
- The Association of Lithuanian Trade Enterprises (ALTE)
- The Foreign Investors' Council in Latvia
- The Swedish Trade Council in Lithuania
- Ziedot Lv

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Stakeholders' key issues and dialogues in 2010

| Stakeholder | Key issues | Dialogues/activities to manage these issues |
|--------------------|--|---|
| Employees | <ul style="list-style-type: none"> • Opportunities for skills training and professional development. • Strong leadership. • Good work environments. • Diversity. | <ul style="list-style-type: none"> • Annual employee survey. • Performance reviews. • ICA School and ICA's Good Business. • Values-based leadership, i.e., the HR department supports leaders with coaching, relationship building and employees' career development. • Preventive wellness by giving leaders tools to work with their employees. |
| Stores | <ul style="list-style-type: none"> • Energy efficiency in stores. • Food safety. • Food waste. | <ul style="list-style-type: none"> • Reduce energy consumption in stores by providing tools, solutions and ideas for new and existing stores. • Information and training activities with quality coaches, retail intranet, etc. • Continuous meetings and consultations with ICA retailers. • Daily contacts with ICA stores through ICA call centers and operations managers. • Quality coaches who visit and support stores by introducing the food quality standard. |
| Owners | <ul style="list-style-type: none"> • Integrated and strategic CR work. • Oversight of ethical issues and responsible behavior in value chain. | <ul style="list-style-type: none"> • Annual board review on governance, sustainability risks and opportunities. • Meetings and reports on shared sustainability issues. • Respond to investors' questionnaires. • Annual stakeholder dialogues on a current theme, in 2010 it was corporate responsibility and the environment in the cultivation of exotic fruits. • Continuous coordination of, for example, key performance indicators. |
| Customers | <ul style="list-style-type: none"> • Climate change. • Food safety. • Additives and chemicals in products. • Green, Fairtrade and healthy product range. • Local foods. • Food prices. | <ul style="list-style-type: none"> • Annual customer surveys. • Customer contacts in stores, social media and through ICA call centers. • Information in Buffé magazine and on ICA.se. • Display material in stores. • Product labels, e.g., organic, eco-labeled, Keyhole-labeled and Fairtrade. • Descriptive product information, e.g., hangtags now used on ICA's ethical labeled products. • Modernized, improved healthy product range through the relaunch of the ICA Gott liv line. • New pricing policy at Rimi Baltic providing price reductions at least for 2000 products. In Norway and Sweden ICA also worked hard reducing prices. |
| Suppliers | <ul style="list-style-type: none"> • Responsible sourcing and social responsibility. • Local purchases. • Impact on climate change. • Electronic invoices. | <ul style="list-style-type: none"> • Supplier audits on quality, environment and social responsibility. • Training in social engagement. • Pilot project to reduce the climate impact of ICA I love eco suppliers. • ICA Torget, ICA Swedens marketplace for local entrepreneurs and retailers. • Supplier contacts through ICA call centers. • Annual stakeholder dialogues on a current theme, in 2010 it was corporate responsibility and the environment in the cultivation of exotic fruits. |
| Authorities | <ul style="list-style-type: none"> • Food safety in stores. • Public health concerns. • Environment and climate change. • Fair pricing (euro's introduction in Estonia). | <ul style="list-style-type: none"> • Meetings with authorities, researchers and politicians, e.g., the Almedal week. • Responses to public enquiries. • Supervisory inspections. • Participation in the government's consultative groups to promote sustainability and health work by Swedish companies. • Annual stakeholder dialogues on a current theme, in 2010 it was corporate responsibility and the environment in the cultivation of exotic fruits. • Participation in seminars and lectures. |

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Important corporate responsibility awards in 2010

- ICA's Corporate Responsibility Report 2009 was nominated for the Globe Awards in the category "Sustainability Reporting" and finished among the top three. It was also one of five nominated for the Swedish Publishing award for CR reports.
- In the Universum Career Barometer survey, ICA was named the most popular employer in the retail food industry by young business graduates. In addition, ICA climbed from 57th to 20th among the most popular employer among young engineers.
- In a survey of Sweden's Greenest Brands 2010 by the branding consultancy Differ, ICA Skona, ICA's green brand of detergent, dishwashing liquid, paper products and cleaning products came in fourth place out of a total of 97 brands. In the same survey, ICA came in fifth among green brands when customers were asked to choose from a list.
- ICA To Go received first prize for user-friendly prepared food packaging in the category Consumer Packaging Award at the Packaging Industry Awards.
- ICA To Go was named "Health Restaurant of the Year" by the trade publication Restauranger & Storkök, which honors innovators in the Swedish restaurant industry.
- ICA's commercial "The New Trainee," with the character of Jerry in the leading role, took the silver medal in the category "Consumer Advertising 2010" in the advertising competition "100-wattaren", arranged by the Association of Swedish Advertisers and the Swedish Association of Communication Agencies.
- ICA Gott Liv's new design received a silver medal at the Eurobest advertising awards. The competition received 4,339 submissions.
- Rimi stores in Rogaland received the Invivo award in 2010 for their commitment to helping people return to work after long illnesses.
- In the "Swedish Business Awards 2010," Rimi Lithuania was honored for its corporate responsibility and its program to integrate employees with functional disabilities, which was established together with the Lithuanian Association of the Disabled in 2002.
- Rimi Baltic was one of 19 Latvian companies that reached the silver level when the Free Trade Unions Confederation and Employers Confederation of Latvia for the first time produced a Sustainability Index in 2010. No company reached the higher levels of platinum and gold.
- Rimi Baltic in Latvia received 8th place in Reputation top carried out by national newspaper Dienas un agency Nords Porter Novelli.

About the ICA Group's Corporate Responsibility Report



The ICA Group's sustainability report describes our work on economic development, the environment, ethical trading, quality work, health, employees and community engagements. The sustainability report comprises this GRI-report and the Annual Report, also available in printed form. We have published an annual environmental and corporate responsibility report since 1995. As of 2006, it is published together with ICA's Annual Report. The report follows the ICA Group's financial year. The 2010 edition covers the period January 1, 2010 to December 31, 2010. The previous report was published in March 2009.

Information and performance indicators in the report have been selected based on the CR aspects that are relevant to our operations. The opinions of our stakeholders are important to consider when defining the key issues in our CR work. These opinions are valuable in order to make continuous improvements. With the help of the GRI's "Guidance on Defining Report Content," we have conducted a materiality analysis, where the demands and expectations of our stakeholders, among other things, served as a basis. The materiality analysis was defined for the first time in 2008 and is revised each year.

Boundaries

The report mainly comprises operations that have a significant, direct impact from a CR perspective, i.e., the Group's own operations. In Sweden, we collaborate with around 1,400 independent retailers through agreements. Information on them is presented when relevant to the overview of the ICA Group's CR work, e.g.:

- Electricity consumption
- Waste collected from deliveries of goods to stores
- Sales data from stores
- The number of stores that are certified according to food standards and are Swan-labeled

Operations outside ICA's direct control, such as suppliers and customers, are not included in the report. Information on suppliers of ICA's corporate brands is included in the report when applicable.

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Measurement and calculation methods

ICA Sweden, ICA Norway and Rimi Baltic use a common IT system to collect data on CR issues. The system supports continuous reporting with the aim to ensure the long-term quality of the indicators included in ICA's continuous monitoring and annual CR report. The company in each country reports data according to the Group's definitions and routines for CR reporting. ICA's calculation and reporting parameters are described in detail below.

Charitable contributions

- Include voluntary donations from ICA Sweden as well as donations from customers, employees and suppliers collected through ICA Sweden. The recipients are charitable organizations and NGOs.

Energy

- Includes stores and warehouses as well as offices belonging to logistics departments. The two ICA To Go stores are not included.
- To calculate electricity consumption in Swedish and Norwegian stores, a sampling of stores in each format is used. Their actual consumption is extrapolated based on the total number of stores at the end of the report period.
- To calculate energy consumption per square meter in warehouses and stores, the area of the stores and warehouses in operation at year-end is used.
- Rimi Lithuania reports average area in connection with the transfer of warehouses in mid 2010.

Goods transports and climate impact

- Include goods transports between stores and ICA's warehouses. Transports by suppliers to warehouses are not included.
- ICA Sweden and Rimi Baltic is calculated based on distances driven and average fuel consumption. Diesel consumption for own goods transports in ICA Norway and Rimi Baltic is obtained directly from the diesel supplier. Measurement does not take into account the amount of renewable fuel used. A revised method is scheduled to be introduced in 2011.
- Leased transports between warehouses and stores in Norway are estimated on driven transport distance and average diesel consumption for their own transportation.

Cooling agents

- Include cooling agents refills in all warehouses and Rimi Baltic's stores. Stores in Norway and Sweden are not included.
- Data on ICA Sweden's warehouses are based on official coolant reports.

Business travel

- Includes business travel by air booked through ICA's central travel agency for employees of ICA Norway and ICA Sweden. As of 2008, we buy carbon offsets for air travel.
- Includes business travel by rail made by employees within ICA Sweden booked through ICA's central travel agency or directly through travel providers with ICA's customer number.
- Includes business travel by car made by employees in Sweden.

Climate change

The following factors are used to calculate CO₂ emissions:

- Emissions factor for 2006 Nordic electricity for conventional electricity in Sweden and Norway.
- Supplier-specific emissions factor for units that have signed ICA's central electricity agreement.
- The International Energy Agency's average for the years 2000–2005 for each Baltic country's electricity production.
- The Swedish Society for Nature Conservation's specific emissions factor for Good Environmental Choice electricity.
- Swedish average for district heating from the Swedish Energy Agency (according to the recommendation of the GHG Protocol).
- The emissions factor for Sweden's electricity mix is used to calculate CO₂ savings from sales of low-energy light bulbs.
- Emissions factor for diesel from the Nätverket för Trafik och Miljö (NTM).
- Global Warming Potential (GWP) for each type of cooling agents according to the Montreal Protocol and IPCC.
- CO₂ emissions from air and rail travel are obtained from ICA's carbon offset suppliers or the travel provider.
- The GHG Protocol's emission factor for business travel by car.

Waste

- Includes all warehouses as well as ICA Norway's and Rimi Baltic's stores. Soft plastics from stores are not included for all countries, since this type of waste is returned from stores to warehouses.

- National laws and regional waste management systems define the types of waste involved.
- Information on waste management methods and amounts is obtained from waste contractors.
- Waste volumes in ICA Norway and Rimi Baltic stores are based on actual waste amounts collected during the year for a significant part of the stores. Generated waste is extrapolated using the number of stores at year-end.
- Rimi Baltic's waste is based on actual waste data extrapolated by the number of stores at year end. Waste from outsourced warehouse in Estonia are excluded.
- Waste reported for Rimi Baltic also includes packaging waste for products that Rimi Baltic introduces on the market.
- Compostable waste comprises biodegradable organic waste, i.e., waste sorted as compostable and 90 percent of organic waste fractions with packaging.
- Combustible waste comprises combustible waste fractions and 10 percent of organic fractions with packaging. In Norway, 75 percent of unsorted production waste is included as well.
- Recycled/reused waste includes glass, metal, wood, plastics and other non-landfill waste. ICA Norway also includes 10 percent of unsorted production waste in recycled/reused fractions and 15 percent in landfill waste fractions.

Supplier-related data

- GFSI-certified suppliers comprise ICA's corporate brand suppliers approved according to one of the quality standards approved by the Global Food Safety Initiative (GFSI).
- Information on socially audited suppliers refers to active suppliers in high risk countries and their production units which have been socially audited according to ICA Social audit or any of the third party audit scheme that accepted by ICA.
- The definition of a high risk country is based on a combination of the UN Development Programme (UNDP) Human Development Index and Economic Security Index. A country is considered a high-risk country if it has <0.85 in the Human Development Index and <0.50 in

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the Economic Security Index. Unless the two index levels are consistent, the level of the Human Development Index will be crucial when a country's level of risk is assessed.

