

Axfood

Annual and Sustainability Report 2025

Leveraging the strength of
our business model to continue
to challenge and grow

With a **vision** to be a leader in affordable, good and sustainable food, we are a **family** of different concepts working in **collaboration**. Our **purpose** is to create a better quality of life for everyone.



“ Based on great commitment and passion for food, we are leveraging the strength of our business model and summarise another year with higher growth than the market.



Simone Margulies, President and CEO
Caroline Berg, Chairman of the Board



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About the Annual and Sustainability Report 2025

Pages 9–150 comprise the statutory annual report including the administration report. Pages 109–150 have been audited and pages 30–36 and 40–108 have been reviewed. The sustainability report constitutes the statutory sustainability report in accordance with the Swedish Annual Accounts Act. Axfood presents the sustainability report in accordance with the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy Regulation.

This document is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern.

This is Axfood

Leading food retail company

Axfood is a leader in food retail in Sweden and a family of different concepts working in collaboration. Each week, more than six million customer meetings take place through almost 400 Group-owned stores, e-commerce and over 700 collaborating retailer-owned stores. Axfood has a total of more than 15,000 employees (FTEs) and net sales of nearly SEK 90 billion.

Axfood aspires to be a strong force in society that works together with stakeholders and decision-makers to drive development toward more sustainable and healthier food production and consumption.

Axfood shares are listed on Nasdaq Stockholm and the principal owner is the Axel Johnson Group.



Number of customers reached through Axfood's concepts every week

6 million

Net sales

SEK 89.2 bn

Operating profit

SEK 3.6 bn

Unique family of companies

Axfood is primarily represented in the Swedish food retail market through the leading discount grocery chain Willys, Hemköp in the traditional grocery segment and the hyper-market chain City Gross. With Tempo, Handlar'n and Matöppet, Axfood also has a position in mini-marts, while Eurocash operates stores in cross-border shopping adjacent to Norway. In addition to these concepts, Axfood has a presence in cafés and restaurants with the wholesale business Snabbgross and the restaurant chain Urban Deli, and a position in the online pharmacy market with Apohem.

Dagab is responsible for ensuring that the assortment, purchasing and logistics maintain high efficiency and quality. Dagab has a key role in the work to streamline the product flow for the Group-owned stores and external customers, such as retailer-owned stores and convenience retailers. Through innovative thinking and sustainable development, the Group's tech organisation – Axfood IT – creates value and efficiency.

WILLYS

Hemköp

CITYGROSS

tempo

HANDLAR'N

MATÖPPET

eurowash

Snabbgross

UP URBAN DELI

apohem

DAGAB

Attractive concepts with strong market positions

Each Axfood concept has a solid position in its respective market segment and should offer the best customer experience. The breadth of concepts and brands is a competitive advantage, and collaboration creates economies of scale and cost efficiency.

Axfood

Joint-Group functions primarily comprise Finance, Legal Affairs, Communications, Business Development, New Establishments, HR and IT.

DAGAB

Dagab is responsible for and develops the assortment, purchasing and logistics for Axfood's own concepts and external customers. Dagab plays a key role to streamline the product flow and ensure an affordable, good and sustainable assortment.

Food retail

Discount

WILLY:S

Willys is Sweden's leading discount grocery chain and offers a wide assortment in Group-owned stores and online. With the business concept "Sweden's cheapest bag of groceries," Willys aspires to lead and develop the discount segment of food retail.

eurocash

Eurocash is one of the leading grocery chains along the Norwegian border. Specialising in cross-border shopping, Eurocash aims to make it easy for customers to shop for good food at the lowest prices.

Hypermarkets

CITY GROSS

City Gross conducts hypermarket and e-commerce operations and aims to be Sweden's most affordable food market. The stores offer a food market hall and hypermarket, along with one of the market's widest assortments of food.

Traditional grocery

Hemköp

Hemköp offers an inspiring, broad and attractively priced assortment with a rich offering of fresh products. Hemköp's Group-owned stores, retailer-owned stores and online business aim to inspire good meals in a simple way.

tempo

Tempo is a retailer-owned mini-mart concept. At Tempo's stores, customers are greeted by a familiar environment with good food and personal service.

HANDLARN

Through retailer-owned mini-marts, Handlar'n offers accessibility and proximity to groceries and services, mainly in the countryside but also in city centres.

MATÖPPET

Matöppet is the grocery store with a personal touch. Its retailer-owned mini-marts focus on service and offering a wide range of fresh products.

Restaurant and café

Wholesale

Snabbgross

Snabbgross is one of Sweden's leading restaurant wholesalers with a customer base of restaurants, fast food operators and cafés. Snabbgross offers personal service, accessibility and quality at its stores and online. Sales to consumers take place through the Snabbgross Club concept.

Restaurant

URBAN DELI

Urban Deli in Stockholm is a combination of restaurant, store and market hall with its own production of innovative, sustainable and healthy food.

Other

Pharmacy

apohem

Apothem is a full-scale online pharmacy with both over-the-counter and prescription drugs. Apothem aims to make health and skincare accessible to everyone and offers a wide product range as well as personal advisory.



Central and significant role in the value chain

Axfood has an integrated business model that covers purchasing and assortment, product flow and logistics as well as concepts and channels. While the operations in each area create value and navigate prevailing drivers and market conditions, Axfood also plays a central and significant role in the entire food supply chain.



Axfood's own operations

The customer is central to development of all of the Group's processes, and value is created for Axfood and its stakeholders in all areas of the operations.

Production

Transport

Purchasing and assortment

Product flow and logistics

Concepts and channels

Transport

Consumption

Axfood's value chain is comprehensive, from suppliers in farming and animal breeding, to processing and packaging. Axfood works to support primary production through various initiatives. Transports are made by suppliers to the Group's warehouses and logistics centres, and in certain cases directly to stores.

Axfood provides an attractive, efficient, wide, sustainable and affordable assortment. Work with the assortment is based on customer demand, and the Group strives for long-term supplier relationships that emphasise price value, sustainability, health and innovation. Purchasing, assortment work and product development are conducted through Dagab, the Group's joint purchasing and logistics company. Through its private label products, Axfood ensures a distinctive and efficient assortment in all of its concepts and sales channels.

Axfood works continuously on optimising the product flow – from reception of goods and warehousing to customer delivery. The Group's level of automation is increasing steadily in both warehouses and stores. Efficient logistics with route planning and high capacity utilisation in transports contribute to profitable growth, energy efficiency and increased sustainability. The Group uses exclusively renewable fuels and electricity in both its own and procured transports.

Axfood has a broad presence and reaches customers across the country with its accessible, efficient and attractive concepts and sales channels. To meet customers' varying needs, the Axfood family of companies features different concepts with strong positions in their respective market segments. Key aspects of creating a good customer meeting include inspiring stores, a relevant and affordably priced assortment, and value-creating peripheral services. To promote sustainable development, Axfood inspires customers and makes it easier for them to make healthy and sustainable choices.

Each week, Axfood's various concepts reach more than six million customers through both Group-owned and retailer-owned stores. Axfood has a broad nationwide presence and maintains a high expansion pace to reach ever more consumers. Transports are carried out from stores and online.

We continue to challenge and increased our market share for the eleventh consecutive year

By leveraging the strength of Axfood's business model, we continue to challenge and summarise another year of above-market growth and stronger market positions. We are preparing for the future and continuing to invest in strategically important areas in order to become even more efficient and competitive. We are maintaining a high rate of development, and I am convinced that we are well positioned to continue to challenge and grow.

With a strong business concept and an effective business model, Axfood's structure creates both opportunities and competitive advantages. With our distinctive concepts and brands, we have a strong customer offering in all segments of the market. We meet more than six million customers every week, and are able to meet their varying needs and preferences. Our operating model – with a high share of Group-owned stores combined with retailer-owned stores, an integrated value chain and clear collaboration – also makes us unique in Swedish food retail. This gives us the right conditions to be agile and responsive at all levels.

Over the past year, we continued to successfully navigate a highly competitive market characterised by a strong focus on price value. Based on these conditions, we continued to grow more than the market, with increased volumes and high customer loyalty. Along with an increased focus on efficiency and cost control in our base operations – both in logistics and in central processes and ways of working – this contributed to improved earnings and profitability.

Strong grocery concepts and broad market presence

It is clear that our concepts performed well in their respective segments, and we have had a good track record for many years. We summarise our eleventh consecutive year of above-market growth and, during this time, we have increased our market share from just over 17% to approximately 25%. And we have no intention of slowing down.

A lot happened during the year in all areas of the Group, and I witnessed an enormous commitment to creating even better customer meetings in our store chains based on our various customer promises and brand positions.

Willys continued to strengthen its position and increased its market share during the year. The concept is Sweden's leading

discount chain, and it was great to see that Willys once again was the most recommended grocery chain in the market among households. For us, this is proof that customers appreciate the combination of low prices, modern and attractive stores, a broad assortment and a high degree of availability both in physical stores and online. With the momentum it has established, Willys has excellent potential to expand and open more stores. The aim is to open at least ten new Willys stores annually in the coming years, while also continuously upgrading existing stores to the new Willys 5.0 store concept to create an even better customer experience.

During the year, Eurocash also continued to grow in cross-border shopping along the Norwegian border. With a clear concept, easily accessible and attractive stores, and a broad and affordable assortment, Eurocash attracted more customers during the year and strengthened its position as the leading cross-border grocery chain.

With a focus on optimising its offering for each local market, Hemköp has delivered a good performance, with strong like-for-like growth over several years. Through a high pace of store modernisation and continuous development focused on price value, sustainability, fresh produce and meal solutions, Hemköp grew more than the market in 2025, thereby further strengthening its position, particularly in the traditional grocery segment. Tempo also performed well during the year despite a continued unfavourable market for small store formats.

The latest addition to the Axfood family is the City Gross hypermarket chain, which we acquired just over a year ago. I am convinced that City Gross, which operates in a segment that is continuing to grow its share of the total market, offers considerable potential. The chain has faced some challenging years, which we are now putting behind us as we invest in the future. During the year, we worked diligently to clarify the concept

and brand, improve the customer offering, implement a chain management structure and streamline operations. And as a result, we are seeing positive trends in like-for-like growth and cost levels. I believe that Axfood has the knowledge and experience to further develop City Gross for the future. We took important steps during the year, and continue to work according to plan to strengthen the chain to become a long-term competitive player in the hypermarket segment and reach profitability at some point during the second half of 2026.

Progress for Snabbgross and our development companies

With its broad and affordable assortment and high level of availability through physical stores, the restaurant wholesaler Snabbgross holds a unique market position. Although the café and restaurant market remained weak, Snabbgross performed well during the year, with a positive trend in customer traffic and strong growth. The chain's membership-based consumer concept, Snabbgross Club, continued to expand and its unique customer offering is now available in more stores.

Our family of companies also includes smaller development companies. As Sweden's fastest-growing pharmacy, the online player Apohem is a challenger in the pharmacy industry, with the aim to make health and skincare accessible to everyone. The Urban Deli restaurant chain, which operates in Stockholm, is continuing to hone its offering, mainly focusing on innovation, sustainability and the food of the future.

Efficiency and competitiveness through collaboration

We are maintaining a high rate of development to ensure we have the right conditions to remain a challenger and further strengthen our brands and concepts. We also have a clear agenda in place to advance our progress in a number of strategic development areas by 2030.



Important events in 2025

- Strong volume growth and increased market share through positive trend in customer traffic
- Continued momentum for Willys, Hemköp and Snabbgross, high activity level to make City Gross more competitive
- High rate of expansion, with a total of nine newly established Group-owned stores
- Innovative launches in the assortment of private label products
- Progress in logistics restructuring and lower cost level, agreement signed for new highly automated logistics centre in Kungsbacka
- Focus on sustainable energy with completed transition to renewable fuels in all transports

In base operations, we work intensely to achieve the highest possible operational efficiency, quality and performance in all processes and in the supply chain. In particular, I would like to highlight our extensive investments in our logistics structure in recent years to boost capacity and productivity through a high degree of automation. Along with our new high-bay warehouse in Backa and the fruit and vegetable warehouse in Landskrona, our new logistics centre in Bålsta – which became fully operational in 2025 – has significantly increased the Group’s capacity and efficiency. We have also initiated our next major investment in the establishment of a new highly automated logistics centre in Kungsbacka to strengthen product supply in southern Sweden. The establishment is still in the planning stage and work will continue for several years, with operations expected to commence in 2030. We are building for the future, and this new logistics structure will create the conditions for us to continue to grow and become even more competitive.

We will offer the most attractive assortment in the industry, catering to various needs and preferences, with our private label products playing an important role and giving us a clear competitive advantage. With some 270 private label products launched during the year, we are continuing to develop a distinctive and relevant offering that makes affordable, good and sustainable food available to everyone.

Another major focus for us as we move towards 2030 is the expansion and optimisation of the store network to reach new customers in new locations around the country. We are accelerating the pace of new store establishments and ensuring we have the right concepts in the right locations. We are also modernising existing stores at a rapid rate.

During the year, we took important steps to further strengthen our digital capabilities, increase efficiency in ways of working and optimise the use of data and AI. Through advanced forecasting, flow optimisation and planning, we are laying the foundation for lower costs, reduced waste, a more stable product supply and a better customer experience. Axfood is continuing to invest in maximising its business value through digitalisation, automation and the use of AI in modern digital platforms that ensure scalability, resilience and long-term competitiveness.

Taking the lead in promoting a sustainable food system

Sustainability and health are important areas for us at Axfood. Following an ambitious and long-term approach, our aim is to take the lead in promoting a more sustainable food system, both by developing our own business model and operations and by

collaborating with others. We are an important part of Swedish society, providing food and groceries to people across the country every day of the year. We promote and support domestic food production in order to meet consumer demand and help make Sweden more self sufficient. We are also a major employer, contributing to diversity and inclusion in addition to supporting many young people as they enter the labour market. As a major player in food retail, we have a societally important role to play and assuming our responsibility comes naturally to us.

We are also developing both our customer offering and the customer meeting with regards to sustainability and health. We are driving innovation related to the future of food, guiding and rewarding customers who make more sustainable and healthy choices. During the year, we launched products with a lower carbon footprint and a stronger nutritional profile, such as hybrid products combining different types of protein and sustainably produced fish.

At the end of the year, we reached a major milestone in our sustainability work as we completed the transition to fossil-free transports, both our own and procured, resulting in significantly reduced emissions. Another highlight during the year was the deployment of Sweden’s largest solar park in Hallstavik, which Axfood helped to establish. The solar park will make our own energy supply more predictable and help to create better conditions for the green transition in society. Sustainable energy and the climate are important areas for us, and at the end of the year we applied to set science-based targets in line with the Paris Agreement through the Science-Based Targets initiative (SBTi).

Building the Axfood of the future together

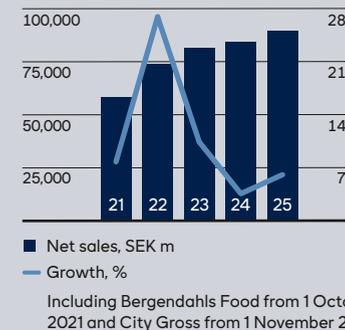
I would like to conclude my message by addressing our most important people: our employees. I extend my sincere thanks to all of our fantastic, committed and competent leaders and staff for their outstanding work during the year. Together – with a clear values-steered culture – we are continuing to strengthen our market position across all of our chains, in all sales channels, with a growing customer base, increased loyalty and stronger competitiveness. And that is a very good starting point to continue challenging in the future.

See you at the store!

February 2026

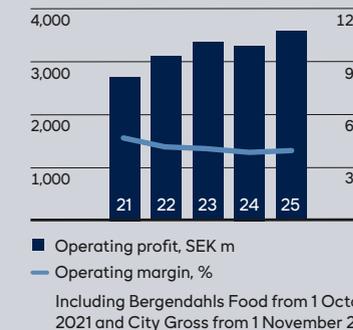
Simone Margulies
President and CEO

Net sales



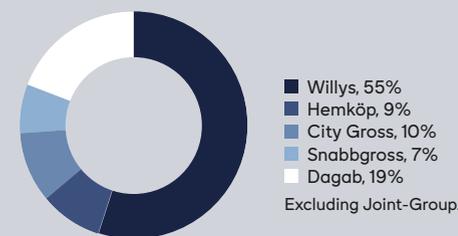
Including Bergendahls Food from 1 October 2021 and City Gross from 1 November 2024.

Operating profit and operating margin



Including Bergendahls Food from 1 October 2021 and City Gross from 1 November 2024.

Share of external net sales by operating segment



Share of operating profit by operating segment



Key ratios

	2025	2024	Change
Net sales, SEK m	89,152	84,057	6.1%
Retail sales, SEK m	79,204	68,052	16.4%
Operating profit, SEK m	3,572	3,290	8.6%
Operating profit excl. items affecting comparability, SEK m	3,688	3,433	7.4%
Operating margin, %	4.0	3.9	0.1
Operating margin excl. items affecting comparability, %	4.1	4.1	0.1
Average number of employees	15,620	13,709	1,911
Sustainability-labelled products, share of sales, %	26.6	27.2	-0.6
Share of food waste, %	0.9	0.9	0.0
Carbon footprint per kg of food sold, kg CO ₂ e	1.95	2.01	-3.0%



Strategy to continue to challenge

MARKETS AND DRIVERS

The Swedish food retail market

The food retail industry, with over 3,100 food retail stores around Sweden, is an important part of Swedish industry and a large employer, providing a livelihood for approximately 110,000 people. The sector is important for young people, who account for a third of the number of those employed. In the countryside, grocery stores often serve as a community hub, offering pharmaceutical products, postal services and parcel collection in addition to groceries.

The food retail market is relatively unaffected by economic fluctuations and growth is driven largely by population growth and inflation. The market is mature, and the three largest players – ICA, Axfood and Coop – together account for more than 90% of sales. With its distinctive concepts, Axfood has a presence in every segment in the market and its market share in 2025 is estimated at about 25%.

For some time now, growth in food retail has been strongest in the discount segment, where Willys is the leading player. The discount segment represents just over a fifth of the market and is divided into two sub-segments: hard discount and soft discount. The biggest differences between the segments consist of the offering and breadth of assortment as well as the peripheral services offered. During the years 2019–2024, average annual growth for the discount segment is estimated at around 10%. This is compared with the market’s average annual growth of approximately 5%. In recent years, hypermarkets represented the fastest-growing segment after discount, accounting for just over 25% of the market. Traditional grocery is the largest segment, accounting for just over a quarter of the market. During 2019–2024, average annual growth for hypermarkets and traditional grocery is estimated at 5% and 4%, respectively.

E-commerce accounts for a small share of the market, 4.2% in 2025.¹⁾ The home delivery option represents a somewhat larger share of sales than store pick-up. Axfood’s market share in e-commerce in 2025 is estimated at around 29% (28). Thanks to Willys’ strong position in this sales channel, Axfood has a significantly higher share of e-commerce than in the market as a whole.

Development during the year

In 2025, the Swedish food retail market grew by 4.5%, and sales excluding VAT amounted to approximately SEK 315 billion (302).¹⁾ According to Statistics Sweden, food price inflation during the year amounted to 4.3%, with the change largely driven by higher prices for coffee, chocolate, dairy products and beef. Growth in e-commerce amounted to 6.6%, and sales excluding VAT amounted to just over SEK 13 billion (12).¹⁾

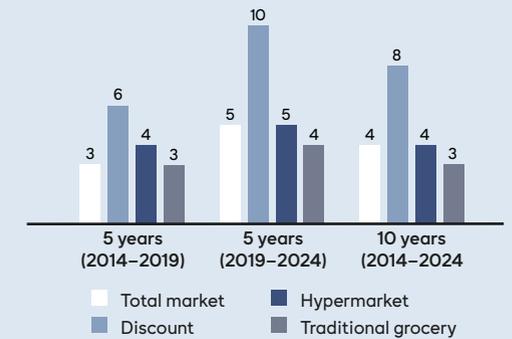
1) Source: Swedish Food Retail Index (Swedish Food Retailers Federation and HUI Research).

Food retail market segments 2024

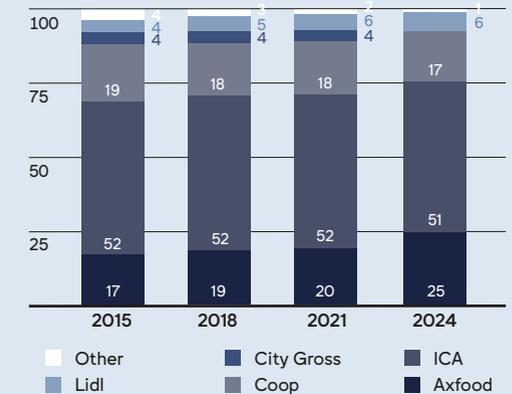


Source: Axfood’s estimates. Full-year 2024 is used since complete public information is not available for 2025.

Average annual growth by market segment, %



Market share development, %



Source: Axfood’s estimates. Full-year 2024 is used since complete public information is not available for 2025. Totals may be affected by rounding.

MARKETS AND DRIVERS

Swedish foodservice

The restaurant wholesalers in the foodservice market provide groceries, beverages and kitchen supplies, and sell to restaurants, cafés, fast-food operators, B2B customers and the public sector. The largest share of sales in the market goes through distribution from wholesalers to customers, and only a few players offer shopping through physical stores.

The foodservice market is made up of a number of large players and numerous smaller specialists. Axfood's Snabbgross concept focuses mainly on the private market, where the four largest players – Martin & Servera, Menigo, Snabbgross and Svensk Cater – together account for more than 86% of sales.¹⁾

Development during the year

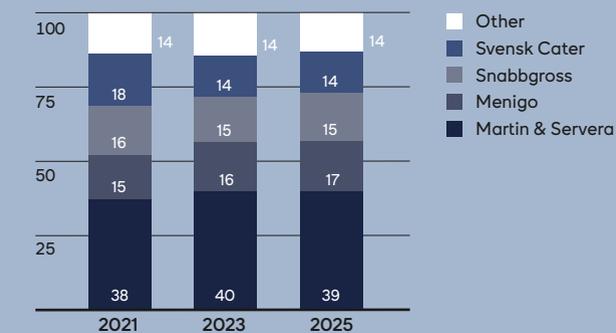
Sales in the private foodservice market increased by 6,0% in 2025 and amounted to approximately SEK 35 billion (33).¹⁾ Growth in the café and restaurant market to consumers amounted to 3.8% during the first nine months of the year.²⁾ Volumes were unchanged compared to the prior year. The market segments that displayed the largest increases during the year were fast food operators and roadside restaurants.

1) Source: Delfi Marknadspartner AB. Private foodservice market, index Jan–Dec 2025/Jan–Dec 2024.

2) Source: Statistics Sweden/Visita.



Market share development, %



Source: Delfi Marknadspartner AB. Private foodservice market, index Jan–Dec 2025/Jan–Dec 2023/Jan–Dec 2021. Totals may be affected by rounding.

MARKETS AND DRIVERS

A changing market and operating environment

Price value, AI and digitalisation, as well as health and sustainability are examples of long-term trends that are having a major impact on society, the food retail industry and Axfood. The pace of change has been rapid for quite some time, but in recent years, the economic situation has resulted in certain shifts in these trends, primarily with an increased consumer focus on price value and discount.



Price value and discount

How changes are taking place

- In recent years, the discount trend has grown stronger in the market
- A low price is not the only factor determining whether a product offers value for money – pleasant service, attractive peripheral services and a high-quality assortment are also important for perception
- Increased digitalisation in society is leading to greater price transparency

Impact on the food retail market

- Consumers are focusing more on low prices and price value and demanding an assortment that offers alternatives to strong global and national brands
- Private label products and large purchasing volumes are key for differentiation and efficiency
- Increased price consciousness is having a positive impact on certain market segments, particularly discount players
- Price comparisons require market players to continually monitor their price positions

How Axfood operates

- A focus on strengthening Willys' position as Sweden's leading discount grocery chain and ensuring that all concepts in the Group deliver price value
- Large selection of attractive, affordable and high-quality private label products
- Automation, efficiency and cost control in all operations

AI, data, digitalisation and automation

How changes are taking place

- Increased digitalisation, the use of AI and a higher level of automation in all areas of food retail
- Long-term trend of increased online shopping in the food retail market, although growth has been relatively weak in the last few years

Impact on the food retail market

- New and changed shopping behaviours are creating opportunities for new business models and businesses
- Growing degree of personalisation and the use of AI, data and consumer insight to respond to changing customer needs and behaviour
- Demand for new technical solutions and digital tools in stores and logistics
- High demands from consumers concerning user-friendly platforms
- Challenging business model in e-commerce to drive profitable growth, especially for pure-play online retailers and for home delivery

How Axfood operates

- A flexible in-store shopping experience with digital tools that simplify the shopping process
- Investments in AI, data, digitalisation and automation in pricing and assortment, product supply and stores
- Good access to data through loyalty programmes and modern systems that enable the use of data and AI to better understand customer behaviour, improve customer offerings and communication, and optimise and streamline operational processes
- Continued initiatives to strengthen e-commerce and develop the digital customer meeting, flexible delivery options including home delivery as well as store pick-up

Health and sustainability

How changes are taking place

- There is a growing awareness about the impact of food on the climate, biodiversity and health, especially among young people
- Consumers believe that food retail companies have a major responsibility for the development of sustainable and healthy food
- While growing numbers of consumers are willing to give greater consideration to sustainability and change their food consumption over time, increased prices due to high inflation mean that they have been less likely to make sustainable choices in recent years

Impact on the food retail market

- Sustainable food consumption is imposing high demands on changes in the food supply chain
- Issues such as responsibility, environmental impact and health are becoming increasingly important, and conscious consumers are manifesting their lifestyles through active food choices
- Many people want more information about origin, quality and ingredients
- Conscious consumers are looking for food inspiration and want help and guidance to make sustainable and healthy choices

How Axfood operates

- High rate of development despite dampened consumer interest in sustainable and healthy consumption in the wake of high inflation in recent years
- Assortment development and focus on sustainability-labelled products, in part through collaboration and innovation projects
- Information and inspiration as well as a focus on encouraging the customer to make sustainable, healthy choices
- Focus on sustainable packaging, reduced food waste, seasonal food, social responsibility and origin
- Environmentally certified stores
- Social advocacy and dialogues with decision-makers

MARKETS AND DRIVERS

A changing market and operating environment



Competition

How changes are taking place

- Traditional food retail companies invest more in price
- The market's players are creating ecosystems of products and services and adapts offerings to consumer trends with regards to for example health
- The line between sectors is becoming blurred as products and services are offered that are not traditionally part of the core business
- Innovative players are challenging

Impact on the food retail market

- Increased competition from traditional as well as new players and from other related industries
- Greater selection for consumers and higher demands
- The market is being renewed through value-creating services such as meal solutions, price comparisons and flexible delivery options

How Axfood operates

- Development of different concepts and presence in all market segments to meet various customer needs
- Clear Group-wide collaboration to add customer value, improve efficiency and increase competitiveness
- An efficient, attractive and innovative assortment with a clear price position and distinctive private label products
- Continual development of loyalty programmes to ensure relevance and attractiveness

Demographics

How changes are taking place

- Low population growth
- Aging population
- Income gaps in society are increasing
- More diversity and a higher number of people born abroad
- Continued rapid pace of urbanisation, affecting both cities and the countryside

Impact on the food retail market

- As a result of demographic changes, demand is changing when it comes to assortment and price point
- Urbanisation is creating new attractive store locations and scope for online shopping while certain locations are becoming less attractive

How Axfood operates

- Continual assortment development to meet different kinds of needs and preferences, while meeting demand for an assortment that reflects a variety of cuisines
- Expansion through establishment of new stores and online shopping in growth locations and locations with convenient transportation links
- Clear values and an ambition to reflect the diversity found in society through the assortment and among employees in order to meet various needs

Resilience and regulatory compliance

How changes are taking place

- More uncertain and turbulent geopolitical environment
- Increase in cybercriminal activity
- Increased regulatory pressure from legislators, both in Sweden and in the European Union, and authorities, especially in areas such as sustainability, consumer protection and cyber security

Impact on the food retail market

- Global uncertainty is placing new demands on robustness in operations and supply chains
- Increased regulation and greater focus on securing the food supply in times of crisis are driving costs and complexity
- Digitalisation presents major opportunities but at the same time places greater demands in terms of cyber security and the ability to protect information and customer data

How Axfood operates

- Work that promotes Swedish primary production
- Strategic purchasing with regular evaluation of alternative solutions in terms of suppliers and geographic distribution
- Information and cyber security an integrated part of the strategic agenda
- Increased cooperation between and within different value chains
- Increased focus on implementation of new legislation and compliance

TARGETS AND OUTCOMES

Clear direction and high level of ambition

Axfood manages and continuously monitors the Group’s operations based on a set of strategic Group-wide targets. By maintaining a strong financial position and sustainable operations, scope and conditions are created for long-term profitable growth.

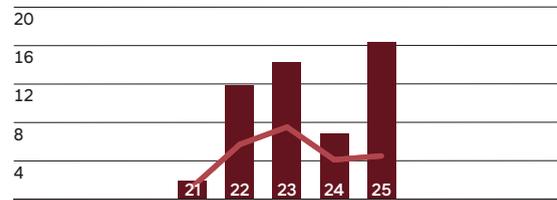
Financial targets

Growth

Target: >the market
Outcome: 16.4%¹⁾

Axfood will grow faster than the market. In 2025, Axfood’s retail sales increased by 16.4% (6.8)¹⁾. Excluding City Gross, the increase was 5.9% (4.3), while market growth was 4.5% (4.1).²⁾

Growth in retail sales, %



Comments

With different concepts and strong positions in all segments, Axfood has grown faster than the market for many years. This development continued in 2025. The acquisition of City Gross contributed to the Group’s growth, but even excluding City Gross, Axfood’s growth was higher than the market’s.

— Target
 ■ Outcome

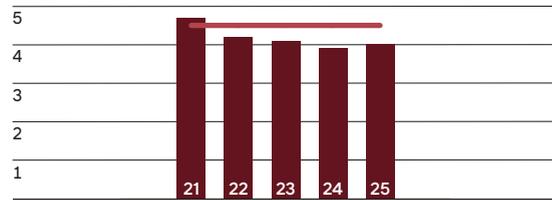
1) Impacted by City Gross which was acquired on 1 November 2024.
 2) Source: Swedish Food Retail Index (Swedish Food Retailers Federation and HUI Research).

Profitability

Target: ≥4.5%
Outcome: 4.0%

The operating margin will be at least 4.5% over the long term. The operating margin in 2025 was 4.0% (3.9).

Operating margin, %



Comments

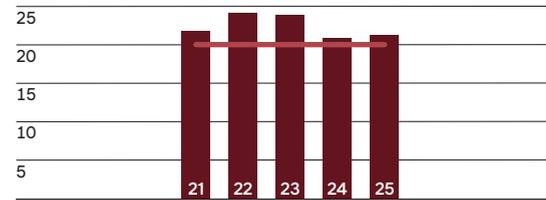
The operating margin has been below the profitability target in the last few years as a result of strategic investments in base operations and the acquisition of City Gross. Over time, these investments – together with the development of the store chains – are expected to create increased profitability.

Financial position

Target: ≥20%
Outcome: 21.2%

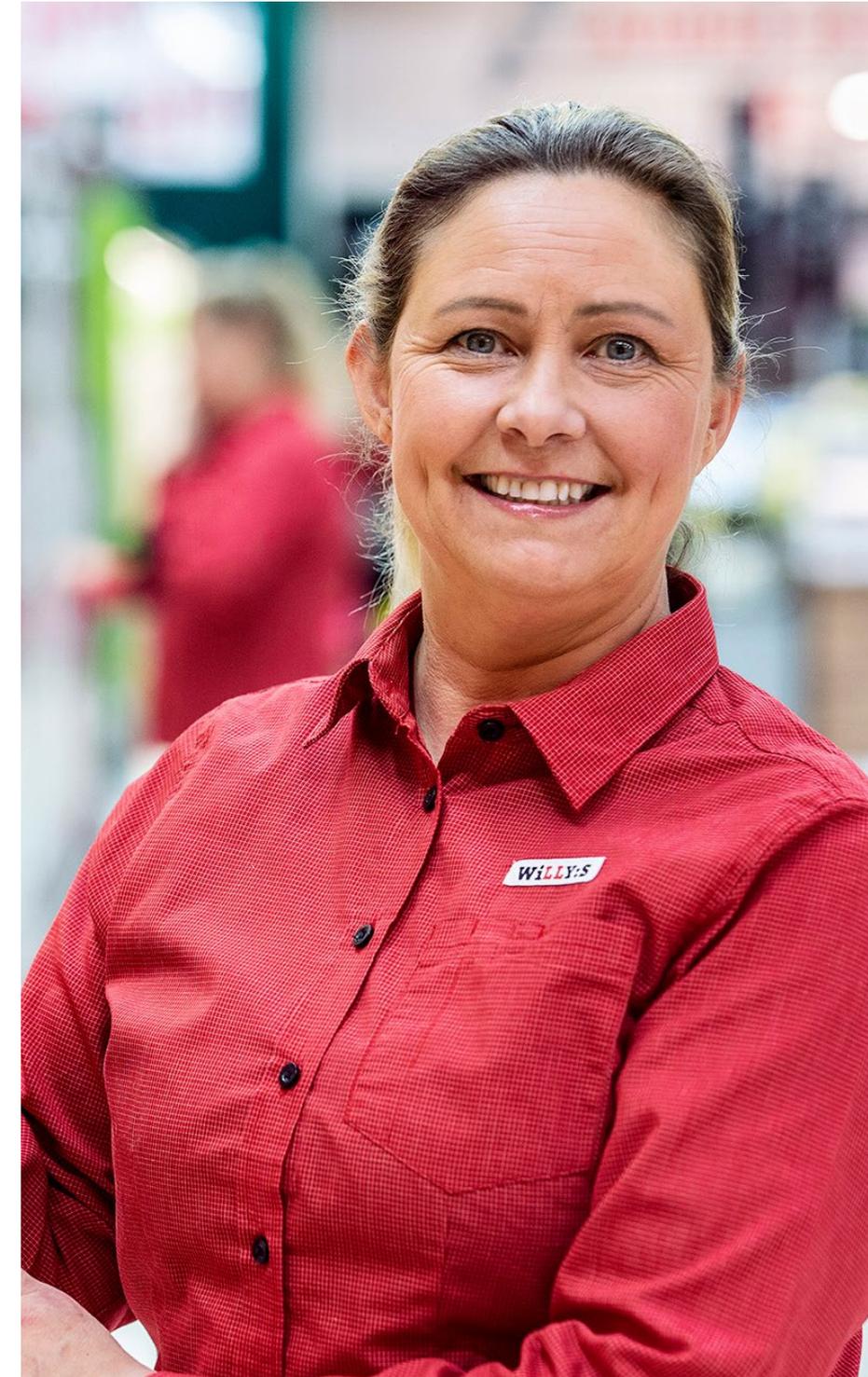
The equity ratio is to amount to at least 20% at year-end. As of 31 December 2025, the equity ratio was 21.2% (20.9).

