

INSTRUCTION



# Sustainability Due Diligence Process



## Document Information

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Related Documents (governing document/s)	<a href="#">Sustainability Policy</a> <a href="#">Sustainability Guidelines</a>

## 1 Introduction

This document describes ICA Gruppen AB's, including its subsidiaries ("OpCo"), ("ICA Gruppen") Sustainability Due Diligence process. The purpose of the Sustainability Due Diligence process is to ensure that:

- Negative impacts on human rights, climate and the environment in ICA Gruppen's value chains are identified and handled proactively.
- ICA Gruppen conducts risk-based human rights and environmental due diligence in accordance with applicable legislation and international standards.

For products regulated by specific legal due diligence requirements, such as batteries and products with high risk for deforestation, ICA Gruppen shall comply with such requirements. Specific steering documents as required by law are adopted by the CR Group Management and shall be publicly available.

The process is continuous and consists of six steps as outlined below.

## 2 ICA Gruppen's Sustainability Due Diligence process

### 2.1 Step 1. Embed responsible business conduct into policies and management systems

ICA Gruppen's governance and way of working should be in line with the Sustainability Due Diligence process, which is based on UN Guiding Principles on Business and Human Rights and OECD's Guidance for Responsible Business Conduct. Each OpCo should strive to ensure meaningful stakeholder involvement throughout the process.

ICA Gruppen should have steering documents ensuring that ICA Gruppen works according to a risk-based due diligence process. The Sustainability Policy, the Sustainability Guideline, ICA Gruppen's sustainability requirements on suppliers (*Sustainability Appendix*), and the Sustainability Due Diligence Process instruction are reviewed annually. OpCos hold the responsibility to develop specific routines and to integrate due diligence measures in their way of working.

## 2.2 Step 2. Identify and assess negative impacts in operations, supply chains and business relationships

Each OpCo should continuously identify and assess actual and potential impacts on people and the environment in their value chains to understand adverse impacts. Impact identification can be carried out through, for example stakeholder dialogues, supplier audits, external monitoring, partners and mapping of the value chains.

Prioritization of adverse impacts, that should be handled first, shall be based on the severity and likelihood of the adverse impacts.

An overall impact assessment is conducted annually by each OpCo. The impact assessment identifies impacts in the areas of the environment, human rights, product safety and business ethics. The impact assessments are consolidated in accordance with ICA Gruppen's instruction for Double Materiality Analysis ("DMA").

When there are particularly high risks linked to specific products or regions with high levels of corruption, lack of legislation, law enforcement or conflict, an extended risk analysis should be carried out.

## 2.3 Step 3: Cease, prevent or mitigate negative impacts

Each OpCo should prioritize the most severe impacts and implement measures to cease, prevent or mitigate negative impacts on people and the environment when necessary. Examples of measures can be dialogue with relevant stakeholders and rights holders, supplier and product requirements, industry collaborations, site visits, use of certification schemes and audits.

## 2.4 Step 4: Track implementation and results

Each OpCo ensures that the effectiveness and appropriateness of measures taken are monitored and, if possible, measured.

The follow-up should focus on improvements for people and the environment in ICA Gruppen's value chains.

Where special action plans have been developed for suppliers, the plan should be followed and the measures evaluated.

## 2.5 Step 5: Communicate how impacts are addressed

ICA Gruppen and each OpCo should communicate their adverse impacts and how ICA Gruppen mitigates, or plans to mitigate, impacts. ICA Gruppen should ensure that communication is sufficiently comprehensive and transparent to give external stakeholders a true and fair picture of ICA's work.

ICA Gruppen's sustainability reporting is based on the results of the DMA and includes descriptions of how impacts, risks and opportunities are managed through steering documents, strategies and activities, and, where relevant, also KPIs and targets.

## 2.6 Step 6: Provide for or cooperate in remediation when appropriate

ICA should have a process for compensating damage to the environment or human rights in case ICA Gruppen has caused or contributed to such damage. When ICA Gruppen has not caused or contributed to the negative impact, ICA Gruppen may use its leverage to push for restoration or compensation.

## 2.7 Roles and responsibilities

Role	Responsibility
ICA Gruppen's steering documents	CR Group Management
Developing OpCo-specific routines in line with the Sustainability Due Diligence process	Each OpCo
Impact assessment and prioritizing adverse impacts	Each OpCo continuously and annually through the impact assessment in accordance with ICA Gruppen's DMA Instruction
Cease, prevent or mitigate negative impacts	Each OpCo
Communication	Annual report in line with CSRD (Group level)
Provide for or cooperate in remediation	Each OpCo

# 3 Specific focus areas for due diligence

## 3.1 Products with high risk for deforestation

ICA Gruppen's goal is to ensure that all products handled by ICA Gruppen comply with the EU Regulation 2023/1115 on deforestation-free products, helping to prevent deforestation and forest degradation globally.

Products covered by the regulation must be deforestation-free, produced in accordance with the laws of the country of origin, and accompanied by a due diligence statement. This commitment applies to all employees, suppliers, and partners involved in the procurement, production, and distribution of products covered by the regulation, including cocoa, coffee, palm oil, natural rubber, soy, wood, cattle, and related products.

ICA Gruppen shall perform required due diligence working towards supply chains that are sustainable and free from harmful practices, including collecting information, risk assessment, and risk mitigation. ICA Gruppen shall ensure and provide necessary documentation to demonstrate compliance with the regulation and shall regularly monitor supply chains and report on compliance with this commitment.

### 3.2 Batteries

ICA Gruppen's goal is to ensure that all batteries handled by ICA comply with the EU Regulation 2023/1542 on batteries and waste batteries, promoting sustainability and safety throughout the battery lifecycle.

All batteries must meet the sustainability, safety, and performance standards set by the regulation, including CE marking.

This commitment applies to all employees, suppliers, and partners involved in the procurement, and distribution of batteries covered by the regulation, including portable, industrial, automotive, electric vehicle (EV), and light means of transport (LMT) batteries.

ICA Gruppen shall perform required due diligence working towards supply chains that are sustainable and free from harmful practices, including risk assessment and management. ICA Gruppen shall ensure and provide necessary documentation to demonstrate compliance with the regulation and shall regularly monitor supply chains and report on compliance with this commitment

## 4 Updates and Reviews

This document shall be reviewed and updated annually or as needed based on the recommendations of CR Strategy and Development. Updates shall be approved by CR Group Management.

## Appendices

### Versions

This steering document has been updated since implementation and the most important changes are listed below.

Version (20XX:X)	Major changes since last version
2025:1	First version