Sales trends and number of products

- Includes sales from Swedish and Norwegian ICA/Rimi-stores. In Sweden, only ICA Sweden's central assortment of the products described below is included.
- The number of products corresponds to the total number of unique EAN codes in ICA's range of food intolerance products or those labeled according to Fairtrade, Keyhole, organic (KRAV/Debio, EU organic).
- Keyhole-labeled products and products for food intolerances are available in Swedish and Norwegian ICA stores.

Quality work and product safety

- Recalls comprise all recalled products from warehouses and/or stores. Recalls that are considered a risk to human health or the environment are public recalls, i.e., the public is informed through a press release, among other measures.
- Tests comprise the number of internal and external product tests on ICA's corporate brands, both new and existing products.

Quality in stores

- Certified stores in Sweden refer to stores approved and certified by a third party according to the Swedish standard for food quality.
- Stores that have implemented the food quality standard refer to Swedish ICA stores that apply the standard, but are not certified by a third party.
- Hygiene inspections comprise the number of inspections performed by ICA Norway's own employees at ICA/Rimi stores in Norway.

Employees

- Include personnel employed by the Group, i.e., including workers in stores owned by ICA.
- The number of employees comprises full-time workers, workers hired on a trial basis and workers with temporary assignments of longer than three months.
- The number of full-time employees (FTE) comprises full-time workers, workers hired on a trial basis and temporary workers of longer than three months. The average number of employees is based on the Group's measure of normal working hours, i.e., 1,800 hours per year.
- Employee turnover is calculated as the number of people who left during the year in relation to the average number of permanent workers and workers hired on a trial basis.

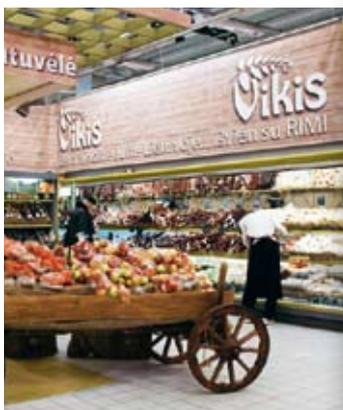
- Sick-leave is calculated as the number of hours of sick leave in relation to scheduled working hours.
- The share of men/women at the management level refers to all management levels within the Group and is based on the number of full-time employees (FTE).
- Store robberies includes number of robberies or robbery attempts of products or money from a store or store employee including physical violence or threats of physical violence.

Material changes since previous report period

Compared with previous years, the following changes in the report parameters and calculation principles were made in 2010:

- ICA Sweden's sales of organic and Fairtrade-labeled products for 2009 have been revised. A review of the system showed that a number of products had not been included in the 2009 figures. The system has been analyzed and corrected.
- The number of Fairtrade and organically labeled products is reported as the number of units, i.e., unique EAN codes.
- The calculation method for diesel consumption for hired transport for ICA Norge has changed during the year.

Engagements and investments – creating value in society



Our aim is to achieve profitable long-term growth based on a well-managed business that creates value for our owners and other stakeholders. The work includes serving as a positive force in society and making wise investments for the future. In 2010, the Group generated revenue of SEK 93 billion.

Our cooperations with charitable organizations are also investments. These cooperations endorse important values. The ICA Group benefits in both the short-and long-term from a healthier, more humane and better-informed world.

Popular, high-quality products, new control systems for distribution, improved energy and waste management, good work environments and employee training lead not only to a better environment and greater social benefit but also lower costs and better business over time.

Value generated and distributed SEK million

| | ECI | reported | |
|--|-----|----------|-------------------------|
| The ICA Group | | | |
| Value generated | | | |
| Revenue | | | 2010 2009 2008 |
| | | | 93,860 94 651 90 963 |
| Value distributed | | | |
| Cost of goods and services sold | | | -82,922 -84 012 -81 323 |
| Value-added (Revenue - cost of goods and services sold) | | | 10,938 10 639 9 640 |
| Salaries and other cash compensation | | | -6,548 -6 494 -6 034 |
| Taxes and social insurance costs | | | -3,516 -2 154 -1 555 |
| Net interest expenses | | | -327 -404 -323 |
| Dividend | | | -1,566 -888 -1 084 |
| Retained in operations | | | -1,019 699 644 |

Economic Performance **EC**

How we share our profit

Through long-term cooperations with charitable organizations, the ICA Group can also help to build values. In 2010, we were involved in a number of well received campaigns and activities together with NGOs:

- Since 2003, ICA Sweden has been the principal partner of the World Childhood Foundation, where we are working to help marginalized children. We contribute by collecting money for Childhood's projects. The 2010 Christmas campaign and other activities generated SEK 8,3 million. ICA Sweden sold Måns Zelmerlöv's Christmas album and donated one percent of total corporate brand sales in stores during a two-week period in December.
- For the eighth consecutive year, ICA Sweden was the chief sponsor of the Pink Ribbon campaign, which collects money for Swedish cancer research with the goal of creating a greater understanding of the connection between food and breast cancer. In 2010, the Pink Ribbon and promotional products were sold in ICA's stores through payment cards in the customer magazine Buffé, which raised SEK 7,1 million. During the year, ICA Sweden was also the chief sponsor of the mustache campaign against prostate cancer, which raised over SEK 3.5 million.
- ICA Sweden arranged the "We can do more" lottery in cooperation with the Swedish National Association for Persons with Intellectual Disability (FUB), which collected a total of SEK 5 million.
- ICA Sweden was the main sponsor of the Swedish road race series Blodomloppet for the eighth consecutive year. During that time, the number of runners has increased from 14,000 to over 76,000. Blodomloppet brings attention to the importance of blood donations, as well as food and health, and in 2010 races were run in 14 locations around Sweden.
- In cooperation with the charity Algojimas, which supports disabled children, Rimi Baltic in arranged a charitable concert on Lithuanian TV. In connection with the concert, EUR 50,000 was donated by viewers.
- Rimi Baltic in Latvia fundraised 342 711 EUR in 2010 and therefore giving a significant help for eight projects which helped to improve childrens health and even save their lifes
- ICA Norway has now installed bottle recycling machines in 293 stores, where customers can choose to receive their refund or donate the money to the Red Cross. By donating the deposit, the customer is automatically entered into a lottery. In total, the lottery generated NOK 12.6 million in ICA Norway's stores in 2010, of which NOK 4.2 million went to the Red Cross. Similar machines in Swedish ICA stores generated SEK 4.8 million for the Red Cross.

Charitable donations SEK million

| ICA Sweden | 2010 | 2009 | 2008 |
|--|------|------|------|
| Donations from ICA Sweden | 14 | 12 | 14 |
| Donations from customers, suppliers and employees through ICA Sweden | 20 | 20 | 13 |

Risks and opportunities with climate change

EC2 | reported ● | Global Compact 7

The ICA Group must constantly adapt to the increased transparency of the company, that laws may change and a growing demand on account of sustainability aspects in all stages of the supply chain. Our overall risk analysis also includes the assessment and management of risks related to climate change.

Change

Risks

Opportunities

New laws

Society's growing awareness of climate change is likely to result in new laws and regulations, which in turn affect our operations financially and physically. We continuously monitor these issues so that we are ready to quickly adapt. Important areas include emissions limits on goods transports, taxes that lead to more expensive fossil fuels and society's transition to renewable energy sources.

Challenges give rise to new ideas. The climate change debate is likely to lead to stricter limits on CO2 emissions from transports. This increases the need for environmentally friendly solutions such as more rail transports. New technology is also being developed for new demands, which provides opportunities for eco-friendly solutions. For example, a tax on synthetic cooling agents would steer development toward more eco-friendly alternatives in everything from transports to refrigeration systems in stores.

Physical changes

The physical risks that climate change could cause – temperature changes, drought, floods, etc. – affect everyone in society. For us, it means that access to various crops could change over time due to new growing patterns. Goods transports could be affected if extreme weather conditions were to limit our access. New store openings could also be affected. Flooding in certain areas, for example, would be a risk that would have to be considered in such decisions. Reduced access to fossil fuels also represents a potential risk if ICA cannot handle the transition of its operations to renewable fuels.

As customer demand for products adapted to climate change and environment safety increases, we can also find new opportunities, e.g., by developing new products or finding locations within biking or walking distance of residential areas. Moreover, the ability to better manage wastes in society in general means that our stores can also manage their wastes more safely. The attention being given to the impact of food waste on climate change is leading to a greater focus on reducing shrinkage. Through an early transition to renewable energy sources, we can ensure that our operations will remain viable even if access to fossil fuels were reduced. Reducing energy consumption is also a way to save money.

Other changes

New spending patterns due to a growing awareness of climate change could constitute a risk unless the ICA Group adapts quickly enough to shifting customer demands.

Satisfied customers are a competitive advantage. By being open, inventive and ambitious, we can improve customer relations. This can give us a business advantage.

 *Read more about risks and opportunities on page 7.*

Our local corporate responsibility

EC6 reported 

One similarity in all of the ICA Group's markets is customer interest in local foods. In addition to several initiatives to label local products in all our countries, we are doing several things to satisfy the growing interest from consumers.

- Rimi Baltic in Lithuania has launched a concept it calls "Vikis," a shop-in-shop that sells only local products. In a Vikis store, customers can find everything from dairy products, meat, vegetables and bread to jams, oils and honey. Lithuanian producers have their own ways of making the products and their own recipes. Today customers can find Vikis in four stores. Plans call for an eventual launch in all three Baltic markets.
- A popular product launch in Sweden in 2010 was ICA Selection pork, locally produced by four selected farms in southeastern Sweden. The breeding pigs are raised on feed made only from Swedish commodities, i.e., without any imported soy. The sows farrow on thick straw. The farms are expected to run primarily renewable electricity from wind and hydropower. Production is certified according to IP Sigill (Swedish Seal of Quality), which guarantees that certain criteria are met in terms of animal welfare, environmental protection and food safety.
- ICA Sweden has launched an intranet marketplace, ICA Torget, where local producers and retailers can meet. Local producers also have the opportunity to come in to contact with retailers and stores at network meetings and at the annual ICA convention, where a number of local producers market their products. Marketing templates have been produced in Sweden to help local producers get their products seen in stores.
- Rimi Baltic's promotions in Latvia for freshly harvested local products have received an enormous response. In Estonia, Rimi Baltic cooperate with the Association of Estonian Food Industry to label local products with the Estonian flag.

Community development initiatives

EC8-9 reported 

The ICA Group wants to be a positive force with a local presence in society. We therefore participate in debates and various initiatives, in addition to sponsoring and supporting projects in local communities. In connection with new store openings, we work with municipalities, regions and authorities to support local development.

- In rural Swedish communities, ICA stores serve as an agent for Apoteket and Systembolaget, the state-run pharmacy and alcohol monopolies, as well as for the postal service.
- In cooperation with Kuponginlösen, ICA Bank has been handling payment services since 2008 for rural communities that were dropped when Svensk Kassaservice went out of business.
- Through local mail carriers and services of the ICA Bank, residents in about 70 rural routes can pay bills and cash checks.
- ICA Bank has an agreement with the Swedish Migration Board to pay out assistance to asylum seekers, who receive a debit card from ICA Bank where the money is deposited. The cardholder can then withdraw cash or make purchases at any ICA store.
- ICA Bank has joined together with ECPAT, 12 other Swedish banks and the police to stop online purchases of child pornography. ECPAT is a global network of organizations working to eliminate child prostitution, pornography and trafficking.