Equity ratio, %



Comments

Axfood has a solid balance sheet, and the business model generates stable cash flow. The aim is to maintain a strong financial position to have the scope and flexibility to invest in long-term competitiveness. The equity ratio remained in line with the Group’s target in 2025, but has been impacted by the acquisition of City Gross, which was primarily financed through increased borrowing.



TARGETS AND OUTCOMES

Clear direction and high level of ambition

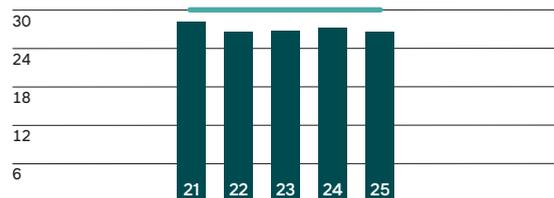
Sustainability targets

Sustainability-labelled sales

Target: ≥30%
Outcome: 26.6%

Axfood's target is for the share of sustainability-labelled products to amount to at least 30% of retail sales by 2030 the latest. In 2025, sustainability-labelled products accounted for 26.6% (27.2).

Sustainability-labelled products, share of sales, %



Comments

Sustainability-labelled goods guide consumers to products that are made in a way that takes environmental and social aspects into account. The share of sales was slightly lower in 2025 compared with the previous year, having declined overall in recent years, partly due to consumers' increased focus on price. The development of both the customer offering and customer meeting with regards to sustainability and health is a high priority. Axfood also helps consumers make sustainable and healthy choices through inspiration and guidance.

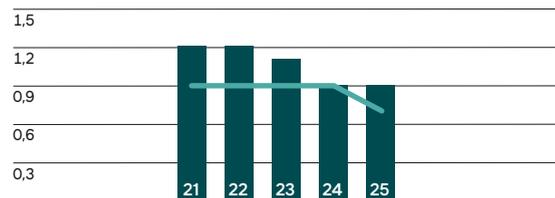
— Target
■ Outcome

Food waste

Target: <0.7%
Outcome: 0.9%

Axfood's target is to limit the share of food waste in its own operations to no more than 0.7% of retail sales by 2030 the latest. In 2025, the share of food waste was 0.9% (0.9).

Share of food waste, %



Comments

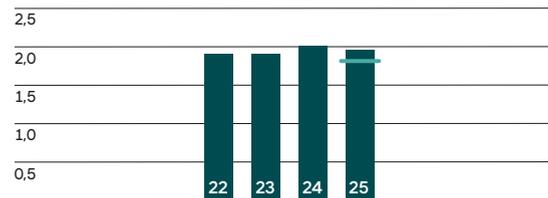
Food waste occurs throughout the entire food supply chain. It is a waste of resources when food that is grown, processed, transported and packaged is thrown away. The most important measures involve optimising orders and reducing prices for products that are nearing their best-before dates or are believed to be hard to sell at regular prices for other reasons. Axfood reduced the food waste in its own operations by 50% from 2015 to 2024 through focused efforts and a significant commitment throughout the Group, and investments to further reduce food waste are continuing.

Carbon footprint from food sold

Target: ≥10% reduction
Outcome: -3.0%

Axfood's target is to reduce the carbon footprint per kilo of food sold by at least 10% by 2030 at the latest (compared with the base year of 2024). In 2025, the carbon footprint per kilo of food sold was 1.95 kg CO₂eq (2.01). Compared with the base year, this corresponds to a decrease of 3.0%.

GHG emissions per kg of food sold, kg CO₂eq



Comments

Axfood is to promote more sustainable consumption and production of food and reduce the assortment's carbon footprint by offering products and inspiring choices that contribute to more sustainable consumption, such as a wide selection of sustainable plant-based products. To support this transition, new affordable and sustainably produced products are continually being developed. In 2025, the carbon footprint per kilo of food sold decreased primarily as a result of a lower share of sales of minced beef, due in part to a supply shortage. There are no comparison figures before 2022 due to a lack of data.

Other sustainability targets

Axfood has a broad sustainability agenda and aims to be the leading driving force for sustainable food in Sweden. In addition to targets related to sustainability-labelled sales, food waste and climate impact from sold food, Axfood has other targets with respect to climate, biodiversity and a sustainable assortment. The Group's targets also cover areas such as diversity, inclusion and gender equality, as well as working and social conditions throughout the entire food supply chain. At the end of 2025, Axfood applied to have its climate targets validated in line with the Paris Agreement through Science Based Targets Initiative (SBTi). Read more in the Sustainability Report on pages 40–108.



Clear strategy for 2030

Axfood’s vision is to be the leader in affordable, good and sustainable food. This is how better quality of life for everyone can be achieved, which is the Group’s purpose. With a focus on the customer meeting (refer to page 5 for more details), Axfood has a clear strategy for 2030 that rests upon a values-driven culture and core values, and consists of six growth-promoting and efficiency-enhancing focus areas.

Ambitions for 2030

WILLY:S

Sweden’s leading food retail chain

Hemköp

The winner in every local market

CITY GROSS

Sweden’s affordable food market

tempo

HANLARN

MATÖPPET

Leading in the mini-mart segment

eurocash

The leading food retail chain along the border

Snabbgross

Sweden’s most affordable restaurant wholesaler

URBAN DELI

apohem

Strong brands that support growth and innovation

DAGAB

Sweden’s most attractive, sustainable and affordable customer offering in food and groceries

Purpose

Better quality of life for everyone

Vision

A leader in affordable, good and sustainable food

Business concept

A family of different concepts working in collaboration

Core values

- The store is our stage
- Together we are stronger
- We challenge
- We are aware

Focus areas for 2030

ASSORTMENT

The industry’s most attractive assortment – relevant, affordable and sustainable

STORE NETWORK

Expand and optimise the store network with the best terms on the market

OPERATIONAL EFFICIENCY

World-leading operational efficiency, quality and performance in processes and product supply

DIGITALISATION AND AUTOMATION

Maximise business value through digitalisation, automation and AI

LEADING EMPLOYER

Become the market’s leading employer

SUSTAINABILITY AND HEALTH

Create value for customers, businesses and society through sustainability and health





ASSORTMENT

An affordable, good and sustainable assortment

Axfood offers a wide assortment to meet customers' diverse needs and preferences. A distinctive and relevant offering of branded as well as private label products enables affordable, good and sustainable food for everyone.

Axfood has a comprehensive assortment of more than 70,000 items. Considerable emphasis is placed on close collaboration with suppliers, who rate Axfood as a highly appreciated partner. The customer offering is continuously developed based on consumers' different needs and preferences.

Consumers demand a large selection of products, inspiration and convenient meal solutions. At the same time, price value has become increasingly important. There is also a growing awareness of food's impact on the climate and health, for example, which is resulting in increasing demands on quality and sustainability. Consumers also attach importance to country of origin labelling, good animal welfare and reduced use of chemicals.

Attractive customer offering with price value in focus

Assortment and category work revolves around Axfood's various concepts and their respective customer groups. Within each concept's market position, the customer offering is built on an efficient and attractive assortment with a distinct price point. The assortment is also adapted locally for stores within certain concepts, particularly within Hemköp. Growth and customer satisfaction are achieved by combining strong global and national brands with private label products. Approximately 32% of the Group's sales consist of private label products. Collaboration with the two purchasing organisations European Marketing Distribution (EMD) and United Nordic (UN) contributes to economies of scale and ensures a wide and relevant offering.

In 2025, consumer demand continued to be characterised by a significant interest in discount and campaign products. Price value is highly prioritised at Axfood and an important part of the assortment work.

Innovations and meal solutions that support growth

Axfood collaborates with local companies, entrepreneurs and researchers to innovate and develop the food of the future. The offering of meal solutions is also continuously evolving to meet steadily rising demand for easily available or ready-made food. Meal solutions are developed under private labels at the same time as the offering of warm food in stores is growing.

In recent years, the offering of ready meals in stores has been expanded, through branded as well as private label products. Additionally, the range of salad bars is growing. Many Hemköp stores also offer buffet of hot dishes prepared by its own chefs as well as store-made sandwiches, salads and single-serving meals. The range of prepared foods in heated cabinets has continued to be expanded at both Willys and Hemköp.

Transparency across the entire value chain

To maintain consumer trust, food retailers need to be transparent regarding the assortment's value chain. Thousands of suppliers around the world are required to comply with Axfood's Code of Conduct in the areas of human rights, working conditions, the environment and anti-corruption. Read more about the Group's sustainability work in the supply chain in the sustainability report.

“Within each concept's market position, the customer offering is built on an efficient and attractive assortment with a distinct price point.

Focus area for 2030
The industry's most attractive assortment – relevant, affordable and sustainable

ASSORTMENT

Distinctive, attractive private label products

Axfood’s extensive range of distinctive private label products, including Garant, Eldorado, Minstingen, Fixa, Såklart, Mevolution and Gastrino, is a significant competitive edge. The products contribute to profitable growth by creating an attractive and unique assortment that strengthens the offerings within Axfood’s various concepts. Products are subject to strict requirements and are discerningly tested, and an external consumer panel samples a large share of products before they advance to production. The assortment developers are innovation-driven and identify niches in the market, using customer data to develop products that are at the forefront of current trends, health and sustainability.

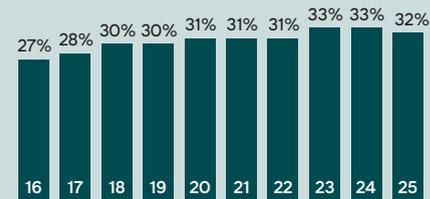
Of Axfood’s private labels, Garant and Eldorado are the strongest positioned. Garant is a well-known brand with a distinct added-value profile. Eldorado aims to be the best discount alternative with a focus on basic products.

All private label products are quality assured and meet stringent sustainability requirements. The difference between, for example, Garant and Eldorado is that Eldorado allows for sourcing from a broader origin and greater variation in terms of design and appearance.

A large share of the private label assortment consists of Swedish products. The majority of Garant’s sales comprises products with the “Made in Sweden” label, including the entire meat and dairy range as well as cheese and cold cuts.

Several new products are launched every year to meet changing consumer preferences and needs. Around 270 new private label products were launched in 2025.

Development of share of sales from private label products



Axfood’s share of sales of private label products has increased over time. In 2025, the share increased in all store chains, but due to the dilutive effect from the acquired City Gross, the share decreased in total.



Number of product launches in private label products

270



STORE NETWORK

A growing Group

Axfood’s target is to grow faster than the market. This will be achieved through continued establishment of new stores, a broad e-commerce offering and the development of new customer offerings.

With strong, distinctive concepts and a broad store presence across the country, Axfood offers consumers a high level of accessibility. This presence is particularly strong in larger cities, but smaller cities are also covered through a diversified portfolio of concepts. While Axfood has a broad presence, the ambition is to further accelerate the rate of expansion, primarily with Willys. The Group sees extensive opportunities to establish more stores in many parts of the country in both larger cities and smaller towns. Through the Willys, Hemköp and City Gross concepts, Axfood has a presence in 183 of Sweden’s 290 municipalities.

A strategy for expansion

Axfood’s strategy with different concepts working in collaboration is favourable when it comes to establishment opportunities. Size of premises, customer base and operating model are taken into consideration when assessing which brand is appropriate for each individual establishment. Another advantage is that, when necessary, stores can be converted to another concept if conditions change.

In terms of new establishments, Axfood is seeing increased demand for the discount chain Willys, both in parts of the country where the chain is not present and in larger cities where there is room for additional stores. The ability to operate across the entire country with a locally adapted assortment and different ownership forms is a strength of Hemköp and Tempo. City Gross has a strong presence in southern Sweden, but there is also long-term potential to establish City Gross in other parts of the country. The brand portfolio also includes Handlar’n and Matöppet, which perform well in smaller local markets.

New establishments in attractive locations

Geographic location, flows and the infrastructure surrounding a physical store are of major importance. The ability to identify locations that are accessible and easy to reach for consumers is crucial

for a successful establishment. Each potential new establishment is evaluated based on a thorough analysis, where movement patterns, demographics and purchasing power are included in the assessment.

During the year, nine new Group-owned stores and 13 retailer-owned stores were established. At the end of the year, Axfood had a total of 396 Group-owned stores and 261 retailer-owned stores.

Modern and accessible stores

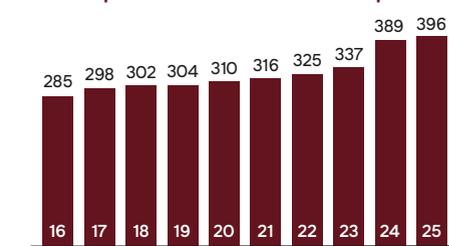
Axfood’s stores must be accessible to customers so that it is convenient and easy to shop. The Group is investing in modernising its existing stores at a rapid rate, an important part of improving the customer experience. In addition to continuous improvements to create inspiring environments, the stores are also undergoing an extensive modernisation. New ways of using digital tools to improve customers’ in-store experience are also continually being introduced.

Willys continuously engages in concept development, and the stores are gradually upgraded to a new store concept in the coming years. In addition, Hemköp has also launched a new store concept in recent years and has accelerated its work to modernise its stores. A new store concept is being developed to make City Gross more competitive and will be launched in 2026.

Different operating models

Axfood’s various customer meetings largely take place in Group-owned stores as well as retailer-owned stores in several store concepts. Hemköp combines Group- and retailer-owned stores to take advantages of both models, depending on local market conditions. For Hemköp, having different operating models is a strength that allows it to maintain a presence in several cities in Sweden, while the combination of a chain management structure and entrepreneurship promotes and creates growth.

Development in number of Group-owned stores



The number of Axfood stores has increased over time, mainly through new Willys stores. In 2024, 42 stores were added through the acquisition of City Gross.

“While Axfood has a broad presence, the ambition is to further accelerate the rate of expansion.”

Focus area for 2030
Expand and optimise the store network with the best terms on the market



OPERATIONAL EFFICIENCY

Operational efficiency in all processes

Dynamic markets, changing consumption patterns and digitalisation are placing high demands on operational efficiency and a sustainable, efficient product supply. Axfood creates the conditions for competitiveness through an integrated value chain and clear collaboration.

Affordable, attractive customer offerings require the right purchasing conditions and volumes as well as a focus on productivity and cost efficiency. This is something that permeates all of Axfood and the ambition is to have world-leading operational efficiency, quality and performance in all processes and in product supply.

The operating model – with a high share of Group-owned stores combined with retailer-owned stores, an integrated value chain and close collaboration – is unique in the Swedish food retail market and provides agility and drive, in addition to creating value in many areas. Operations are conducted with high efficiency at every level, from purchasing and logistics to stores and customers. Focusing on innovation and learning creates robust processes that make the Group more competitive.

Collaboration and optimised operations

Axfood works deliberately to increase efficiency throughout its operations. Processes are made more efficient through digitalisation, automation and continuous improvements in order to strengthen the customer meeting. The stores use modern IT platforms and digital tools to streamline their way of working, optimise product flows and reduce food waste. Data-driven work and automated administrative processes at offices enable better, faster decision-making and increased cost efficiency. Continuous development work helps to create a more flexible and robust organisation that is highly adaptable to changing needs.

An efficient, modern logistics structure

Dagab is Axfood's purchasing and logistics company responsible for providing the industry's most efficient, high-quality and sustainable flow of goods. Its own warehouses and fleet of delivery vehicles supply products to stores and e-commerce customers

throughout Sweden. The logistics structure is well developed, and over the last few years comprehensive investments in more automated processes have also been made in the logistics structure to increase capacity and productivity. As a result of these investments, the company's ways of working and processes are evolving from traditional warehouse and logistics operations to automation and modern production facilities.

The Group's new highly automated logistics centre in Bålsta, one of the largest of its kind in Europe, was taken into operation in 2025. The logistics centre has increased the Group's efficiency and capacity in central and northern Sweden, gathering the entire flow and processes in all temperature zones for stores and e-commerce under one roof. The expanded and automated high-bay warehouse at the distribution centre in Backa, Gothenburg was taken into operation during the year. Planning was also carried out for a new highly automated logistics centre in Kungsbacka, which will be completed in 2030. Read more about the new logistics centre in the fact box on the right.

Optimised, sustainable transports

Approximately half of Dagab's volumes are transported by its own trucks from warehouses to stores. Dagab has modern transportation management systems, which enables route optimisation and a good overview of transport flows. Renewable fuels have been used exclusively in transports since the end of 2025, and the fill rate of trucks is optimised for efficiency and environmental reasons. A large share of volumes are handled by the Group's own truck fleet, which offers a number of advantages, including that Axfood can use its own transport knowledge and experience to set high demands on procured transports. At the same time, external transports provide flexibility, efficiency and sustainability in sparsely populated areas where transports are largely coordinated.



Establishment of new logistics centre in Kungsbacka

Axfood plans to establish a new highly automated logistics centre in Frillesås in Kungsbacka, which will ensure higher capacity and efficiency in southern Sweden. The logistics centre, which will span approximately 90,000 square metres and be environmentally certified, will handle picking and deliveries of goods to stores in all temperature zones. The logistics centre is primarily intended to replace the current warehouse in Backa, but it is also designed to be able to manage the volumes currently handled by the warehouses in Jönköping and Hässleholm. Capacity is expected to increase at least 20% compared to the current volumes in southern Sweden. The logistics centre is expected to be taken into operation starting in 2030.

Focus area for 2030
World-leading operational efficiency, quality and performance in processes and product supply



DIGITALISATION AND AUTOMATION

A tech-driven organisation

A changing world demands continuous development. In addition, food retail is undergoing a transition, with a strong focus on digitalisation and a need for greater redundancy and information security. Through agility and drive, Axfood can be at the forefront and ensure a long-term sustainable and resilient business model.

To stay at the forefront, Axfood continuously works to develop and streamline processes and data-driven working methods. Axfood IT plays a central role in the Group's digital development, creating value and efficiency through innovative thinking and sustainable development. Upgrades of technical platforms lead to flexibility, increased automation and better input for decisions based on data and faster analysis. More capacity and data with higher performance and security is also enabled.

The work to integrate AI into all primary processes has accelerated in recent years and more than one hundred proprietary AI models have been taken into production. Axfood's skills in advanced data analysis have been strengthened, enabling better control of, for example, the assortment and prices to increase customisation. Communication with customers and consumers is increasingly being personalised, making recommendations and offers more relevant.

Increased automation and digitalisation

The level of automation and digitalisation is continuously increasing in stores, warehouses and offices. Data and AI are being used to optimise inventory levels, product flows and transport routes, enabling automated orders that ensure the right product volume is delivered at the right time. In stores, digital tools such as handheld computers are used to provide better control over the assortment and reduce food waste. A new store platform has been implemented in the last few years to increase efficiency and improve the Group's working methods and management of prices, campaigns and inventory balances. AI is increasingly being used at offices to provide innovative support that makes it possible to work smarter.

Leading digital customer meeting

Continuously developing the digital customer meeting is a prioritised area for the Group, helping to ensure an inspiring, relevant and easy shopping experience.

Axfood has a strong digital presence through the Group's various concepts, and customers are offered the same prices online as in stores. Axfood's concepts offer flexible delivery alternatives and both home delivery as well as store pick-up. E-commerce accounts for approximately 5% of Axfood's retail sales, which is higher than the market's e-commerce share of approximately 4%.

During 2025, Axfood continued to work to future-proof the Group's digital customer interactions through a transition to a new technology platform. The development aims to continue meeting consumers' needs and preferences while creating efficient solutions and synergies.

The vast majority of the store chains' sales are made through their loyalty programmes, where personal offers based on previous purchasing preferences are directed to customers digitally. In addition, the loyalty programmes offer attractive campaigns and other benefits to create relevance and improve customer loyalty.

Information security high on the agenda

Digitalisation is creating opportunities and new ways of working, but also increases the need to protect information and ensure stable IT operations. Information security is therefore a prioritised area in Axfood. Major emphasis is being placed on preventive efforts in order to detect and manage threats and disruptions and ensure operational continuity in the event of unforeseen events. Read more about how Axfood manages risks related to information security and digitalisation on page 28.

“The work to integrate AI into all primary processes has accelerated in recent years and more than one hundred proprietary AI models have been taken into production.

Focus area for 2030
Maximise business value
through digitalisation,
automation and AI



LEADING EMPLOYER

Ambition to become the market's leading employer

Axfood strives to be the market's most attractive employer by uniting strong values, clear leadership and an inclusive corporate culture. Employee commitment and inclusion are the basis of the Group's success. Its people and organisation develop together through learning, participation and a sustainable working life.

Employees are Axfood's most important asset and the Group strives to create an organisation and corporate culture that benefit its employees as well as its operations. Axfood is to become the market's leading employer through strong values, clear leadership and a high level of commitment. The focus is on developing future capabilities in combination with retaining and attracting the right talent and expertise. Axfood aims to be an inclusive employer where everyone is treated with respect based on their unique circumstances.

A corporate culture with clear leadership

To be able to develop the operations in a changing market in accordance with the Group's purpose and targets, a sound corporate culture is crucial. Axfood's core values enable the right decisions and priorities in the day-to-day operations, and provide a shared vision of how to interact within the organisation and with external partners.

Clear leadership is essential for developing a strong culture and high levels of commitment. The expectations of Axfood's leaders are clearly defined and form the basis for assessing and developing leadership. The employee experience is regularly followed up through an annual employee survey with a high participation rate as well as frequent surveys with more targeted questions. The aim is to continuously develop and strengthen the employee experience and increase team effectiveness. The Group's managers support development and partnerships through guidelines, constructive feedback and coaching.

Axfood endeavours to reflect the diversity found among its customers, and offers its employees fair opportunities to contribute and grow professionally. With the Group's work on inclusion, a wider competence base can be reached which results in new perspectives, innovative thinking, creates business value and

improves the ability to meet various customer needs. Axfood has clear targets for diverse representation at all management levels, with an ideal distribution of women and men in management positions within the range of 40% to 60%. Axfood works continuously with staffing, competence and succession planning. Having objective and fair recruitment processes for new employees ensures the supply of managers and contributes to the Group's diversity and gender equality targets.

Learning on the job

Continuous professional development among employees and managers is essential for Axfood and its ability to attract and retain the right talent and expertise. Axfood Academy, with both internal and external instructors, is the Group's centre for continuing education and skills development. The Group offers several development opportunities, and employees at every level are encouraged to develop personally and to apply to different positions and roles. Learning and development are a fundamental part of the employees' work day and take the form of practical experience, training and cooperation with colleagues.

Axfood is a growing Group and therefore has a continuous need for new leaders. Through various training activities, employees are prepared to take the next step in their careers at Axfood. These include specific training programmes for store employees to progress to team or store manager. Just over 80% of Axfood's managers are appointed internally.

All employees at the Group's support offices are encouraged to do an annual in-store or warehouse work placement. These work placements are a good way to give the employees a better understanding of the core business and customer expectations as well as how their own efforts impact the operations.

Core values

The store is our stage
 Together we are stronger
 We challenge
 We are aware

A safe and healthy workplace

Axfood's efforts to promote a sustainable work life include a long term and strategic perspective. Work to support increased health and reduce sickness-related absence are supported by Group-wide initiatives, clear procedures and ways of working, and quality-assured processes and tools. It is self-evident that work environments should be positive and that employees should feel safe and can act without risk to their health, or the health of others. An annual follow-up is carried out in the form of an internal work environment audit. A system for reporting accidents and safety incidents is used within the Group to evaluate, remedy and follow up on risks, incidents and accidents. Resources are also available for managers to address sickness-related absence and rehabilitation. Mental illness is a societal concern, which is why employees have the option to speak anonymously with a social worker, psychologist, lawyer or economist as necessary.

Focus area for 2030
 Become the market's leading employer



Focus area for 2030
 Create value for customers, businesses and society through sustainability and health

SUSTAINABILITY AND HEALTH

Value creation through sustainability and health

Axfood aims to be a positive force in society and the strongest driving force for sustainable food in Sweden. Through ambitious work related to sustainability and health, Axfood creates value for the Group and its stakeholders. Sustainability and health are integrated into the operations and encompass the entire food supply chain, taking into account the environment, animal welfare, and the people who produce, sell and consume food.

For Axfood, sustainable development is about seeing the whole picture and the relentless pursuit of improvements. Axfood is to create value for its operations, customers and society through commercial, innovative and responsible development related to sustainability and health. Ambitious work in these areas lays the foundation to strengthen the Group’s market position and to drive long-term profitable growth. A detailed description of Axfood’s sustainability work is provided in the Sustainability Report on pages 40–108.

Axfood is an active voice in public debate to advocate for change. Axfood participates in partnerships with suppliers, industry organisations and in networks. In addition, the Group engages a dialogue with politicians and authorities in order to increase knowledge about food retail and drive the development of a more sustainable food system in Sweden. An important tool in this work is the Food 2030 report, Axfood’s proposal for a sustainable food strategy for Sweden with solutions to make food production and consumption more sustainable and healthy.

Food

Axfood strives to make it easier for consumers to make sustainable and healthy choices through inspiration and guidance as well as by developing affordable sustainability-labelled products in order to meet the target of increasing the share of sales of sustainability-labelled products to 30% by 2030. The Group also actively promotes more sustainable production and consumption of food. Issues related to animal welfare and antibiotic use are also prioritised.

Throwing away food that has been grown, processed, transported and packaged is a waste of resources. Reducing food waste is a high priority within Axfood and an area where considerable progress has been made. In 2024, the target of halving

food waste in the Group’s own operations to 0.9% of sales, compared with 1.7% in the base year of 2015, was achieved. A new ambitious target has been set for 2030 to reduce food waste even further, to below 0.7% of sales.

The environment

Axfood strives to reduce the impact of food production on the climate and biodiversity as far as possible. Climate targets include reducing the climate impact per kilo of food sold by 10% by 2030 as well as actions in the supply chain.

Fossil fuels used in transports have been phased out in the last few years, significantly reducing the carbon footprint of the Group’s own and procured transports. By the end of 2025, the vehicle fleet had transitioned to renewable fuels and electricity. In addition, the Group continued to invest in renewable energy through large rooftop solar power facilities on warehouse facilities and the construction of Sweden’s largest onshore solar park as well as the introduction of a target to electrify 50% of the vehicle fleet by 2030.

People

Axfood is to contribute to improving working and social conditions in the value chain, both for its own workforce and in the supply chain. Its focus on healthy products also contributes to improved public health.

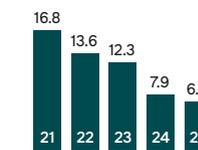
Axfood is committed to diversity and inclusion, and believes that a mix of skills and perspectives yields better results. The Group’s gender balance in senior positions is an important part of this diversity work.

In the supply chain, social audits are conducted in risk countries in order to ensure compliance with Axfood’s Code of Conduct among suppliers of private label products.

Innovative and sustainable product development

In 2025, Axfood took additional steps to promote innovative, sustainable and healthy food. To widen the assortment of hybrid products under the Garant brand, a fresh hybrid sausage was launched. The sausage, which combines beef and Swedish vegetables, has half the carbon footprint of sausages made entirely of beef. As part of “Framtidens fisk” (the Fish of the Future), an initiative to develop more sustainable and circular solutions for fish farming, Hemköp and Urban Deli introduced farmed Swedish rainbow trout raised on feed made from residual products – a solution that addresses the fact that feed is one of the main environmental impacts of fish farming.

Emissions from own transports, kg CO₂eq per tonne of transported goods



In recent years, Axfood’s carbon footprint from its own transports has decreased significantly. In 2025, the transition to fully renewable fuels was completed, resulting in further emission reductions.

Strategy that creates clear competitive advantages

Axfood's business model and structure create opportunities and competitive advantages. With strong concepts and brands, the Group has a presence in all market segments and meets customers on their terms. Through an operating model that combines Group-owned and retailer-owned stores, an integrated value chain and close collaboration, Axfood has a unique position in the Swedish food retail market.

Family of brands

Distinctive concepts and private label products as well as an affordable and high-quality assortment allow Axfood to meet various consumer needs.

Attractive store network

With attractive store locations and significant potential for expansion, Axfood can achieve overall growth as well as organic growth.

Integrated value chain

A highly integrated value chain allows Axfood to achieve cost efficiency and quickly adapt its operations to changes in consumer behaviour.

Scale

With a broad market presence and growing volumes, Axfood has the potential to realise economies of scale and make the Group even more competitive.



Systematic and effective risk management



Risks and risk management

Like all business activities, Axfood’s business is exposed to risks. Risks can negatively impact the operations. Managed properly, however, they can also create opportunities and add value. How risks are managed is therefore of great significance. Axfood breaks down risks into operational, strategic and financial risks.

Risk management process

To prevent risks or mitigate their effects and loss, Axfood works with an established enterprise risk management process, where risks are continuously identified, managed and reported. All risks are assessed based on likelihood and consequence. Operational and strategic risks include sustainability risks.

Risks are assessed and documented by the respective risk owners at least twice a year as well as on a continuing basis where necessary. The risk owners are the members of the Executive Committee, who are responsible for their respective areas. An assessment is made of the changed level of existing risks as well as of potential new risks. Strategic risks related to, for example, the market and competition, purchasing and assortment, and other changes in the external business environment that can affect Axfood’s strategic targets, are managed as part of the continuing work of the Board of Directors and Executive Committee.

Risks are classified and categorised according to how well countermeasures are implemented. Axfood has a Risk Committee, which is headed by the Group’s Risk Manager. The Risk Committee is tasked with, among other things, following planned countermeasures and consolidating the risks identified by the respective risk owners. A compilation is made centrally and coincides with the timing of the Group’s work with the business plan, which facilitates budgeting for decided countermeasures. For a description of the organisation, governance and reporting of risk management, see the illustration to the right. City Gross, which was acquired on 1 November 2024, was integrated into the Group’s risk management process in 2025.

Incident management

Incident reporting systems are in place in Axfood. Through these systems, a compilation is made that provides documentation for determining how operational risks are to be prioritised and managed effectively and systematically.

Crisis management, business continuity and preparedness

All of the Group companies’ crisis management teams carry out crisis management practice drills. The aim is to ensure preparedness for a crisis and that the right actions are taken at the right time by the designated key functions. The purpose is to minimise acute damage in a situation in which normal procedures are insufficient. In 2025, further preparedness and continuity work was conducted. A baseline assessment of critical processes was carried out with the aim of ensuring greater robustness. The Group also expanded its cooperation with authorities and industry stakeholders on the issue of preparedness.

Insurance

Axfood has Group-wide insurance that is reviewed yearly by an independent, external party. The insurances cover, among other things, property, business interruption, product liability, cyber-attacks, transports, and director and senior executive liability.

All of the Group’s insurance policies are renewed before expiration. To reduce the Group’s insurance costs, starting in October 2025 Axfood established its own insurance company, Axfood Försäkrings AB, which provides property and business interruption coverage for Group-owned stores in Willys, Hemköp, Snabbgross and Eurocash. The company operates according to a captive arrangement, providing reinsurance up to a total claim amount of SEK 125 m per year.