Economic Performance EC

- ICA is also an active partner in "Arena for Growth," a public-private partnership to promote local and regional growth through collaboration and growth-promoting processes.
- We support projects like "Jobbsjansen" in Oslo, ICA's trainees in the Göteborg suburb of Bergsjön, and Merit.nu in Stockholm. Besides that Rimi Baltic has an initiative to integrate employees with functional disabilities in the stores. ICA Sweden in collaboration with the ICA retailers association and local ICA retailers also employ people with functional disabilities through Samhall and municipal day care facilities.
- Rimi Baltic's hypermarkets in Lithuania and Estonia have set up boxes where customers can donate products to families in need. In 2010 in 14 Rimi Lithuania stores were collected 91 188 food products, which total value is approximately EUR 83,500. Rimi Baltic in Estonia are donating food for the Red Cross, Food Bank and Shalom charity. During one promotion in November four Rimi stores in Estonia collected 7,800 food items.
- In Latvia, Rimi Baltic sponsored the Nordea Riga Marathon providing 10,000 runners with meal and an environmental friendly shopping bag.
- In 14 locations in Latvia, Rimi has donated food to soup kitchens, which feed around 15,000 people a month.
- ICA Norway helped to renovate Fattighuset in 2010 and contributed the food distributed to needy families twice a week. At Christmas, all employees have the opportunity to donate to Fattighuset.
- Rimi Baltic in Lithuania and the Vilnius employment office launched a bicycle parking project, Veloparkas, in the capital. In 2010, 200 sheltered bike parking facilities were installed around the city.
- Rimi Lithuania works closely with Eco dot (recycling system improvement and future education campaigns are planned)
- Rimi Lithuania together with Lithuanian Public Health Offices are initiating an education project "Superkids" which concerns healthy nutrition.
- For the third year in succession, Rimi Latvia supports the Large Joint Cleaning in which in more than 300 000 persons have participated. In Rimi and Supernetto stores any consumer wanting to go cleaning could receive bags for waste. Also, Rimi office employees took part in the preliminary cleaning by gathering waste and facilitating improvements in the yard and surroundings of some multi-apartment houses.

Environment and climate change – critical to our future



Every part of the ICA Group impacts the environment. This is why we work with environmental issues throughout our operations. We think sustainably in our sourcing and distribution and develop climate smart stores and warehouses. We are working in several ways to preserve biological diversity and to further increase the number of organic and eco-labeled products we offer. Reducing energy consumption and waste is an important part of our internal environmental work. In addition, we encourage consumers to reduce their own impacts in various ways.

We have a climate goal to reduce the Group's known greenhouse gas emissions by 30 percent by 2020 compared to 2006.

Initiatives to preserve oceans, forests, meadows and species

EN12-15 reported ● Global Compact 8

Every day the ICA Group sells large amounts of food in five different countries. In the process, our operations use the Earth's resources. But we are careful to do so cautiously. If the oceans are overfished and the rainforests are plundered, it will affect us not only as people but also as a retail company. This is why we constantly look for new ways to preserve biological diversity. One of the key partners in our work with biological diversity is World Wide Fund of nature (WWF).

We are continuously expanding our range of organic products with the goal of offering organic alternatives in every product group.

Free range beef and open landscapes

Since we started working with WWF in Sweden in the 1990s, more than 90,000 acres of pastureland have been restored. Grazing cattle keep the landscape open and ensure a rich diversity of flora and fauna. Their grazing and waste are important to the species richness in the pastureland.

In 2010, the cooperation entered a new phase when WWF transitioned from primarily restoring overgrown pasture to ensuring that the results achieved to date are maintained in the long term as well as spreading the concept to new landowners and other stakeholders. To avoid seeing restored pasture abandoned once again requires owners who remain committed to their preservation. The strongest driver is the demand for free range beef.

In 2010, ICA launched one new product in its line of free range beef, which now consists of a total of 13 products. Sales in 2010 correspond to around 1,800 head of free range cattle, while about 13,300 acres of Swedish pastureland have been preserved.

Healthy oceans have enough fish

The ICA Group has taken a stand in several ways to protect endangered species of fish. We utilize WWF's guide with a red, yellow and green listed fish in Norway and Sweden. As far as possible, we try to avoid red listed fish in the main assortment sold to the stores. WWF's fish guide was updated in October 2010, and we are working to adapt our product range to it as far as possible. We are also expanding our range of MSC-certified fish such as frozen haddock and cod fillets.

Consumers can trace the cod, haddock and alaska pollock sold under ICA's brands on the Group's Swedish website, where they can follow its journey from the Baltic Sea outside Norway to ICA's warehouses and stores and find out what is being done to protect the species. ICA Sweden's website also shows how our seafood products are classified according to WWF's fish guide.

In 2010, farmed salmon was a hot-button issue in seafood-crazed Norway. The debate has been whether it is healthy to eat farmed salmon and whether its production harms the environment. Despite contradictory opinions, we have tightened our requirements on the fishing industry and require suppliers to provide us with adequate information on farmed salmon and its origins, and to take measures to produce the fish sustainably.

Soy and palm oil from preserved forests

The manufacture of ICA's corporate food brands in the Swedish market annually requires around 2,000 tons of palm oil. We have decided that all palm oil used in ICA's private labels must be certified by the Roundtable on Sustainable Palm Oil (RSPO) by 2015. This is part of an effort to encourage palm oil plantations to meet environmental, social and economic criteria and preserve the rainforests. The volumes are limited, however. We are therefore buying Green Palm certifications to support more palm oil plantations in their efforts to meet RSPO criteria.

We are also involved in the issue of soy, whose cultivation can have a major long-term impact on tropical forests and savannas, including in Brazil. During the year, we held discussions with the Federation of Swedish Farmers (LRF) among others, the Swedish Society for Nature Conservation and feed producers on how the world can transition to more sustainably produced soy and how we can reduce its use. Through the ICA Group's owner, Ahold, we are a member of the Roundtable for Sustainable Soy and are carefully monitored developments in this area.

ICA Sweden has decided to sell only FSC-certified private-label charcoal and that all products made of tropical woods, such as outdoor furniture, must be FSC-certified. The stores in Sweden annually sell around 10,000 tons of certified charcoal. ICA also offers FSC-labeled disposable grills, notebooks and copy paper.

 [Read more about our value-added products on page 30-34.](#)

Measures to reduce energy consumption

EN5, 7 reported ● Global Compact 8, 9

The operation of stores and warehouses accounts for a large part of the ICA Group's total energy consumption. In 2010 the focus has been on concrete actions and efforts have paid off.

2010 was a year of unusually long and cold winter and a very hot summer, which had an impact on energy consumption. Despite this, energy efficiency in our warehouses in Norway increased due to energy conservation measures and increased warehouse surface during the year. Total energy increased in our Baltic warehouses since they during the year opened new, larger storage units, and during a period had double warehouses in operation.

The refill of refrigerants increased by approximately 3.7 tonnes during the year. This is mainly due to the very hot summer that were demanding for the cooling systems in stores and warehouses.

The objective of the Swedish ICA stores energy usage to decrease by ten percent in 2010 compared with 2007 was achieved. The total energy savings amounted to 14 percent compared to 2007. The Baltic stores' energy consumption increased during the year mainly due to the unusual weather conditions, because a number of stores opened during the year. For many stores there is a much larger potential for energy saving than ten percent.

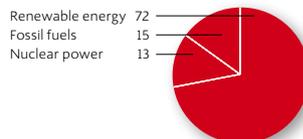
Energy consumption

EN3-4 reported ● Global Compact 8

Total energy consumption in warehouses and stores, ICA Group, MWh

| | |
|----|-----------|
| 08 | 1,680,693 |
| 09 | 1,527,359 |
| 10 | 1,542,976 |

Distribution of ICA Group's energy sources 2010 (electricity consumption in warehouses and stores), %



Energy consumption in warehouses, MWh

| | | |
|------------------|----|----------------------|
| Sweden | 08 | 90,608 |
| | 09 | 84,023 |
| | 10 | 83,920 |
| Norway | 08 | 24,453 |
| | 09 | 24,246 |
| | 10 | 24,609 |
| Baltic countries | 08 | 16,633 ¹⁾ |
| | 09 | 13,418 |
| | 10 | 15,504 |

1) Also includes electricity use for offices and similar premises.

Energy consumption in stores, MWh

| | | |
|------------------|----|---------|
| Sverige | 08 | 996,712 |
| | 09 | 875,478 |
| | 10 | 877,311 |
| Norway | 08 | 368,763 |
| | 09 | 333,501 |
| | 10 | 328,736 |
| Baltic countries | 08 | 183,524 |
| | 09 | 196,694 |
| | 10 | 212,897 |

Cooling agent consumption, tons

| | | |
|----------------------|----|-----|
| Sweden ¹⁾ | 08 | 0.1 |
| | 09 | 0.3 |
| | 10 | 0.1 |
| Norway ¹⁾ | 08 | 0.1 |
| | 09 | 0.2 |
| | 10 | 0.3 |
| Baltic countries | 08 | 11 |
| | 09 | 10 |
| | 10 | 14 |

1) Comprises only warehouses.

Average energy consumption in warehouses, kWh/m²

| | | |
|------------------|----|-----|
| Sweden | 08 | 281 |
| | 09 | 270 |
| | 10 | 270 |
| Norway | 08 | 222 |
| | 09 | 220 |
| | 10 | 193 |
| Baltic countries | 08 | 217 |
| | 09 | 176 |
| | 10 | 185 |

Average energy consumption in stores, kWh/m²

| | | |
|------------------|----|-----|
| Sweden | 08 | 466 |
| | 09 | 406 |
| | 10 | 401 |
| Norway | 08 | 587 |
| | 09 | 547 |
| | 10 | 548 |
| Baltic countries | 08 | 441 |
| | 09 | 425 |
| | 10 | 470 |

Environmental Performance EN

The following activities are under way in all markets:

- A growing number of stores in the ICA Group are putting lids on freezer cases and doors or curtains on refrigerators and freezers. This applies on a widespread basis in Sweden and Norway. In the Baltic countries, stores are upgrading their refrigerators and freezers in connection with Rimi's rebranding.
- The stores are gradually replacing their lighting with more modern, energy efficient alternatives. A number of Rimi Baltic's Lithuanian stores have automated lighting. Savings are estimated at up to 50 percent, and for the whole store it can generate energy savings of 10-15 percent.
- The CoolICA system, which is used in Norway to monitor energy consumption and temperatures, has been installed in 393 stores.
- Rimi Baltic uses an Automatic Monitoring System to control temperatures in refrigerators and freezers. Several stores have hired energy consultants and conduct energy audits.
- Opened in 2010, ICA Kvantum Sannegården in Göteborg has put ICA Sweden's energy-efficiency strategy into practice. Among other things, the store has solar panels on its roof, automatic lighting and ventilation, and lids and doors on all refrigerated cases and freezers. In total, energy consumption has been reduced by about 35 percent compared to a conventional store of the same size. ICA Kvantum Sannegården is therefore seen as a store of the future.
- Rimi Baltic in Latvia encourages store employees to share their knowledge of energy savings.
- In Sweden, 377 ICA stores were certified according to the Nordic Swan eco-label at year-end 2010, compared to 382 a year earlier. One of the reasons why the number has decreased while the share has remained constant is that the total number of ICA stores in Sweden was reduced by ten. The requirements to have a store Swan certified were tightened in 2010 in terms of waste sorting and energy efficiency, among other things. The ICA Maxi Hypermarket, ICA Kvantum and ICA Supermarket formats are all trying to meet the Nordic Swan criteria.

Number and share of Swan-labeled ICA stores

| | 2010 | 2009 | 2008 |
|------------------------|-----------|-----------|-----------|
| Sweden, number (share) | 377 (28%) | 382 (28%) | 326 (24%) |

Energy efficient products and services

EN6

reported ●

Global Compact 8, 9

- During the year, ICA Sweden began installing charging stations for customers with electric cars in the parking lots outside ICA stores. The goal is to have stations at about 20 ICA stores around the country within five years. By year-end, there were charging stations at ICA stores in Östersund, Västerås and Göteborg.
- In 2010, ICA Sweden ran a campaign offering regular customers discounted prices on energy-saving light bulbs. If customers use the bulbs sold during the year instead of conventional incandescent bulbs, CO₂ emissions will be reduced by an estimated 26,600 tons, compared to 18,300 tons in the 2009 campaign.
- Rimi stores in all three Baltic markets offer bags made from 33 percent recycled material as well as cotton and paper bags.

Environmental Performance **EN**

- Rimi Baltic in Estonia participated in “Killerkott tapab,” a major campaign to increase awareness about the environmental dangers of plastic bags and to show customers the alternatives. For example, it offers recyclable bags as well as cloth bags at an inexpensive price.
- Rimi Baltic in Latvia participated in a project called 10/10/10, Worldwide Green Works Day for the first time in 2010 and offered to exchange a cloth bag for every four plastic bags customers brought in. In a single day, Rimi stores distributed 30,000 cloth bags.