Risk overview (risks listed in alphabetical order in each category, refer to the next page for more detailed information)

F. IT and information security risks	↑	G. Risk of disruptions in the logistics chain	→
H. Criminality	↑		
A. Acquisition risks	→	C. Market risks	↑
I. Climate and environmental risks	↑	D. Employee risks	→
B. Supplier risks	→		
J. Liability and trust risks	→	L. Risk of labour market conflicts	→
K. Pandemics	→	M. Risks of errors in the financial reporting	→
E. Regulatory risks	→		

Trend
 ↑ Elevated risk
 ↓ Reduced risk
 → Unchanged risk

Impact
 ● High
 ● Medium
 ● Low

RISKS AND RISK MANAGEMENT

Strategic and operational risks

Strategic risks

Risk	Main risks	Management	Trend
A	Acquisition risks	Thorough market analyses of, for example, competition and demographics, where every investment calculation stretches over several years.	→
B	Supplier risks	Alternative solutions are evaluated on a regular basis. Having multiple suppliers of a particular product or ingredient, and often also geographic diversification of purchasing, results in lower risks in the event of potential disruptions in product supply. For suppliers where the risk is deemed to be high, more frequent follow-ups are conducted to identify deviations. High demands are placed on fire safety and financial stability.	→
C	Market risks	Market analyses, such as customer and consumer surveys, which together with other analyses form the basis of the Group's strategies.	↑
D	Employee risks	Axfood works continuously with succession planning. The Group also has a strong focus on diversity, zero tolerance for discrimination and offensive treatment, a good work environment and maintaining a healthy work/life balance.	→
E	Regulatory risks	Axfood has a Code of Conduct and an effective system of internal control, and takes an ethical approach that permeates the operations. In connection with new laws or regulations, measures are reviewed before the new regulations are enacted.	→

Risks listed in order of impact and thereafter in alphabetical order.

Trend

- ↑ Elevated risk
- ↓ Reduced risk
- Unchanged risk

Impact

- High
- Medium
- Low

Operational risks

Risk	Main risks	Management	Trend
F	IT and information security risks	Major emphasis is placed on preventive work and continuity planning. Operations are secured through redundant systems with a geographic spread of risk. Awareness about information security issues is high, with measures such as training and technical solutions.	↑
G	Risk of disruptions in the logistics chain	The focus is on systematic fire safety work, where considerable emphasis is placed on an effective fire safety organisation with preventive measures such as training, pertinent procedures, technical fire safety, and recurring inspections and follow-up. Active, ongoing continuity management that results in continuity plans and proposals for specific technical solutions.	→
H	Criminality	Preventive safety work including training, procedures, and technical and human resources for being able to handle various situations, such as fraud or shoplifting.	↑
I	Climate and environmental risks	Strong focus on development of the assortment to attract environmentally aware consumers and strengthen the Group's brands. To address challenges posed by extreme weather, deliveries are safeguarded through purchasing from different production areas. A more detailed description of the Group's work related to climate and environmental risks is provided in the Sustainability Report.	↑
J	Liability and trust risks	Axfood conducts extensive quality and food safety work. Preventive work through far-reaching internal inspection programme and quality assurance of private label products. Clear procedures for food handling.	→
K	Pandemics	Experience and knowledge gained from handling the Covid-19 pandemic, including measures taken in stores, warehouses and offices, remote working, staffing, digital work approaches and crisis management.	→
L	Risk of labour market conflicts	Coordination and dialogue via business trade associations. Long contract periods reduce the risk of conflict.	→
M	Risks of errors in the financial reporting	Axfood continuously analyses and assesses risks that could lead to errors in the Group's financial reporting. A detailed description of Axfood's work with internal control is provided in the Corporate Governance Report.	→

Risks listed in order of impact and thereafter in alphabetical order.

RISKS AND RISK MANAGEMENT

Strategic and operational risks

(A) Acquisition risks

Axfood acquires and establishes new operations on a regular basis. If the conditions in these operations do not correspond to the information provided prior to an acquisition being carried out, there is a risk that this could have a negative impact on the Group. With respect to acquisitions, a well-executed integration and retaining key persons are important. Acquisitions and new store establishments are preceded by thorough market analyses of the competition as well as demographics, with investment calculations spanning several years. In addition, the external operating environment as well as the business profile are analysed, in part based on sustainability-related aspects.

In 2024, Axfood acquired the hypermarket chain City Gross. In 2025, a number of improvement initiatives were carried out to strengthen the customer offering, implement a chain management structure and streamline operations.

(B) Supplier risks

Axfood conducts extensive quality, safety and sustainability work particularly regarding its private label products, but also for the broader assortment. To uphold and strengthen the trust of customers and other stakeholders, it is important to maintain good control of the supply chain. Risk identification at the supplier level is based on various factors, such as work environment, water supply, human rights, food and product safety, and animal welfare. Human rights challenges may arise in certain supplier countries. Quality assurance is conducted at several levels before a supplier is approved, and the selection criteria include sustainability work. Purchasing is steered toward suppliers with structured sustainability work or a willingness to change. Axfood also makes recurring visits to and/or conducts audits of suppliers covering compliance with the Code of Conduct, product knowledge, product development and, where applicable, investigations and follow-ups of any defects. A bankruptcy or serious fire at a critical supplier could result in disruptions in product flows. Therefore, alternative solutions are reviewed on a regular basis at the same time as high demands are placed on fire safety and the financial stability of critical counterparties.

(C) Market risks

Axfood operates in a competitive and dynamic market, which requires flexibility to respond to new customer needs and behaviours. To stay up to date with competitors and new trends, the market is constantly monitored. For example, customer and consumer surveys are conducted regularly, which together with other analyses form the basis of the Group's strategies. Competition in the market remained intense in 2025, and this development is being thoroughly monitored.

(D) Employee risks

The food retail market is changing rapidly, and change management is therefore important. Recruiting, developing and retaining competent and committed employees is a prerequisite for Axfood's development. To counter the negative effects of losses of key persons, the Group works continuously with succession planning. Axfood also devotes a great deal of focus to diversity and inclusion. All workplaces are to be free from all forms of discrimination and offensive treatment, which is clearly specified in an equal treatment policy. Axfood is to offer attractive and sustainable workplaces where the focus on a constructive, healthy and inclusive work environment is fundamental.

(E) Regulatory risks

For Axfood, compliance with laws and other rules and regulations is fundamental, as is conducting business in accordance with generally accepted business practice. Violations or negligence in these areas could harm the Group's reputation and result in sanctions and fines. For risk prevention purposes, a number of policies, a well-working system of internal control and an ethical approach to counter the soliciting or accepting of bribes and corruption have been established in all areas. Suppliers with which the Group enters into an agreement are required to adhere to the Group's Code of Conduct or to have its own corresponding requirements. The Code of Conduct is an integrated part of the procurement process and is included in all supplier agreements, except for certain local suppliers, which are handled at the local level. In connection with new laws or regulations, measures are reviewed well before the new regulations are enacted. Axfood

also participates in regulatory processes by, for example, responding in comment rounds or sub-reporting to ensure that the upcoming requirements are adapted and applicable.

(F) IT and information security risks

Digitalisation presents opportunities, but also places greater demands on the ability to protect information and customer data as well as ensuring stable IT operations. In the past few years, cybercriminal activity has increased. Information security is therefore a prioritised area for Axfood and part of its strategic agenda. Systematic efforts are ongoing based on a management system for information security, and the level of protection is continually monitored based on the current threat scenario. Major emphasis is placed on preventive work and the organisation in order to detect, handle and protect the Group's operations from threats and disruptions as well as on ensuring operational continuity in the event of unforeseen events. Axfood has an updated IT security architecture based on Zero Trust and activities that are being implemented according to plan. This also involves continuously working on raising awareness of the risk of operational disruptions or losses of sensitive data.

(G) Risk of disruptions in the logistics chain

One of the most serious business risks that Axfood must manage is the risk of disruptions in the logistics chain, especially the risk of fire in its warehouses and distribution centres, which would result in property loss and business interruption losses. The Group devotes a great deal of focus to its systematic fire safety work and places emphasis on maintaining a well-working fire safety organisation with preventive measures such as adequate training and pertinent procedures, adapted technical fire safety measures, and recurring inspections and follow-up. Continuity planning is sustained and active. Another aspect that could affect the logistics chain is Axfood's IT structure; see more information under Risk (F), IT and information security risks.

(H) Criminality

Crime in society impacts both Axfood's operations and its employees, and the retail industry have seen an increase in

threats, violence and organised crime in recent years. Within the Group, extensive preventive security work is being conducted, including training, establishment of procedures, and deployment of technical and human resources to deal with various situations, such as shoplifting, fraud, threats and violence.

(I) Climate and environmental risks

The risk scenario with respect to climate and environmental matters is multi-faceted and covers availability of food ingredients, brand issues as well as costs that may arise as a result of political decisions. The development toward more conscious consumers, combined with the risk of an inability to be sufficiently fast at adapting the assortment to changed expectations, could weaken competitiveness. However, risks are also opportunities for those in the industry that are far ahead. More information about climate and environmental risks is provided in the Sustainability Report on pages 50–75.

(J) Liability and trust risks

Axfood is one of the leading players in Swedish food retail, and its ability to meet stakeholders' expectations in terms of quality, transparency, and compliance with laws and standards as well as social and ethical norms is therefore crucial for maintaining a high level of credibility. Examples of issues dealt with on a daily basis include food safety, hygiene, the cold chain and product liability for products that could cause property damage or personal injury. Should a serious defect arise in any of these areas, there is a risk that the Group would be exposed to financial loss as well as damage to the brand. Axfood works actively with these issues, for example, through extensive internal inspection programmes at stores and quality assurance of private label products. As part of the inspection programmes, stores conduct certain daily arrival controls and temperature controls in various parts of the store. Clear procedures are in place, such as for handling unpackaged foods to ensure that food hygiene is maintained and to uphold the integrity of the cold chain. The quality assurance process of private label products involves imposing requirements on food and product safety during the manufacturing of goods. The contents of the products in the form of ingredients and additives,



RISKS AND RISK MANAGEMENT

as well as sensory qualities such as taste experience, are reviewed and analysed for every individual product. Axfood continuously develops its assortment based on customer needs and preferences, for example with regard to sustainability-labelled and organic products.

(K) Pandemics

Axfood is to live up to its social responsibility to deliver food to Swedish consumers in a manner that is safe and healthy for its employees and customers. The Covid-19 pandemic provided lessons on managing the spread of infection and how to take rapid action and adapt the operations to new restrictions. The risks that the pandemic gave rise to, including the risk of disruptions in the logistics chain, risks related to the supply chain and employee risks, could be managed without significant disruptions in operations. The proven link between climate change and the emergence of diseases and pandemics means there is a risk of new pandemics. Axfood has developed and strengthened its risk management based on its experiences during the pandemic.

(L) Risk of labour market conflicts

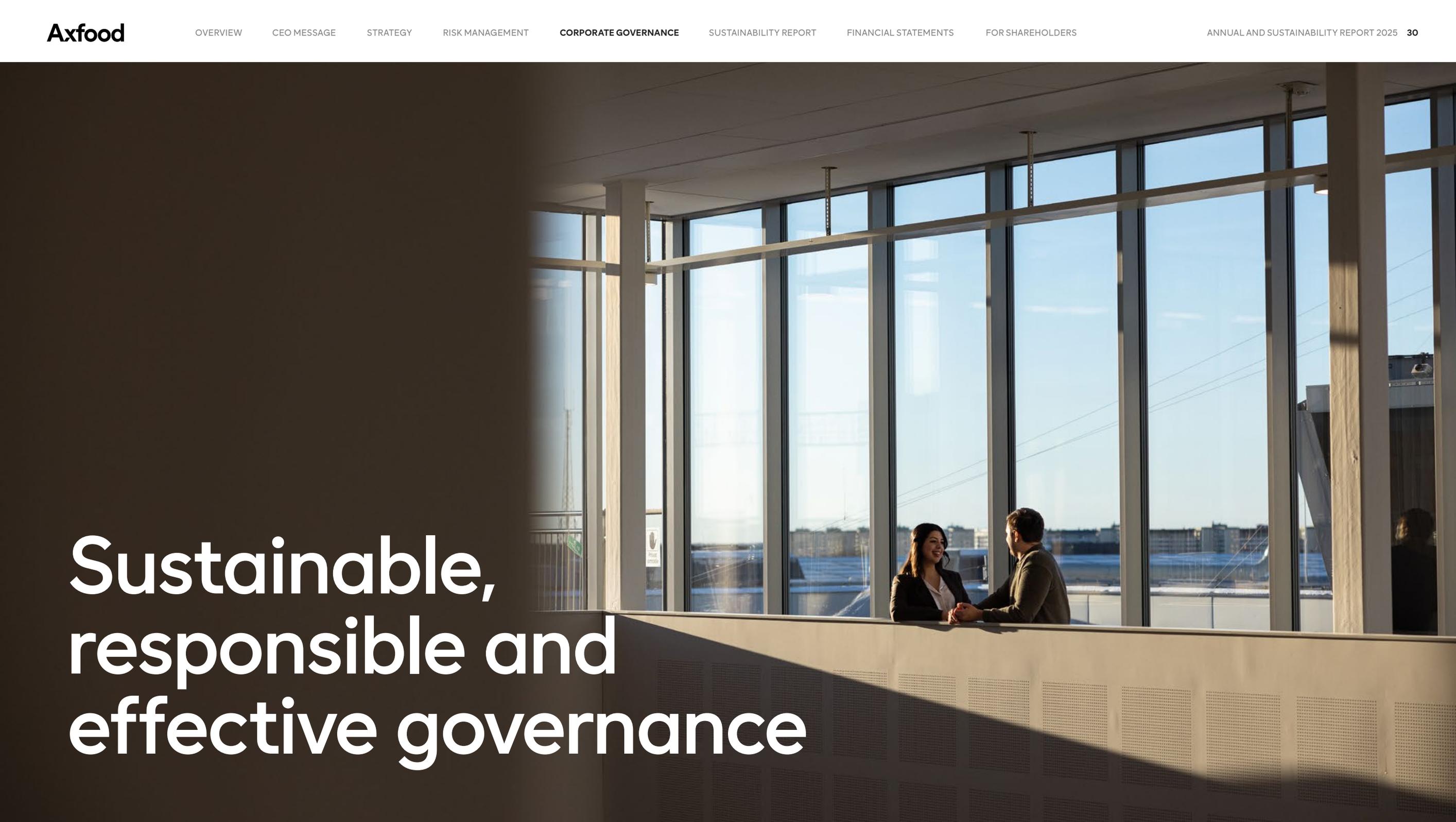
There is a risk that labour market conflicts, such as a strike or lockout in a Group company, could result in operational disruptions. Negotiations of collective bargaining agreements are mainly conducted through Swedish Commerce, in which Axfood is a member.

(M) Risks of errors in the financial reporting

Axfood continuously analyses and assesses risks that could lead to errors in the Group's financial reporting. Each year, the Board of Directors decides which risks are material to take into consideration in order to ensure a high level of internal control over financial reporting. A more detailed description of the work with internal control is provided in the Corporate Governance Report on page 36.

Financial risks

Axfood is exposed to financial risks in the form of financing and refinancing, liquidity, interest rates, currencies and credit. Every year, the Board of Directors adopts a Group-wide finance policy that regulates the delegation of responsibility for financial matters between the Board and the President and CEO. The Group's external financing and financial risk management is handled by Group Treasury within Axfood AB. Group Treasury reports monthly to the CFO with a follow-up of the finance policy. The same report is also presented to the Board four times a year. For further information about financial risks, see Note 22.



Sustainable, responsible and effective governance

CHAIRMAN'S MESSAGE

Governance focused on continuity and a long-term approach

2025 marked Axfood's 25th financial year – a year in which the Group continued to strengthen its positions and its long-term competitiveness. It is clear that the Group's business model – with distinctive concepts in collaboration and an integrated value chain – provides a strong foundation for continued value creation, with an ability to navigate changing markets.

With its business model, Axfood holds a unique position in Swedish food retail. Combined with an integrated value chain, the Group's differentiated consumer offerings and brands allow it to rapidly navigate different market climates. Another strength is Axfood's purpose-driven culture, based on the vision of being a leader in affordable, good and sustainable food. Building on these strengths, Axfood continued to successfully navigate a changing market in 2025 and strengthened its market position.

Governance focused on continuity and a long-term approach

The work of the Board is characterised by extensive commitment as well as solid, broad expertise in areas that are crucial to Axfood's development. The Board's main task is to ensure effective corporate governance that provides the right conditions for the Executive Committee to implement the long-term strategy. This involves creating a framework for effective decision-making, monitoring risks and opportunities, ensuring internal control and a clear delegation of responsibilities as well as transparent and reliable reporting to the Group's stakeholders.

In a time of changing consumer behaviour and accelerating technological advances, it is crucial that the Board focuses on the capabilities that will determine Axfood's long-term competitiveness. The focus during the year was on the Group's path towards 2030 and its strategic priorities to strengthen its market positions. The Board focused in particular on the transition of the City Gross hypermarket chain acquired in 2024 to realise the potential and opportunities created by the acquisition. In addition, the extensive investments made in logistics, digitalisation, automation and AI in recent years were important strategic decisions that the Board is now monitoring closely. In 2025, it became clear that these investments are gradually

improving the Group's efficiency and capacity, which in turn is creating the scope for continued growth and competitiveness. To strengthen the supply of goods in southern Sweden, it was decided that a new highly automated logistics centre will be established in Kungsbacka.

A key player in society focused on sustainability and health

As a leading company in food retail, Axfood is an important player in society, with a major opportunity to promote positive progress in sustainability and health. The Group has been a driving force in these areas for many years thanks to the strong leadership and commitment across the organisation and a clear link to its operations and strategy. The Board follows these issues closely as they are important for the Company's long-term value creation and central elements of Axfood's identity as well as that of its store chains.

In 2025, Axfood continued to take significant steps in sustainability and health. Examples include initiatives to ensure an even more sustainable assortment, reduced food waste and improved social conditions in the supply chain. The transition of the vehicle fleet to exclusively renewable fuels was completed towards the end of the year, marking a major milestone. In addition, one of Sweden's largest solar parks were put into operation. Located in Hallstavik, the park contributes additional capacity to the electricity grid.

I would also like to highlight Axfood's focus on inclusion initiatives, such as the internship programme offered under the SAO model to help secondary school students from disadvantaged areas gain their first work experience as part of their education. The business community has a responsibility for, and a vested interest in, making a constructive contribution to solving the challenges facing our society, and it is clear that Axfood's leaders and employees are deeply committed doing so.

Business model for long-term value creation

Following another strong year – with our store chains growing faster than their competitors – Axfood is well equipped for the future. With a clear strategy and direction, a committed organisation and a strong financial position, the Company has a solid foundation to continue to develop, challenge and create value for its customers, employees, partners and shareholders. The Board's mission is to continue to ensure that Axfood applies stable and responsible governance, allowing it to maintain a steady long-term direction while at the same time navigating fast-moving markets.

Finally, I would like to extend my sincere thanks to my colleagues on the Board, to the Executive Committee and to all employees in the Axfood family for your commitment and professionalism. I would also like to thank our shareholders for your trust. Together, we are building on Axfood's first 25 years, with a clear ambition to remain a positive driving force for affordable, good and sustainable food.

February 2026

Caroline Berg
Chairman of the Board



“The work of the Board is characterised by extensive commitment as well as solid, broad expertise in areas that are crucial to Axfood's development.”

Corporate governance

Introduction

Axfood AB (publ) ("Axfood") is a Swedish limited liability company domiciled in Stockholm.

The Corporate Governance Report has been reviewed by the Company's auditor, Deloitte, and the results of this audit are described in the auditor's examination statement on page 37 of this Annual and Sustainability Report.

At Axfood, corporate governance is guided by the principles laid out in various external and internal regulations. External rules and regulations include relevant statutes (such as the Swedish Companies Act, the Swedish Annual Accounts Act and the EU Market Abuse Regulation) and Nasdaq Stockholm's Nordic Main Market Rulebook for Issuers of Shares. Axfood also follows the Swedish Corporate Governance Code ("the Code"). In 2025, there were no deviations from Nasdaq Stockholm's Rulebook, the Code or good stock market practice. Internal rules and regulations include the Company's Articles of Association and the governance instruments adopted by the Company, which are mainly the Board of Directors' rules of procedure, the President's instructions, the Code of Conduct, policies, guidelines and other internal instructions. Internal rules and regulations are followed up annually and are revised as necessary.

Sustainability is an integral part of Axfood's operations and governance, and the strategic direction is set by the Board, in part through a sustainability policy and strategic sustainability targets. Read more about sustainability on pages 40–108.

Shareholders and shares

Axfood's shares have been listed on Nasdaq Stockholm since 1997 and have been traded on the Large Cap list since 2006. All shares have equal voting power and entitlement to the Company's profit. If notification of participation has been submitted, every shareholder has the right to vote for all owned and directly registered shares at the general meeting. There are no stipulations in the Articles of Association that restrict a shareholder's right to transfer shares.

As of 31 December 2025, Axfood had 131,719 shareholders. The largest single shareholder since the Company's listing has been the Axel Johnson Group, which controlled 50.1% of the shares and votes in the Company as of 31 December 2025.

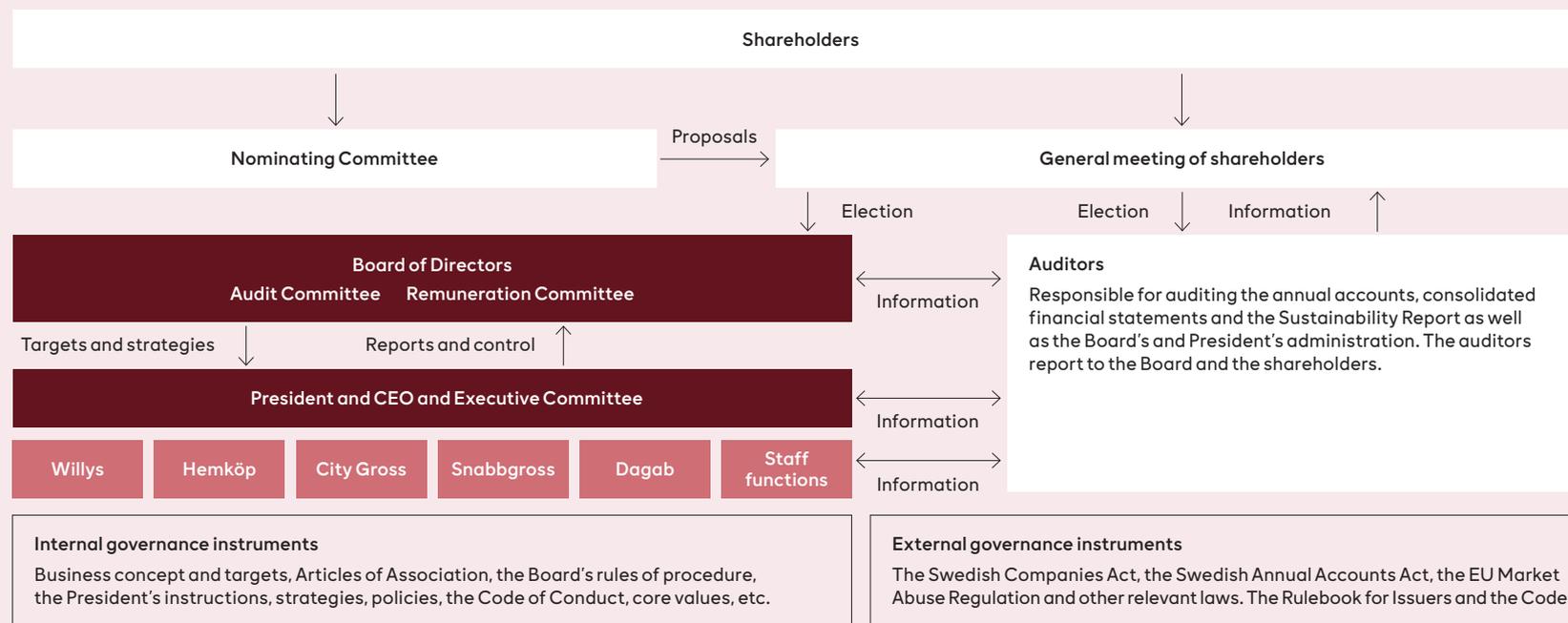
Through previous share repurchase programmes to secure delivery of shares linked to the long-term share-based incentive programme, Axfood owns a total of 921,517 treasury shares after distribution. The number of shares outstanding thereby amounts to 215,921,723.

Axfood's employees own no shares for which the voting rights cannot be exercised directly (such as through pension foundations or similar).

For further information on Axfood's ownership structure and share, see pages 161–162.

Axfood's governance model

Decision-making and control of the Company is exercised by the shareholders, the Board of Directors, the President and CEO, and the auditors in accordance with the Swedish Companies Act.



General meeting of shareholders

The general meeting of shareholders is Axfod's highest decision-making body, where the shareholders exercise their right to decide on the Company's affairs.

The Annual General Meeting (AGM) resolves on, among other things, election of directors and the Chairman of the Board, adoption of the Parent Company's and consolidated income statements and balance sheets, discharge from liability of the directors and President and CEO, disposition of the Company's profit, resolutions on fees to the Board and auditor and, when applicable, election of auditors and remuneration guidelines. No restrictions on shareholders' rights are stipulated in the Articles of Association or – to the Company's knowledge – in shareholder agreements.

2025 Annual General Meeting

The AGM was held in Stockholm on Wednesday, 19 March 2025. A total of 155,833,539 shares were represented in the voting, corresponding to 72.2% of the number of votes in the Company that could be represented at the meeting (excluding Axfod's treasury holding).

The AGM approved the following resolutions, among others:

- Ordinary dividend of SEK 8.75 per share for the 2024 financial year, to be paid out on two occasions.
- Approval of the Board's 2024 remuneration report.
- That the Board shall consist of eight AGM-elected directors with no deputy directors.
- That directors' fees shall be payable in the following amounts:
 - SEK 850,000 for the Chairman of the Board.
 - SEK 545,000 for each of the other AGM-elected directors who are non-executive directors.
 - An additional SEK 245,000 for the Chairman of the Audit Committee and an additional SEK 110,000 for the other members of the Audit Committee, and an additional SEK 75,000 for the Chairman of the Remuneration Committee and an additional SEK 50,000 for the other members of the Remuneration Committee. In addition to directors' fees, an additional SEK 20,000 per physical meeting that takes place in Stockholm for participating directors not residing in Sweden.
- Election of the Chairman of the Board and directors:
 - Election of Caroline Berg as the new Chairman.
 - Re-election of Fabian Bengtsson, Caroline Berg, Mia Brunell Livfors, Christian Luiga, Peter Ruzicka and Sara Öhrvall as directors.
 - Election of Björn Annwall and Kristofer Tonström as new directors.
- Introduction of a long-term share-based incentive programme, and in connection with this, authorisation of the Board to decide on purchases of own shares and transfer of treasury shares.

The complete minutes of the AGM are available on Axfod's website.

Nominating Committee

The Nominating Committee is tasked with submitting proposals to the AGM on the number of directors, the Board's composition and directors' fees. The Nominating Committee is also tasked with submitting proposals for the person to be elected as Chairman of the Board, a Chairman to preside over the AGM and, when applicable, election of auditors and their fees.

According to the Code, a nominating committee shall have at least three members, and the majority shall be independent in relation to the company and its executive management. Directors may be a member of the nominating committee but may not comprise a majority of its members. The Nominating Committee's work is based on an annual evaluation of the Board's work, the Code's diversity policy and Axfod's company-specific needs.

The Nominating Committee applies Rule 4.1 of the Code as its diversity policy. Axfod's Board shall have a suitable composition with a diverse and broad membership with respect to the competence, experience and background of its directors. To achieve this, the Board shall have depth of knowledge about Axfod's business, and extensive and broad experience in food retail, both physical and digital. In other respects, the Board shall have such competencies needed to direct Axfod's strategic work in a responsible and successful manner. The Nominating Committee's proposals and reasoning are presented in the AGM notice. The proposal for the composition of the Board is also to be presented together with a reasoned statement posted on Axfod's website in connection with the publication of the AGM notice. All shareholders have the right to submit proposals to the Nominating Committee by email at valberedning@axfood.se.

Nominating Committee ahead of the 2026 AGM

A Nominating Committee was appointed in September based on the Company's ownership structure as of 29 August. There were no subsequent changes in ownership resulting in any adjustment to the composition of the Nominating Committee. The owners that are represented in the Nominating Committee are Axel Johnson, Swedbank Robur Funds AB, Handelsbanken Funds and Lannebo Funds. In addition, Axfod's Chairman, Caroline Berg, serves as a co-opted member of the Nominating Committee. All members of the committee are considered to be independent in relation to the Company and the Executive Committee.

Ahead of the 2026 AGM, the Nominating Committee held four meetings noted with minutes and also maintained regular contact. No fees have been paid to the members for their work on the Nominating Committee.

Nominating Committee's composition

Name	Representing	Share of votes as of 29 Aug 2025, %
Marie Ehrling	Axel Johnson AB, Committee Chairman	50.1
Caroline Sjösten	Swedbank Robur Funds AB	4.0
Sussi Kwart	Handelsbanken Funds	2.7
Erik Durhan	Lannebo Funds	2.0

Board of Directors

According to the Articles of Association, Axfod's Board shall consist of a minimum of three and maximum of ten directors elected by a general meeting of shareholders with a maximum of two deputy directors. Election of directors takes place yearly at the AGM. The Articles of Association do not contain any other stipulations on the appointment or dismissal of directors.

The Board is responsible for ensuring that the Company's organisation is suited for its purpose and that operations are conducted in accordance with the Articles of Association, the Swedish Companies Act and other applicable laws and regulations.

The Board shall conduct its Board work jointly under the direction of the Chairman. Each year, the Board adopts its rules of procedure, which clarify the Board's work and regulate the Board's and directors' internal division of duties and the decision-making process within the Board. The rules of procedure also regulate the Board's meeting schedule, notices, agendas and minutes of Board meetings, and the Board's work with accounting, auditing and remuneration matters. In addition, the rules of procedure stipulate how the Board is to be provided with information and documentation as a basis for its work so as to be able to make well-grounded decisions.

A statutory meeting is held immediately after the AGM. Thereafter, the Board is to hold at least four meetings per calendar year. Each of the regular Board meetings follows a set agenda that is stipulated in the Board's rules of procedure and includes such items as the President and CEO's report, and reviews of financial statements, investments and strategic matters. Prior to Board meetings, the directors are provided with written material on the items of business to be addressed.

The Board also adopts annual instructions for the President and CEO.

Composition of the Board of Directors

Since the 2025 AGM, Axfod's Board has been composed of eight AGM-elected directors with no deputy directors. In addition, three directors and three deputy directors are appointed by employees. Each of the directors has important competencies and experience for Axfod that amply cover the areas considered to be important for the Company. Three of the AGM-elected directors are women. The Board's members have a breadth and depth of experience in relevant

areas. A more detailed presentation of the directors is provided on page 38.

Axfod's President and CEO is not a director, but participates at Board meetings in a reporting role, as do the CFO and the General Counsel, who also serves as secretary to the Board.

Board of Director's independence

According to the Code, a majority of directors elected by a general meeting of shareholders shall be independent in relation to the company and its executive management. At least two of these shall also be independent in relation to the company's major shareholders.

All of Axfod's AGM-elected directors have been determined to be independent in relation to the Company and the Executive Committee. Five directors – Fabian Bengtsson, Christian Luiga, Peter Ruzicka, Sara Öhrvall and Kristofer Tonström – have also been determined to have met the requirement for independence in relation to the major shareholders. Three directors have been determined as being non-independent in relation to the Company's major shareholders in 2025. Caroline Berg is President and CEO of Axel Johnson. In addition, Mia Brunell Livfors and Björn Annwall are directors of Axel Johnson.

The Board of Director's work in 2025

The Board held 11 meetings in 2025, of which one was the statutory meeting held immediately after the AGM and three were held per capsulam. Standing agenda items at regular Board meetings include a status report from the President and CEO, a follow-up of the Company's earnings performance, a market update, matters concerning investments and establishments, and sustainability matters. The Remuneration and Audit Committees submit reports from their meetings at the following Board meeting, and interim reports are addressed quarterly.

The Board adopts a number of governance documents annually. During the year, the Board adopted rules of procedure for the work of the Board, the Audit Committee and the Remuneration Committee, and adopted a Group-wide Code of Conduct and a Supplier Code of Conduct, a policy for governance documents, and a number of other policies.

In June, a meeting was held to address Axfod's strategy, among other topics. Strategy work subsequently continued at the subsidiary level and in the Executive Committee, after which the Board adopted a business plan for 2026 in December 2025. Other important business issues were strategy and an efficient organisation, the market and business environment, the work related to City Gross (acquired on 1 November 2024), planning of a new highly automated logistics centre in Kungsbacka, data and AI, and sustainability.

The Company's auditors attended the first Board meeting of the year to report on their audit of the annual accounts for the 2024 financial year. The auditors also attended the year's last meeting to inform on planning for 2026 and to report on their continuing audit.

The Board addressed the auditors' reports and reviewed the Company's internal control and compliance, and performed the annual evaluation of the Board. An overview of the annual planning for the Board's work is presented in the illustration below.

Remuneration Committee

The Board has appointed a Remuneration Committee to deal with remuneration matters. Among other tasks, the Remuneration Committee sets salaries, variable remuneration and other overall terms of employment for members of Axfood's Executive Committee. However, the terms for the President and CEO are decided on by the Board as a whole based on a recommendation by the Remuneration Committee. The Remuneration Committee is responsible for monitoring and evaluating the application of the guidelines for remuneration to senior executives adopted by the AGM. The Remuneration Committee is also responsible for drafting proposals for any share-based incentive programmes, deciding who shall be invited to participate in these and making proposals to the Board on decisions to allot shares in such incentive programmes. The committee is also tasked with monitoring and evaluating variable remuneration programmes for senior executives. Early on every year, the Remuneration Committee sets the targets to apply for variable

remuneration for members of the Executive Committee, excluding the President and CEO.

As of the start of the year, the members of the Remuneration Committee were Thomas Ekman (Committee Chairman), Caroline Berg and Fabian Bengtsson. As of the AGM, Thomas Ekman was replaced by Mia Brunell Livfors (Chairman). Axfood's President and CEO is a co-opted member of the Remuneration Committee, and Axfood's Head of Human Resources is committee secretary. During the year, the Remuneration Committee drafted a proposal to introduce an additional long-term share-based incentive programme for key individuals at Axfood. The Remuneration Committee held four meetings in 2025, and fees were paid in accordance with the AGM's resolution.

Audit Committee

The Board has appointed an Audit Committee tasked with supporting the Board's work of ensuring that the financial reporting, sustainability reporting and risk management comply with applicable regulations. The Audit Committee is also tasked with examining the quality assurance of the process for the Company's financial reporting and sustainability reporting, reviewing and evaluating the effectiveness of internal control regarding financial reporting and sustain-

ability reporting, and together with the Executive Committee following and assessing the handling of complicated matters related to accounting and valuation. The Audit Committee also monitors and follows up on the external audit of the Annual and Sustainability Report and the consolidated financial statements as well as the auditor's impartiality and independence.

The Company's auditors attend the Audit Committee's meetings, during which the committee is informed about the focus and scope of the audit and the view of the Company's risks. The Audit Committee's assignment also includes establishing guidelines for which services may be procured from the auditor other than the audit.

In 2025, the members of the Audit Committee were Christian Luiga (Chairman), Sara Öhrvall and Peter Ruzicka. The President and CEO and CFO are co-opted members of the Audit Committee, and the Head of Group Accounting is committee secretary. During the year, the committee addressed the procurement of an audit firm, proposed revisions of the finance policy and regulations linked to sustainability reporting. The Audit Committee also reviewed the Group's financial reports and work on risks and internal control. The Audit Committee held six meetings in 2025, and fees were paid in accordance with the AGM's resolution.

Evaluation of the Board's work

The Chairman of the Board is responsible for conducting an annual evaluation of the Board's work by soliciting the directors' views on how the Board work is conducted and how it can be improved. The evaluation also serves as important documentation for the Nominating Committee's work ahead of the AGM.

The results of the evaluation are consistently high. The Board is of the opinion that the Company has the right strategy to fulfil its purpose and that the Board has the collective knowledge and experience required to support the implementation of the Company's strategy. The Chairman promotes open discussions in which the collective knowledge and experience of the directors can be utilised, and all directors actively contribute to fostering an inclusive climate for discussions. The Board and management have a good relationship and high level of mutual trust, and regular communication is maintained with key individuals in the Company. Investments are also monitored in an effective manner. The results of this evaluation were reported to the Nominating Committee and to the Board at the end of the year.

The Board's work in 2025

During the year, the Board focused in particular on strategy and the organisation, the market and business environment, the work related to City Gross, planning of a new highly automated logistics centre in Kungsbacka, data and AI, and sustainability.

First quarter

January

- Status report from the President and CEO
- Earnings performance in 2024
- Report from the auditors
- Matters ahead of AGM
- Year-end report
- Investment matters
- Report from the Board's committees
- Remuneration to the President and CEO

February

- Resolutions ahead of AGM
- Decision regarding the Annual and Sustainability Report

March

- Annual General Meeting and related resolutions
- Statutory Board meeting

Second quarter

April

- Status report from the President and CEO
- Forecast update
- Q1 interim report
- Rules of procedure for the Board of Directors and its committees and instructions for the President and CEO
- Codes of Conduct, policies and guidelines
- Composition of subsidiary Boards

- Investment matters
- Long-term share-based incentive programme (LTIP)
- Report from the Board's committees

June

- Status report from the President and CEO
- Strategy
- Investment matters
- Double materiality assessment in accordance with ESRS

Third quarter

July

- Status report from the President and CEO
- Half-year report
- Report from the Board's committees

September

- Status report from the President and CEO
- Strategy
- Investment matters

Fourth quarter

October

- Status report from the President and CEO
- Q3 interim report
- Investment matters
- Report from the Board's committees

December

- Status report from the President and CEO
- Report from the auditors
- Strategic priorities and budget 2026
- Internal control and risk reports
- Employee survey
- Investment matters
- Report from the Board's committees
- Evaluation of the Board's work
- Remuneration to the President and CEO

Auditors

Auditors are elected by the AGM based on a proposal by the Nominating Committee and are elected for a period of two years. The accounting firm Deloitte AB was re-elected by the 2024 AGM for a term until the 2026 AGM. Didrik Roos, Authorised Public Accountant and President of Deloitte Sweden, has served as chief auditor since the 2023 AGM. In addition to Axfood, Didrik Roos is chief auditor for H&M Hennes & Mauritz, Loomis and New Wave Group.

Services provided by the auditors aside from the audit assignment shall only be provided in a scope that is compatible with the rules of the Swedish Auditors Act and FAR's professional ethics rules regarding auditors' impartiality and independence.

Executive Committee

The Executive Committee is made up of the President and CEO, the managing directors of Willys, Hemköp, Snabbgross and Dagab, and the Group heads of staff.

The Executive Committee holds monthly meetings to address continuing matters and for discussions, and at least one annual strategy

meeting. The store establishment and financing committee, which is linked to the Executive Committee, also meets once a month to address matters concerning store investments and divestments, new leases and renewals of existing leases. The Executive Committee is also part of a sustainability forum that meets quarterly to address issues related to the Group's sustainability efforts in addition to the ongoing sustainability-related matters handled at the Executive Committee's monthly meetings. An annual business plan is drafted by the subsidiaries and the Executive Committee and adopted by Axfood's Board at the end of the year. The work on the business plan thereby involves employees from several levels within the Group. The business plan is addressed by the Executive Committee and is thus a dynamic planning and follow-up document.

The subsidiaries are governed by their respective Boards. Axfood's President and CEO serves as the Chairman of most of the larger subsidiaries' boards. The other directors on the subsidiaries' Boards consist of various representatives from the Executive Committee as well as a number of other Group executives with relevant expertise regarding each company. The Board of Directors of City Gross also

includes Thomas Evertsson, former Managing Director of Willys. The subsidiaries hold Board meetings on a regular basis, and the larger subsidiaries hold at least four regular Board meetings a year.

A more detailed presentation of the Executive Committee is provided on page 39.

Guidelines for remuneration to senior executives

Guidelines for remuneration to senior executives were adopted by the 2023 AGM based on a proposal by the Board and are to apply not longer than until the 2027 AGM.

Guidelines cover the President and CEO of Axfood and members of the Executive Committee, who report directly to the President and CEO. The guidelines do not cover remuneration decided on by the general meeting of shareholders, such as directors' fees or share-based incentive programmes. The guidelines govern the decisions on remuneration that are made by the Remuneration Committee with respect to senior executives who report directly to the President and CEO and by the Board as a whole with respect to the President and CEO. They are to be applied to agreed remuneration and any changes made to previously agreed remuneration.

Axfood shall offer remuneration that is in line with the going rate in the market and that is based on factors such as the importance of the work duties and the executive's expertise, experience, performance and, as regards variable remuneration, achievement of previously set targets. Remuneration may consist of a fixed base salary, short-term variable remuneration, pension benefits, insurance and other benefits. In addition, the general meeting of shareholders may – and independent of these guidelines – decide on share-based and share price-related remuneration.

Every AGM since 2017 has resolved to introduce long-term incentive programmes covering long-term variable remuneration for senior executives.

Short-term variable remuneration is expensed during the financial year and is paid out after the AGM has adopted the income statement and balance sheet. The guidelines adopted by the 2023 AGM have been followed, and all previously decided remuneration not yet paid out is within the described framework.

For a complete account of the adopted guidelines, see Note 6.

Composition of the Board of Directors in 2025

Name	Year elected	Independent – Company and Executive Committee	Independent – major shareholders	Remuneration Committee	Audit Committee	Meeting attendance		
						Board	Remuneration Committee	Audit Committee
Caroline Berg (Chairman) ¹⁾	2014	Yes	No	Yes	–	11/11	4/4	–
Thomas Ekman (Chairman) ^{1) 2)}	2023	Yes	No	Yes	–	3/3	1/1	–
Björn Annwall	2025	Yes	No	–	–	8/8	–	–
Fabian Bengtsson	2016	Yes	Yes	Yes	–	11/11	4/4	–
Mia Brunell Livfors ²⁾	2016	Yes	No	Yes	–	11/11	3/3	–
Christian Luiga	2020	Yes	Yes	–	Yes	11/11	–	6/6
Peter Ruzicka	2021	Yes	Yes	–	Yes	11/11	–	6/6
Kristofer Tonström	2025	Yes	Yes	–	–	6/8	–	–
Sara Öhrvall	2022	Yes	Yes	–	Yes	11/11	–	6/6
Anders Helsing (employee representative)	–	–	–	–	–	11/11	–	–
Michaela Livenborn (employee representative) ³⁾	–	–	–	–	–	5/5	–	–
Michael Sjöérén (employee representative)	–	–	–	–	–	11/11	–	–
Lars Östberg (employee representative) ³⁾	–	–	–	–	–	6/6	–	–
Frida Antbrink (deputy) ⁴⁾	–	–	–	–	–	0/0	–	–
Ann-Katrin Alnervik (deputy) ³⁾	–	–	–	–	–	0/0	–	–
Johan Larsson (deputy) ³⁾	–	–	–	–	–	0/0	–	–
Jimmy Sjögren (deputy) ⁴⁾	–	–	–	–	–	0/0	–	–
Patrik Thorin (deputy)	–	–	–	–	–	0/0	–	–

1) Thomas Ekman stepped down as Chairman of the Board and Director in connection with the 2025 AGM, at which point Caroline Berg succeeded him as Chairman.

2) Thomas Ekman left the Remuneration Committee in connection with the 2025 AGM, at which point Mia Brunell Livfors was elected to the committee. As a result, neither attended all of the meetings of the Remuneration Committee during the year.

3) From July 2025, Michaela Livenborn and Johan Larsson were elected as employee representatives to replace Lars Östberg and Ann-Katrin Alnervik, respectively. As a result, neither of these directors attended all of the Board meetings during the year.

4) From December 2025, Frida Antbrink was replaced by Jimmy Sjögren.

For information on directors' fees, see Note 6.

The Board's report on internal control

In accordance with the Swedish Companies Act and the Code, the Board is responsible for ensuring that the Company has well-designed internal controls and solid processes in place to ensure that the financial and sustainability reporting is controlled in a satisfactory manner. Internal control at Axfood is based on the COSO Internal Control Integrated Framework, which has been adapted to the operation. The framework consists of five components: control environment, risk assessment, control activities, information and communication, and monitoring.

Axfood's CFO has the primary responsibility for ensuring that the work with and monitoring of the internal controls are conducted in accordance with the method decided on by the Board through the Audit Committee. The internal control function is responsible for the ongoing work and for reporting results and conclusions to the Audit Committee.

Control environment

The control environment forms the basis of the internal control framework. Decision-making channels, authorisations and responsibilities are clearly defined and communicated throughout the organisation. In addition, governance documents such as internal policies, guidelines and manuals are available to all employees. Axfood's Board has established defined processes and rules of procedure for the Board and its committees. An Audit Committee has been established for the reporting.

To create a solid foundation for internal control and to maintain a high standard within the Group, the Board has adopted a number of fundamental governance documents, including rules of procedure for the Board and instructions for the President and CEO, codes of conduct for employees and for supplies and policies for risk and regulatory compliance, finance, security, communication, sustainability, insider information, and HR and work environment. In addition, the Board has ensured that the organisational structure lays out clear roles, responsibilities and processes that ensure effective management of risks and internal control, thereby enabling goal achievement.

The internal control function works continuously on developing, adapting and improving Axfood's control environment in order to maintain a control environment that is functional and effective, while also ensuring high-quality and reliable reporting.

Risk assessment

Axfood continuously evaluates the risk of errors in the financial and sustainability reporting to ensure that they are managed. Risk analyses are conducted at least twice a year and on a continuing basis as needed. Based on the results, the Audit Committee evaluates and decides which risks to take into consideration in order to ensure reasonable internal control over reporting. For a more detailed description of risks and risk management, see pages 26–29.

Control activities

Axfood's control activities derive from the most material risks that impact the Group's reporting. These control activities are defined in the Group's risk and control matrixes. The matrixes are specified by company and business-critical processes related to the reporting defined by the steering committee. Furthermore, an additional risk and control matrix is implemented to ensure that risks within Group-wide processes are effectively managed.

The control activities are designed according to a structure aimed at detecting and preventing risks of errors in the reporting. This also ensures efficiency and reasonable control in all of the Group's processes related to financial and sustainability reporting. Examples of control activities include reconciliation of accounts, inventory counts, quality assurance and user access reviews.

Information and communication

All of Axfood's governance documents are communicated via the Group's intranet and are updated annually to reflect any changes to internal and external requirements. Guidelines for internal governance and control are announced in accordance with the Group's communication structure and procedures for governance documents.

The internal control function reports the results of the year to the Audit Committee, primarily focusing on observations, recommendations and mitigating activities.

Monitoring

The Board, through the Audit Committee, is responsible for quality assurance of the Group's monitoring of internal control. The internal control work, together with the external audit, provides support to the Board and Executive Committee in assessing and identifying material risk areas in the reporting process. This enables the possibility to assess efforts and follow-up initiatives in selected areas. Furthermore, the Group has a central risk management function.

The internal control function is responsible for the results and efficiency of the internal control, which is monitored through self-assessments. Any deviations are reported to the control and process owner to remediate noted deficiencies. The results of the self-assessments and the outcome of the external audit are reported to the Audit Committee and the Board.

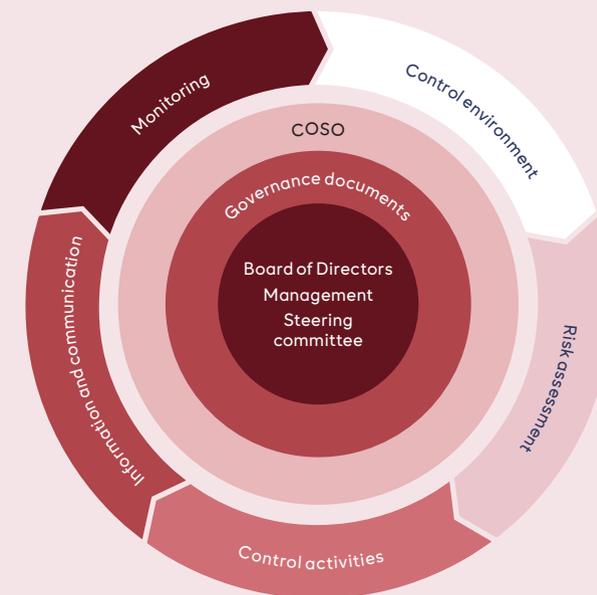
Focus areas during the year

During the year, Axfood worked to further develop the control framework for sustainability reporting to meet the ESRS requirements and to streamline its ways of working. Additional system support work was also carried out to optimise use and ensure an effective internal control process.

Stockholm, February 2026

Board of Directors of Axfood AB

Internal control



Assessment of a separate audit function

Axfood does not have a separate audit function, meaning an internal audit function. The Audit Committee and the Board have considered the matter of a separate audit function and concluded that the existing risk management structure and monitoring of internal control provide a satisfying level of reliability. The Board evaluates the need for a separate audit function every year.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Axfood AB (publ) corporate identity number 556542-0824

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 1 January 2025 to 31 December 2025 on pages 30–36 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Signature on Swedish original

Deloitte AB

Didrik Roos

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.



Board of Directors



1. Caroline Berg

Chairman

Born: 1968

Other assignments: Director of Axel Johnson and Axel Johnson International. Chairman of Forum för Innanförskap, the Järvaveckan Foundation, the Axjoma Foundation, etc.

Education: BA from Middlebury College, USA.

Current position: CEO of Axel Johnson.

Professional experience: Long track record of experience in retail and industrial trade. Active in the Axel Johnson Group since 2005, for example as Vice President, Human Resources and Communication from 2006 to 2014 and Chairman in Axel Johnson AB from 2015 to 2025.

Director since: 2014

Committee membership: Remuneration Committee Independent in relation to the Company and Executive Committee. Non-independent in relation to major shareholders of the Company.

No. of Axfod shares: 13,226



2. Björn Annwall

Director

Born: 1975

Other assignments: Director of Axel Johnson. *Education:* M.Sc. in Business and Economics from the Stockholm School of Economics. Economics studies, University of British Columbia, Vancouver, Canada.

Professional experience: Several senior roles within Volvo Car Group, including CFO, CCO and deputy CEO. Management consultant and senior partner at McKinsey & Co.

Director since: 2025

Independent in relation to the Company and Executive Committee. Non-independent in relation to major shareholders of the Company.

No. of Axfod shares: 2,000

3. Fabian Bengtsson

Director

Born: 1972

Other assignments: Chairman of SIBA Invest. Director of Komplet Group AS.

Education: B.Sc. Business and Economics, Lund University.

Current position: CEO of SIBA Fastigheter.

Professional experience: Long track record of experience in retail and digital trade, including as CEO of the SIBA Group, Chairman of Netonnet, and as director/Chairman of CE-Konsumentelektronikbranschen.

Director since: 2016

Committee membership: Remuneration Committee

Independent in relation to the Company and Executive Committee, and to major shareholders of the Company.

No. of Axfod shares: 20,085



4. Mia Brunell Livfors

Director

Born: 1965

Other assignments: Chairman of Alstra Energy and Snäckedjupet. Director of Axel Johnson, the Axjoma Foundation, AxSol and Efva Attling Stockholm.

Education: Economics studies, Stockholm University.

Professional experience: Former President and CEO of Axel Johnson, President and CEO of Kinnevik, many years of experience from Board work with listed Swedish and international companies.

Director since: 2016 (Chairman 2016–2023)

Committee membership: Remuneration Committee (Chairman)

Independent in relation to the Company and Executive Committee. Non-independent in relation to major shareholders of the Company.

No. of Axfod shares: 0

5. Christian Luiga

Director

Born: 1968

Education: Economics studies, Stockholm University.

Current position: CFO of Spotify.

Professional experience: CFO and Deputy CEO at Saab AB, Executive Vice President, CFO and Head of Corporate Control at Telia Company, CFO of Teleca and Framfab.

Director since: 2020

Committee membership: Audit Committee (Chairman)

Independent in relation to the Company and Executive Committee, and to major shareholders of the Company.

No. of Axfod shares: 5,000



6. Peter Ruzicka

Director

Born: 1964

Other assignments: Chairman of Pandora AS, AKA AS, The Nutriment Company AB, Royal Unibrew AS and Aspelin Reitan Eiendom AS.

Education: Bachelor's degree in business administration and MBA, BI Norwegian Business School.

Professional experience: President and CEO of Orkla, President of Norwegian investment company Canica AS and Deputy CEO of ICA AB, etc.

Director since: 2021

Committee membership: Audit Committee Independent in relation to the Company and Executive Committee, and to major shareholders of the Company.

No. of Axfod shares: 400

7. Kristofer Tonström

Director

Born: 1979

Education: B.Sc. in Business and Economics from the Gothenburg School of Economics.

Current position: President and CEO of Clas Ohlson.

Professional experience: President and CEO of Filippa K, and several senior positions at Omega Pharma and Procter & Gamble.

Director since: 2025

Independent in relation to the Company and Executive Committee, and to major shareholders of the Company.

No. of Axfod shares: 841



8. Sara Öhrvall

Director

Born: 1971

Other assignments: Chairman of SSE Ventures. Vice Chairman of the Ahlström Oy Advisory Board. Director of Investor, Bonnier Books and Dagens Nyheter, SNS, and International Advisory Board for the Stockholm Resilience Center.

Education: MSc International Business, Umeå University.

Professional experience: COO at Axel Johnson, Chief Transformation Officer at SEB, Senior Vice President R&D at Bonnier AB, co-founder and CEO of Differ and Mindmill Networks, and Product Development Director at Volvo Cars.

Director since: 2022

Committee membership: Audit Committee Independent in relation to the Company and Executive Committee, and to major shareholders of the Company.

No. of Axfod shares: 162

9. Anders Helsing

Employee representative

Born: 1966

Other assignments: Employee representative for Axel Johnson and Axfod IT.

Professional experience: Axfod employee since 1998.

Director since: 2016

Non-independent in relation to the Company and Executive Committee.

No. of Axfod shares: 59



10. Michael Sjören

Employee representative

Born: 1960

Other assignments: Employee representative for Snabbgross and Dagab Inköp & Logistik. *Professional experience:* Axfod employee since 1995.

Director since: 2010

Non-independent in relation to the Company and Executive Committee.

No. of Axfod shares: 0

11. Michaela Livenborn

Employee representative

Born: 1982

Other assignments: Employee representative for Willys.

Professional experience: Axfod employee since 2002.

Director since: 2025

Non-independent in relation to the Company and Executive Committee.

No. of Axfod shares: 0

Executive Committee



1. Simone Margulies
 President and CEO
Born: 1978
Employee since: 2016
Other assignments: Director of Swedish Commerce and the Swedish Food Retailers Federation.
Education: M. Sc. Mechanical Engineering, KTH Royal Institute of Technology, Stockholm.
Professional experience: Managing Director of Hemköpskedjan, Deputy Managing Director of Dagab Inköp & Logistik, Business Area Manager at Dagab, Business Area Manager at ICA Sweden, Analyst Manager at ICA Sweden, Supply Chain Development at ABB.
Member of the Executive Committee since: 2020
No. of Axfood shares: 16,513

2. Hans Bax
 Managing Director of Dagab Inköp & Logistik
Born: 1978
Employee since: 2011
Education: M. Sc. Business Administration, Jönköping International Business School.
Professional experience: Business Area Manager at Dagab, Category Manager at ICA Sweden, Head of Purchasing at ICA Sweden, Category and Purchasing Manager at Lidl Sweden, Supply Chain Manager at Lidl Sweden.
Member of the Executive Committee since: 2024
No. of Axfood shares: 6,223

3. Sandra Brånstad
 General Counsel
Born: 1975
Employee since: 2018
Other assignments: Director of AIK Fotboll, Bergvallen AB, Ortala AB and Pensan AB.
Education: Master of Laws, Stockholm University.
Professional experience: Lawyer, most recently as partner and Director of Ramberg Advokater.
Member of the Executive Committee since: 2022
No. of Axfood shares: 13,500

4. Shaoan Etemadi
 Managing Director of Hemköpskedjan
Born: 1981
Employee since: 2021
Other assignments: Director of KRAV.
Education: B.Sc. Political Science, Lund University.
Professional experience: Deputy Managing Director of Hemköpskedjan, Sales Director at Hemköpskedjan, Business Area Manager at ICA Sweden, Category and Purchasing Manager at Lidl Sweden, District Manager at Lidl Sweden.
Member of the Executive Committee since: 2024
No. of Axfood shares: 6,558

5. Karin Hedlund
 Head of IT
Born: 1966
Employee since: 2020
Education: M. Sc. Mechanical Engineering, KTH Royal Institute of Technology, Stockholm.
Professional experience: CIO at Lantmännen, Head of Project Delivery and Build & Deploy at Ericsson, Head of IT Development at Axfood, Senior Manager at Accenture.
Member of the Executive Committee since: 2020
No. of Axfood shares: 12,212

6. Sara Kraft Westrell
 Head of Corporate Communications
Born: 1974
Employee since: 2018
Education: Business Administration, Lund University and National University of Singapore.
Professional experience: Director of Information at Clas Ohlson and Hexagon, Marketing and Communications Director at JB Education, Communications Adviser at Kreab and Brunswick.
Member of the Executive Committee since: 2018
No. of Axfood shares: 11,604

7. Anders Lexmon
 CFO
Born: 1968
Employee since: 2002
Education: Agricultural Economics and Management, Swedish University of Agricultural Sciences (SLU).
Professional experience: Head of Financial Control at Axfood, Head of Group Accounting at Axfood, Head of Group Accounting at SJ, auditor at KPMG.
Member of the Executive Committee since: 2017
No. of Axfood shares: 26,104

8. Monica Långbo
 Head of Human Resources
Born: 1963
Employee since: 2019
Education: Executive MBA, Stockholm University College of Education.
Professional experience: Head of HR Sweden and Denmark, HR Director and Head of Security & Legal Counsel, HR Director and Head of Information/PR/PA/Communication, Head of Leadership Development & Executive Recruitment at Manpower Group, leadership and organisational consultant at own firm.
Member of the Executive Committee since: 2019
No. of Axfood shares: 16,649

9. Eva Pettersson
 Managing Director of Snabbgross
Born: 1966
Employee since: 2004
Education: M.Sc. Econ., Linköping University, and studies at the University of East Anglia.
Management training at: Novare.
Professional experience: Managing Director of Axfood Närlivs, Head of Business Development, Dagab, Systems Manager, Axfood IT, food retailing consultant, Accenture.
Member of the Executive Committee since: 2014
No. of Axfood shares: 26,710

10. Nicholas Petterson
 Managing Director of Willys
Born: 1976
Employee since: 2004
Education: M. Sc. Econ., Växjö University.
Professional experience: Managing Director of Dagab Inköp & Logistik, Managing Director of Axfood Närlivs, Business Area Manager at Snabbgross and Supply Chain Manager at AB Svenska Shell.
Member of the Executive Committee since: 2009
No. of Axfood shares: 20,237

11. Carl Stenbeck
 Head of Strategy and Business Development
Born: 1979
Employee since: 2018
Education: M.Sc., Chalmers University of Technology; M.Sc., School of Business, Economics and Law at the University of Gothenburg; studies at the University of Manchester.
Professional experience: Global Head of Digital Development at H&M, management consultant at Boston Consulting Group and Accenture, Programme Manager at Papyrus.
Member of the Executive Committee since: 2018
No. of Axfood shares: 4,560



Taking the lead in promoting sustainable food in Sweden

Sustainability report

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About this sustainability report

This sustainability report constitutes Axfood's statutory sustainability report in accordance with the Swedish Annual Accounts Act. Axfood has prepared the report in accordance with the European Sustainability Reporting Standards (ESRS) and the EU Taxonomy Regulation.

The report has been prepared at Group level and covers the entire Axfood Group. Unless otherwise stated, the scope of the consolidation is the same as for the financial reporting. The emphasis is on activities upstream in the value chain, since the majority of Axfood's material impacts, risks and opportunities arise in primary production. These are the main areas of the value chain that Axfood, as a purchaser, has the opportunity to influence by setting requirements during the procurement process.

The report also covers impacts downstream in the value chain, but to a lesser extent. Impacts are often influenced by external factors and consumer behaviour over which Axfood has limited influence. More detailed descriptions of such impacts, risks and opportunities are presented in the results of Axfood's double materiality assessment on page 49.

Axfood has chosen to omit certain material information which, according to ESRS 1, may be exempted in specific cases where the information is classified or sensitive or pertains to intellectual property or the results of innovation. The application of this exemption pertains to detailed information on investments and capital expenditure related to fossil-free vehicles and charging infrastructure that has been omitted since the information is deemed to be of a confidential nature and of high commercial value.

The Group applies segment reporting according to IFRS 8, with the following identified operating segments: Willys, Hemköp, City Gross, Snabbgross and Dagab. For more information about how the Group's revenue is allocated across these segments, see Note 3.

Material impacts, risks and opportunities for operations are presented throughout the sustainability report. When time horizons are stated in the reporting of policies, procedures, measures, targets and metrics, they are based on the definition of short-, medium- and long-term time horizons stipulated in ESRS 1 unless otherwise stated.

The metrics reported have not been validated by any external body other than the Company's auditor, who has conducted a limited review of this sustainability report.

Phasing in disclosure requirements

Axfood has applied the ESRS phase-in provisions for the following disclosure requirements:

- SBM-1: Strategy, business model and value chain

- SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
- E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- E2-6: Anticipated financial effects from pollution-related impacts, risks and opportunities
- E3-5: Anticipated financial effects from water and marine resources-related impacts, risks and opportunities
- E4-6: Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities
- E5-6: Anticipated financial effects from resource use and circular economy-related risks and opportunities
- S1-7: Characteristics of non-employee workers in the undertaking's own workforce
- S1-11: Social protection
- S1-12: Persons with disabilities
- S1-13: Training and skills development
- S1-15: Work-life balance

Application of the phase-in provisions entails that the disclosure requirements will be applied gradually over the coming reporting years.

Estimates, outcomes and sources of uncertainty

Axfood has identified sources of uncertainty in the sustainability information reported. These include uncertainties related to methodology limitations, data collection, and assumptions and estimates as well as external factors that could influence the results.

Some information in the report is based on data with a higher level of uncertainty. This is mainly the case for information based on secondary data, particularly for activities upstream in the value chain. The uncertainty mainly affects the reporting of Scope 3 emissions under ESRS E1 (Climate change) and information pertaining to resource inflows and outflows under ESRS E5 (Resource use and circular economy), including products, packaging and material use.

More detailed descriptions of the uncertainties in question and the associated reporting principles are presented in connection with the respective disclosures in the report.

Changes in preparation or presentation of sustainability information

During 2025, significant changes were made to the preparation and presentation of sustainability information compared with previous reporting periods. These changes mainly pertained to Axfood's targets and metrics as well as the establishment of three new targets.

Standard	List of changes	Type of change	Page
E1	Kg CO ₂ eq per kg of food sold	Change of target	55
	tCO ₂ eq from own operations	Change of target	55
	Share of private label suppliers with publicly announced climate targets	Change of target	55
	Share of suppliers of branded products with publicly announced climate targets	New target	56
E3	Share of converted refrigerants in stores and warehouses	New target	57
	Sustainability-labelled fish and shellfish, share of sales	Change of target	65
E4	Organic food, share of sales	Change of target	69
	Number of facilities located in close proximity to nature conservation areas	Change of metric	70
E5	Share of food waste	Change of target	73
S1	Gender pay gap	Change of metric	83
	Total remuneration ratio	Change of metric	83
S2	Social audits carried out	Change of metric	87
S4	Keyhole-labelled food, share of sales	New target	94
G1	Sustainability-labelled products, share of sales	Change of target	98
	KRAV-certified meat, share of sales	Change of target	99

Reporting errors in prior periods

No material reporting errors in prior periods were identified in 2025.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The Task Force on Climate-related Financial Disclosures (TCFD) is a framework of recommendations that guides the work of identifying climate-related financial risks and opportunities. Similarly, the Taskforce on Nature-related Financial Disclosures (TNFD) is a framework for measuring and reporting risks, impacts and dependencies related to biodiversity.

Axfood's strategy work and risk management related to climate change and biodiversity have in recent years been adapted to these frameworks. This is also described in sections ESRS E1 on page 52 and ESRS E4 on page 68, which also address financial risks and opportunities related to climate change and biodiversity.

Sustainability governance

Axfood's sustainability governance is integrated into its management, with clearly defined responsibilities assigned to the Board of Directors and the Executive Committee. The Board is responsible for the strategic direction and the Group's overarching targets, while the Executive Committee is responsible for other targets, operational implementation and follow-up. Regular reporting and internal controls ensure that sustainability work is effective and transparent.

Composition of the Board of Directors and Executive Committee

Axfood's Board consists of 11 non-executive members, eight of whom are elected by the Annual General Meeting (AGM), and three of whom are elected by employee organisations. Of the AGM-elected Board members, 63% (40) are independent in relation to the Company and Executive Committee, and to major shareholders. The gender breakdown on the Board is 36% women (30) and 64% men (70). The Executive Committee is made up of 11 executive members, including the President and CEO, the managing directors of the subsidiaries that conduct business activities and heads of staff. The gender breakdown is 55% women (55) and 45% men (45).

Delegation of responsibility for sustainability matters

Ultimate responsibility for the Group's sustainability work rests with Axfood's President and CEO. In consultation with the Executive Committee, the Risk Committee and the Head of Sustainability, strategies, guidelines and targets as well as annual and quarterly sustainability reports are drafted, and sustainability efforts are followed up. The Executive Committee is responsible for Axfood's management of material impacts, risks and opportunities.

The Board has delegated responsibility for monitoring internal control and risk management to the Audit Committee. The Executive Committee has delegated responsibility for preparing the materiality assessment, guidelines and sustainability targets to the Group's central sustainability function as well as the accounting and finance department. Risk management is carried out in the respective operations, while the Group's Risk Committee is responsible for compiling, assessing and reporting risks.

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The Audit Committee oversees the effectiveness of the internal controls and risk management regarding material impacts, risks and opportunities. The committee also reviews the sustainability reporting and assesses the management of complicated matters related to accounting and valuation. The President and CEO reports directly to the Board, as does the Audit Committee.

The Board establishes the strategic direction of the Group’s sustainability efforts and addresses overall sustainability matters. This direction is presented in Axfood’s sustainability policy, which sets the long-term direction for the Group’s work.

The Board is responsible for oversight and the establishing policies, the materiality assessment and strategic sustainability targets as part of the Group’s long-term strategy and business plan. The Board has solid knowledge of Axfood’s operations and extensive experience of food retail, as well as experience of sustainability matters from previous and current assignments. For more detailed information, see page 38.

During the year, updates and training in the area of sustainability were carried out, including on Axfood’s double materiality assessment. For more examples, see the section Rules of Procedure below.

The delegation of responsibilities for work with material impacts, risks and opportunities is stipulated in the Group’s overall sustainability policy and guidelines for each sustainability area. Governance documents are reviewed on an ongoing basis and at least once a year. A list of guidelines is presented on pages 100–101.