Greenhouse gas reduction initiatives

EN18 reported ● Global Compact 7, 8, 9

Since 2006, the ICA Group’s direct emissions of greenhouse gas emissions has decreased by around eight percent. In 2010 the Group’s direct emissions of greenhouse gases slightly increased compared to last year. This is mainly because the refrigerant consumption in the Baltic stores and stocks rose because of the unusually hot summer and long and cold winter that has been demanding on systems. Climate impact of the Norwegian stores decreased drastically when a large percentage of the stores in 2010 switched to renewable electricity.

Emissions

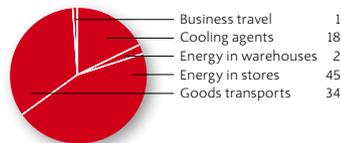
EN16 reported ● Global Compact 8
EN17 reported ● Global Compact 8

Total carbon dioxide emissions³⁾, ICA Group, tons

| | |
|----|---------|
| 08 | 317,145 |
| 09 | 276,529 |
| 10 | 282,723 |

3) Excluding offset air travel emissions.

Distribution of ICA Group’s carbon dioxide emissions³⁾, 2010, %



Carbon dioxide emissions from energy in warehouses, tons

| | | |
|------------------|----|------------------|
| Sweden | 08 | 984 |
| | 09 | 1,106 |
| | 10 | 1,270 |
| Norway | 08 | 2,445 |
| | 09 | 30 ¹⁾ |
| | 10 | 31 |
| Baltic countries | 08 | 5,243 |
| | 09 | 3,690 |
| | 10 | 5,535 |

1) Since 2009 all warehouses in Norway use renewable electricity.

Carbon dioxide emissions from energy in stores, tons

| | | |
|------------------|----|---------------------|
| Sweden | 08 | 97,328 |
| | 09 | 48,857 |
| | 10 | 48,810 |
| Norway | 08 | 36,876 |
| | 09 | 33,350 |
| | 10 | 9,547 ¹⁾ |
| Baltic countries | 08 | 52,958 |
| | 09 | 54,369 |
| | 10 | 69,951 |

1) Since 2010 a large share of the Norwegian stores have renewable electricity.

Carbon dioxide emissions from cooling agent consumption in warehouses and stores, tons

| | | |
|----------------------|----|--------|
| Sweden ²⁾ | 08 | 141 |
| | 09 | 717 |
| | 10 | 229 |
| Norway ²⁾ | 08 | 369 |
| | 09 | 654 |
| | 10 | 900 |
| Baltic countries | 08 | 34,238 |
| | 09 | 38,902 |
| | 10 | 50,341 |

2) Comprises only warehouses.

Carbon dioxide emissions from business travel⁴⁾ by air, train and car, tons

| | | |
|------------------|----|-------|
| Sweden | 08 | 5,049 |
| | 09 | 4,310 |
| | 10 | 4,975 |
| Norway | 08 | 954 |
| | 09 | 707 |
| | 10 | 866 |
| Baltic countries | 08 | n.d. |
| | 09 | n.d. |
| | 10 | n.d. |

Carbon dioxide emissions from goods transports between warehouses and stores, tons

| | | |
|------------------|----|----------------------|
| Sweden | 08 | 57,671 |
| | 09 | 67,780 |
| | 10 | 69,736 |
| Norway | 08 | 15,009 |
| | 09 | 14,584 |
| | 10 | 13,019 ¹⁾ |
| Baltic countries | 08 | 12,542 |
| | 09 | 11,048 |
| | 10 | 11,875 |

1) Calculation method is updated for outsourced transports.

Environmental Performance EN

Work for greenhouse gas emission reductions is under way in several areas, including:

- ICA Sweden offers renewable electricity to all ICA retailers. A decision has been made that all Maxi ICA Hypermarkets will use it. About 40 percent of Swedish ICA stores were using renewable electricity at year-end 2010. All warehouses in Sweden and Norway have been doing so for a number of years.
- ICA Sweden has around 20 stores that use 100 percent natural coolants, and the number is growing. Coolant levels in refrigeration and freezer systems have been greatly reduced. Large stores primarily use glycol, which circulates in the system and cuts the amount of cooling agents. Glycol is used in the refrigeration systems and carbon dioxide is used for freezers at ICA Maxi, Kvantum and Supermarket. ICA Sweden is well-positioned in this area relative to the competition.
- In 2010, ICA Sweden completed a project together with five selected ICA I love Eco suppliers that has provided an important understanding of climate impacts from products as well as of future sourcing requirements.
- In 2010, ICA Sweden decided to participate in the project "One Tonne Life," which began in January 2011. The goal is to reduce annual carbon dioxide emissions per person from seven to one ton by living and eating sustainably. The results are being followed through a test family that lives in a specially built, sustainably equipped home. We will contribute our knowledge of how choosing the right foods can help the family to reduce carbon dioxide emissions.
- To draw attention to the issue of climate change, we participate in WWF's "Earth Hour" campaign in all our markets. We turned off the lighting in the number of warehouses, offices and stores and encourage our customers to turn off their lights for an hour for the sake of the environment.
- All warehouses in Sweden have fossil free electricity, reducing carbon dioxide emissions by 85 percent compared to normal electricity.

Initiatives for greener transports

| | | |
|------|----------|------------------|
| EN29 | reported | Global Compact 8 |
|------|----------|------------------|

To reduce the total mileage our vehicles drive, we continue to raise efficiencies in our infrastructure and distribution network, including by ensuring that trucks are well-filled and have carefully planned routes.

The ICA Group currently does not own any trucks, with the exception of Norway, where we use our own and lease others. Modern engine technology and alternative fuels reduce emissions, which we require our trucking companies to verify. In Sweden, alternative fuels are blended with diesel and the trucks are equipped with tires with low rolling resistance to reduce fuel consumption and environmental impacts.

ICA Sweden has been a member since 2009 of KNEG – Climate-Neutral Goods Transport – and has therefore been committed to promoting future fossil-free distribution in Stockholm. Since April 2010, three of our trucks are powered by ethanol and have less climate impact than traditional diesel. Since December, another vehicle also runs on ethanol. We are open to testing other alternative fuels and are carefully following developments in the belief that a mix of alternative fuels will be the best future solution. Biogas is one alternative, although it is sometimes in short supply. Using alternative fuels on a large scale requires both reliability and access.

Diesel consumption for goods transport between stores and warehouses rose slightly during the year. This is mainly because ICA in Sweden gradually takes over the goods transports from suppliers to not run with empty trucks back to warehouses from the store. This means that ICA's goods transports increases, but the environmental impact overall has declined. In the Baltic countries, goods transports increased since during the year new warehouses opened and new and old warehouses where open during a period.

Environmental Performance EN

We are also trying to shift more transports from road to rail. Today ICA Sweden transports practically all its beverages by rail. ICA Norway transports imported, refrigerated and frozen products as well as fruit and vegetables by train to the distribution terminal in Narvik.

ICA Sweden, ICA Norway and Rimi Baltic in Estonia require their drivers to practice eco-driving. Since 2009, all trucks that drive for ICA Sweden are equipped with alcohollocks.

ICA Sweden has hired a third party to audit its freight forwarders every year. In 2010, the number of violations was cut in half compared to 2009. Four freight companies followed the requirements completely, compared to only one in the previous year. The most frequent issue was that they could not properly manage the speeds of their vehicles. After the annual audit, the freight forwarders submit action plans, which we review and approve.

The ICA Group limits air shipments to products that do not keep the quality on boat shipments like sensitive fruits, vegetables and flowers. Any exceptions must be approved by ICA's management.

Initiatives for greener business travel

ICA employees in Sweden have guidelines on choosing company cars. In 2010, the number of eco-friendly cars in ICA's fleet increased from 38 to 42 percent. ICA's central leasing agreement for Swedish employees steers drivers toward eco-friendly choices.

Since 2008, ICA buys carbon offsets for air travel by employees in Sweden and Norway if they book through our main travel agency. The money is helping to finance wind power turbines in China. The offsets are purchased according to the Clean Development Mechanism (CDM) Gold standard. CDM is a project model that meets the requirements of Kyoto Protocol's directive for greenhouse gas-reducing measures in developing countries.

ICA Sweden and ICA Norway have increased their number of videoconferences by 19 percent and teleconferences by 53 percent. Business travel by train in Sweden decreased slightly, while air travel increased, due to the long winter prompted many to choose air circulate.

Transports

Business travel by air, thousand km

| | | | |
|------------------|----|--|--------|
| Sweden | 08 | | 13,461 |
| | 09 | | 10,625 |
| | 10 | | 12,873 |
| Norway | 08 | | 3,400 |
| | 09 | | 2,535 |
| | 10 | | 3,110 |
| Baltic countries | 08 | | n.d. |
| | 09 | | n.d. |
| | 10 | | n.d. |

Business travel by rail, thousand km

| | | | |
|------------------|----|--|-------|
| Sweden | 08 | | 1,898 |
| | 09 | | 2,153 |
| | 10 | | 1,993 |
| Norway | 08 | | n.d. |
| | 09 | | n.d. |
| | 10 | | n.d. |
| Baltic countries | 08 | | n.d. |
| | 09 | | n.d. |
| | 10 | | n.d. |

Business travel by car, thousand km

| | | | |
|------------------|----|--|-------|
| Sweden | 08 | | 7,176 |
| | 09 | | 7,714 |
| | 10 | | 7,919 |
| Norway | 08 | | n.d. |
| | 09 | | n.d. |
| | 10 | | n.d. |
| Baltic countries | 08 | | n.d. |
| | 09 | | n.d. |
| | 10 | | n.d. |

Diesel consumption from goods transports between warehouses and stores, thousand liters

| | | | |
|------------------|----|--|---------------------|
| Sweden | 08 | | 22,181 |
| | 09 | | 26,069 |
| | 10 | | 26,821 |
| Norway | 08 | | 5,773 |
| | 09 | | 5,609 |
| | 10 | | 5,007 ¹⁾ |
| Baltic countries | 08 | | 4,645 |
| | 09 | | 4,092 |
| | 10 | | 4,398 |

1) Calculation method is updated for outsourced transports.

Our waste and how we manage it

EN22

reported

Global Compact 8

We work to maintain high recycling rates in our warehouses and stores. During the year we improved the degree of sorting in our warehouses in Sweden and Norway, which further reduced the amount of waste going to landfill and increased the amount that goes to composting and anaerobic digestion. The total amount of waste increased during the year compared to previous years, since Sweden and Norway now also handles waste consisting of non-prescription drugs. During 2010 the issue of food waste was raised in all our markets, and many new ideas were offered how we can reduce shrinkage and the amount of food waste.

- In Sweden, ICA retailers prepare lunches made from products near expiration, sell blemished fruits and vegetables at a discount and have introduced a concept called "Eat Soon," which allows customers to buy products that otherwise would go to waste at sharply discounted prices. ICA Norway has a "50%" concept where products near their expiration date are discounted by 50 percent in stores, which reduces shrinkage.
- ICA Sweden's warehouses sort all their wastes, and in 2010 99 percent was recycled. During the year, procurement contracts were awarded to manage ICA's inventory waste. Waste providers that could show they recycle the waste while maximizing recovered energy and minimizing the impact of transports have been given priority as business partners.
- ICA Norway has introduced a new quality control system for fruit and vegetables in five warehouses, including in Lührtoppen and Bryne. The system is clearly reducing inventory shrinkage. The quality of fruit and vegetables has improved and thereby reduced shrinkage in stores as well.
- ICA Norway has joined with the Church City Mission, the Ministry of Agriculture and Food and the Norwegian Food Safety Authority to create a food bank in Oslo that accepts items that the industry must discard for practical or legal reasons and distributes them to charities.
- In Latvia, Rimi Baltic works with around 30 zoos and animal shelters that receive soon-to-expire products, while in Estonia it was the chief partner in the UN's "European Week on Waste Reduction," which was arranged for the third and final year.

Waste ^{1),2)}

Total waste volume, tons

| | | |
|------------------|----|--------|
| Sweden | 08 | 11,171 |
| | 09 | 10,597 |
| | 10 | 11,227 |
| Norway | 08 | 29,576 |
| | 09 | 28,906 |
| | 10 | 29,464 |
| Baltic countries | 08 | 44,421 |
| | 09 | 33,046 |
| | 10 | 35,795 |

Incinerable, tons

| | | |
|------------------|----|-------|
| Sweden | 08 | 2,592 |
| | 09 | 2,305 |
| | 10 | 2,345 |
| Norway | 08 | 6,265 |
| | 09 | 6,434 |
| | 10 | 7,435 |
| Baltic countries | 08 | n.d. |
| | 09 | 614 |
| | 10 | 1,263 |

Compostable, tons

| | | |
|------------------|----|-------|
| Sweden | 08 | 4,078 |
| | 09 | 3,724 |
| | 10 | 4,226 |
| Norway | 08 | 7,615 |
| | 09 | 7,002 |
| | 10 | 9,231 |
| Baltic countries | 08 | n.d. |
| | 09 | 0 |
| | 10 | 0 |

Recycled, %

| | | |
|------------------|----|----|
| Sweden | 08 | 98 |
| | 09 | 98 |
| | 10 | 99 |
| Norway | 08 | 92 |
| | 09 | 95 |
| | 10 | 97 |
| Baltic countries | 08 | 27 |
| | 09 | 39 |
| | 10 | 47 |

Recovered/recycled, tons

| | | |
|------------------|----|--------|
| Sweden | 08 | 4,261 |
| | 09 | 4,371 |
| | 10 | 4,547 |
| Norway | 08 | 13,219 |
| | 09 | 13,882 |
| | 10 | 11,886 |
| Baltic countries | 08 | n.d. |
| | 09 | 12,194 |
| | 10 | 15,562 |

Incinerated waste, tons

| | | |
|------------------|----|--------|
| Sweden | 08 | 240 |
| | 09 | 197 |
| | 10 | 110 |
| Norway | 08 | 2,476 |
| | 09 | 1,589 |
| | 10 | 912 |
| Baltic countries | 08 | n.d. |
| | 09 | 20,238 |
| | 10 | 18,970 |

1) Sweden comprises waste from logistics, Norway and the Baltic countries comprise waste from logistics and stores.
2) Updated 2009 figures for Baltic countries to clarify the waste handling method.

Taking responsibility for a sustainable product range



Ensuring that our product range lives up to our requirements, and those of the market, through the entire supply chain is an important element in our CR work. All our suppliers have to comply with legal requirements and ICA's policies.

Structured quality work

| | | |
|-----|------------|------------------|
| PRI | reported ● | Global Compact 1 |
|-----|------------|------------------|

We monitor compliance with the help of audits, product label reviews, product tests and structured quality assurance in logistics and stores. Taking responsibility for a sustainable product range also means inspiring customers to make well-informed, healthy choices on a daily basis. In addition, we offer a wide range of eco-labeled, organic and ethical labeled products.

Quality assurance of our suppliers

We require ICA's private label food suppliers to be third-party certified according to a product safety standard approved by the Global Food Safety Initiative (GFSI). These standards cover food safety management systems, Hazard Analysis and Critical Control Points (HACCP) plans and good manufacturing practices.

ICA Group's objective was that 80 percent of all food suppliers of our corporate brands should be third party certified under GFSI by 2010. At the end of 2010, this amounted to 67 percent for the whole group due to efforts to ensure that we continually have updated certificates in our systems and that enforcing GFSI-requirement takes longer than expected. ICA Sweden reached the target in late 2010.

We also have our own quality standard in markets where third-party certification is not yet established or where we feel there are higher product quality risks.

In 2008, we played a part in developing a third-party standard for small-scale food production, IP Livsmedelsförädling (IP Food Processing), and reached an agreement to offer reduce auditing prices to small producers.

Suppliers of corporate brand cosmetics and hygiene products are required to be certified by BRC Global Standard Consumer Products (BRC CP) or similar standards. For other private label non-food suppliers, the goal is to be certified according to BRC CP, ISO 9001 or similar standards.

Social performance PR

Quality assurance of our products

All of ICA's private label products undergo sensory and quality tests on the way to becoming a finished product. The sensory tests evaluate appearance, odor, taste and consistency. Ingredients, nutritional information and other properties are detailed in internal product specifications. In addition to sensory and quality tests, we test each product's function, as in the case of baking powder, washing detergent and housewares. All products are examined and approved to ensure that they live up to ICA's policies and internal guidelines. Packaging information is also inspected and approved. Rimi Baltic has expanded its corporate brands in recent years and now has its own quality organization to assure the quality of these brands in the Baltic markets.

In 2010, we conducted a total of around 5,000 tests, 2,100 of which were sensory tests on new and existing products.

 *Read how we control products from the factory to the store, page 30 in our Annual Report.*

Quality assurance of distribution

High quality is maintained throughout the supply chain until our products reach the store. Product quality is assured through self-assessments and product safety work. This includes a fully implemented HACCP plan, which is required by law and describes how the company investigates, evaluates and inspects food risks.

Quality assurance of stores

Since 2009, ICA stores in Sweden have applied the Swedish standard for food handling. ICA Sweden played a decisive role in developing what became the world's first third-party food safety standard for food stores. In Sweden, the routines are being introduced in stores under the leadership of our quality coaches. In total, 1,125 stores have implemented the standard and 223 have been audited and certified by an inspection body, including all 72 Maxi ICA Hypermarkets.

Number of quality-certified ICA-stores and stores that have implemented the Swedish food handling standard, ICA Sweden

| | 2010 | 2009 |
|-----------------------------|-------|------|
| Accepted by inspection body | 223 | 100 |
| Implemented the standard | 1,125 | 882 |

The ICA Group has begun promoting the standard internationally, in part to allow ICA Norway's and Rimi Baltic's stores to be certified. ICA Norway has begun building systems and an organization to meet the requirements of the standard. In Norway, quality coaches have been hired since early 2010 to support and inspect food safety in stores. Until now, ICA Norway has measured quality in stores based on hygiene inspections.

Rimi Baltic conducts internal audits to see how well its stores comply with the quality standard; violations have been few in number.

Hygiene inspections, ICA Norway

| | 2010 | 2009 | 2008 |
|---|------|------|------|
| Number of hygiene inspections in stores | 458 | 340 | 308 |

When we recall or withdraw a product

| | | |
|------------|--|------------------|
| PR2 | reported  | Global Compact 1 |
| PR4 | reported  | Global Compact 8 |

When we suspect that a product we have sold may pose a health risk, we contact the responsible supervisory authority, take the product off the shelves and distribute a press release. In total, the ICA Group had 31 public recalls during 2010; ICA Norway, 17, ICA Sweden, 10 and Rimi Baltic, 4.

The public recalls of corporate brands included for example Euroshopper Raspberry, which contained calicivirus and was stopped on March 18. We followed up the recall by visiting the supplier, which confirmed that it was taking corrective measures to improve quality. Two hot dog products, ICA's Grillkorv 500 gram and Euroshopper Grillkorv 400 gram, were recalled on April 13 when it was feared that they might contain listeria. Tests later showed no trace of listeria. The third recall pertained to three types of imported chopped meat sold under the Euroshopper name, when it was shown that certain batches contained salmonella.

For less serious quality problems, such as different texture, different appearance, problems with labels and small labeling mistakes, do we withdraw the party from the warehouses and stores. As a total for 2010, the ICA Group withdrew 920 products; ICA Norway, 57, ICA Sweden, 76, Rimi Baltic, 764 and non-food, 23, in stores and warehouses.

Withdrawn products, the ICA Group

| | 2010 | 2009 | 2008 |
|---|------|------|------------------|
| Total number of withdrawn products & public recalls | 951 | 919 | 759 |
| Of which corporate brand products | 363 | 440 | 97 ¹⁾ |

1) Includes only private label

Our value-added products

| | | |
|------------|--|------------------|
| PR3 | reported  | Global Compact 8 |
|------------|--|------------------|

The products we sell obviously have to comply with laws on labeling and ingredients. All corporate brands are inspected to ensure that they meet these requirements. The aim is also to offer a large variety of eco-labeled, organic and Fairtrade products and to always apply environmental thinking when selecting products.

Healthier eating habits for everyone

Our goal is to be seen as a leader in inspiring people to eat healthy. This includes being a source of inspiration for people with food intolerances, which is a growing customer group in our Nordic markets. We are already an industry leader in products for allergy sufferers.

In 2010, we modernized our Swedish ICA Gott Liv line, which includes around 70 products with more fiber and less sugar, salt and fat compared to other brands. In this work we use the official Nordic nutritional recommendations. Salt is a major issue, since studies show that a lower salt intake can help to prevent cardiovascular disease and high blood pressure. We will use the keyhole criteria as a guide regarding the question of salt. Another future challenge is satisfied consumers' desire for fewer additives and less salt and sugar in their food without sacrificing taste and shelf life.

Social performance PR

Keyhole-labeled products

In 2009, the keyhole became a Nordic health symbol and is now used by the entire Nordic food retail industry. ICA Norway introduced the keyhole to Norwegian consumers back in 2006. Through a series of activities and consistent information, Norwegians were educated to buy healthier food and what the keyhole represents. Thanks largely to ICA Norway's efforts, there was widespread familiarity with the keyhole in Norway at the time of the Norwegian launch.

Number and the sale of keyhole-labeled products in Sweden and Norway decreased during 2010. Demand has declined partly because of the public debate on the additives, and different diets. ICA's private label products that are labeled keyhole does not diminish in sales in Sweden due to that ICA continued to label our products with the keyhole while other suppliers removed the label.

In 2010, ICA's annual "Buddy with Your Body - 5 a Day" campaign gave 30,000 elementary school students the opportunity to learn about fruit and vegetables and why the body needs them. Around 800 ICA stores welcomed classes to discuss health.

Encouraging children to eat healthy is also on the agenda in Estonia, where Rimi Baltic and health authorities support a campaign called "Your Health Is in Your Hands. - eat 5 handful fruit and vegetables in a day" Rimi is also involved in Latvia in encouraging students to eat right.

Keyhole-labeled products in ICA and Rimi stores

| | 2010 | 2009 | 2008 |
|------------------------------|-------------|-------------|-------------|
| Sweden, number (sales trend) | 1,158 (-5%) | 1,373 (-5%) | 1,610 (+6%) |
| Norway, number (sales trend) | 670 (-15%) | 620 (+5%) | 900 (-3%) |

Sales of keyhole-labeled products



Social performance PR

Gluten- and lactose-free alternatives

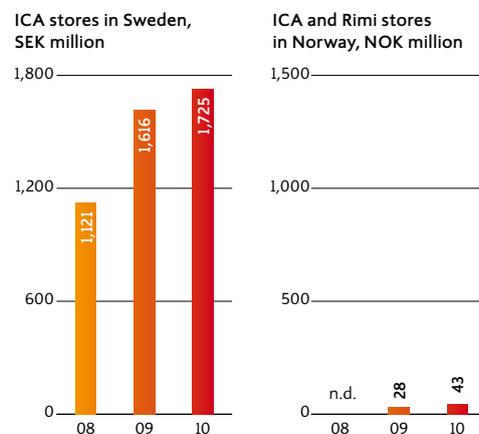
To give food allergy sufferers more options, we offer a wide range of gluten- and lactose-free alternatives. All recipes that we develop are adapted to make every day a little easier for food allergy sufferers.

The allergy-free product range is constantly evolving and in 2010, the number of products increased with nearly 50 products in both Sweden and Norway. Sales in Sweden has increased by more than 50 percent since 2008 and in Norway, sales are also positive. One explanation is our commitment to include these products in price promotions and in Sweden they are included in the ICA cards personalized offers. ICA will continue to invest in further developing the range and in 2011, ICA will launch private label lactose-free dairy products.