Sustainability work related to supplier relationships is primarily the responsibility of the quality and sustainability department at Dagab. The Managing Director of Dagab holds the ultimate responsibility.

Axfood’s central and subsidiary HR departments, along with the accounting and finance department, are responsible for monitoring and following up incidents reported through the Group’s whistleblower function. The HR functions ensure the development of and compliance with the Group’s culture and values. Each subsidiary’s Managing Director holds the ultimate responsibility for this work.

Process for sustainability targets

The Executive Committee sets and follows up on the Group’s sustainability targets through the decision processes involved in the Group’s operating activities and in sustainability forums. Sustainability managers and coordinators from the Group’s various operations review and, where necessary, update the sustainability targets. The targets are decided on by the Executive Committee, while the Board sets the Group’s long-term overarching sustainability targets annually.

The role of the sustainability function

The central sustainability function coordinates and follows up on the overall sustainability work, at a strategic as well as an operational

level. The function carries out work on material matters and sustainability targets as well as ensuring that this work is prioritised and coordinated within the Group.

The sustainability function follows up on targets and outcomes with support from the accounting and finance department as well as internal networks and steering committees. It also provides guidance to the subsidiaries in their sustainability work and pursues initiatives with industry organisations and community stakeholders.

The sustainability function prepares and audits the Group’s materiality assessment annually together with the accounting and finance department. The Board is regularly informed about work related to business ethics, including preventive anti-corruption work, and receives an annual report from the General Counsel. A report on the whistleblower cases received is also presented once a year.

The function consists of experts in areas such as supply chains, animal care, transportation, product and packaging development, healthy and sustainable food, and food waste. These experts provide Axfood’s Board and Executive Committee with updates on the Group’s sustainability work, based on needs.

The accounting and finance department and legal department have expertise within international and national requirements related to human rights, business ethics, internal controls, risk management, regulatory compliance and sustainability reporting. The Group companies’ product development, store establishment, IT, HR, communication, packaging development, purchasing, transportation and logistics departments also command significant sustainability expertise. These functions keep the Board and the Executive Committee updated on current matters. The Board and the Executive Committee are both deemed to have sufficient expertise to review and challenge sustainability work.

The sustainability officers at the subsidiaries collaborate with the central sustainability function, which reports to the Head of Sustainability. The Head of Sustainability, in turn, reports to the Head of Corporate Communications, who is part of the Executive Committee.

The Executive Committee discusses current sustainability issues on an ongoing basis and receives quarterly updates from the sustainability forum – an informational and preparatory body led by the Head of Sustainability. When necessary, the above-mentioned functions are invited to present information on current sustainability issues. Policies, guidelines, procedures, action plans, targets and metrics are also discussed during these meetings.

The subsidiaries report sustainability data to the Group’s accounting and finance department in connection with internal and external reporting. The data are consolidated and analysed before being presented to the CFO, who in turn reports to the Executive Committee and the Audit Committee.

Rules of procedure

In 2025, the Board met eleven times. The Board continuously discusses current sustainability matters and the Group’s sustainability reporting. The results of the materiality assessment and the Group’s long-term strategy form the basis for the Executive Committee’s preparation of Group-wide sustainability targets that are followed up annually. The Board also sets these overarching sustainability targets as part of the Group’s long-term strategy and business plan.

Matters pertaining to sustainability reporting and internal controls are continuously reported to the Audit Committee through the accounting and finance department.

Risks identified in the materiality assessment are integrated into the overall risk management.

The following sustainability-related matters were addressed by the Board and the Executive Committee in 2025:

Board of Directors	Executive Committee
Double materiality assessment	Double materiality assessment
Sustainability policy	Electrification of transports
Climate targets (Science Based Targets initiative)	Sustainability legislation
	Sustainability targets
	Sustainability policy
	Climate targets (Science Based Targets initiative)
	Quality and sustainability strategy
	Third-party controls and sustainability assessments

Sustainability-related incentive programmes

Axfood has long-term share-based incentive programmes (LTIP) that are decided on by the AGM and offered to senior executives and other key persons in the Group. The programmes run over a three-year period and entitle the participants to performance shares provided that certain performance targets are met and employment continues throughout the term of the programme. The participants must also buy and retain a certain number of shares in Axfood (“savings shares”). The aim is that the programmes will strengthen the joint interest in achieving maximum long-term value creation in Axfood and facilitate in recruiting and retaining senior executives and other key persons.

Each savings share is matched with up to seven performance shares depending on the extent to which a number of targets are met. The performance shares are divided into three classes for LTIP 2025 and four classes for previous programmes, and allotment is

based on how well each class meets the terms of the programme during the vesting periods. One class is linked to sustainability and is assessed based on the target to increase the share of sales of sustainability-labelled products. Full vesting requires that the key performance indicator increases at least 10% during the three-year vesting period compared with 31 December of the year before the start year. The minimum level corresponds to an unchanged share of sales of sustainability-labelled products, while the level of allotment between these two levels takes place on a straight-line basis. The terms for allotment related to the share of sales of sustainability-labelled products are regulated in Axfood’s annual remuneration reports, available on the Company’s website. The sustainability linked class corresponds to approximately 15% of the total number of performance shares in the incentive programmes. Axfood does not have any incentive targets linked to climate-related matters.

The Board’s Remuneration Committee is responsible for the actual design and management of the incentive programmes. If significant changes take place in Axfood or its external operating environment that entail that the decided terms for allotment and/or the opportunity to exercise the share rights in accordance with LTIP 2025 are no longer suitable or are excessive, the Board has the right to make adjustments. For more information, see Note 6.

Due diligence in the value chain

Axfood’s due diligence process is based on the Group’s Supplier Code of Conduct, which all business partners are obligated to follow. The contents of the Code of Conduct are in line with the UN Guiding Principles on Business and Human Rights and are based on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Applying these principles ensures that social and environmental aspects are taken into consideration in the management of risks in Axfood’s value chain.

The procurement process includes continuous monitoring of risks and requirements to address any shortcomings identified. Axfood requires suppliers to demonstrate how they systematically work to ensure their compliance with the Code of Conduct and manage sustainability risks. This can be done through:

- referrals to social audits,
- collective bargaining agreement with trade unions, or
- projects with relevant stakeholders.

Such measures help to ensure responsible management of sustainability risks in the supply chain.

When needed, a risk database from the company Maplecroft is used to compare and validate suppliers’ own risk assessments.

Axfood is a member of the Ethical Trading Initiative (ETI) Sweden, a collaboration where the business community together with trade unions and civil society organisations strengthen environmental consideration and respect for human rights in global supply chains.

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For more information about Axfood’s work with due diligence, see the table below.

Steps in Axfood's due diligence process	Pages in sustainability report
1. Embedding due diligence in governance, strategy and business model	43, 45–46, 97–98
2. Engaging with affected stakeholders in all key steps of the due diligence	46, 85–86, 89–90, 97–98
3. Identifying and assessing adverse impacts	45–46, 79, 85, 89, 92
4. Taking actions to address those adverse impacts	87, 90, 93, 97–98
5. Tracking the effectiveness of these efforts and communicating	86, 98

Risk management and internal controls

Axfood has implemented internal controls to manage risks that could impact the reliability and accuracy of its sustainability reporting. Management of these controls follows the same structure and system as the controls for financial reporting and is divided into four categories. The first category consists of controls related to overall reporting processes, such as:

- materiality assessment,
- sustainability policy,
- guidelines for sustainability reporting, and
- targets and metrics.

The other three categories are based on the Group’s environmental, social and governance reporting and include controls to ensure that data collection in each area is accurate, complete and reliable.

These internal controls are also intended to ensure that data collection and management related to the Group’s material impacts, risks and opportunities are handled correctly. The results of these controls are reported to the Audit Committee, which then reports to the Board. For more information about internal controls related to sustainability reporting, see page 36.

Risks in sustainability reporting

Risks related to sustainability reporting include non-compliance with regulations and legislation, external requirements or targets. If definitions are not managed in a consistent manner, this could result in reporting being carried out on the wrong basis. If processes have not been formalised or documented, this could lead to errors in reporting definitions, calculations and summaries. This could also lead to discrepancies between internal targets and external sustainability reporting.

As with risks associated with financial reporting, risks related to sustainability reporting are continuously assessed. Automated, system-supported and manual internal controls are used preventively to minimise these risks.

Each year, the Board decides which risks are material in order to ensure a high level of internal control over reporting. The Board, through the Audit Committee, is responsible for the quality assurance of the Group’s monitoring of internal control. This work, together with the external audit, provides support to the Board and Executive Committee in identifying and assessing material risk areas as well as reviewing potential actions and follow-up initiatives.

The internal control function reports annually to the Audit Committee, focusing on observations, recommendations and mitigating activities. In 2025, the work on internal controls related to sustainability reporting was expanded to include new controls for relevant risks.

Business model, strategy and value chain

Axfood operates in Sweden. In 2025, its net sales amounted to SEK 89,152 m (84,057). With 18,652 employees (18,472), the Group is a major employer. The Group’s employees are essential to its operations and their material impacts, risks and opportunities. For more information about segment reporting, see note 1 and 3.

Business model

Axfood’s business model consists of three primary processes: purchasing and assortment, product flow and logistics, and sales channels and concepts. These areas create value stakeholders through an affordable, high-quality and sustainable assortment with the customer in focus. Purchasing and assortment also includes activities early in the value chain. Work with the assortment is based on customer needs and on long-term supplier relationships that emphasise price value, sustainability, health and innovation. Dagab carries out development work related to purchasing and assortment. With both private label products and external distinct assortments are ensured.

Most of the value chain’s environmental impact arises upstream, mainly in primary production. This not only includes the majority of GHG emissions, but also significant environmental challenges such as pollution, impacts on biodiversity and high levels of resource use. There are also significant risks related to human rights in the supply chain at this stage. Axfood’s business model depends on workers upstream in the supply chain to be able to offer an affordable, good and sustainable range. It is therefore crucial to take action when a business relationship causes, or could cause, harm to workers.

Axfood’s sourcing activities are aligned with the UN Guiding Principles on Business and Human Rights, which require companies to identify, address, assess, monitor and communicate actual or potential negative impacts on human rights, and to integrate responsible business conduct into governance documents and management systems.

The second process, product flow and logistics, primarily affects warehouse and transport employees. Resource use, waste from warehouse operations and emissions from the Group’s own vehicles and cooling systems have material impacts on the environment.

The third process – sales channels and concepts – covers store employees as well as consumer health and safety.

Matters relating to business ethics, such as corruption, bribery, supplier payment terms and reporting of ethical improprieties, are central in all three processes.

Scope of the value chain

Axfood’s value chain is extensive and begins upstream in primary production, followed by processing and packaging. Transports are then carried out by suppliers to Axfood’s warehouses and on to Group- and retailer-owned stores as well as through e-commerce to consumers. Downstream in the value chain are the over six million customers reached by Axfood’s various concepts every week as well the management of circularity, recycling and waste.

Strategy

Axfood’s vision is to be the leader in affordable, good and sustainable food. Its sustainability strategy involves, among other things, selling sustainability-labelled products via different concepts, markets and customer segments. Axfood develop the assortment and guide consumers towards making affordable, sustainable and healthy choices.

Consumer purchasing behaviour changes over time. This can impact demand for sustainable and healthy products, which are often slightly higher priced. At the same time, consumers expect an affordable range, making it important for Axfood to offer a broad and attractive assortment of sustainable and healthy products.

To encourage more sustainable and healthy consumption, Axfood has several sustainability targets linked to sales. The targets aim, for example, to increase the share of sales of organic and healthy products as well as products that take other environmental, social and ethical aspects into consideration, such as biodiversity, carbon footprint, animal welfare, labour conditions and human rights. The sustainability targets cover the Group’s own sales as well as the global impact in the supply chain.

The most important stakeholder groups are the Group’s retail and wholesale customers, with retail consumers accounting for the largest share of sales. Target achievement is measured through sales in the Group’s store chains.

Axfood is to address sustainability systematically and proactively throughout the entire value chain, with long-term and sustainable decisions that create new business opportunities and profitable growth. Integrating sustainability into every aspect of the business allows Axfood to gradually reduce its negative impact on the environment and society while also making a greater positive contribution. The operations are to contribute to sustainable development and create economic, social and environmental benefits. This includes how food and other products are produced, sold and consumed as well as their impact on the environment and people. The focus is on preventive measures and on applying the precautionary principle as defined in environmental legislation. For more information about Axfood’s sustainability policy, see page 100.

Risk analysis

Axfood has conducted a risk analysis, including a resilience analysis, based on how a changing climate in the short, medium and long term could impact its business plans, prices and supply chains. The analysis mainly covers activities upstream in primary production and was based on a selection of goods from around 20 countries.

With more than 70,000 items from around the world and thousands of suppliers in the assortment, clear prioritisation is needed. In 2025, an analysis was conducted focusing in more depth on commodities and areas where the impact is most significant and where the greatest difference can be made. Several scenario analyses were also developed with the aim of identifying and managing climate-related risks and opportunities linked to important raw materials and the countries from which Axfood purchases them.

The results indicate that Axfood’s operations, like the industry, are impacted by climate change and changing ecosystems. Purchasing has an extensive and complex climate impact, and many products are vulnerable to the effects of climate change. This could lead to a reduced supply of goods, higher purchase prices and lower quality.

For Axfood to contribute to the climate transition and well-functioning ecosystems, measures are required primarily to reduce the negative climate impact in primary production and the supply chain. The Mediterranean region exports large volumes of food to northern Europe, but is also a risk area severely affected by climate change. Extreme weather increasingly affects the world’s food market, and raw materials such as coffee and cocoa are particularly vulnerable.

To ensure a stable supply of goods, Axfood engages in risk diversification, which is particularly important to consider when purchasing certain goods. Axfood believes that the Group’s ability to manage these challenges is at least as good as that of its competitors.

Axfood has yet not conducted resilience analyses for other material impacts, risks and opportunities.

Stakeholder dialogue

Axfood’s most important stakeholders are customers, employees, suppliers, investors and the communities that impact, or are impacted by, its operations. This impact on and from stakeholders can be positive or negative, actual or potential, and direct or indirect.

Stakeholder groups

Axfood’s business model affects all stakeholder groups, since the value chain is also relevant from an investor and community perspective. Stakeholder perspectives are identified and monitored through continuous dialogues and surveys. The results provide valuable insights that strengthen Axfood’s strategic and operational work. They are monitored through the identification and assessment of material impacts, risks and opportunities. The ambition is to balance stakeholder perspectives and expectations, allowing sustainability work to focus on activities that create social and environmental value.

GENERAL DISCLOSURES

Consumer trends

Sustainability and health are long-term trends that impact society as well as the food retail industry, including Axfood. Consumer awareness about the impact of food on the environment and health is growing, especially among young people. Many people believe that food retail companies have a major responsibility for the development of sustainable and healthy food, and growing numbers state they are prepared to change their consumption to reduce their carbon footprint.

Sustainable food consumption is imposing high demands on changes in the food supply chain. Issues such as responsibility, environmental impact and health are becoming increasingly important, and conscious consumers express their values through active choices and responsible consumption. Many people seek more information about origin, quality and ingredients and want inspiration and guidance to be able to make sustainable, healthy choices.

Axfood is responding to this trend by expanding its assortment of sustainability-labelled products and by guiding consumers towards making sustainable and healthy choices through communication and loyalty programmes. The Group develops sustainable packaging, reduces food waste, assumes social responsibility and uses clear country of origin labelling. Willys has environmentally certified stores, while Hemköp's loyalty programme offers double points for purchases of organic products.

Axfood also actively engages in social advocacy and dialogues with decision-makers. The Food 2030 report, Axfood's proposal for a sustainable food strategy for Sweden, includes over one hundred solutions for the business community, policy-makers and authorities to strengthen sustainability in the food supply chain. For more information about the report, see page 98.

Internal representatives

During the materiality assessment, stakeholder insights are represented by internal representatives at Axfood. These individuals have close contact with each stakeholder group and convey their views as part of the assessment. The CFO and the Head of Corporate Communications present the perspectives of the owners and investors. Dagab's Head of Private Label Products has insights into the views of suppliers, the Head of Sustainability represents the perspectives of non-profit organisations, and the Head of Human Resources expresses the views of the employees. Representatives from the store chains have a good understanding of consumer interests.

The Board and the Executive Committee are regularly informed about the views of stakeholders through annual updates and validation of the materiality assessment.

Stakeholder material matters

The Group's carbon footprint, reducing food waste, energy consumption, sustainable agriculture and water efficiency are central sustainability matters for Axfood. Other important areas include work

environment and working conditions, anti-corruption and anti-bribery, and sustainable and healthy food.

Axfood's stakeholders emphasise the importance of understanding and meeting consumer needs to ensure long-term growth and sustainability. By focusing on quality, price value, health and sustainability, Axfood can strengthen its market position. Responding to customer needs and changing trends is essential to continuously being able to develop products and services.

The results of these stakeholder dialogues form the basis of Axfood's materiality assessment. For more information, see page 46 under Materiality assessment. A description of how stakeholder issues are connected to Axfood's business model and strategy is presented in the section Material impacts, risks and opportunities.

The Board and Executive Committee receive the results of the materiality assessment and related risk reporting, which are based on these stakeholder dialogues.

Material impacts, risks and opportunities

Axfood's material impacts, risks and opportunities along with stakeholders' various interests and external changes require a multifaceted and flexible business model and strategy. Since these aspects span several areas, Axfood must continually adapt its operations to new market conditions and challenges. None of the material impacts, risks or opportunities have changed compared to the previous reporting period.

Material impacts

Axfood's material impacts, both negative and positive, affect people and the environment in several ways. These impacts can be direct or indirect and can arise as a result of the Group's own operations or through business relations in the value chain. In its assessment, Axfood has taken into account dependencies on natural and social resources required to offer competitive prices and maintain quality,

regardless of its potential impact on these resources. For more information on how the Group's impacts affect people and the environment over different time horizons, see page 49.

Material risks and opportunities

Axfood's material risks and opportunities could affect the Group's financial position, results and cash flow during the current reporting period and in the future. These financial effects mainly pertain to purchasing and net sales.

Disruptions in global supply chains caused by extreme weather could impact Axfood's ability to source sufficient volumes of goods. This in turn could lead to shortages of goods in stores and lower sales, and make the Group's various concepts less attractive. Supply disruptions can also arise as a result of overexploitation of natural resources both on land and at sea, which could reduce the availability of goods and potentially contribute to higher prices. This impacts

Stakeholder dialogue

Stakeholders	Channels for dialogue	Material matters
Customers	Customer meetings in stores, Axfood's consumer contact, focus groups, customer and consumer surveys, customer magazines, reports, websites and social media.	Customers consider information about ingredients' country of origin and animal care to be important. Aspects linked to carbon footprint are important, such as sustainable agriculture, sustainable transports, reduced food waste and sustainable packaging. The work environment, anti-corruption and anti-bribery are other material matters.
Employees	Internal channels such as Axfood's intranet, employee meet-and-greets, meetings and conferences, and employee surveys.	Work environment and good working conditions are the most material sustainability matters to employees, both internally and at suppliers. Other issues that employees consider important are reducing food waste, advocating good animal care, sustainable fishing and agriculture, and diversity and gender equality.
Suppliers	One-on-one supplier meetings, large supplier meet-and-greets, collaboration projects, social audits and training of suppliers' employees in risk countries.	The climate is the most important sustainability matter for Axfood's suppliers. Avoiding food waste, efficient energy consumption and sustainable agriculture as well as efficient water use are considered material matters, as are work environment, working conditions and healthy food.
Investors	The Annual General Meeting, interim report and year-end report presentations, capital markets days, seminars, conferences, websites and one-on-one meetings.	The dialogue with investors shows that a reduction in carbon footprint is most important, with a focus on reduced food waste, energy consumption, biodiversity, sustainable agriculture and water use. Work environment and working conditions, anti-corruption and anti-bribery, and healthy food are other important issues.
Society	One-on-one meetings with decision-makers, presentations in connection with seminars, conferences and membership in industry organisations and other networks.	The societal issues of greatest interest are associated with reduced carbon footprint, biodiversity and sustainable agriculture. Sustainable fishing, good animal care, sustainable materials and clear information about ingredients' country of origin are also material matters, as are work environment and working conditions.

GENERAL DISCLOSURES

Axfood’s ability to attract and retain customers in an industry with fierce competition and a strong price focus among consumers.

Other risks are related to inadequate due diligence in business relationships, insufficient human rights controls in the supply chain, and unethical conduct such as corruption, which can damage Axfood’s reputation and consumer confidence. Awareness of the impact of food on the environment and health is also increasing in society, making it even more important for Axfood to meet expectations with respect to sustainability.

Sustainability matters also present significant opportunities. They can drive product development, strengthen brands and make the Group more attractive to consumers. Close cooperation with suppliers and careful control in the supply chain contribute to a favourable supply of goods, product diversification and a good reputation. In addition, a focus on gender equality and inclusion in the Group creates a deeper understanding of consumer needs, which can strengthen the business.

Climate, energy and biodiversity initiatives often lead to cost savings through more efficient use of resources. Reduced food waste contributes to resource efficiency and lower costs.

Materiality assessment

Axfood has carried out a double materiality assessment to identify how the Group impacts, and in turn is financially impacted by, its operating environment. This work followed a structured five-step process:

1. Identification of material matters based on the EU’s description of sustainability matters covered by the ESRS standards
2. Process and stakeholder review
3. Impact materiality assessment
4. Financial materiality assessment
5. Materiality mapping and documentation

Scope and method

Based on the description of sustainability matters and topics, including the sub-topics and sub-sub-topics in ESRS 1, an assessment was made of each topic’s relevance to Axfood’s operations. The assessment covered activities, geographic locations, relevant sectors and the entire value chain.

In addition to the sustainability matters covered in the ESRS, matters deemed to be potentially material to Axfood were also included. This first assessment yielded a list of 37 potentially material sustainability matters covering the value chain and various time horizons.

Assessment methods combined with the methods described in the ESRS and used to assess both impact materiality and financial materiality. Identified impacts, risks and opportunities were mapped based on short-, medium- and long-term time horizons, taking into account where in the value chain they are most concentrated.

Each sustainability matter was assessed against the ESRS 1 parameters of impact materiality and financial materiality.

Particular emphasis was placed on impacts on human rights, which were identified through ongoing due diligence in this area. This included ongoing reviews, audits and the risk management system.

To ensure that the assessment was consistent with existing processes and stakeholder insights, process and documentation were reviewed and interviews were carried out with relevant key individuals at the Group:

- Head of Sustainability, Axfood
- CFO, Axfood
- Head of Private Label Products, Dagab
- Head of Sustainability and Communications, Willys
- Internal experts who represent various subsidiaries

Documentation from external sources and validation meetings was also used, including:

- Sustainalytics Risk Ratings Report
- Sustainalytics Product Involvement Report
- ISS ESG Rating Profile
- CSR Risk Check
- WWF Water Risk Filter
- CCPI
- WWF Biodiversity Risk
- ThinkHazard
- MSCI ESG Ratings Report

Material input from customers, employees, suppliers, investors and community representatives was also taken into account in the assessment which is described on page 45.

Climate change

To identify and assess Axfood’s material impacts, a complete emissions inventory has been carried out in accordance with the GHG Protocol, the global standard for measuring and reporting GHG emissions. While primary data was primarily used, estimates were made where such information was not available. The aim was to create the most comprehensive overview possible of the Group’s direct and indirect emissions.

In conjunction with the Group’s double materiality assessment, climate risks were identified as material to the business. Time horizons for climate-related physical risks and transition risks follow the definition in ESRS 1 and have been identified in the short, medium and long term. Axfood has not yet analysed which assets and operations may be exposed to these risks based on probability, scope, duration and geographic location. However, as part of the above-mentioned risk analysis, a mapping of climate-sensitive raw materials and geographic areas upstream in the value chain has been initiated.

To identify and assess climate-related physical risks, Axfood based its work on reports from the Intergovernmental Panel on Climate Change (IPCC) and recommendations from the Task force on Climate related Financial Disclosures (TCFD). The most

significant risk is considered to be the impact of climate change on global agricultural production, particularly with regard to food supply and prices.

Climate change is included in Axfood’s overall risk analysis, which assesses resilience to the effects of climate change. The risks have been assessed based on both probability and financial impact.

As part of the risk analysis, scenario analyses were developed in 2025 to identify climate-related physical risks that could impact Axfood’s supply chains and the supply of raw materials (R2). These analyses also provide a basis for the Group’s efforts to mitigate risks and broaden the supplier base and to diversify the supply of raw materials to include more geographic areas (O1). The selected scenarios were based on the Shared Socioeconomic Pathways (SSP) developed by the IPCC. The analysis takes into account various types of physical risks that can negatively impact the availability of raw materials in several of the supplier countries where Axfood conducts its purchasing. The level of risk was divided into probable and expected impact on future purchasing.

The analysis covers seven climate-related threats, four classified as chronic and three as acute, over the time horizons 2030, 2040 and 2050. The threats are linked to temperature- and water-related risks and are considered to have the most significant impact on the food supply chain in the product categories used for the analysis. Statistics for these risks have been compiled at the regional level from a digital forecasting and screening tool. The classification of risks was inspired by the TCFD framework.

When selecting product categories, priority was given to mono-products and vegetable raw materials, taking into consideration the SBTi and the Science Based Targets for Nature (SBTN) and their lists of high-quality raw materials.

A scenario analysis was also used to identify climate-related transition risks that could arise from changes to climate policies, such as higher energy prices, taxes and regulations linked to emissions (R5).

The analysis was based on the Network for Greening the Financial System’s (NGFS) Net Zero 2050, which outlines a stringent climate policy agenda and innovation-driven development aimed at limiting global warming to 1.5°C in line with the Paris Agreement and reaching net-zero emissions by 2050.

The established climate scenarios are compatible with the climate-related assumptions underlying Axfood’s key estimates and assessments, which are disclosed in Note 2. For impairment testing of goodwill and other intangible assets, estimates are based on assumptions regarding shortages of raw materials and packaging, volume trends, the expected competitive situation and costs related to climate and environmental transitions, which all seven SSP-based climate scenarios take into account. Estimates based on assumptions about external factors such as price trends, inflation, and changes in electricity and fuel prices are instead taken into account in the NGFS scenarios used. This analysis also covered the same time horizons as the others, but was carried out using a different forecasting tool and at a more aggregated level.

Pollution

Axfood conducted a review of its value chain to identify potential and actual material impacts, risks and opportunities. Largest impact in the value chain is in agriculture, mainly through emissions of plant nutrients and chemical pesticides.

The review of the own operations focused on emissions from the vehicle fleet and the presence of refrigerants in warehouse operations. To evaluate negative impacts, reports from systems showing the amount of refrigerants for each warehouse were analysed. These were compared with the thresholds set out in Appendix 2 (No 166/2006). A corresponding comparison was made with a list of vehicle specifications for the Group’s light and heavy trucks.

When assessing activities in primary production upstream in the value chain, studies from the United Nations Economic Commission

Scenario	NGFS Net Zero 2050	SSP2-4.5: The middle of the road scenario	SSP5-8.5: The fossil fuel-based scenario
Type of risk	Transition risk	Physical risks	Physical risks
Estimated global average temperature by 2100 compared to pre-industrial levels	≤1.5 °C	2.7 °C	4.4 °C
External factors	<ul style="list-style-type: none"> • Ambitious climate policy • Rapid technological progress • Initially triggers inflation, high interest rates and stranded assets 	<ul style="list-style-type: none"> • Moderate economic growth • Income and technological progress is steady but uneven • Production and consumption patterns are gradually evolving 	<ul style="list-style-type: none"> • Rapid economic growth • High rate of consumption • Highly dependent on fossil fuels

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for Europe were taken into account, particularly with respect to emissions of pollution into air, soil and water. For substances deemed to be of high or very high concern, existing procedures and requirements for suppliers of packaging and non-food were reviewed.

Axfood has not yet determined material impacts, risks and opportunities in this area in consultation with the affected communities.

Water and marine resources

Through continuous environmental monitoring, Axfood identifies potential impacts, risks and opportunities linked to water and marine resources upstream in the value chain. Stakeholder dialogues show that sustainable fishing is a priority issue and that Axfood, in its role as a purchaser, has a particular responsibility to exert an influence.

Biodiversity and ecosystems

Two assessments have been carried out to identify impacts, risks and opportunities linked to biodiversity and ecosystems. The first covered primary production upstream in the value chain, with Axfood assessing potential impacts on biodiversity and ecosystems through risk analyses of purchased goods. The assessment was conducted in line with the recommended LEAP approach and was inspired by the TNFD framework. The assessment primarily took the impact of physical risks such as extreme weather into account. Systemic risks such as climate change and species loss were also taken into consideration in the assessment, along with how they could permanently damage ecosystems and thereby disrupt Axfood's raw material supply and the food supply in general. Opportunities were also assessed in terms of how the Group can strengthen and diversify its supply chains in order to transition and thereby reduce the impact of the above risks. The second assessment involved a mapping of the Group's facilities and how their geographical locations could impact species and ecosystems.

Axfood did not directly consult any affected communities in its sustainability assessment of shared biological resources and ecosystems. This initial stage identified the types of raw material sourcing that have, or could have, the most material negative impacts on biodiversity.

Resource use and circular economy

An action plan was developed to clarify how sustainability targets for plastic flows and packaging for private label products are defined and delimited as well as where impacts arise and whether the work involves the product's primary, secondary or tertiary packaging. Primary packaging comes into direct contact with the product, while

secondary packaging encloses one or more primary packaging, and tertiary packaging groups several secondary packaging for transport.

Evaluations of the stores' registered food waste and returns identify where measures should be taken to improve efficiency and reduce unnecessary costs. Dialogues with stakeholders show that the work on food waste is a central issue for employees, customers, investors and suppliers.

Regulations regarding food waste sorting, packaging and waste are becoming increasingly strict. One example is the new waste legislation that came into force in 2024.

Axfood has not yet consulted with affected communities or other stakeholders regarding the Group's impacts, risks and opportunities in this area.

Risks

Climate risks and risks related to biodiversity were classified together with other operational risks. Liability and trust risks are also included in these risks and are related to all risks identified in the double materiality assessment.

Regulatory risks, including ethics and corruption risks, were classified together with Axfood's strategic risks, as were risks related to employees and suppliers. Reporting of material impacts, risks and opportunities is presented on a more detailed level and, where possible, supported by quantitative follow-up.

Appropriate thresholds were determined based on the quantitative assessment and existing processes and dialogues with Axfood's sustainability function. Risks and opportunities that received a medium or high rating were assessed as material.

The majority of Axfood's climate-related risks comprise various types of transition risks, which can lead to increased costs and loss of competitiveness. Such risks arise when operations are not adapted to changes in society, such as changes to energy policies or new sustainability requirements.

One of the Group's main transition risks pertains to energy consumption and the risk of increased costs due to rising electricity prices. The targets related to increased sales of organic and other sustainability-labelled products are impacted by increased cost awareness among consumers, as several of these products have a slightly higher cost level.

The transition to more sustainable production is being hindered by external factors, such as lowered diesel taxes. Significant investments may be needed to replace heating and cooling equipment with more energy-efficient alternatives and to gradually switch the vehicle fleet to electric vehicles. Investments will also be required to

adapt properties to more extreme weather conditions. Otherwise there is a risk that repair costs could arise.

Sustainability regulations and requirements are expected to gradually become stricter, which will likely favour companies that deliver energy-efficient products and conduct their operations in accordance with follow sustainable practices. The risks identified include increased energy prices and taxes as well as regulations related to CO₂ and other GHG emissions, including a risk of incorrect emissions reporting. Stricter emissions rules and legislation could thus provide incentives to further limit emissions.

Physical risks refer to the risks to Axfood's operations as a result of climate change. These climate-related physical risks in the value chain are primarily linked to the supply of raw materials for products, such as fresh fruit and vegetables, coffee and cocoa. Expected consequences include raw material shortages, higher purchase prices and increased competition for volumes.

Several of Axfood's supplier countries are already impacted by changes in national and international climate legislation. Changes in temperature and precipitation also create vulnerabilities as well as increased risks of extreme weather conditions, flooding and landslides, both globally and within Europe.

Impact materiality

The impact materiality assessment was based on the parameter of severity, which in turn consists of three sub-parameters: scale, scope and irremediable character. These are used to assess the nature and

significance of the impacts. A fourth parameter takes into account the likelihood of the impact actually occurring. These parameters were rated from 1–5, as presented in the table below.

For the impact materiality assessment, criteria were established based on the Group's own thresholds for materiality. These thresholds were subsequently approved by the Board. Depending on the type of impact, they have been categorised and assessed in different ways, as have the thresholds for materiality.

	Low	Medium	High
Negative	0–5	6–9	≥10
Positive	0–4	5–6	≥7

For actual negative impacts, Axfood based its assessment on overall severity. For potential negative impacts, the likelihood of occurrence was also taken into account by multiplying the degree of likelihood by the degree of severity. An impact is assessed as material at a value of 5 or higher on a scale of 0–10. For potential negative impacts on human rights, severity is considered before the likelihood of occurrence. Actual positive impacts were assessed based on scale and scope. For potential positive impacts, the likelihood of occurrence was also weighed in by multiplying the degree of likelihood by the scale and scope of the impact. These impacts were assessed as material at a value of 4 or higher on a scale of 0–7.

Severity	Scale	Scope	Irremediable character	Likelihood
1. Minimal impact on people/ the environment	1. Limited – limited to a specific area and its immediate surroundings	1. Limited – limited to a specific area and its immediate surroundings	1. Relatively easy to remediate in the short term	0% unlikely
2. Low impact on people/the environment that is easy to address or mitigate	2. Concentrated – includes multiple individuals/species or a broader region	2. Concentrated – includes multiple individuals/species or a broader region	2. Can be remediated with time and effort (time and cost)	25% minimal
3. Medium impact, manageable with reasonable resource allocation	3. Medium – covers a noticeable group or area	3. Medium – covers a noticeable group or area	3. Difficult to remediate or medium-term	50% medium
4. High impact that can cause significant disruptions and require immediate attention	4. Widespread – covers a significant part of the area, locations or population	4. Widespread – covers a significant part of the area, locations or population	4. Very difficult to remediate or long-term	75% high
5. Absolute – major disruption with long-term impacts	5. Total – has profound effect on a global scale	5. Total – has profound effect on a global scale	5. Irremediable/irreversible	100% actual

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Financial materiality

The financial materiality assessment was based on the magnitude of each risk or opportunity combined with the likelihood of occurrence. The assessment according to these parameters was based on a five-point scale.

Magnitude	Likelihood
1. Low – minor or limited scope, can be easily addressed or mitigated with existing resources	0–20%
2. Medium – medium scope, requires reasonable resource allocation	20–40%
3. High – significant impact, requires significant resource allocation	40–60%
4. Very high – serious impact, requires extensive resource allocation	60–80%
5. Extremely high – extreme impact, requires extreme resource allocation	80–100%

The criteria and thresholds used for the assessment have been aligned with the Group’s existing risk management system and its definition of materiality. These were then approved by the Board. On a scale of 0–14, a risk or opportunity was assessed as material at a value of 8 or higher.

When the risks and opportunities associated with a material sustainability matter have been identified, the financial effects are assessed based on the magnitude of the potential financial impacts and the likelihood of occurrence.

Low	Medium	High
0–8	9–13	≥14

The preliminary results were reviewed by the Head of Sustainability and representatives from the Executive Committee and the Board to assess their reasonableness and then validated. The materiality assessment showed that all ten relevant topical ESRS and 34 sustainability matters were assessed as material.

Disclosure requirements

An analysis was carried out to identify which ESRS disclosures were consistent with the results of the assessment. The results were approved by the Board.

Within the framework of Axfood’s double materiality assessment, the Group established controls that include an annual review by the central sustainability function and approval by the Board. The aim is to ensure that the reporting of sustainability data is relevant and complies with the ESRS requirements. The assessment is updated as needed. The results are documented and a control record is saved to ensure full traceability.

For information on which ESRS disclosure requirements were identified as material, see the table on pages 103–104. Information about all datapoints reported that stem from other EU legislation according to ESRS 2 is presented in the table on pages 105–108.



Overview material sustainability areas

Sustainability areas	IRO code	Type of material impact	Impact		Risks and opportunities			ESRS Standard	Page
			Time horizon	Value chain	Risks and opportunities	Time horizon	Value chain		
Environment									
Climate change mitigation and adaptation	I1-I4, R1-R5, O1	+ -	□ ■ ■	↑ ◇ ↓	△ ☀	□ ■ ■	↑ ◇ ↓	E1	50
Energy	I5-I6, R5-R6, O2	+ -	□ ■ ■	↑ ◇ ↓	△ ☀	■ ■	↑ ◇	E1	50
Pollution	I7-I8	-	□ ■ ■	↑ ◇ ↓				E2	60
Substances of concern and very high concern	I9, R7	-	□ ■ ■	↑ ◇	△	■ ■	↑ ◇	E2	60
Water	I10-I11, R8	-	□ ■ ■	↑	△	□ ■ ■	↑	E3	63
Marine resources	R9	-			△	■ ■	↑	E3	63
Direct impact drivers of biodiversity loss	I12-I13, I15, R10	-	□ ■ ■	↑ ◇	△	□ ■ ■	↑ ◇	E4	66
Impacts on the state of species/impacts on the extent and condition of ecosystems	I12-I14, I15, R10	-	□ ■ ■	↑ ◇	△	□ ■ ■	↑ ◇	E4	66
Impacts and dependencies on ecosystem services	I12-I13, I15, R11	-	□ ■ ■	↑ ◇	△	□ ■ ■	↑ ◇	E4	66
Resource inflows, including resource use	I16, R12-R13	-	□ ■ ■	↑ ◇	△	□ ■ ■	↑ ◇	E5	71
Resource outflows related to products and services	R13	-			△	■ ■	↑ ◇	E5	71
Waste	I17-I20, R14, O3	-	□ ■ ■	↑ ◇ ↓	△ ☀	□ ■ ■	↑ ◇ ↓	E5	71
Social									
Working conditions	I21-I22, I26-I27, R15-R18	-	□ ■ ■	↑ ◇	△	□ ■ ■	↑ ◇	S1, S2	78, 84
Equal treatment and opportunities for all	I23-I25, I28, R17-R18	+ -	□ ■ ■	↑ ◇	△	□ ■ ■	↑ ◇	S1, S2	78, 84
Other work-related rights	I28-I29, R17-R18	-	□ ■ ■	↑	△	□ ■ ■	↑	S2	84
Communities' economic, social and cultural rights, civil and political rights	I30-I31, R19	-	□ ■ ■	↑	△	□ ■ ■	↑	S3	88
Rights of indigenous peoples	I30-I31, R19	-	□ ■ ■	↑	△	□ ■ ■	↑	S3	88
Information-related impacts for consumers and/or end-users	I32-I33, R20	+ -	□ ■ ■	◇ ↓	△	□ ■ ■	◇ ↓	S4	91
Personal safety of consumers and/or end-users	I32, I34-I35	+ -	□ ■ ■	↓				S4	91
Social inclusion of consumers and/or end-users	I36	+	□ ■ ■	↓				S4	91
Governance									
Corporate culture	I37, R21	+	□ ■ ■	◇	△	□ ■ ■	◇	G1	95
Animal welfare	I38, R22	-	□	↑	△	□ ■ ■	↑	G1	95
Political engagement and lobbying activities	I39, R23	+	□ ■ ■	◇ ↓	△	■ ■	◇ ↓	G1	95
Management of relationships with suppliers including payment practices	I40, R24	-	□ ■ ■	↑	△	□ ■ ■	↑	G1	95
Corruption and bribery	I41, R25	-	□ ■ ■	↑ ◇ ↓	△	□ ■ ■	↑ ◇ ↓	G1	95

Meanings:
 + positive impact
 - negative impact
 ↑ upstream
 ◇ own operations
 ↓ downstream
 △ risks
 ☀ opportunities

Time horizons
 □ short-term
 ■ medium-term
 ■ long-term

E1 Climate change

Climate change affects the entire food system and is a central issue in Axfood's sustainability work. The largest impact occurs upstream in primary production, in particular from meat and dairy products as well as biogenic emissions from livestock farming and land use. Emissions also arise from energy, transport, packaging and food waste.

Axfood reduces its carbon footprint through actions in its own operations and in the supply chain. This work includes developing products with a lower carbon footprint, efficient fossil-free transport, energy-efficient operation and switching to natural refrigerants, reducing food waste and using circular packaging. In the supply chain, Axfood works with requirements and follow-up as well as projects to develop fossil-free nitrogen fertiliser. The aim is to reduce the carbon footprint of primary production. In parallel, collaborations and policy proposals to decision-makers are being developed to promote fossil-free and resource-efficient agriculture.

Governance is based on climate targets in line with the Paris Agreement. They include targets for reduced emissions in the Group's own operations, the supply chain and agriculture as well as targets to reduce the carbon footprint per kilo of food sold.

-3%

In 2025, the climate impact per kg of food sold decreased by approximately 3% to 1.95 kg of carbon dioxide equivalents (2.01). Axfood's target is to reduce the climate impact per kg of food sold by at least 10% by 2030, using 2024 as the base year.

-9%

In 2025, emissions from Axfood's own operations decreased by 9% to 7,512 tonnes of carbon dioxide equivalents (8,214). Axfood's target is to reduce emissions from its own operations by at least 70% by 2030, using 2024 as the base year.



E1 – CLIMATE CHANGE

Climate change – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
• Climate change adaptation	Actual positive impact	I1	Axfood is expanding its range of plant-based products, and other products with a lower carbon footprint, to contribute to reduced emissions and more sustainable consumption patterns.	Medium- and long-term	Upstream and own operations
• Climate change mitigation	Actual negative impact	I2	While sales of meat and dairy products are an important and popular part of the customer offering, they also account for a large portion of Axfood's climate impact.	Short-, medium- and long-term	Upstream
• Climate change mitigation	Actual negative impact	I3	Agricultural biogenic emissions from land use and livestock farming account for a significant portion of the value chain's climate impact.	Short-, medium- and long-term	Upstream
• Climate change mitigation	Potential negative impact	I4	Significant emissions could arise in the food industry and from transport, packaging and food waste.	Short-, medium- and long-term	Upstream, own operations and downstream
• Energy	Actual negative impact	I5	Energy consumption at stores and warehouses is high, primarily due to refrigeration and lighting.	Short-, medium- and long-term	Upstream and own operations
• Energy	Potential positive impact	I6	Increased energy efficiency and the transition to renewable energy could reduce carbon footprint and improve environmental performance.	Medium- and long-term	Own operations and downstream
• Climate change adaptation	Opportunity	O1	By expanding the supplier base and analysing climate risks, Axfood could improve the value chain's resilience to disruptions.	Medium- and long-term	Upstream, own operations and downstream
• Climate change adaptation • Climate change mitigation	Physical risk	R1	Low prices for fossil fuels could slow the transition to sustainable transport and increase the risk of emissions.	Medium- and long-term	Upstream, own operations and downstream
• Climate change adaptation	Physical risk	R2	Climate change is impacting the production of fruits, vegetables, coffee and cocoa, which could lead to shortages and higher costs.	Short-, medium- and long-term	Upstream
• Climate change adaptation • Climate change mitigation	Transition risk	R3	Replacing refrigeration and heating equipment and equipping the vehicle fleet with low-carbon alternatives requires investments.	Short-term	Own operations
• Climate change adaptation	Transition risk	R4	Higher costs for sustainability-labelled products, which lead to higher consumer prices compared to conventional goods, could discourage customers from switching to healthier and more sustainable alternatives.	Short-, medium- and long-term	Upstream, own operations and downstream
• Climate change mitigation • Energy	Transition risk	R5	More stringent climate and energy regulations could increase costs and require more efficient energy consumption and reporting.	Medium- and long-term	Upstream and own operations
• Energy	Transition risk	R6	Energy consumption, in combination with rising electricity prices, could lead to higher operating costs.	Medium- and long-term	Own operations
• Energy	Opportunity	O2	Investments in self-generated electricity, such as solar panels, could reduce costs and ultimately increase the energy supply.	Long-term	Own operations

Description of material impacts, risks and opportunities

Food production accounts for a significant portion of the world's collective GHG emissions. It is also impacted by climate change in several ways. Since Axfood's operations include the entire food supply chain, it is important for Axfood to actively work to reduce its carbon footprint and to adapt its operations to a changing climate. This work includes activities upstream in the supply chain as well as the Group's own operations. The time horizons for Axfood's actual and potential impacts are short-, medium- and long-term, as defined by ESRS 1.

The table to the left shows the impacts, risks and opportunities identified as material to Axfood's operations and value chain through the Group's materiality assessment.

Material impacts

Axfood's largest climate impact arises upstream in the value chain, mainly in primary food production. While meat and dairy products are important and popular parts of the customer offering, they also account for a large share of emissions. Agricultural biogenic emissions, mainly methane and nitrous oxide from land use and livestock farming, account for a significant portion of the total impact and are difficult to reduce in the short term.

In addition to primary production, material climate impacts arise through other means such as energy consumption, transport and packaging. Energy-intensive operations in retail and logistics also cause emissions, mainly related to refrigerants. Energy consumption has an actual negative impact, while better energy efficiency and transitioning to renewable energy help to reduce emissions.

Axfood is expanding its range of plant-based products, and other products with a lower carbon footprint, which is helping to reduce climate impact and changing consumption patterns. This is strengthening the Group's long-term transition to a more sustainable food supply chain.

Material impacts arise in various areas in the value chain, such as the food industry, transport, packaging and food waste. However, the lack of reliable data means that no overall impact can be fully quantified.

Overall, Axfood's operations – like the food industry in general – have a material impact on the climate through GHG emissions in the entire value chain.

Risks and opportunities

Climate-related risks and opportunities arise throughout Axfood's value chain. Changes in temperature, precipitation and extreme weather conditions could impact the supply of raw materials, such

E1 – CLIMATE CHANGE

as fruits, vegetables, coffee and cocoa, which could lead to short-ages and higher costs. Lower prices for fossil fuels could slow the transition to sustainable transport and thereby increase the risk of emissions.

The transition to a more climate-neutral society also entails risks in the form of increased energy costs, investments in new technology and requirements for efficient energy consumption and reporting. Investments in energy-efficient equipment and vehicles are required to meet changing regulations, and rising electricity prices and high energy consumption could impact operating costs. Higher costs for sustainability-labelled products, which lead to higher consumer prices compared with many conventional goods, could have a negative impact on demand.

At the same time, the transition also presents significant opportunities. By expanding and broadening the supplier base and analysing climate risks, Axfood could improve the value chain’s resilience and secure access to goods. Investments in self-generated renewable energy, such as solar panels, as well as continuing to invest in energy efficiency, could result in a lower carbon footprint and lower costs while also increasing energy security in the long term.

Climate transition plan

The plan’s role in the Group’s business strategy

Axfood aims to take the lead in promoting sustainable food in Sweden. The Group’s focus on sustainability is a key part of its operations. It sets priorities based on what has the largest impact on sustainable consumption and production as well as what has the greatest impact and creates the most value. To support this, Axfood has created a climate transition plan that explains in more tangible terms the work required to achieve the goal of reducing the Group’s carbon footprint.

The Board has decided on three overarching sustainability targets. One of them is to reduce the carbon footprint per kilo of food sold by at least 10% by 2030 at the latest (compared with the base year of 2024), mainly through changes to the sales mix. Other targets that, to varying degrees, help to limit climate impact are linked to the sale of sustainability-labelled products and to food waste. Axfood’s sales of sustainability-labelled products are to amount to 30% of its retail sales by 2030 (see ESRS G1, page 98). This target covers several certification and labelling systems that aim to reduce climate impact, such as KRAV (which has more stringent climate requirements than EU organic production rules), Keyhole, Rainforest Alliance and Sustainable Rice Platform (SRP). The target for the share of food waste to be below 0.7% by 2030 at the latest also helps to reduce emissions.

Axfood’s sustainability work is integrated into the Group’s processes and operations in addition to being closely linked to the business plan of each unit. Axfood has sustainability requirements for its suppliers and partners, which promotes sustainable development in the value chain. These requirements can affect purchase prices and investments, while consumer demand also impacts the rate of the transition. Axfood collaborates with other players in food retail on certain

sustainability matters and contributes to industry agreements that can promote sustainability. Industry-wide assumptions ensure competitive neutrality as well as more uniform requirements on suppliers from several players.

Based on available information, Axfood is not excluded from any EU reference values or benchmarks.

The Group’s climate targets

Axfood’s climate work is based on the Paris Agreement’s temperature target, which states that global emissions need to be essentially halved by 2030. In line with this ambition, Axfood has applied to have three climate targets validated and approved as science based by the SBTi.

Axfood works actively with the parts of the value chain that the Group can influence, but also pursues joint initiatives across the entire food system.

The Group has significantly reduced its Scope 1 and 2 emissions over the years and is now working to achieve further reductions. The climate target for the Group’s own operations is to reduce emissions in these areas by at least 70% by 2030 at the latest (compared with the base year of 2024), which is well above the carbon footprint requirement in the Paris Agreement. Earlier reductions were achieved even while Axfood was undergoing strong growth and capturing market share, proving that financial development and a lower climate impact can go hand in hand.

Emissions in the supply chain, which are covered by Scope 3, are also a prioritised area. Axfood has committed to ensuring that at least 70% of its suppliers (based on spend) have science based targets by 2030 at the latest. This is supported by two interim targets, one that focuses on private label suppliers and one that focuses on suppliers of branded products.

Axfood actively pursues various initiatives to reduce climate-impacting emissions from agriculture and has set a FLAG target within the SBTi framework to reduce emissions from agriculture by at least 30% by 2030 at the latest (compared with the base year of 2024). In addition to Axfood’s own actions, achieving this target will require an ambitious climate policy, innovation and technological development as well as changes in consumer behaviour. Axfood’s target to reduce the carbon footprint per kilo of food sold by 10% by 2030 at the latest (compared with the base year of 2024) supports this target and complements the other SBT targets, and requires a clear focus on efficiency and impact in relation to sales volumes.

For more information about Axfood’s climate targets, see pages 54–57.

Prioritised actions and anticipated emissions reductions

Prioritised actions have been planned to address the Group’s direct and indirect emissions in order to help Axfood complete its climate transition.

Actions in the Group’s own operations (Scope 1 and 2) are to help reduce emissions by approximately 4,000 tCO₂eq by 2030:

- Fossil-free transport: Efficient and climate-adapted transport, including through an increased share of electrified vehicles.
- Energy efficiency and refrigerants: Modernisation of stores, including replacing cooling systems that impact the climate, leads to reduced electricity consumption. The refrigeration systems and coolants in heavy-duty trucks are also replaced when the technology is available. Streamlining store and warehouse operations also helps to reduce energy consumption.

Actions in Scope 3 (FLAG) to help reduce emissions by 970,000 tCO₂eq by 2030:

- Changes to the sales mix: Changes to the sales mix are driven by innovation and product development, communication and inspiration, pricing and sales campaigns as well as in-store exposure. An increased share of sales of plant-based products (measured in kilos) in combination with a lower share of sales of meat and cold cuts.

Timeline for climate transition

2020

- Axfood reduced the carbon footprint of its own operations by 76% compared with the base year of 2009.

2021

- The Group’s first fully electric heavy-duty truck was put into operation.

2022

- Axfood, with Axfoundation and others, launched a climate tool for suppliers.

2023

- Sweden’s largest solar power facility was commissioned at the Group’s new logistics centre in Bålsta, outside Stockholm.
- Axfood’s own brand, Garant, launched a hybrid mince consisting of equal parts beef and vegetables to promote a lower carbon footprint and better health.
- Axfood decided to work towards offering Swedish fruits and vegetables with the Svenskt Sigill Klimatcertifierad label by 2026.

2024

- Axfood accelerated the phase-out of fossil fuel, and by the end of 2025 the Company’s own and procured transports between warehouses and stores used exclusively renewable fuels or electricity.
- Axfood reduced its food waste by 50% compared with the base year of 2015.

2025

- Axfood’s own transports between warehouses and stores were fossil-free.
- Electricity consumption in stores and warehouses decreased 10% per square metre compared with the base year of 2020.
- Axfood decided to electrify 50% of its own vehicle fleet by 2030.
- The share of domestic flights decreased 50% compared with the base year of 2019.
- Axfood introduced new packaging solutions for all Garant mince, which reduced its plastic use by over 100 tonnes per year.

- Developed offering: Increased share of sales of sustainability-labelled products (measured in SEK). Require actions in the supply chain and product development that improves the environmental and climate performance of the assortment.
- Agricultural innovation: Active participation in projects aimed at developing the agriculture and aquaculture of tomorrow, with a focus on innovation, resource efficiency and reduced carbon footprint.
- Sustainability criteria in the assortment and purchasing: Active work on sustainability in assortment strategies and applying sustainability criteria to purchasing and selection.
- Reduced food waste: Reduced food waste and increased resource efficiency through better sorting at source for packaging and collaboration with suppliers when it comes to managing the flow of residual materials.

- Axfood decided that its private label suppliers are to have publicly announced climate targets for Scope 1, 2 and 3 emissions by 2030.
- Axfood decided that suppliers of branded products, which collectively account for 50% of the Group’s emissions, are to have publicly announced climate targets for Scope 1, 2 and 3 emissions by 2032.

2027

- Axfood plans to introduce food from grain produced with green nitrogen fertiliser, which has a significantly lower carbon footprint.

2030

- Emissions from the Group’s own operations (Scope 1 and 2) are to be 70% lower compared with the base year of 2024.
- Emissions from purchased goods and services (Scope 3) are to be 30% lower compared with the base year of 2024, with 10% of

- this reduction achieved by reducing GHG emissions per kilo of food sold.
- 50% of Axfood’s own vehicle fleet is to be electrified.
- The climate impact from refrigerants is to be substantially reduced, with investment plans to completely phase out refrigerants that impact the climate.
- Private label suppliers are to have net-zero emissions in Scope 1 and 2, and reduce their material Scope 3 emissions.

2032

- Suppliers of branded products, which collectively account for 50% of emissions, are to have net-zero emissions in Scope 1 and 2, and reduce their material Scope 3 emissions.

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- Circular, climate-smart packaging: Developing packaging featuring better recyclability and an increased share of renewable raw materials, and phasing out unsuitable chemicals.
- Social impact: Policy advocacy to promote for an ambitious climate policy in Sweden and the EU through dialogues with decision-makers, proposals for policy instruments and active participation in public debate.

Investments

Climate change mitigation is an important part of Axfod's investments and development work.

The Group's climate efforts primarily focus on taking action in the value chain rather than on direct financial investments. The largest climate impact occurs upstream, and since the Group does not operate within primary production or the food industry, it has limited opportunities to reduce emissions in this stage through its own investments. Moreover, most of its operations are conducted in premises where construction companies and property owners are responsible for the majority of investments in the buildings and facilities.

While Axfod owns few of its own properties, the Group influences the design of new buildings by engaging in a dialogue with construction companies and property owners. This work is governed by procedures that guide decisions on topics like energy efficiency, material selection and circular economy. The Group also invests in store interiors and cooling systems and has long-term investment plans that include replacing systems that impact the climate as stores are renovated and modernised.

Axfod is a major purchaser of trucks and contributes to the modernisation of the vehicle fleet through its own purchasing of vehicles and through its procurement of transport services. A transition to fossil-free transports based on electricity and renewable fuel has been carried out. When it comes to its own vehicles, the Group is investing in trucks that use electricity and liquefied biogas. These are associated with higher costs than traditional diesel vehicles, but help to reduce emissions from transport and accelerate the transition to fossil-free fuel. This allows Axfod to reduce the risk of future cost increases related to fossil fuel and carbon taxes. Axfod collaborates with vehicle manufacturers to promote the development of modern vehicles that use renewable fuel and electricity. Detailed information on investments and capital expenditure (CapEx) related to fossil-free vehicles and charging infrastructure has been omitted since the information is deemed to be of a confidential nature and of commercial value.

Axfod's Taxonomy-eligible activities primarily pertain to CapEx related to the Group's own vehicles and rented facilities. Those pertaining to turnover and operating expenditure (OpEx) are significantly smaller in scope.

The work to increase the share of CapEx that is Taxonomy-aligned is primarily based on the Group's climate target for its own operations. New vehicles are to use renewable fuel, including electricity,

thereby contributing to a reduction in Scope 1 emissions. The goal of transitioning to renewable fuel for the Group's own vehicles is also a key part of this work.

Economic activities linked to new store establishments and renegotiated leases are to focus on making all new or renovated stores and warehouses as energy efficient as possible. This is in line with the Group's target of reducing indirect emissions from purchased electricity, steam, heating and cooling.

The target to reduce electricity consumption in Axfod's stores by 10% per square metre by 2025 at the latest (compared with the base year of 2020) is also relevant for the Group's Taxonomy reporting. For more information about these activities, see Energy efficiency and refrigerants.

Management of material impacts, risks and opportunities**Policies and guidelines**

Axfod's work to limit climate-impacting emissions is governed by the Group's codes of conduct, policies and guidelines. Among other areas, these documents cover products and assortment, energy and store establishment, transports and IT. This work is based on the Group's overall sustainability policy and the principle of due diligence.

The Group-wide Supplier Code of Conduct has requirements for environmental protection and climate responsibility along the value chain.

Within the Group's own operations, there are specific guidelines for products, sustainable IT, and sustainable store establishments and refurbishments. These guidelines set out requirements for energy efficiency, refrigerant selection, renewable electricity use and fossil fuel phase-out. The documents are available to employees on the Group's intranet.

The sustainability function coordinates all updates and follow-up of these policies and reports annually to the Executive Committee. For more information about governance documents, see pages 100–101.

Supplier Code of Conduct

Axfod's Supplier Code of Conduct is one of several tools for managing climate impact in the supply chain, where the majority of the Group's emissions arise. The document covers all suppliers and sets out requirements for identifying and limiting the negative impacts on the environment and climate from their own operations.

Suppliers are expected to work systematically to prevent, reduce and – as needed – reverse negative impacts on the climate, environment and natural resources. They are encouraged to set their own climate targets and to support the Paris Agreement and the EU Fit for 55 package, which aims to reduce net GHG emissions by at least 55% by 2030 and to reach climate neutrality by 2050 at the latest.

The Supplier Code of Conduct is available in Swedish and English on Axfod's website and can be made available in additional languages if necessary. It is included in all supplier agreements and

followed up through dialogues, assessments and social audits. For more information about follow-up and application, see pages 86.

Guidelines for products

Axfod's guidelines for products primarily aim to ensure that the assortment is sustainable and of high quality. While climate change adaptation is not the main focus, the guidelines state that the Group's own and leased vehicles are required to operate fossil-free.

Guidelines for sustainable IT

Axfod's guidelines for sustainable IT aim to reduce the climate impact and energy consumption of the IT equipment used in the Group's operations. The guidelines cover the purchase, use and replacement of office machines and digital solutions.

New IT products are to be energy-efficient, with at least 15% better energy efficiency than the machines they replace. They are to carry the Energy Star label or an equivalent certification and are to be used for as long as possible in order to reduce resource consumption.

For more information about the guidelines for sustainable IT, see page 101.

Taking action

Axfod is taking long-term actions to reduce its carbon footprint along the value chain. These actions are based on the GHG Protocol and include direct emissions from the Group's own operations as well as indirect emissions both upstream and downstream. The focus is on agriculture, energy, transport, refrigerants and food waste – areas where the impact is most significant – as well as areas where the Group has the greatest opportunity to exert an influence through requirements, investments and collaborations.

Fossil-free transports

Transport is a prioritised area of Axfod's climate agenda. Emissions from product flows represent a significant share of the carbon footprint from the Group's own operations. Work in this area focuses on the Group's own vehicle fleet and transports as well as those of its external suppliers.

In order to become fossil-free, Axfod is transitioning to transports that use renewable fuel and electricity. Most of the emissions from the Group's own operations are attributable to the distribution from warehouses to stores. The top priorities here are electrification and renewable fuel. To enable this transition, charging infrastructure has been built at the Group's warehouses and distribution centres, and Axfod is investing in new vehicles with a focus on electrification.

Procured transports account for around half of the transport volumes. When signing agreements, Axfod includes requirements for renewable fuel and carbon footprint monitoring. This work includes developing methods for the consistent measuring and reporting of emissions.

Fossil-free sea transports from the Mediterranean are used for import flows, which reduces the carbon footprint of long-haul transports. Logistics flows are continuously streamlined through planning, route and filling ratio optimisation, and coordination. This helps to reduce emissions and makes distribution more resource-efficient.

Energy efficiency and refrigerants

Axfod works systematically to reduce energy consumption and to improve energy efficiency in its stores, warehouses and offices. The target is to reduce electricity consumption in stores and warehouses by at least 10% per square metre by 2025, compared with a 2020 base year.

Energy-efficiency initiatives include switching to LED lighting, automated ventilation, energy-efficient cooling systems and temperature optimisation in refrigerators, freezers and warehouse space. Energy-intensive functions are reviewed so that they can be shut down during periods of low activity. In 2025, 42 stores and one warehouse were converted to LED lighting. A total of 310 of 392 stores have been converted.

The Group invests in modern cooling systems with natural refrigerants and improved heat recovery. This work also includes replacing climate-impacting refrigerants in existing facilities and developing solutions for refrigerated transports as new technology becomes available. Plans for new and refurbished facilities have requirements for energy measuring, sustainable material selection and efficient heat recovery. These actions will gradually reduce energy consumption throughout the operations and reduce the climate impact from refrigerants.

Changes to the sales mix

Increasing the share of sales of plant-based products is key to reducing the carbon footprint of food consumption. Axfod can support this trend and aims to reduce the carbon footprint per kilo of food sold by at least 10% by 2030 at the latest (compared with the base year of 2024). This work includes innovation and product development, communication and inspiration, pricing and sales campaigns as well as in-store exposure.

The Group's subsidiaries establish annual action plans to provide guidance. These plans are used to identify the product groups with the greatest climate impact and to increase the share of sales of plant-based, resource-efficient alternatives. They function as support for adapting campaigns and communication to customer demand and help to change consumption patterns over time.

Developments in the sales mix are followed up at the category level to guide the Group's assortment development.

Developed offering

Axfod works to reduce the climate impact of the supply chain through supplier requirements, sustainability certification and

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product development that improves the environmental and climate performance of the assortment. This work addresses private label products as well as those from external suppliers, and aims to gradually reduce emissions in the value chain, particularly in areas with the largest carbon footprint.

Axfod's private label suppliers are to have targets and action plans for reducing emissions from their own operations. This means that suppliers are to have fossil-free Scope 1 and 2 emissions, and to establish and work towards Scope 3 emissions reduction targets. For Swedish fruit and vegetable farming, suppliers are to be eligible for the Svenskt Sigill Klimatcertifierad label by the end of 2026. This is a goal that Axfod is working with other players in the industry to achieve.

In product development, continuous work is under way to improve the climate performance of the assortment. This includes choosing raw materials and production methods with a smaller carbon footprint, developing resource-efficient products and reducing the use of risk commodities. Products of animal origin have requirements for animal care, antibiotic use and feed. Coffee, tea and cocoa in Axfod's private label products are sustainability certified.

Follow-ups of supplier climate performance are carried out through dialogues, compliance checks, the climate procedure and audits. The results are used as the basis for further developing the collaboration and for establishing requirements in future procurements.

Agricultural innovation

Emissions from agriculture and primary production account for the largest share of Axfod's total carbon footprint. These emissions are primarily connected to crop farming, fertiliser production and livestock farming, where biological processes generate methane and nitrous oxide. Since these emissions arise early on in the value chain and are largely biogenic in nature, they require different kinds of actions than those used for fossil fuel emissions. They are also much more difficult to reduce than fossil fuel emissions.

Axfod works with suppliers, researchers and industry organisations to reduce emissions in primary production. This collaboration includes developing fossil-free fertiliser, resource-efficient farming methods and initiatives to reduce the climate impact of livestock farming.

The Group promotes fossil-free agriculture in Sweden and supports the development of fertilisers manufactured without fossil fuels. One example of this is Axfod's collaboration with the innovation company Nitrocapt and the food producer Dafgårds to promote the farming of grain using fossil-free nitrogen fertiliser and its use in bread production.

Through collaborations, dialogues and requirements, Axfod helps to develop more sustainable agriculture, with a smaller climate impact from primary production. This work is also linked to Axfod's social advocacy efforts through the Food 2030 report, Axfod's proposal for a sustainable food strategy. In it, the Group highlights solutions

to reduce the dependence on fossil fuel and contribute to a sustainable food system.

Sustainability in the assortment and purchasing

Work with sustainability criteria in the assortment and purchasing aims to reduce the climate impact of the supply chain and to ensure that climate targets are integrated into purchasing and development of the assortment. Criteria include emissions from production and transport, energy consumption, and resource-efficient product flows and packaging.

During purchasing – both of the Group's private label products and of branded products – suppliers are required to have publicly announced climate targets and to take actions to reduce emissions. Their climate targets are followed up when contracts are signed. Climate performance is a consideration during product procurement and selection.

The Group works consistently across categories to identify product groups with a large carbon footprint, based on plans to gradually reduce their climate impact.

Reduced food waste

Reduced food waste is a prioritised part of Axfod's climate agenda. The target to reduce food waste by 50% (compared with the base year of 2015) was achieved in 2024 – one year ahead of schedule. This work is now continuing with a new target to reduce food waste to below 0.7% of sales by 2030. Such a reduction would automatically contribute to a lower carbon footprint since food waste entails emissions from the entire production chain.

The actions being implemented include better ordering procedures, increased sales of products with short expiration dates, donations to charities and collaborations to utilise residual flows in food production. One example is a collaboration with Carlsberg, where the dregs from beer production are to be used as an ingredient in new food.

New legislation from 2024 regarding separate management of food waste has helped to reduce food waste by contributing to clearer procedures and stronger incentives. Continued streamlining as well as collaborations with suppliers and producers help Axfod to reduce resource consumption and climate impact along the food supply chain.

Circular, climate-smart packaging

Packaging is a focus area for reducing climate impact and increasing resource efficiency in the value chain. Axfod sets requirements for material selection, recyclability and chemical content in close collaboration with suppliers.

For private label products, the Company encourages progress towards a higher share of renewable and recycled material, reduced use of plastic and phasing out materials with a significant climate impact. Data regarding packaging components is used to analyse material flows, identify improvement areas and follow up targets over time.

Systematic work with packaging design and material selection allows Axfod to promote circular flows, reduce waste and limit the carbon footprint of packaging.