Food intolerance products in ICA and Rimi stores

| | 2010 | 2009 | 2008 |
|------------------------------|------------|------------|------------|
| Sweden, number (sales trend) | 630 (+7%) | 586 (+44%) | 493 (+7%) |
| Norway, number (sales trend) | 177 (+53%) | 127 (n.d.) | 140 (n.d.) |

Sales of food intolerance products



Social performance PR

Organic products

Our organic corporate brand, ICA I love Eco, is now available in all our markets. The launch in the Baltic countries in 2010 has been received very positively. In Norway and the Baltic countries, ICA I love Eco is seen as an economical organic alternative and sells well despite that other organic sales have trended lower. ICA I Love Eco is also a success in Sweden and accounts for a significant share of organic sales.

Products in the ICA I love Eco brand are certified according to the EU's organic criteria or according to KRAV rules in Sweden or Debio in Norway. Animal-based ingredients in ICA I love Eco-products must be approved according to KRAV in Sweden or Debio in Norway, both of which place more stringent requirements on animal welfare than the EU.

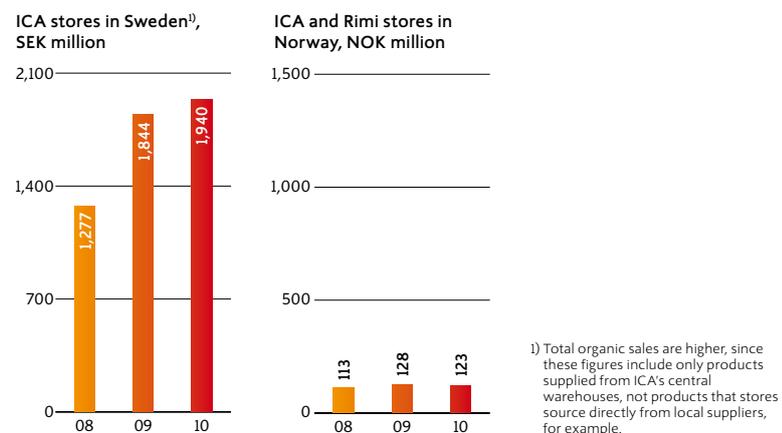
ICA Swedens organic sales have more than doubled since 2007 and in 2010 it rose by over five percent. The organic range continued to gain share of sales, partly to widen the range and in part because more customers are choosing organic. Baby food, fresh spices, grains and tea are some of the commodity groups in which the organic sales increased sharply in Sweden. In 2010, the number of organic items in our Swedish main assortment counted to 1,138 products, an increase of about 100 items compared to 2009.

ICA Norway's organic sales dropped by around four percent during 2010. This trend is also seen for Fairtrade and keyhole-labeled products. Reduced demand for value-added products have been identified for the industry as a whole in Norway.

Organic products in ICA and Rimi stores

| | 2010 | 2009 | 2008 |
|--|------------|--------------|------------|
| Sweden, number (sales trend) | 1,138 (5%) | 1,036 (+44%) | 660 (+54%) |
| Norway, number (sales trend) | 426 (-4%) | 563 (+14%) | 500 (+21%) |
| Baltic countries, number (sales trend) | 771 (n.d.) | 461 (n.d.) | 232 (n.d.) |

Sales of organic products



Social performance PR

Fairtrade products

We are in the process of broadening our range of ethically labeled products; Fairtrade, UTZ Certified and Rainforest Alliance products. In 2010, a new packaging design was introduced in Sweden for ICA's ethical private labels to make it easier for customers to find them on the shelf and to spark interest in what the various labels stand for. Rimi Baltic launched a few of its own Fairtrade-certified products in 2010.

ICA Sweden introduced a private label banana in 2010, certified by Rainforest Alliance and originating from selected plantations in Costa Rica and Ecuador. The first shipments are being tested in early 2011.

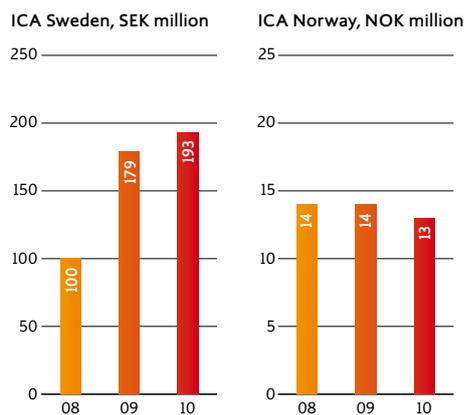
The Swedish ICA store sales of Fairtrade certified products have continued to increase. Since 2008, sales growth has been more than 90 percent. In 2010, sales increased by approximately eight percent due to ICA's continued commitment to expand and highlight the ethical marked range.

In Norway, sales of Fairtrade marked products decreased. Reduced demand for value-added products have been identified for the industry as a whole in Norway so it is important to continue to make clear what these products represent.

Fairtrade products in ICA and Rimi stores

| | 2010 | 2009 | 2008 |
|-----------------------------------|-----------|-----------|-------------|
| Sweden, number (sales trend) | 113 (+8%) | 96 (+78%) | 51 (+61%) |
| Norway, number (sales trend) | 45 (-8%) | 45 (0%) | 36 (+26%) |
| Rimi Baltic, number (sales trend) | 36 (n.d.) | 34 (n.d.) | n.d. (n.d.) |

Sales of Fairtrade-products



Our stance on E-numbers and chemicals

The debate in Sweden on food additives continued in 2010. Many consumers find it difficult to understand what E-numbers stand for and whether they are really necessary. Our position is that they should be used restrictively and only if they add value for the consumer, e.g., by improving food safety. In accordance with current laws, we clearly label all additives in the list of ingredients, so that customers can make informed decisions.

We are also working actively to limit the use of chemicals that could be hazardous to humans and the environment. In our agreements, suppliers must pledge to comply with our chemical restrictions. We ensure that they do through samples and inspections.

According to the European regulation on chemicals, REACH, we are required upon request to inform customers whether specific products contain any substances that could be classified as toxic. Our goal is not to sell any products containing such substances.

In 2010, the subject of bisphenol-A in baby bottles and other products received a lot of attention in Sweden. We had been discussing bisphenol with our suppliers of these products for some time. In 2010, we phased out all baby bottles, cash register receipts, baby food jars and other baby products containing bisphenol from ICA Sweden's main assortment.

Our stance on animal welfare and GMOs

Our products must be manufactured under fair conditions. Animals should not be put at risk, and natural ingredients should not be altered without good reason. Products sold by ICA should be traceable to when and where they were manufactured. When it comes to fresh meat, we place stricter requirements on animal welfare than the EU, and we refuse to sell Belgian Blue breed of cattle.

In the ICA I love eco line, all animal-based ingredients are KRAV-certified to ensure that the animals are treated with respect. KRAV's requirements have been chosen because they are stricter than the EU's organic rules on animal welfare. Our ICA Selection pork and free range beef are also a way to protect the well-being of animals.

ICA takes a fundamentally positive view of new technology that provides consumers with better products. For ethical and environmental reasons, however, ICA does question the production and cultivation of genetically modified foods and seeds that are not produced in a closed environment. Genetically modified foods (GMO) and ingredients shall be kept separate and shall be traceable. Consumers are entitled to information on whether a product comprises or contains ingredients with genetically modified origins.

No such product has ever been or is part of our assortment. Decisions on whether to include such products in the product range are taken by ICA's management.

How we are perceived by the customers

PR5 reported

We work systematically with internal and external surveys to communicate with consumers and find out what they think about us and our products.

In the Swedish Quality Index (SKI) for 2010, ICA maintained a leading position among Swedish food retailers. The four Swedish formats all rank at the top against the competition. ICA Kvantum has the highest customer satisfaction among the formats.

Customer expectations are higher than in previous years, and all the major chains have managed to live up to them in terms of perceived product quality. The gap is slightly larger when it comes to service expectations. However, service quality has improved since 2009 for all retail chains.

SKI measures and analyzes how actual customers and other users rate products and services in Sweden. Its 2010 retail survey comprised 4,000 interviews. ICA Sweden received a rating of 72.1 in 2010, compared to 70.6 in 2009.

SKI also measures the opinions of bank customers, and in 2010 it showed that ICA Bank's customers are more satisfied in recent years. Measured by customer satisfaction, ICA Bank exceeds the industry average. The SKI bank survey for 2010 comprised around 22,000 telephone interviews.

The Customer Satisfaction Index survey is conducted annually. In the 2010 survey, all four ICA store formats maintained a strong position in Sweden. ICA Kvantum and ICA Maxi Hypermarket ranked at the top of their lists. The 2010 survey was based on telephone interviews with 6,200 customers covering a number of questions.

In Latvia's "Brand Top," Rimi came in seventh on the list of the country's most popular brands presented by the ad agency DDB Latvija, the business magazine Kapital and the research firm TNS Latvia. Rimi also placed eighth on the list of Latvian companies with the best reputations (Reputation Top 2010). The list was compiled for the fourth consecutive year by the newspaper Diena in collaboration with the PR firm Porter Novelli based on consumer and business opinions of 150 companies.

100,000 customer contacts in 2010

ICA's call centers are there to maintain contact with customers, stores and suppliers. In 2010, the volume of calls and e-mails from customers in Sweden and Norway reached 100,000. The questions mainly concerned our products, specifically nutritional information, ingredients, packaging and origin.

Customer contacts through ICA's call centers in Sweden and Norway

| | 2010 | 2009 | 2008 |
|---------------------------|--------|--------|--------|
| Number of e-mails | 52,181 | 50,431 | 51,448 |
| Number of telephone calls | 49,981 | 49,554 | 65,238 |

Codes of market communication

PR6

reported 

ICA stores are not permitted to sell tobacco, alcohol or lottery or gaming tickets to underage customers in Sweden. We inspect independent Swedish retailers using undercover purchases to verify that they comply with the law. ICA Sweden's goal is that stores will properly check IDs at least 85 percent of the time. In 2010, The total outcome of the inspections buying pharmaceuticals, games, tobacco and beer undercover was 83 percent. Inspections are made from two to 24 times a year depending on the format. Evidence shows that undercover purchases are producing good results. They remind the staff to check IDs. Through continuous information and training for store employees, we want to maintain a high level.

In Norway, all the stores are now hiding tobacco products according to a new law. The ICA-retailers in Sweden are discussing a similar decision at a later point.

Since 2009 there was change in the Swedish pharmacy market, which meant that the vast majority of ICA stores decided to sell certain non-prescription drugs. During 2010 ICA Sweden also opened 30 full-scale pharmacies under the name of ICA Cura in a number of major ICA stores around the country. In rural areas, many ICA-stores already has a history as pharmaceutical agents, and thus already offered drugs.

The new pharmacy market offer great opportunities but also challenges for us as a food retailers. The Medical Products Agency (MPA) has strict requirements on how the non-prescription drugs should be exposed to prevent them from falling into the wrong hands. During 2010 MPA notified that ICA sold and advertised nicotine replacement products without referring to it as a drug. Steps have been taken to ensure that this does not happen again. We have an ongoing dialogue with MPA and see the regulations as a good starting point for the stores to ensure customer safety.

In general, our sponsorships support the Group's long-term business plan and emphasize food and health, social responsibility, the environment and sustainable development. We commit in various ways and especially in Sweden and Norway we prefer projects that target children and young adults. The sponsorship policy and guidelines follows the principles of the International Code of Sponsorship.

We develop with our employees



ICA faces high expectations as an employer. In total, the Group employs people in over 150 different professions and 500 different positions, from systems developer to banker and pharmacist, from Oslo in the west to Shanghai in the east. Every day we have to adapt our operations based on our various businesses and local market conditions.

We continuously utilize our policies and guidelines on diversity, gender equality and training. An important part of this work comes from leadership and the connection to ICA's Good Business values. By maintaining a consistent approach to leadership within the Group, we put all our employees in a better position to help us reach our business objectives and to enjoy their work.

About ICA's employees

| | | |
|-----|----------|--------------------|
| LA1 | reported | ● |
| LA2 | reported | ● Global Compact 6 |

In the immediate years ahead, our biggest challenge will be to motivate and attract the right employees for the long term. To achieve this and further strengthen the ICA Group's employer brand, we took several measures in 2010. In cooperation with the ICA School in each country, we are reinforcing core competencies in sales, product selection and logistics.