New establishment

When establishing new stores or refurbishing existing ones, Axfod works to reduce energy use and climate impact through conscious choices in planning, design, and technical solutions. In connection with new construction, the aim is to achieve an energy performance at least 20% lower than the requirements set out in the Swedish National Board of Housing, Building and Planning's regulations. All stores are equipped with energy meters to enable continuous monitoring and improvements over time, and in locations close to district heating networks, the potential to deliver surplus heat is assessed.

The work also includes increasing the use of renewable energy. New roofs on stores and warehouses are designed to allow for the installation of solar PV systems, and solar panels are installed where considered technically and commercially feasible. Axfod's purchased electricity is 100% renewable and certified.

Currently, there is no group-wide guideline for sustainable establishment and refurbishment. During 2026, a guideline will be developed to clarify common working methods, requirements, and ambitions related to energy efficiency and the use of renewable energy.

Social impact

Axfod wants to see policies that combine the transition to fossil-free, more sustainable Swedish agriculture with a strong competitive edge. The Food 2030 report, Axfod's proposal for a sustainable food strategy for Sweden, presents several solutions for reducing the carbon footprint of the food system, both in production and in consumption. The key point is that Sweden needs to have a food strategy that is clearly linked to the national environmental objectives and that makes it profitable to choose sustainable solutions.

One of the most important actions is reducing fossil emissions in agriculture by replacing diesel with biofuels and electrification, introducing financial incentives for biogas and biofuels and investing in the production of fossil-free nitrogen fertiliser. Producing nitrogen fertiliser without natural gas reduces the CO₂ emissions from agriculture. Axfod also proposes using economic incentives as a tool to drive sustainable development.

To increase access to renewable energy, Axfod aims to facilitate the construction of solar parks and other facilities for renewable electricity production, including opportunities for energy storage and tax exemptions for solar electricity used in own operations. Investments in biogas and local energy sources are important for improving Sweden's preparedness and reducing its dependence on imported inputs.

It is important to use plant nutrients and resources that are already in the cycle. Axfod proposes large-scale pilot projects to extract nitrogen from sewage treatment plant reject water and to

increase the production of recovered phosphorus from mining by-products and sewage treatment plants. Increasing legume farming could lead to more protein production for feed and food, while also returning nitrogen to the soil through nitrogen fixation. Stimulating circular flows reduces agriculture's dependence on fossil raw materials decreases and increases soil fertility and resilience.

To create a fair playing field within the EU, Axfod proposes that the rules regarding government support be adapted so as not to prevent investments in fossil-free solutions. Increased support for on-farm biogas production and developing biofuels are also considered essential. Axfod believes that the green transition within agriculture must be made profitable through targeted support, area-based income support and employer payroll tax relief for sustainable farms.

Making agriculture fossil-free is also a matter of preparedness and self-sufficiency. Replacing imported fossil fuel inputs with domestic energy, fertiliser and plant nutrients will make Sweden better prepared for crises while simultaneously reducing emissions. Succeeding in this requires a clear political direction and economic incentives that make the right choices profitable.

Climate expertise

The Group conducts training and knowledge-sharing related to climate issues. Skills development is an important prerequisite for a successful climate transition in every part of the Group. Mandatory sustainability training, which includes climate issues, is available for every employee.

In 2025, representatives from the purchasing and category functions underwent training where they took part in a climate analysis of Axfod's most common purchase countries and discussed how climate change could impact conditions by 2030, 2040 and 2050. The goal was to increase knowledge and identify areas where the results can be integrated into business planning and sustainability work.

Targets and metrics

Axfod has established several climate-related targets to reduce the Group's climate impact, such as carbon footprint per kilo of food sold, Scope 1 and 2 emissions, the share of private label suppliers with publicly announced climate targets, and the share of suppliers of branded products with publicly announced climate targets. Other important climate targets include switching to fossil-free transports, reducing electricity consumption in the Group's own operations, increasing energy intensity and reducing business travel by air.

The targets are monitored at Group level and revised annually if necessary. Targets are approved by the Executive Committee, which ensures that the outcome is consistent with the original target and any adjustments. None of Axfod's targets related to climate change are science based and stakeholders did not contribute to their formulation.

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The climate analysis have not been directly taken into account in formulating Axfood’s climate targets, as these scenarios primarily aim to secure Axfood’s future assortment and sourcing through diversification of the supply chain. They are geographically specific and therefore do not directly contribute to emission reduction.

Unless otherwise stated, targets and metrics within the standard have remained unchanged during the reporting period.

In December 2025, Axfood applied to have three climate targets validated by the SBTi, thereby ensuring that the climate targets are based on a reduction of total emissions from all industries that is sufficient for reaching the climate targets of the Paris Agreement. The targets have a target year of 2030 and a base year of 2024. In connection with the adoption of the targets, the Group’s existing climate targets were adapted to meet the SBTi criteria and ESRs requirements.

Axfood’s science based targets (not yet validated by the SBTi):

- Axfood has committed to reducing its absolute GHG emissions in Scope 1 and 2 by at least 70%
- Axfood has committed to ensuring that at least 70% of its suppliers (based on spend) establish science based targets
- Axfood has committed to reducing its FLAG-related GHG emissions from agriculture by at least 30%

Emissions from food purchases

Axfood has committed to reducing its FLAG-related GHG emissions by at least 30% by 2030 compared with a base year of 2024. The target includes activities that Axfood can be considered to have direct control over as well as activities that are dependent on technological developments, consumer choices and political initiatives related to primary production.

Carbon footprint per kilo of food sold

Key ratios	2025	2024	2023	Target level 2030	Base year 2024	Target period	Governance documents
Kg CO ₂ eq per kg of food sold	1.95	2.01	1.94	—	2.01	Long-term (6 years)	—

Climate target for emissions from own operations

Key ratios	2025	2024	Target level 2030	Base year 2024	Target period	Governance documents
tCO ₂ eq from own operations	7,512	8,214	2,464	8,214	Long-term (6 years)	—

Carbon footprint per kilo of food sold

Axfood is to promote sustainable production and consumption of food by annually reducing its carbon footprint per kg of food sold through changes to the sales mix, by advocating for fossil-free agriculture in Sweden by 2030 and by encouraging the industry, authorities and politicians to support a reduced carbon footprint from food production and consumption.

The target covers indirect greenhouse gas emissions (Scope 3) from food sold in Group-owned stores within Willys, Hemköp (including retailer-owned stores), City Gross, Snabbgross and Eurocash.

The target is stated through an intensity value and is measured as average kilos of carbon dioxide equivalents (CO₂eq) per kilo of food sold.

The emissions factors used are updated every year by the research institute RISE. In cases where climate figures are missing for an item, which mainly applies to composite items such as baby food, standard figures based on similar items, or averages for corresponding items, are used.

In 2025, the carbon footprint per kg of food sold decreased by 3% and amounted to 1.95 kg of carbon dioxide equivalents (2.01). The reduction is primarily due to a lower share of sales of minced beef due to limited availability.

Changes in target reporting compared to the previous period

At the start of 2024, the Executive Committee and Board adopted a target to promote more sustainable production and consumption of food. This is to be achieved by reducing climate-impacting emissions (Scope 3) per kilo of food sold, measured as average kilos carbon dioxide equivalents (CO₂eq), by at least 10% by 2030 at the latest (base year of 2024). The target applies from 1 January 2024.

In connection with the adoption of targets related to FLAG emissions, the base year was adjusted from 2023 to 2024 to improve data quality.

As part of the application to the SBTi, Axfood adopted a FLAG target covering emissions from land use, forestry and agriculture. The target states that FLAG-related GHG emissions are to be reduced by at least 30% by 2030, with 2024 as a base year. The existing target of reducing the carbon footprint per kilo of food sold has been maintained as part of the overall science based target. Other emission reductions require changes that are beyond Axfood’s direct control and need to be supported by political decisions and instruments, technological developments and changes in consumer behaviour.

Emissions from own operations

Axfood has committed to reducing its absolute GHG emissions in Scope 1 and 2 by at least 70% by 2030, with 2024 as a base year. The target supports Sweden’s Environmental Objective “Reduced Climate Impact” as well as the UN SDGs, particularly SDG 13.

The target includes CO₂ emissions arising from Axfood’s own operations:

Scope 1:

- Refrigerants Group-owned trucks
- Refrigerants wholesale operations (warehouses)
- Refrigerants retail operations (stores)
- Own transports between warehouses and stores
- Company cars

Scope 2:

- Purchased electricity
- Purchased heat

During the year, emissions from the Group’s own operations decreased by 9% and amounted to 7,512 tCO₂eq (8,214). Emissions from the Group’s own transport decreased to 465 tCO₂eq (1,932), which was primarily the result of the comprehensive transition to fossil-free fuel and electricity. At the end of 2025, 100% of the Group’s own transports were refuelled with fossil-free alternatives, including electricity. There was also a major shift for procured transports, with a decrease to 6,094 tCO₂eq (19,292). The fossil-free share for procured transports amounted to 97% at year-end 2025.

Emissions from the refilling of refrigerants in 2025 amounted to 3,846 tCO₂eq (3,331).

Emissions from electricity and heating increased in Scope 2, which is due to the fact that all stores’ purchased district heating is now included in the outcome. Previously, only a few stores for Snabbgross and Willys have been included.

The target is stated as an absolute value and is measured in direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions from purchased energy (Scope 2).

The calculations are made in accordance with the GHG Protocol, a global standard for measuring and reporting greenhouse gas emissions. All greenhouse gas emissions are reported in tonnes of carbon dioxide equivalents (CO₂eq). When calculating emissions within Scope 2, a market-based calculation method is used when meeting targets.

Changes in target reporting compared to the previous period

In connection with the SBTi application, the Executive Committee decided to adjust the target level to at least 70% and the base year from 2021 to 2024. The Group’s previous definition of own operations was also revised to the more generally accepted scope, which only includes direct emissions in Scope 1 and indirect emissions from purchased electricity, heating, cooling and steam in Scope 2. The Scope 3 emissions categories that were previously included are no longer part of the target.

Climate targets for suppliers

Axfood has committed to ensuring that at least 70% of its suppliers (based on spend) establish science based targets by 2030 at the latest. This target comprises two interim targets, one covering private label suppliers and one covering suppliers of branded products.

Climate target for private label suppliers

Axfood’s suppliers of private label products will have publicly announced climate targets by no later than 2027. The target is connected to the Supplier Code of Conduct, which stipulates that suppliers are to establish climate targets that support the Paris Agreement. The target supports Sweden’s Environmental Objective “Reduced Climate Impact” as well as the UN SDGs, particularly SDG 13.

The target includes climate work by Axfood’s private label suppliers and emission reduction targets. A climate survey was sent to suppliers during the year. Out of a total of 454 (461) suppliers, 401 (403) answered the survey. 18.2% (11.1) of these stated that they set public climate targets, a significant increase compared to 2024. In addition, 50 suppliers that already have validated science based targets and ambitious climate agendas were not included in the climate survey.

The target was measured as the share of suppliers of private label products that have publicly announced net-zero emissions targets or targets that help support the transition to net-zero emissions (with science based targets) including targets for Scope 3, or that plan to establish such targets.

By 2027 at the latest, suppliers of private label products will have a publicly announced climate target of net-zero emissions from own operations (Scope 1 and 2) by no later than 2030. They will also have at least one publicly announced climate target aimed at considerably reducing the carbon footprint of their supply chain (Scope 3) by 2027 at the latest. Suppliers that are also primary producers (primarily fruits and vegetables) can meet this requirement by certifying their primary production in accordance with ambitious rules for reduced

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carbon footprint. For Swedish primary producers, this means achieving IP Sigill certification with the Climate or KRAV option by no later than 2026. Other suppliers can use the same certification to substantially reduce their Scope 3 carbon footprint.

The method for setting requirements for, assessing and following up supplier climate work and emissions reduction targets is based on the relevant sustainability target. Before procedures and processes that govern procurement are formulated, it is common practice to carry out a pilot study to investigate a supplier’s status and attitude towards extended climate requirements. A procedure is then designed that weighs the conclusions of the pilot study against Axfood’s target.

Comparability in target achievement is complex as the number of suppliers varies from year to year and the selection looks different as suppliers are removed and others are added. In addition to suppliers with publicly announced net-zero targets, suppliers with approved science based targets have also been included. Suppliers with publicly announced climate targets that partly aim for net-zero emissions, but are not science based targets, have not been included.

Changes in target reporting compared to the previous period

In 2025, the climate survey was adapted based on Axfood’s reporting requirements and to gain a better understanding of which suppliers

have science based targets for their own operations and in the supply chain.

Climate target for suppliers of branded products

Axfood suppliers that exclusively supply branded products, and that collectively account for at least 50% of the total emissions from suppliers of branded products, are to have publicly announced climate targets by no later than 2027. The target is part of Axfood’s publicly announced sustainability target and is also connected to the Supplier Code of Conduct, which stipulates that suppliers are to establish climate targets that support the Paris Agreement. The target also supports Sweden’s Environmental Objective “Reduced Climate Impact” as well as the UN SDGs, particularly SDG 13.

The target includes climate work by Axfood’s suppliers of branded products and emission reduction targets. A new climate procedure was introduced in 2025 which governs climate target monitoring for suppliers of branded products, carried out through an annual climate assessment. Some aspects included in the climate assessment are whether the supplier can be considered to comply with Axfood’s Code of Conduct with respect to climate and whether they are aware of their most material GHG emissions and have a target for reducing them. Suppliers were selected by identifying which ones supply

products with large sales volumes in the categories of meat, cold cuts, shellfish and cheese, which account for the highest emissions per kilo of food.

The target was measured as the share of suppliers of branded products that have publicly announced net-zero emissions targets or targets that help support the transition to net-zero emissions (with science based targets) including targets for Scope 3, or that plan to establish such targets.

During the year, Axfood conducted climate assessments of 26 suppliers of branded products within the categories of meat, cold cuts, shellfish and cheese. Axfood’s largest suppliers of branded products within meat, cold cuts and cheese are also private label suppliers, and are therefore also covered by this climate target. The results of the climate assessment indicate that 19.2% of suppliers have publicly announced net-zero targets as well as Scope 3 targets. Results show that several suppliers have science based targets and have started to measure GHG emissions and set targets. The lessons learned from this year’s climate assessment will lead to expanded dialogues with relevant suppliers to improve their understanding of Axfood’s requirements for a reduced carbon footprint in the supply chain, thereby promoting a shift to even more successful work on climate-related issues. They will also lead to adjustments in the selection process to ensure that the target for suppliers of branded products is monitored and measured more reliably in 2026.

By 2027 at the latest, suppliers that exclusively supply branded products, and that collectively account for at least 50% of the total emissions from suppliers of branded products, are to have a publicly announced climate target of net-zero emissions from own operations (Scope 1 and 2) by no later than 2032. They are also to have at least one publicly announced climate target aimed at considerably reducing the carbon footprint of their supply chain (Scope 3) by 2027 at the latest. Suppliers that are also primary producers (primarily fruits and vegetables) can meet this requirement by certifying their primary production in accordance with ambitious rules for reduced carbon footprint. For Swedish primary producers, this means IP Sigill with the Climate or KRAV option by no later than 2026. Other suppliers can use the same certification to substantially reduce their Scope 3 carbon footprint.

The method for setting requirements for, assessing and following up supplier climate work and emissions reduction targets is based on the relevant sustainability target. In accordance with standard practice, a pilot study was conducted before finalising the climate procedure in order to investigate supplier views on making climate targets and climate-related work part of the procurement process. The results indicated an overwhelmingly positive response.

Comparing target achievement is complex as the suppliers of branded products that are included in the climate procedure are revised annually and can vary from year to year. Since the climate procedure was introduced and tested for the first time in 2025, the outcome cannot be compared with any previous year.

Fossil-free transports

Axfood’s own and procured transports from warehouses to stores are to use entirely renewable fuel, including electricity, by no later than 2025. The target supports Sweden’s Environmental Objective “Reduced Climate Impact” as well as the UN SDGs, particularly SDG 13.

The target covers CO₂ emissions from all of the Group’s own and procured transports between warehouses and stores. At the end of the year, the share of renewable fuel is measured by multiplying the total fuel consumption of the vehicles by supplier-specific emissions factors.

Emissions from the Group’s transport operations between warehouses and stores, using both self-owned and procured trucks, have decreased significantly since the target was adopted in 2024. In 2025, a share of fossil-free transport of 100% was achieved for the Group’s own transport (97), and 97% for procured transport (72), representing significant increases compared with the previous year.

Although occasional individual refuelling with fossil fuels may occur in exceptional cases, the target of fossil-free transport is considered to have been achieved. A systematic transition effort, including renewal of the Group’s own vehicle fleet, cooperation with suppliers, and extensive renegotiation of all transport agreements, has contributed to the positive outcome.

Electricity consumption in own operations

Axfood is to reduce electricity consumption by 10% per square metre by no later than 2025 compared with the base year of 2020. Work to reduce electricity consumption in operations is ongoing through, among other things, optimisation of lighting and cooling facilities. When establishing new stores and refurbishing stores and warehouses, sustainability performance in terms of energy and material selection must meet a high commercially available standard. Circular economy must be taken into particular consideration.

In 2025, electricity consumption per square metre amounted to 240.2 kWh/sq. m. (248.7). Compared with the base year, this corresponds to a reduction of 19% (16).

The target is reported as the number of kilowatt hours (kWh) for purchased electricity per square metre (sq. m.). The sample includes the electricity consumption under a joint agreement for 325 of the Group-owned stores (315) and 10 warehouses (10). The number of square metres corresponds to the total area for all stores and warehouses in the sample. Reported information is presented on a rolling 12-month basis.

Share of business travel by air

The proportion of domestic flights is to be halved by 2025 compared with the base year 2019. The target is connected to Axfood’s travel and meetings guidelines, which state that travel-free meetings should be prioritised. If travel is necessary, trains or buses should be chosen first.

Climate target for private label suppliers

Key ratios	2025	2024	2023	Target level 2027	Base year 2023	Target period	Governance documents
Share of private label suppliers with publicly announced climate targets, %	18.2	11.1	6.5	100	6.5	Medium-term (3 years)	Supplier Code of Conduct

Climate target for suppliers of external branded products

Key ratios	2025	Target level 2027	Base year 2025	Target period	Governance documents
Share of private label suppliers with publicly announced climate targets, %	19.2	50	—	Medium-term (2 years)	Supplier Code of Conduct

Fossil-free transports

Key ratios	2025	2024	2023	Target level 2025	Base year 2023	Target period	Governance documents
Share of own transports, %	100	97	81	100	81	Medium-term (5 years)	—
Share of procured transports, %	97	72	10	100	10	Medium-term (5 years)	—

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Guidelines for sustainable IT are linked to the target in that digital meetings promote reduced physical travel. Through investments in the development of digital meetings, travel within the Group has been significantly reduced. The digital working method is continuously followed up.

The target supports Sweden’s Environmental Objective “Reduced Climate Impact” as well as the UN SDGs, particularly SDG 13.

The target includes round-trip domestic flights within the Group and is measured by the proportion of flights on routes shorter than 550 km where trains are preferable. The routes included in the data are between Stockholm and 13 different locations.

The number of business trips decreased in 2025, mainly as a result of more digital meetings. The share of air travel decreased to 36% (43) and was replaced by increased travel by train. The target of halving the share of air travel is therefore achieved.

Refrigerants

The use of refrigerants at Axfood’s stores and warehouses is to be climate-neutral by 2030. The Group’s target is for all of its stores and warehouses to switch to natural refrigerants by the target year. This transition represents an important part of Axfood’s efforts to reduce its carbon footprint, given that traditional refrigerants have a high global warming potential (GWP).

Climate-neutral refrigerants

Key ratios	2025	Target level 2030	Base year 2025	Target period	Governance documents
Share of converted stores and warehouses, %	70	100	70	Medium-term (5 years)	—

Electricity consumption in own operations

Key ratios	2025	2024	2023	Target level 2025	Base year 2020	Target period	Governance documents
Electricity consumption, kWh/sq. m.	240.2	248.7	244.6	267.3	297.3	Medium-term (5 years)	—

Share of business travel by air

Key ratios	2025	2024	2023	Target level 2025	Base year 2019	Target period	Governance documents
Share of domestic flights, %	36	43	58	38.5	77	Long-term (6 years)	<ul style="list-style-type: none"> Travel and meetings policy Guidelines for sustainable IT

The target covers all Group-owned stores within Willys, Willys Hemma, Eurocash, Hemköp (including retailer-owned stores), Snabbgross and City Gross as well all of Dagab’s warehouses. The target is measured as the share of converted stores and warehouses out of the total portfolio (%), with stores or warehouses only considered to be converted when all refrigeration units at the store or warehouse in question have been converted to natural refrigerants. Conversion should primarily be to carbon dioxide (CO₂, R744), which has a significantly lower GWP than traditional refrigerants.

The base year for the target is 2025, and the target level is an absolute value of 100% by 2030. Since this target was measured for the first time in 2025, no comparison figures are available.

The outcome for 2025 will be followed up annually as part of Axfood’s sustainability reporting. The Group’s progress and any deviations in relation to the target level will be commented on in connection with future reports.

Energy consumption and mix

Axfood’s energy use primarily relates to electricity consumption and heating of its many warehouses and stores. The majority of this consists of purchased electricity for the Group’s offices, stores and warehouses. Fuel consumption from its own freight transport and company cars also constitutes a material item.

Energy consumption and mix (MWh)	2025	2024
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	4,089	24,785
Fuel consumption from natural gas	0	0
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil source	1,304	1,574
Total fossil energy consumption	5,394	26,358
Share of fossil sources in total energy consumption, %	1	6
Consumption from nuclear sources	0	0
Share of consumption from nuclear sources in total energy consumption, %	0	0
Fuel consumption for renewable sources, including biomass (including industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.	73,988	71,089
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	354,312	346,727
The consumption of self-generated non-fuel renewable energy	11,396	8,807
Total renewable energy consumption	439,696	426,623
Share of renewable sources in total energy consumption, %	99	94
Total energy consumption	445,089	452,981

Energy use for the year was 445,089 MWh (452,981). The energy mix consists of 99% (94) Swedish renewable energy, which consists of fossil-free electricity, primarily from hydroelectric power. Part of the mix also consists of self-produced solar power generated from solar cell systems installed on the roofs of warehouses and stores.

Energy use from fossil energy sources is dominated by fuel consumption from crude oil and petroleum products that can be derived from the Group’s own freight transport and company cars where the reduction obligation has been taken into account. Energy use from company cars has been estimated and is therefore not as reliable. During the year, energy use from fossil energy decreased substantially to 5,394 MWh (26,358) mainly as a result of the transition to fossil-free fuels in transports.

To calculate Axfood’s energy intensity associated with operations in high climate impact sectors, NACE Rev. 2.1 was used to specify sector affiliation. The Group was assessed to belong to NACE code G.47.2: Retail sale of food, beverages and tobacco, which corresponds to the energy use for the entire Group.

Energy intensity

Key ratios	2025	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/SEK m)	5.0	5.4

During the period, Axfood’s energy intensity decreased to 5.0 (5.4). The monetary unit used refers to the Group’s net sales, which is derived from the table Axfood’s financial reports under the table Statement of profit or loss and other comprehensive income, Group on page 122.

Gross GHG emissions

During the year, Axfood carried out a complete emissions inventory according to the recommendations from the GHG Protocol. The results indicate that the primary carbon footprint arises from the Group’s other indirect emissions in Scope 3. This pertains to emissions upstream in the value chain that arise in connection with Axfood’s purchased goods and services, the definitive majority of which comprises purchased food. Other material items also include the climate impact arising from the purchase of non-food and consumers’ travel to and from the Group’s stores.

The greenhouse gases included in the reporting consist of carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄), which account for the majority of Axfood’s emissions. Other greenhouse gases are fluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

For purchased energy within Scope 2 of a total of 348,874 MWh, Axfood mainly receives contractual agreement instruments in packages through the Group’s central electricity agreement and another larger electricity agreement that covers many of the Group’s offices, warehouses and stores. Of the total purchased energy, this constitutes 82.6% (82.8), while stand-alone instruments constitute 1.9% (1.1). The central electricity agreement is covered by guarantees of origin through environmentally declared electricity from hydropower with EPD, while a further larger agreement is covered by Bra Miljöval Vatten with EPD.

Information on biogenic emissions that arise in own operations and along the value chain in connection with the combustion of HVO fuel or biogas is excluded. These processes can occur through fuel consumption or food production. At present, Axfood does not have the ability to calculate and report this type of emissions within its value chain in a reliable manner.

For information about the sources of the emissions factors used and the proportion of primary data reported, see page 102.

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Emissions intensity	2025	2024
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/SEK m)	46.29	49.29
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/SEK m)	46.27	49.26

During the period, the market-based emissions intensity of 46.27 (49.26) was just below the location-based one of 46.29 (49.29), which can probably be explained by the fact that emissions from Scope 2 constitute a smaller part of the Group's total emissions. Also, the fact that Swedish energy supply is generally fossil-free also contributes to the difference between location-based and market-based being smaller. The monetary unit used refers to the Group's net sales, which is derived from the table Axfood's financial reports under the table Statement of profit or loss and other comprehensive income Group, on page 122.

Scope 1

Axfood's direct emissions pertain primarily to goods transports, company cars and refrigerants.

Goods transports include road transport between the Group's warehouses and stores as well as e-commerce. Reported data is based on consumption from 207 (210) heavy-duty trucks and 52 (72) light trucks. Data on fuel consumption and the share of renewable fuel is collected from fuel suppliers. The emissions factors used are compiled with the aid of documentation from the Swedish Energy Agency and DESNZ, Department for Energy Security and Net Zero. Reported data for self-owned transports are estimated for December using the previous year's period when data is not available at the time of reporting.

Emissions from company cars are based on supplier-specific data that is processed and consolidated in an environmental report by Autoplan. Emissions have been calculated based on the number of kilometres driven during the period. Data from driving logs is used if one is available for the complete period. Otherwise, the number of kilometres is based on an odometer reading. If neither values are available, the budgeted annual number of kilometres from the time the order was placed is used.

Refills of refrigerants in all warehouses and stores, and refrigeration units in trucks are also included. The data is based on statutory refrigerant reports. Information on refrigerants in warehouses and stores pertains to the preceding year's consumption. For CO₂ emissions, GWP – a measure of how much a greenhouse gas contributes to global warming compared to carbon dioxide – has been calculated for the respective types of refrigerants, using emissions factors from the IPCC (2006).

Scope 2

Axfood's indirect emissions from purchased electricity, steam, heating and cooling consist mainly of the electricity used in the Group's warehouses, stores and offices. A total of 325 (315) of Axfood's Group-owned stores, three offices and ten warehouses are connected to central electricity agreements with Vattenfall.

Data from purchased additional heat comes from the Group's warehouses, 26 (26) from Willys stores. For the remaining stores within the Group's total stores, emissions from purchased heat have been estimated based on average.

Scope 3

Category 1: Purchased goods and services

Emissions from the products Axfood sells have been calculated using climate data from RISE.

Emissions from purchased food pertain to food sold in the Group's stores and online. To offset the purchase of food that is discarded before it can be sold, emissions are also included from food waste that arises in warehouses and stores.

Emissions from non-food have been calculated using generic emissions factors developed by RISE that cover 39 different product categories within Axfood's assortment. The emissions factors cover approximately 90% of the total sales by weight, and the remainder are estimated based on a coverage rate of 90% by volume. In cases where packaging was not included in the emissions factor, these have been estimated.

Emissions from packaging are calculated based on data for the Group's private label products. Based on this data, emissions from packaging for branded products could also be estimated.

Emissions from other purchases to the business have been carried out using environmental spend analysis, a method for analysing the environmental impact of purchases. Axfood used the tool and environmental indicators provided by the National Agency for Public Procurement. The tool is adapted for the public sector, but in the absence of data sources for Sweden it has been deemed appropriate for Axfood's purchasing. The analysis take into consideration the environmental impact and carbon footprint that Swedish consumption causes in Sweden and other countries.

Category 2: Capital goods

Emissions from Axfood's purchases of capital goods were calculated using a life cycle analysis, which means that the calculations are based on SEK spent in seven different purchasing categories. The data for the calculations comes from the Group's fixed assets register. Axfood used the tool and environmental indicators provided by the National Agency for Public Procurement for the environmental spend analysis. The tool is adapted for the public sector, but in the absence of data sources for Sweden it has been deemed appropriate

for Axfood's purchasing. The analysis take into consideration the environmental impact and carbon footprint that Swedish consumption causes in Sweden and other countries.

Category 3: Fuel- and energy-related activities

Emissions from Axfood's fuel- and energy-related activities pertain to emissions that arise in the manufacturing phase for the Group's purchased electricity, heating and fuel up to the actual use phase ("well-to-tank emissions"). The data used for fuel consumption comes from Axfood's trucks and company cars as well as purchased electricity and heating for the Group's warehouses, offices and stores.

Category 4: Upstream transportation and distribution

Emissions from transports are calculated as well-to-wheel (a life cycle analysis of fuel from extraction to use), and consist of both procured transports between warehouses and stores as well as goods transports arriving at warehouses.

1. Transports between Axfood's warehouses and stores pertain exclusively to road transports. Data on fuel consumption in litres and emissions figures have been obtained from the Swedish Association for Road Transport Companies. Data for procured transports are estimated for the last quarter by using the corresponding period of the previous year when data is not available at the time of reporting.

	Retroactively				Year for interim target and target	
	Base year	2025	2024	Change	2030	Annual target % base year
Gross market-based Scope 1 & 2 GHG emissions	8,214	7,512	8,214	-9%	-70%	-9%
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO ₂ eq)	5,430	4,488	5,430	-17%	–	–
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	–	0	0	–	–	–
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	5,455	5,240	5,455	-4%	–	–
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	2,784	3,024	2,784	9%	–	–
Significant Scope 3 GHG emissions						
Total gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	–	4,117,329	4,132,058	-0%	–	–
Category 1: Purchased goods and services	–	3,598,739	3,628,161	-1%	–	–
Purchase of food	3,224,256	3,219,807	3,224,256	-0%	-30%	-0%
Purchase of non-food	–	233,771	256,598	-9%	–	–
Purchased other	–	145,162	147,307	-1%	–	–
Category 2: Purchase of capital goods	–	102,537	124,640	-18%	–	–
Category 3: Fuel- and energy-related activities	–	5,419	4,325	25%	–	–
Category 4: Upstream transportation	–	54,970	62,370	-12%	–	–
Category 5: Waste	–	267	135	98%	–	–
Category 6: Business travel	–	795	1,150	-31%	–	–
Category 7: Employee commuting	–	7,103	5,287	34%	–	–
Category 9: Downstream transportation	–	335,118	291,640	15%	–	–
Category 11: Use of sold products	–	9,173	10,960	-16%	–	–
Category 12: End-of-life treatment of sold products	–	2,025	2,175	-7%	–	–
Category 14: Franchises	–	1,183	1,213	-2%	–	–
Total GHG emissions						
Total GHG emissions (location-based) (tCO ₂ eq)	–	4,127,057	4,142,943	-0%	–	–
Total GHG emissions (market-based) (tCO ₂ eq)	–	4,124,842	4,140,273	-0%	–	–

E1 – CLIMATE CHANGE

2. Emissions from goods transports arriving at Axfood's warehouses have been estimated.

Transport modes include road, sea, air and rail. Transports included in the calculations pertain to those which suppliers are responsible for delivering to Axfood's premises as well as transports for which the Group is responsible for delivery from the supplier's warehouse. Transports for which suppliers are responsible from outgoing ports, and for which Axfood is responsible from the incoming port to the Group, are also included.

Sea distance was calculated in kilometres from port to port, and only included intermodal transports. If information was not available about vehicle size, a standard figure was used.

Weight per transport is stated in kilograms and distances in kilometres have been obtained using AI. Supplementary information has been provided when distances were not available.

Category 5: Waste

Emissions from waste that arises from Axfood's own operations was calculated using primary data. Waste data was provided by Axfood's two central waste handling contractors. At the end of 2025, there were a total of 423 (484) pick-up locations, covering the Group's offices, warehouses and stores. Waste transports are included in the emissions factors used.

Category 6: Business travel

Emissions from business travel include domestic and international employee travel, whether by air, train, bus, taxi, rental car or private car. Flights booked via travel agents and flights booked privately are both included. The altitude effect is included in the calculations for flights.

Category 7: Employee commuting

Emissions from employee commuting are based on estimates of Axfood employees' travel to and from work. The calculations are based on data on the number of employees at Axfood (FTEs) and the number of hours worked during the reporting period. Based on this data, the total number of primary round trips to the workplace per employee has been estimated. The average Swede's choice of transport to and from the office was taken into consideration: private cars, public transportation, bicycles, and on foot. Public transportation includes buses, trains, trams or the metro. Sources for employees' average travel habits come from Transport Analysis and Kollektivtrafikbarometern. Together with the total number of primary trips, the number of trips per transportation mode and total number of kilometres per transportation mode were estimated.

Category 9: Downstream transportation

Emissions from downstream transports are based on estimates of consumer travel to and from Axfood's stores. The calculations are based on the number of transactions per store and public statistics about the average number of trips, trip length and carbon footprint per kilometre travelled during the reporting period. Transactions were based on the total number of customer transactions in all of the Group's store chains. Swedes' choice of transport was taken into consideration: private cars, public transportation, bicycles, and on foot. Sources for consumers' average travel habits come from Transport Analysis and the Swedish Transport Administration.