CEO Kenneth Bengtsson has initiated a network of young leaders to promote exchanges within the Group and to raise the knowledge and understanding about the ICA Group. The network has been in existence in various forms for several years and since 2010 is called the ICA Group Network. In 2010, ICA Norway launched a "Talent Program," where employees with leadership abilities receive training to become store managers. Rimi Baltic has a Management Trainee program since seven years. A total of 38 employees have graduated and today works in different managers positions in stores and within the company. The program has given Rimi Baltic a good pool for internal recruiting.

In total, the ICA Group employs about 28 800 employees. In 2009, a reorganization in Sweden was done in order to decentralize the organization.

Social Performance LA

Number of employees

| | 2010 | 2009 | 2008 |
|------------------|---------------|---------------|---------------|
| Parent Company | 604 | 550 | 2,009 |
| ICA Bank | 294 | 264 | 258 |
| ICA Real Estate | 66 | 67 | n.d. |
| ICA Sweden | 7,926 | 7,870 | 6,581 |
| ICA Norway | 9,959 | 9,490 | 8,940 |
| Rimi Baltic | 9,970 | 10,305 | 12,173 |
| ICA Group | 28,819 | 28,546 | 29,961 |

Employee turnover, %

| | 2010 | 2009 | 2008 |
|------------------|-----------|-----------|-----------|
| Parent Company | 6 | 5 | 8 |
| ICA Bank | 4 | 4 | 8 |
| ICA Real Estate | 13 | 2 | n.d. |
| ICA Sweden | 5 | 4 | 8 |
| ICA Norway | 22 | 27 | 24 |
| Rimi Baltic | 29 | 24 | 52 |
| ICA Group | 21 | 20 | 33 |

In addition, we have created a Group-wide leadership development program to ensure that future managerial needs are met and to call attention to opportunities for personal development and careers within the Group.

Staff turnover and staff numbers in Rimi Baltic has declined since 2009 since the country was strongly influenced by the financial crisis, and was marked by rising unemployment. ICA Real Estate, a relatively small organization, where a minor change in the number of employees turns out in a large percentage difference on staff turnover.

Wellness contributes to a good work environment

LA7 reported  Global Compact 1

A good work environment is created when leaders join with their staff to make the workplace safe and secure. To position the ICA Group as a healthy company, we stress early rehabilitation and prevention of disease and accidents. This improves the health of our employees and reduces rehabilitation costs.

The sick-leave within the ICA Group is quiet stable. ICA Norway has the highest absenteeism but working with preventive wellness during the last year has improved the health among the employees during 2010.

Social Performance LA

Preventive wellness gives the ICA Group's leaders a tool to effectively work with their teams. It also creates a dialogue with each employee on what they can do to improve their own health and well-being. Wellness options include massage, naprapathy and on-site occupational healthcare.

Sick-leave, %

| | 2010 | 2009 | 2008 |
|------------------|----------|----------|----------|
| Parent Company | 2 | 2 | 2 |
| ICA Bank | 3 | 4 | 5 |
| ICA Real Estate | 4 | 4 | n.d. |
| ICA Sweden | 5 | 5 | 6 |
| ICA Norway | 7 | 8 | 8 |
| Rimi Baltic | 5 | 5 | 6 |
| ICA Group | 5 | 5 | 6 |

Safe stores are essential

Grocery stores are a gathering place for large numbers of people, from customers and suppliers to the store staff. Preventing accidents and creating safe environments is obviously critical. In Sweden, Norway and the Baltic countries, employees receive training in fire safety, first aid and how to prevent robberies and avoid threatening situations. Preventive measures such as neighborhood watches together with other retailers, authorities, municipalities and schools are also important.

In Sweden and Norway, the ICA Group is in the process of implementing a common safety standard for stores and periodically conducts safety audits. The aim is to prevent internal and external criminality and create a safe and secure environment.

ICA Sweden is working in several ways to support ICA retailers. All employees have the opportunity to enroll in an interactive online course on Store Safety free of charge. In addition, it is recommended that all stores implement a 13-point program to prevent threats, violence and robberies. ICA Sweden has also conducted insurance inspections to prevent damages from fires or break-ins. A coordination center in Sweden provides resources and crisis support round-the-clock if an ICA store is victimized by crime.

In 2010, there was a total of 47 robberies in Swedish ICA stores, an increase of about eight percent from the previous year. Small stores were primarily victimized, and the most common type of robbery, and attempted robbery, involved a cash register.

Number of store robberies

| | 2010 | 2009 | 2008 |
|-------------|------|------|------|
| ICA Sweden | 47 | 41 | 35 |
| ICA Norway | 3 | 15 | 9 |
| Rimi Baltic | 0 | 0 | 0 |

Performance and development reviews

LA12 reported ●

The ICA Group is trying to increase the number of performance and development reviews it conducts, and improve their quality. The goal is that all our employees will receive a review once a year. According to the results of the Temperature Survey in 2010, 76 percent have had a review in the last twelve months.

To ensure that all our leaders have the same platform for performance management and evaluation, a new leadership model was integrated into performance reviews in 2010.

Diversity and gender equality initiatives

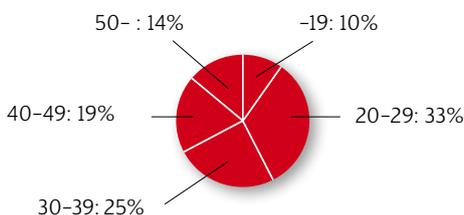
LA13 reported ● Global Compact 1, 6

An active approach to diversity increases our attractiveness as an employer. Everyone, regardless of gender, age, sexual preference, religion, ethnic or national background, or disability should have the same chance of being hired and developing on the job. We condemn sexual harassment and discrimination in any form. One indication of the importance we attach to this issue is that the ICA Group now have diversity manager.

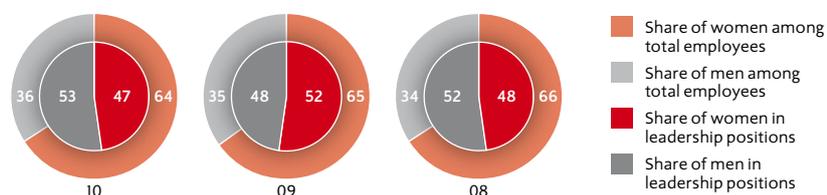
Since 2009, ICA Sweden and the Association of ICA-retailers have collaborated on a project called "We can do more," which offers a number of people with functional disabilities the opportunity to work in ICA-stores and at ICA's offices and warehouses. The other partners are Samhall and Sweden's municipalities. The goal is that between 500 and 1,000 people in total will be recruited during a three-year period. By year-end 2010, the number was over 450. "We can do more" begun on the initiative of the ICA Group's CEO inspired by the Glada Hudik Theater.

The idea to help the people with functional disabilities to join the workforce originated in Rimi Baltic, which has been working to integrate employees for several years. Today Rimi Baltic Estonia has around 35 employees with functional disabilities in its stores and Rimi Lithuania count about 70.

Share of employees by age group, the ICA Group, %



Gender distribution, the ICA Group, %



Global Trade and human rights



The ICA Group sells products from around the world. We require our suppliers to meet our expectations in terms of social responsibility and labor conditions in production. The requirements are based on the UN's declaration on human rights, UNICEF's Convention on the Rights of the Child and the International Labour Organisation's core conventions.

Since 2008, the ICA Group is represented by ICA Global Sourcing in Asia. With a local presence, we now have new opportunities to build partnerships with our suppliers and audit that the production is done in accordance with our requirements.

Our goal is that every product we sell will be produced in an acceptable manner with respect to human rights. We will not accept discrimination, infringements on the right to freedom of association and collective bargaining, child labor or other human rights violations. This is clarified in our policy guidelines and in the contracts all our suppliers must sign.

We monitor labor conditions in the factories that produce our corporate brand products as well as products we import directly, e.g., generic non-food items called "no-names."

In addition to the UN's Global Compact, we support and follow other human rights initiatives, such as the OECD's sustainability guidelines for multinational companies, the International Chamber of Commerce's (ICC) Business Charter for Sustainable Development and the ICC's anti-corruption and anti-bribery principles.

Social audits lead to faster improvements

| | | |
|------------|------------|--------------------|
| HR2 | reported ● | Global Compact 1-6 |
|------------|------------|--------------------|

To monitor and help suppliers that produce our corporate brands to meet our requirements, we conduct social, environmental and quality audits. In 2008 and 2009, the ICA Group opened sourcing offices in Hong Kong, Shanghai and Ho Chi Minh City, staffed by teams for product quality, environmental safety and social responsibility. Being close to our Asian suppliers gives us better insight and valuable experience that helps these collaborations. After three years, our efforts have resulted in a greater mutual understanding and better compliance with our social requirements.

The job of our auditors is to verify human rights compliance. They also work preventively by reviewing our suppliers' employment routines and discussing what they can do, for example, to avoid hiring underage workers and improve work environments. The ICA Group has its own control system, ICA Social Audit, whose requirements are based on similar criterias as the Business Social Compliance Initiative (BSCI).

The combination of our own inspections and third-party audits has successfully sped up the often time-consuming process of obtaining an audit from a third party. Through the ICA Social Audit, we can help suppliers to more quickly improve human rights in their production.

Social Performance **HR**

Our supplier inspections are focused on countries that are considered to be a greater risk of human rights violations. The countries are classified as high-risk based on an analysis of the Human Development Index and the Economic Security Index, which are updated about every second year. We also inspect suppliers in other countries when we see a risk of human rights violations. For example, berry suppliers in Sweden will be closely inspected in 2011. With the help of colleagues from Asia who speak the right languages, we will conduct social audits during berry-picking season in the Swedish woods.

Approximately two thirds of the production units, factories, farms or warehouses, located in high-risk countries and that makes ICA's own products were socially revised in late 2010. In late 2009, the corresponding share was around 50 percent.

In 2011, great attention should be paid to continue to pursue this work to achieve the goal of 100 percent of ICA's corporate brand suppliers in high-risk countries should be socially revised.

 See page 34 in the ICA Group's Annual Report regarding where in the world our corporate brands are produced.

Share of socially audited corporate brand suppliers %

| | 2010 | 2009 |
|-----------------|------|------|
| Total ICA Group | 68 | 47 |

Increased knowledge increase understanding

HR3 | reported  | Global Compact 1-6

Providing our employees with training on social responsibility guidelines and routines is an important measure. Internal training is offered on a continuous basis to the organization responsible for the product assortment and sourcing.

Sharing our knowledge with suppliers is critical to improvement efforts. During the year, we arranged a seminar on social responsibility in Shanghai. Several of our suppliers have also participated in four seminars arranged by the Business Social Compliance Initiative (BSCI). We use ICA Social Audit as a training tool as well, since suppliers receive support on how to rectify every violation we detect.

All employees of the Group receive training in ICA's Good Business and related policies, through a web-based courses. The aim is that all ICA employees in Sweden and Norway will complete the course. In 2010 22 percent have done so.

Stakeholder dialogue on social responsibility

In November 2010, ICA Sweden invited its key stakeholders to a dialogue to discuss sustainable development and working conditions for producers of fruit and vegetables. This follows several controversial documentary films on banana and pineapple plantations. The dialogue resulted in a concrete 10-point list of measures and activities to sustain the progress that has been made on ethical and sustainability issues affecting fruit and vegetables. Among the points are:

- Improve and increase information in stores and in the ICA Group's annual report to emphasize improvement work.
- Bring up positive, concrete examples when communicating the social responsibility work being done in the supply chain.
- Clarify the ICA Group's long-term goals in terms of organic and Fairtrade labeling.
- Focus on building capacity building rather than just inspections.

Human rights measures

| | | |
|------------|--|------------------------|
| HR4 | reported  | Global Compact 1, 2, 6 |
| HR5 | reported  | Global Compact 1, 2, 3 |
| HR6 | reported  | Global Compact 1, 2, 5 |
| HR7 | reported  | Global Compact 1, 2, 4 |

We regularly buy goods from suppliers in countries where human rights are not taken for granted. If ICA's own auditors or third-party auditors detect violations at a production facility we use, a concrete action plan is established and followed up in a re-audit. The first time a supplier violates our contractual requirements, they generally get a second chance to correct the problem. If they do so to our satisfaction, we will keep working with them. If a serious offense is repeated, the cooperation with the supplier will be terminated.

In social audits conducted with our own personnel in Asia during the year we identified a number of shortcomings among our suppliers. These are mainly concentrated in five areas:

- health and security
- management routines
- overtime hours
- the possibility for employees to join trade unions
- minimum wage

In twelve cases, the auditors identified serious violations in production locations that we chose to stop buying products from them. On the other hand, several suppliers have received larger orders after they demonstrated positive results and improved working conditions in their production.

It is very important for ICA also to work with enforce and respect the fundamental right for its own employees. Based on the analysis of high risk countries it is seen that the risk of not respecting human rights is larger in some of the countries where our products is produced and therefore the report of our work within this area is focused within this area. During the year no incident regarding discrimination came to the managements attention.

Our stance on child labor

Our basic rule when it comes to child labor is that individuals younger than 15 may not work for any of our suppliers. If national laws have stricter limits, we apply them. In China, for example, the legal working age is 16, so there we do not allow employees below this age. We also require our suppliers to give special consideration to young workers (younger than 18) in terms of the right to limited working hours, for example.

If we detect or suspect that an employee is not of legal age, the supplier is obligated, through ICA's contract, to take measures to protect the best interests of that person. Together with the supplier, we try to find the best possible solution in light of the child's age, education and social situation.

ICA – part of the community



We want to be seen as a positive force in society. A strong local presence is essential to this work. We therefore participate continuously in debates and outside initiatives, in addition to sponsoring and supporting various local projects in all our markets.

Guidelines for relationships with our suppliers and partners are contained in a business ethics policy. ICA's new store policy contains the fundamental guidelines on how and where new stores are opened. Our sponsorship policy explains how we responsibly manage sponsorships.

A retail network in balance with local needs

SO1 reported

ICA contributes to the community in several ways. We work with municipalities, regions and authorities in connection with new store openings. In Sweden, there is a connection through local ICA retailers, who own their stores and live and work in the local area.

ICA is constantly refining the retail network it has built up over more than 90 years, so that it remains sustainable and attractive. This means considering the local environment when deciding where to open new stores. We also try to balance customer needs with transports to and from stores in a way that benefits the local community. For example, new stores are given priority along existing thoroughfares to avoid increasing traffic and allow customers to get to the store on bike paths or walkways or by using mass transit.

ICA's also tries to maintain clear-cut rules on new stores with effective decision-making channels that emphasize the autonomy of local municipalities. ICA's dialogue and strong local connections with decision-makers, local businesses and interest groups are important to the development of the retail network.

Strong business ethics provide a foundation

SO2 reported Global Compact 10

SO3 reported Global Compact 10

ICA works systematically to prevent ethically questionable incidents and corruption. Business ethics are covered in the ICA Group's overarching risk analysis, where every area of operations has been analyzed.

Social Performance SO

Rimi Baltic in Lithuania has joined "Baltoji Banga" (The White Wave), an organization promoting transparency in the local business community and fighting economic crime. Member-companies pledge to follow specific guidelines. Rimi Baltic is a member of the organization's board of directors.

The Group's business ethics policy is based on the assumption that the ICA Group must be managed profitably and with high ethical standards. This includes how managers and employees behave on a daily basis and in contacts with suppliers, competitors and other parties. All employees of the Group receive training in ICA's Good Business and related policies, including through web-based courses.

Engagement in society's decision-making processes

| | | |
|-----|----------|---------------------|
| SO5 | reported | Global Compact 1-10 |
|-----|----------|---------------------|

The ICA Group cooperates with organizations and participates in networks focused on social responsibility, the environment, health and food quality. Our most important partners and commitments include:

- We signed the UN Global Compact in 2004 and Caring for Climate in 2007. ICA has also pledged to follow the European Consumer Goods Forum's sustainability program. ICA's CEO is a member of its board.
- ICA Norway participates in a CR network organized by the Federation of Norwegian Commercial and Service Enterprises, HSH, where experience in the CR area is shared with others in the retail community. In 2010 ICA Norway participated in HSH's lobbying efforts to maintain the current law mandating temperature requirements for chop meat in stores. In Sweden, a similar organization, Svensk Dagligvaruhandel, is working to protect the interests of consumers.
- ICA Norway participates in a network arranged by the Norwegian-Swedish Chamber of Commerce to strengthen relationships between Scandinavia and the Balkan region. ICA has, among other things, hosted a network meeting on taking responsibility.
- Rimi Baltic in Lithuania has supported local farmers in their discussions with the Ministry of Agriculture to improve conditions for small businesses and has participated in discussions with the Ministry of Economy on making electronic invoices a mandatory business practice.
- Rimi Baltic in Lithuania is a standing member of "Baltoji Banga" (The White Wave), which promotes transparency in Lithuanian business.
- Rimi Baltic in Lithuania is also member of Investors Forum, a voluntary, independent alliance of the largest and most active investors in the Lithuanian economy. The CEO of Rimi Lithuania is a member of the organization's board.
- Rimi Baltic in Latvia is one of founders of the Latvian Food Retailers' Association, which was established in 2010.
- Rimi Baltic in Latvia has participated in discussions to amend the country's Waste Management Law, where it has stressed the importance of maintaining a free market in order to maximize waste collections and recycling rates for Latvian retailers.
- Rimi Baltic in Estonia has participated in discussions on "Fair price agreement: The euro will not increase prices" and a higher VAT. The Estonian retail sector is being carefully monitored by the public, the media and government institutions due to the euro's introduction in January 2011.

GRI Index with Global Compact principles

Strategy and Analysis *page 3-7*

- 1.1** Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.
- 1.2** Description of key impacts, risks, and opportunities.

Organizational Profile *page 3, 11*

- 2.1** Name of the organization.
- 2.2** Primary brands, products and/or services.
- 2.3** Operational structure Introduction.
- 2.4** Location of organization's headquarters.
- 2.5** Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.
- 2.6** Nature of ownership and legal form.
- 2.7** Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).
- 2.8** Scale of the reporting organization.
- 2.9** Significant changes during the reporting period regarding its size, structure or ownership.
- 2.10** Awards received in the reporting period.

Report Profile *page 2, 12-14, 47-48*

- 3.1** Reporting period for information provided.
- 3.2** Date of most recent previous report (if any).
- 3.3** Reporting cycle (annual, biennial, etc.).
- 3.4** Contact point for questions regarding the report or its contents.
- 3.5** Process for defining report content.
- 3.6** Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).
- 3.7** State any specific limitations on the scope or boundary of the report.
- 3.8** Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.

3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.

3.10 Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/periods, nature of business measurement methods).

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

3.12 Table identifying the location of the Standard Disclosures in the report.

3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).

Governance, Commitments and Engagement
page 6-10, AR¹ page 40-43

4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.

4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).

4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

4.5 Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements), and the organization's performance (including social and environmental performance).

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.

4.8 Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.

4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.

4.12 Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.

4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.

4.14 List of stakeholder groups engaged by the organization.

4.15 Basis for identification and selection of stakeholders with whom to engage.

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

¹) AR = Annual Report
AR app = Annual Report appendix
www.ICA.se/AnnualReports

GRI Index with Global Compact principles

Economic Performance

Global Compact

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. *page 15*

EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change. *page 17*

EC3 Coverage of the organization's defined benefit plan obligations. *page 21 AR app1/note 18*

EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. *page 18*

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. *page 19*

EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts. *page 19*

Environmental Performance

Global Compact

EN3 Direct energy consumption by primary energy source. *page 22-23*

EN4 Indirect energy consumption by primary source. *page 22-23*

EN5 Energy saved due to conservation and efficiency improvements. *page 22-23*

EN6 Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives. *page 23-24*

EN7 Initiatives to reduce indirect energy consumption and reductions achieved. *page 22-23*

EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. *page 20-21*

EN13 Habitats protected or restored. *page 20-21*

EN14 Strategies, current actions and future plans for managing impacts on biodiversity. *page 20-21*

EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations. *page 20-21*

EN16 Total direct and indirect greenhouse gas emissions by weight. *page 24-25*

EN17 Other relevant indirect greenhouse gas emissions by weight. *page 24-29*

EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved. *page 24-25*

EN22 Total weight of waste by type and disposal method. *page 27*

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. *page 25-26*

Labor Practices and Decent Work

Global Compact

LA1 Total workforce by employment type, employment contract and region. *page 38-39*

LA2 Total number and rate of employee turnover by age group, gender and region. *page 38-39*

LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region. *page 39-40*

LA12 Percentage of employees receiving regular performance and career development reviews. *page 41*

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity. *page 41, AR¹ page 42-43*

Human Rights

Global Compact

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. *page 42-43*

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. *page 43*

HR4 Total number of incidents of discrimination and actions taken. *page 44*

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. *page 44*

HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. *page 44*

HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. *page 44*

Society

Global Compact

SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting. *page 45*

SO2 Percentage and total number of business units analyzed for risks related to corruption. *page 45-46*

SO3 Percentage of employees trained in organization's anti-corruption policies and procedures. *page 45-46*

SO5 Public policy positions and participation in public policy development and lobbying. *page 46*

Product Responsibility

Global Compact

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. *page 28-29*

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes. *page 30*

PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. *page 30-35*

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. *page 30*

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. *page 36*

PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship. *page 37*

¹) AR = Annual Report
AR app = Annual Report appendix
www.ICA.se/AnnualReports

Limited assurance report

Auditor's Review Report on ICA AB's Sustainability Report

This is the translation of the auditor's report in Swedish

To the readers of ICA AB's Sustainability Report

Introduction

We have been engaged by the executive team of ICA AB to review the ICA AB Sustainability Report for the year 2010. Our review is limited to the information related to 2010. Our review covers the ICA Group's Annual Report pages 10–11 and pages 21–39, and the ICA Group's GRI report 2010 disclosed on ICA AB's website www.ICA.se/AnnualReports. The Board of Directors and the Executive Management are responsible for ongoing activities regarding the environment, health & safety, quality, social responsibility and sustainable development, and for the preparation and presentation of the Sustainability Report in accordance with the applicable criteria. Our responsibility is to express a conclusion on the Sustainability Report based on our review.

The Scope of the Review

We have performed our review in accordance with RevR 6 Assurance of Sustainability Reports issued by Far. A review consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with IAASB's Standards on Auditing and Quality Control and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The criteria on which our review are based are the parts of the Sustainability Reporting Guidelines G3, published by The Global Reporting Initiative (GRI), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed and disclosed. These criteria are presented on pages 2 and 12–14 in the ICA Group's GRI report 2010. We consider these criteria suitable for the preparation of the Sustainability Report.

Limited assurance report

Our review has, based on an assessment of materiality and risk, e.g. included the following procedures:

- a. an update of our knowledge and understanding for ICA AB's organization and activities
- b. assessment of suitability and application of criteria in respect to stakeholders need of information
- c. assessment of the result of the company's stakeholder dialogue
- d. interviews with responsible management, at group level, subsidiary level and at selected business units with the aim to assess if the qualitative and quantitative information stated in the sustainability report is complete, correct and sufficient
- e. read internal and external documents to assess if the information stated in the sustainability report is complete, correct and sufficient
- f. analytical review of reported information
- g. assessment of the company's stated application level according to GRI's guidelines
- h. overall impression of the sustainability report, and its format, considering the information's mutual correctness with applicable criteria
- i. reconciliation of the reviewed information against the sustainability information in the company's annual report for 2010.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the information in the ICA Group's Annual Report pages 10-11 and pages 21-39, and the ICA Group's GRI report 2010 has not, in all material respects, been prepared in accordance with the abovestated criteria.

Stockholm 2 March 2011

Deloitte AB

Jan Berntsson
Authorized Public Accountant

Torbjörn Westman
Expert Member of Far