Category 11: Use of sold products

Emissions from consumer use of Axfood's sold products was estimated based on the Group's current market share, which was approximately 25% during the reporting period. The estimate of emissions from the category is based on the number of Swedish households, the average energy consumption for storage and preparation of goods sold, and the type of housing. Information on the number of Swedish households included in the calculations is based on statistics from Statistics Sweden.

Total energy consumption is based on public statistics on storage in freezers and refrigerators as well as food preparation and utensils used in Swedish households. Consideration was given to type of consumer housing by using the average annual energy consumption in kilowatt hours for houses, apartments, and other housing types in Sweden. For other types of housing, the same values were used as for apartments. Sources for average electricity consumption come from public sources such as the Swedish Energy Agency and Fortum.

Category 12: End-of-life treatment of sold products

The calculations for consumer end-of-life treatment of goods sold through Axfood include emissions from waste management. This includes the weight of the food itself as well as the estimated weight of the packaging. Packaging waste management is assumed to be handled through either incineration and recycling. In these cases, emissions factors only take transport to energy recovery or recycling facilities into account. This is in line with the GHG Protocol, with subsequent emissions attributable to either electricity generation or the production of recycled materials. For food waste, 100% is assumed to be handled through anaerobic digestion, a biological process in which organic matter is broken down by microorganisms in the absence of oxygen.

Category 14: Franchises

Emissions from purchased electricity consumption from retailer-owned stores include Hemköp, Tempo, Matöppet, and Handlar'n chains. Out of a total of 477 stores (471), data was collected from 156 (286) during the reporting period. Of these, approximately 37% stated that they exclusively use renewable electricity. For other stores where primary data could not be obtained, the remaining stores' emissions have been estimated by calculating the average electricity consumption from the collected data. The Swedish average mix was used as the emissions factor in the calculations.

Emissions categories that are not relevant:

According to the emissions inventory, the following four emissions categories in Scope 3 were not deemed relevant to Axfood's operations and have therefore been excluded from the Group's reporting.

Category 8: Axfood leases all premises in its operations except one. Emissions arising from these premises, such as electricity consumption and refills of refrigerants, are included in the Group's direct emissions in Scope 1 and indirect emissions in Scope 2. Since emissions are already addressed under these items, and to avoid double counting, Category 8 (upstream leased assets) is not considered relevant.

Category 10: Axfood sells finished products that are ready to be used, not products that need to be processed by consumers after sale.

Category 13: Axfood does not lease assets to other parties.

Category 15: Emissions from investments pertain to estimates of holdings in the companies Oda, Apohem and also City Gross prior to acquisition on 1 November 2024. According to the GHG Protocol, emissions must relate to the investment's emissions in Scope 1 and 2 and in relation to current holdings. However, the amount of the Group's emissions attributable to these investments is so small that it is not considered relevant.

Greenhouse gases financed through carbon credits

Emissions from Axfood's own operations, including purchased energy, refrigerants, business travel and transport from warehouses to stores, must be balanced with efforts to sequester carbon dioxide or counteract emissions in an equivalent amount elsewhere. For 2025, investments have been made in projects through Eken Financing AB, where forests are allowed to remain longer to sequester more carbon, and through Solvatten AB, which provides people in economic vulnerability with clean and hot water by purifying water with solar energy to reduce their need for firewood and coal. In addition to social and health benefits, this leads to reduced climate

emissions and counteracting the loss of biodiversity through reduced felling. These investments will cover the Group's emissions within its own operations, which during the year amounted to 20,086 tonnes of carbon dioxide equivalents. The carbon credits for the amount of emissions covered are planned to be cancelled in the future, ensuring that the climate compensation is permanent and cannot be double counted.

The projects pertain to both emission reduction projects and absorption projects, where all carbon credits relates to biogenic emissions. These credits will be issued both within the EU and outside the EU and are expected to be certified according to the Gold Standard and Verra VCS quality standards. The projects are ongoing and the credits will not be received by Axfood until the projects are completed.

Axfood's climate target for its own operations for 2030 states that emissions are to be reduced by at least 70% compared to the base year 2024. Neither the climate target nor its outcome take these carbon credits into account in order for the Group to be able to claim carbon neutrality.

E2 Pollution

Axfood is taking action to limit pollution and emissions of hazardous substances. This includes the use of fertilisers and pesticides in agriculture as well as the management of refrigerants, chemicals and packaging. Through circular solutions, transitioning to natural refrigerants and supplier requirements, the Group contributes to reducing negative impacts on air, soil and water.

The most significant environmental impact occurs upstream in the supply chain, particularly in primary production, where emissions of nutrients and pesticides impact the soil, watercourses and marine ecosystems. Axfood works to reduce the impact of its own operations through responsible chemical flows, fossil-free transports and renewable cooling systems.

The Group's ambition is to limit the amount of substances that are hazardous to the environment and health in products and packaging as well as to ensure that sold products are manufactured and processed in ways that protect people and the environment. Industry-wide initiatives and a long-term sustainability agenda help the Group to reduce the use of chemicals, strengthen its circular material flows and prevent pollution in the value chain.



E2 – POLLUTION

Pollution – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
Pollution of air	Actual negative impact	I7	Air pollution occurs along the value chain from cooling systems, packaging production and road transports.	Short-, medium- and long-term	Upstream, own operations and downstream
Pollution of water, soil, living organisms and food resources	Actual negative impact	I8	The use of pesticides and fertilisers in agriculture leads to pollution of soil and water, while chemicals in products and packaging could impact health and the environment.	Short-, medium- and long-term	Upstream
Substances of concern and very high concern	Actual negative impact	I9	The use of refrigerants in warehouses, stores and transports has a negative impact on the ozone layer.	Short-, medium- and long-term	Upstream and own operations
Substances of concern and very high concern	Risk	R7	Phasing out hazardous chemicals requires considerable resources and entails a risk in terms of costs and supply security.	Medium- and long-term	Upstream and own operations

Description of material impacts, risks and opportunities

This section covers how Axfood manages and reports various incidents of pollution and chemical emissions that impact air, soil and water resources. Limiting these emissions is an important part of Axfood’s environmental work and covers the entire value chain.

The table above shows the impacts, risks and opportunities identified as material to Axfood’s operations and value chain through the Group’s materiality assessment.

Material impacts

Axfood’s material impact in terms of pollution to soil, air and water mainly arises upstream in the value chain, primarily within agriculture. These impacts come from synthetic fertilisers and manure in livestock farming as well as pesticides used to protect crops. Heavy fertiliser use can lead to nitrogen and phosphorus leaching, which can cause eutrophication and degrade water quality, while ammonia emissions have a negative impact on air and the ecosystem.

The use of pesticides in agriculture can leave residual matter in soil and water. Despite a slight decrease in Sweden in the last few years, there are still problems with plant protection products in sur-

face and ground water. Air pollution can also occur in other parts of the value chain, such as through the energy-intensive production of packaging and emissions from road transports. These emissions primarily consist of nitrogen oxides and particulates with a negative impact on air quality and health in the local environment.

In Axfood’s own operations, pollution emissions are limited and primarily arise from the use of refrigerants and from transports. A review of the Group’s logistics centres in Bålsta and Jordbro indicates that the Group’s emissions are below the applicable thresholds in the European Parliament and Council of Europe Regulation (EC) No. 166/2006. The results confirm that the direct environmental impact from Axfood’s operations is limited.

Risks and opportunities

Chemicals in packaging and non-food pose a material risk, especially in products produced outside the EU where applicable regulations and oversight can vary. Phasing out hazardous substances in food production can also lead to risks related to access, product quality and supply security. This work is resource-intensive and can lead to increased costs for product development or adapting the supply chain.

Management of material impacts, risks and opportunities

Policies and guidelines

Axfood has established policies and guidelines that guide its work to limit pollution to air, soil and water. These policies and guidelines relate to the use of refrigerants and chemicals, packaging and non-food, and emissions from transports.

Axfood has taken expectations from affected stakeholders, such as communities, customers, investors and environmental organisations, into consideration when drafting governance documents. Policies and guidelines provide the framework for how the Group identifies, assesses and monitors pollution risks. The work is based on the principle of due diligence within the framework of Axfood’s sustainability governance.

For more information about policies and guidelines, see pages 100-101.

Supplier Code of Conduct

Axfood’s Supplier Code of Conduct requires suppliers to engage in systematic environmental work focused on environmental protection and pollution prevention. Suppliers are expected to identify the negative environmental impact of their own operations and to take actions to prevent, limit and reverse negative impacts on communities, health, natural resources and the climate.

It particularly addresses the use and handling of chemicals, pesticides and other potentially harmful substances. These substances are to be identified, assessed and managed safely throughout their entire life cycle, from manufacturing and storage to recycling or waste management.

By signing the Supplier Code of Conduct, suppliers confirm their commitment to following Axfood’s requirements. This includes phasing out hazardous substances and carefully handling chemicals, even in primary production.

Guidelines for products

Axfood’s guidelines for products govern the handling of chemicals within the assortment and include both goods and packaging. The guidelines are based on ChemSec’s SIN list of substances to phase out and state that these substances are not to be used in products or packaging that comes into contact with food.

For suppliers of non-food as well as chemical and cosmetic products, third-party certification is required. Risk categories include textiles, toys, detergents and cleaners. Axfood also participates in industry-wide initiatives to promote sustainable chemical handling that use the SIN list as a tool.



E2 – POLLUTION

As a part of the guidelines, PFAS are forbidden in all non-food and packaging for the Group's private label products, as well as in medicine that is of particular concern for environmental impact, such as diclofenac.

Guidelines for sustainable store establishment

Guidelines for sustainable store establishments will be developed in 2026. Sustainability aspects are taken into account in new establishments, such as investments in natural refrigerants with a low environmental impact and planning for charging infrastructure to enable the electrification of transports. The ambition is to ensure long-term sustainable facilities and to limit emissions from own operations.

*Taking action**Introduction of Global G.A.P.*

Global Good Agricultural Practices (G.A.P.) is a certification that requires the controlled use of fertilisers and plant protection products, the safe storage of chemicals and the correct handling of waste in order to prevent the spread of hazardous substances and nutrient leakages. The requirements in this certification reduce pollution of soil and water, protect biodiversity and prevent negative impacts on local ecosystems.

Axford has required Global G.A.P. certification or the equivalent for several years for fruits, vegetables, grains and legumes. This work has been expanded to include packaged and processed private label plant products. Gradually increasing the share of certified suppliers allows Axford to improve traceability and supports more sustainable and environmentally friendly production in the supply chain.

Transport and logistics

Axford is taking action to reduce pollution from transport and logistics. Several kinds of vehicles and fuels, such as electricity and biogas, are used to reduce emissions of nitrogen oxides and particulates. The strategy for a diversified vehicle fleet helps spread risk, stimulate the development of sustainable fuel and promote the electrification of heavy transports.

All of the vehicles Axford purchases are to be rated Euro 6, a more stringent standard than the previous one when it comes to nitrogen oxide emissions. This classification requires vehicle manufacturers to use exhaust aftertreatment, where a portion of the exhaust is returned to the engine to lower the combustion temperature, thereby reducing the formation of nitrogen oxides in the combustion process. Any remaining nitrogen oxides are converted into harmless nitrogen and water vapour through a purification system. Axford is also electrifying a portion of its vehicle fleet, thereby completely eliminating these types of emissions from this portion of the fleet.

Refrigerants

Axford works systematically to reduce the risk of pollution from refrigerants used in stores, warehouses and the vehicle fleet.

Emissions of fluorinated gases (F-gases) can deteriorate air quality and spread persistent chemical compounds in the atmosphere.

New store establishments and refurbishments present opportunities to replace synthetic refrigerants with natural alternatives, such as carbon dioxide and propane, which have lower environmental risks and do not deplete the ozone layer. This work also includes procedures for handling, recycling and inspecting facilities to reduce the risk of leakages.

Refrigerants that are regulated by the EU F-gas Regulation (EU 517/2014) are to be phased out by no later than 2030. New store establishments only use natural or non-fluorinated substances. Regular servicing, training and follow-up ensure the environmentally friendly handling of refrigerants throughout their entire life cycle. For more information about Axford's targets related to refrigerants, see ESRs E1 on pages 57.

Chemicals

Axford manages and phases out hazardous substances in products, packaging and chemical products. The quality assurance function is responsible for monitoring substances in private label products and packaging and for ensuring that suppliers meet the Group's chemical requirements.

Carcinogenic, mutagenic, reprotoxic (CMR) substances and endocrine disruptors are forbidden in Axford's cosmetic and chemical products. PFAS are not permitted in non-food items or packaging for private label products.

In accordance with the guidelines for products, Axford strives to prevent substances on the SIN list from being used in products or packaging. As a complement to this work, Axford applies the EU's candidate list of substances of very high concern (SVHC) and requires suppliers to report the presence of such substances.

On Axford's initiative, an industry-wide list of pesticides that are permitted but inappropriate was prepared for fruit and vegetable production. The list is maintained by the Swedish Food Retailers Federation and is updated as necessary.

Targets and metrics

Axford currently has no quantitative targets or metrics to follow up material impacts, risks and opportunities related to pollution in its own operations or upstream in the value chain. This is primarily due to the difficulties involved in measuring and ensuring reliable data.

While Axford has good control over the production of private label products, challenges remain when it comes to measuring the presence of hazardous substances and chemicals in brands. This requires a combination of proactive requirements, effective measuring tools and expanded data collection in the supply chain.

In 2025, work began on improving data collection related to hazardous substances and chemicals. In the long term, this work is expected to create better conditions for developing relevant metrics and follow-up methods.



E3 Water and marine resources

Axfood works long-term and systematically to reduce its impact on water resources and marine ecosystems – areas with major challenges and where change is crucial for the future food supply. To increase access to clean water in farming areas and contribute to more viable marine ecosystems, Axfood applies clear internal procedures and engages in collaborations across the value chain.

Axfood is working to reduce water use in primary production by setting clear requirements for suppliers, participating in joint initiatives to promote food retail and investing in more sustainable farming methods. This work involves developing the feed of the future, increasing sales of sustainability-labelled seafood, and establishing a more varied range of fish and shellfish.

Community engagement and partnerships with organisations such as BalticWaters, a foundation engaged in efforts to improve the Baltic Sea environment, contribute to new knowledge and research and provide an opportunity to influence public opinion. By combining tangible actions across the supply chain with industry-wide and political initiatives, Axfood demonstrates that the retail sector can be a driving force in promoting responsible water use, healthy oceans and a more sustainable food supply chain.



69.8%

In 2025, the share of sales of sustainability labelled fish and shellfish increased to 69.8% (61.7). Axfood's goal is that all fish and shellfish sold by 2030 should be ecolabelled or rated green in WWF's Seafood Guide.

E3 – WATER AND MARINE RESOURCES

Water and marine resources – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
Water	Potential negative impact	I10	Food production requires large volumes of water and can have an impact on the environment, particularly in water-stressed areas.	Short-, medium- and long-term	Upstream
Water	Potential negative impact	I11	Emissions from the food industry can result in water quality degradation due to nutrients, grease and organic pollutants.	Short-, medium- and long-term	Upstream
Water	Risk	R8	Water shortages and extreme weather could lead to lower-quality harvests, product supply limitations and increased costs.	Short-, medium- and long-term	Upstream
Marine resources	Risk	R9	Overfishing, acidification and pollution pose a threat to marine ecosystems and reduce the supply of sustainability-labelled seafood and seafood that is green-listed according to the WWF's fish guide.	Medium- and long-term	Upstream

Description of material impacts, risks and opportunities

The following section describes how Axfood impacts, manages and reports on matters concerning water and marine resources upstream in the value chain. This includes water access and use, emissions and water quality as well as how the operations indirectly impact oceans and aquatic species through purchasing and sales.

The purpose is to provide a comprehensive overview of the impacts, risks and opportunities related to water and oceans – from agricultural water use and pollution to sustainability among fisheries and ecosystem recovery. By reporting the impact of both its own operations and its supply chain, Axfood aims to contribute to more responsible and long-term sustainable management of earth and ocean resources.

The table above shows the impacts, risks and opportunities identified as material to Axfood's operations and value chain through the Group's materiality assessment.

Material impacts

Water and marine resources are crucial for ecosystems, food supply and the global economy. For Axfood, sustainable management of these resources is a prerequisite for long-term access to goods and a stable value chain.

The largest impact occurs upstream in the supply chain, mainly in primary production. Food production requires large volumes of water, particularly for crop irrigation and animal feed production, which can

contribute to water stress in areas where access is already limited. Products such as meat, dairy, rice, fruit and vegetables are especially water intensive. Emissions from the food industry, such as process water containing grease, nutrients and organic matter, can also result in water quality degradation and contribute to eutrophication.

Axfood's own operations have no material direct impact on water resources. However, the Group has an indirect impact through suppliers operating in regions under high water stress. Axfood works to reduce negative impacts in the value chain by setting requirements for efficient water use, water treatment and wastewater management, and by conducting dialogs and follow-ups in risk areas.

Material risks and opportunities

Climate change and water scarcity pose growing risks for the food sector. Reduced rainfall, droughts and extreme weather events could lead to lower-quality harvests, a weaker supply and rising prices. This particularly impacts goods associated with high water intensity and could have indirect economic consequences for Axfood.

When it comes to marine resources, risks related to overfishing, acidification and pollution could reduce access to sustainable seafood and impact both prices and supply. At the same time, there are opportunities to contribute to more sustainable development by setting requirements for sustainable fishing, promoting responsible production and working with suppliers to improve their traceability and environmental performance.

Management of material impacts, risks and opportunities

Policies and guidelines

Axfood's approach to water and marine resources is governed by the Group's Supplier Code of Conduct, supplemented with specific procedures and guidelines. The Code of Conduct includes requirements related to human rights, health and safety, the environment and responsible water use. It forms the basis for the Group's sustainability initiatives in the supply chain and is based on due diligence.

When it comes to water resources, a specific water procedure is followed for fresh fruit and vegetables as well as for certain dry goods produced in areas with a high risk of water stress. For marine resources, Axfood applies guidelines for seafood covering fish, shellfish and vegetarian options. Work is also ongoing to set stricter requirements for suppliers in risk areas and systematically monitor compliance. Guidelines and procedures serve as tools for managing the material impacts, risks and opportunities identified in primary production.

There is currently no policy to address the prevention and reduction of water pollution or covering products produced by suppliers of branded products in areas under high water stress. Work is under way to establish more stringent requirements for suppliers of branded products, and many suppliers have their own policies and guidelines in place for responsible water management.

Product development does not currently take water-related issues or marine resource conservation into account. However, Axfood has targets and guidelines covering relevant products, which contribute to more sustainable water use in the supply chain.

For more information about Axfood's policies and guidelines, see pages 100-101.

Water procedure

Axfood's water procedure addresses water-related impacts and risks in the sourcing of fresh fruit and vegetables as well as selected dry goods. The procedure requires suppliers in areas under high water stress to comply with recognised water standards or similar equivalent standards. The water procedure is implemented at the sub-national level based on the Maplecroft Water Stress Index, a risk tool that indicates the risk of water stress based on the water resource situation in the country of production and the water required for the crop in question. As part of the procedure, suppliers are required to indicate the geographic location of their agricultural operations to enable an accurate risk analysis.

Requirements vary depending on the level of risk. In areas with an extreme risk of water stress, Alliance for Water Stewardship (AWS) certification or credible multi-stakeholder projects are required. In 2025, Axfood expanded the procedure to include products such as almonds, lentils, apricots, olives, figs and asparagus sold as private label products.

The ambition is for suppliers of fresh fruit and vegetables to meet Axfood's requirements by 2025. Monitoring currently takes place every other year, although plans are in place to move towards more continuous monitoring. Business is not conducted with suppliers that are unable to demonstrate their compliance with a recognised water standard or do not plan to do so within the time specified. Adapted requirements for small farmers are currently being evaluated. This would minimise the risk of Axfood's purchasing procedures contributing to a greater water shortage in vulnerable areas.

Guidelines for seafood

When it comes to managing material risks related to marine resources, Axfood's guidelines for seafood – which cover fish, shellfish and vegetarian products such as algae – set stricter requirements than the relevant legislation. Suppliers are to come from sustainable stocks and be traceable. All seafood sold is to be either green-listed in the WWF's fish guide or certified (MSC, ASC, KRAV or IP Sigill) by 2030. In special circumstances, Axfood makes its own assessments based on scientific grounds and established research data, which are reported publicly.

The guidelines are built on an ecosystem-based approach and linked to Sweden's Environmental Objectives as well as the UN SDGs, particularly SDG 12 and 14.

Compliance is monitored annually and the outcome is reported in Axfood's Annual and Sustainability Report as the share of sustainable seafood by volume. If a product that is not sustainability-labelled becomes red-listed according to the WWF's fish guide, any existing volumes are sold off before it is removed from the range. This ensures that consumers are offered seafood that is traceable and sustainably produced.

Taking action

Axfood addresses water and marine resources, especially in the supply chain, where the environmental impact is most significant. The aim of this work is to mitigate risks related to water stress and overfishing and to promote more sustainable management of resources.

E3 – WATER AND MARINE RESOURCES

This is achieved by having clear procedures, guidelines and requirements in place for procurement processes as well as through close cooperation with suppliers and other players in the industry. In this way, Axfood contributes to reducing the negative impacts of primary production and helps to create the conditions for a long-term sustainable food supply.

Preventive work

Ongoing preventive work is carried out in order to mitigate water-related risks in the supply chain. To manage these risks, Axfood requires suppliers to have effective procedures for water management and treatment, encourages purchasing that promotes responsible use of water resources, and participates in industry-wide initiatives related to sustainable water management. Vulnerable regions are actively monitored to reduce the level of vulnerability in the supply chain. This includes engaging in a dialogue with suppliers, monitoring the water situation in vulnerable regions, and training the purchasers, quality assurance staff and sustainability officers involved in assessing these suppliers. These assessments cover both the water footprint of the product in question and the water resource situation in the agricultural area. Products are not to be sourced from regions under such high water stress that a water standard is not sufficient to ensure sustainable water use.

Food retailers’ water roadmap

Along with other members of the Swedish Food Retailers Federation, Axfood was one of the driving forces behind a joint roadmap for sustainable water use, adopted in 2025. The water roadmap sets industry-wide requirements for suppliers in areas under high water stress, requiring them to actively pursue improvements and be able to demonstrate their certification according to recognised water standards, such as the Alliance for Water Stewardship, GlobalG.A.P. SPRING or Rainforest Alliance.

The roadmap, which initially focuses on fresh fruit and vegetables from countries with a high risk of water stress, is less detailed than Axfood’s own water procedure. Through this industry-wide initiative, the food retail sector is taking responsibility for negative impacts in the supply chain. Its efforts are having a greater effect, reducing risks in the supply chain and contributing to a faster transition to sustainable water use. The roadmap is being implemented gradually, with no fixed end date.

Feed of the future

Feed has a large environmental impact, particularly in fish farming, where it often contains imported soy and fishmeal. Axfood strives to reduce this environmental impact by promoting the development of alternative proteins, setting requirements in the supply chain and enabling new partnerships.

Through the Feed of the Future project, Axfood is taking important steps – in collaboration with Axfoundation, the Swedish University of

Agricultural Sciences (SLU) and several players in the food supply chain – to replace feed ingredients with more resource-efficient alternatives with a lower environmental impact. Development is focused on circular feed based on mushrooms, insects, mussels and residual products from forests and food systems, which can reduce the burden on biodiversity and limited protein sources. The project is aligned with Axfood’s guidelines for seafood and contributes to the Group’s goal of more sustainable fishing and aquaculture.

In 2025, a Swedish farmed rainbow trout raised on circular feed was introduced in a selection of the Group’s stores, demonstrating that the technology works in practice. Ultimately, the initiative is expected to help increase the share of sustainably produced seafood in the range.

Variety of fish

Almost all of the world’s commercial fish stocks are currently fully exploited or overfished. To contribute to more sustainable consumption and alleviate the pressure on the most popular species, such as cod and salmon, Axfood is actively working to offer a greater variety of fish in its range. Offering more abundant species means that a larger number of sustainable options can be made available to consumers. This is aligned with Axfood’s guidelines for seafood and contributes to promoting sustainable fishing.

In 2025, the cod used in Garant’s “Crispy Baked Fish” was replaced with MSC-certified Pacific hake – an example of how a greater variety of fish can enable sustainable choices. Other examples include replacing plaice with yellowtail at the Group’s fish counters, fish cakes made from bream mince and beans, and circularly produced whiteleg prawns.

Certified salmon

Salmon is the most popular fish eaten by Swedish consumers and an important part of Axfood’s range. However, all salmon is not sustainability certified which is why efforts to increase the share of certified salmon are a central part of the Group’s strategy for more sustainable seafood.

In 2025, Axfood intensified its efforts to increase the share of certified salmon by for example increase the assortment of rainbow trout as an alternative to Norwegian farmed salmon. This work is aligned with Axfood’s guidelines for seafood and contributes to the Group’s goal of exclusively selling seafood that is green-listed according to the WWF’s fish guide or certified in accordance with recognised sustainability standards by 2030.

Partnership with BalticWaters

Axfood is working with the BalticWaters Foundation to improve the conditions for long-term sustainable fishing in the Baltic Sea. As part of this partnership, a new research laboratory has been established at Studsvik Tech Park outside Nyköping. The laboratory, which was completed in 2025, provides new opportunities to study Baltic

cold-water fish, including herring and cod, at all life stages. The aim of the research is to gain a better understanding of how stocks are affected by climate change and other environmental conditions, and thereby contribute to better aquaculture and the rebuilding of viable fish stocks.

In addition to this research initiative, Axfood and BalticWaters are working to influence public opinion on policies related to sustainable fisheries in the Baltic Sea, in line with Axfood’s guidelines for seafood and the Group’s target to increase sales of sustainable seafood by 2030. The Group is thereby combining scientific solutions with social advocacy to promote a long-term sustainable food supply from the Baltic Sea.

Food 2030

To accelerate the transition to sustainable fishing and long-term viable stocks, Axfood actively engages in social advocacy and has presented tangible solutions to policy-makers and other players in the industry. These solutions include increasing the variety of fish species available for consumption, improving traceability and origin information, strengthening Sweden’s processing industry and developing more selective fishing gear. Axfood also highlights the need to inventory stocks of inland fish, ensure that herring and mackerel are MSC-certified and implement more stringent fishery inspections. The aim is to reduce the pressure on the most popular stocks and to contribute to more sustainable seafood consumption and production. These recommendations are summarised in Food 2030, a report that is aligned with Axfood’s guidelines for seafood and contributes to the Group’s goal of ensuring sustainable use of marine resources.

Targets and metrics

Axfood has targets for managing material impacts, risks and opportunities related to marine resources, but lacks targets for water resources.

Sustainability-labelled fish and shellfish

Axfood’s target for marine resources is that all fish and shellfish sold will be eco-labelled or have a green rating in the WWF seafood guide

by 2030. The aim is to promote responsible use of marine ingredients, reduce the risk of negative impacts on aquatic species and contribute to the recovery of the world’s oceans. The target is connected to UN SDG 14.

Achieving this target poses a challenge since most fishing waters are already fully exploited or overfished. One particular challenge is non-ecolabelled farmed salmon, which accounts for a significant share of sales, yet an increased focus on price is making the transition more difficult.

The share of seafood sales that was sustainability-certified or rated green in WWF’s Seafood Guide amounted to 69.8% in 2025 (61.7). The 13% increase is primarily the result of intensified work toward increasing the supply of sustainably certified salmon. The reinstatement of sustainability certification for caviar also contributed positively to the outcome.

The target is measured as the share of sales (%) of sustainable fish and shellfish in relation to total sales in the category. The target includes both private label and supplier brands, and monitoring takes place at Group level. The target is based on criteria and standards for established ecolabels and is part of Axfood’s overall business strategy. Approved labels include MSC, ASC, KRAV and IP Sigill. Alternatively, seafood can be a green-listed according to the WWF’s fish guide.

The target is not based on legal requirements, but rather on the Group’s ambition to meet the expectations of stakeholders. These stakeholders did not contribute to formulating the target.

The target includes the upstream value chain as well as sales in Axfood’s Group-owned stores in Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross.

Axfood does not have a target in place for the impact on water use in areas under high water stress.

Changes in target reporting compared to the previous period

In the preceding year, the target year was changed from 2025 to 2030 due to limited supply of affordable sustainability-labelled fish and shellfish. The change took effect on 1 January 2025.

Sustainability labelled fish and shellfish

Key ratios	2025	2024	2023	Target level 2030	Base year 2021	Target period	Governance documents
Sustainability-labelled fish and shellfish, share of sales, %	69.8	61.7	65.4	100	78.2	Long-term (9 years)	<ul style="list-style-type: none"> Guidelines for seafood Guidelines for products in Axfood’s assortment

E4 Biodiversity

Biodiversity is the foundation of the ecosystem services that make food production possible, from pollination and fertile soil to clean water and resilient landscapes. Thriving ecosystems are a prerequisite for a stable, long-term supply of food.

The Group's work to promote biodiversity focuses on increasing the share of sales of sustainability-labelled products, including organic products, and managing risk commodities such as soy and palm oil. In organic farming, reduced use of pesticides and more varied crop rotations help promote biodiversity. The share of sales of organic products, such as products with other sustainability labels, therefore functions as an indirect metric for the Group's impact on biodiversity.

Axfood's work with biodiversity also includes risk commodities and traceability, water-related requirements in areas at high risk of water stress and guidelines for seafood. The Group develops assortments and partnerships that simultaneously reduce the negative impact of primary production and offer customers a greater number of sustainability-labelled options. Its policy and advocacy efforts focus on solutions that can promote biodiversity, from reducing the use of chemical pesticides to policy instruments that increase access to organic products.



E4 – BIODIVERSITY

Biodiversity – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
<ul style="list-style-type: none"> Direct impact drivers of biodiversity loss Impacts on the state of species Impacts on the extent and condition of ecosystems Impacts and dependencies on ecosystem services 	Actual negative impact	I12	Agriculture has a negative impact on natural ecosystems. The use of pesticides worsens this impact.	Medium- and long-term	Upstream
<ul style="list-style-type: none"> Direct impact drivers of biodiversity loss Impacts on the state of species Impacts on the extent and condition of ecosystems Impacts and dependencies on ecosystem services 	Potential negative impact	I13	Store operations, transports and logistics lead to pollution, with local impacts on biodiversity.	Short-, medium- and long-term	Own operations
<ul style="list-style-type: none"> Impacts on the state of species 	Actual negative impact	I14	Overfishing and trawling threaten fish populations and marine biodiversity.	Medium- and long-term	Upstream
<ul style="list-style-type: none"> Direct impact drivers of biodiversity loss Impacts on the state of species Impacts on the extent and condition of ecosystems Impacts and dependencies on ecosystem services 	Actual negative impact	I15	Soy and palm oil cultivation are driving forces behind deforestation and land use conversion.	Short- and medium-term	Upstream
<ul style="list-style-type: none"> Direct impact drivers of biodiversity loss Impacts on the state of species Impacts on the extent and condition of ecosystems Impacts and dependencies on ecosystem services 	Risk	R10	Production that contributes to biodiversity loss could have a negative impact on Axfood’s reputation and finances.	Short- and medium-term	Upstream, and own operations
<ul style="list-style-type: none"> Impacts and dependencies on ecosystem services 	Risk	R11	Biodiversity loss can lead to shortages of key raw materials, reduced pollination and land degradation, making food production more vulnerable and costly.	Medium- and long-term	Upstream

Description of material impacts, risks and opportunities

Axfood’s operations are clearly linked to biodiversity and the state of ecosystems. Food production based on fertile soils, clean water, functional pollination and thriving lakes and seas is essential for the Group’s long-term product supply and access to raw materials. At the same time, agriculture, aquaculture and fishing have significant impacts on biodiversity. These include carbon footprints, land use, overexploitation of species and natural resources, pollution and the use of chemical pesticides that are harmful to pollinators and other wildlife, soil health and aquatic environments. Biodiversity loss also worsens the effects of climate change, making it a material risk for Axfood’s product supply.

To determine the greatest impacts, risks and opportunities, Axfood has carried out a double materiality assessment and engaged in a dialogue with stakeholders, especially suppliers.

The assessment covered biodiversity and ecosystems in the entire value chain.

The table above shows the impacts, risks and opportunities identified as material to Axfood’s operations and value chain through the Group’s materiality assessment.

Material impacts

Axfood’s largest negative impacts on biodiversity occur upstream in the value chain in primary production, over which the Group has no direct control. The main impacts are deforestation and other destruction of valuable natural environments, the use of pesticides in agriculture, and overfishing and unsustainable fishing methods.

Raw materials such as soy, palm oil, coffee and cocoa require large areas for cultivation and often contribute to deforestation of ecosystems and the loss of rainforests with high levels of species diversity.

The extensive use of pesticides in conventional farming methods also poses risks to pollinators, soil health and water quality, as well as health risks to those who work on or live near the farms.

Certain negative impacts on biodiversity can arise from the Group’s own operations, such as the local impact from stores and warehouses. Potential impacts are mainly related to land use, traffic to and from facilities, and noise and emissions that can disturb nearby natural environments. However, these are deemed to be of limited importance compared to the negative impacts upstream in the value chain.

Material risks and opportunities

Maintaining biodiversity is a prerequisite for stable ecosystems, functional food production and the long-term supply of goods. The deterioration of ecosystems leads to an increased risk of production

disruptions, including the loss of species that are crucial to soil health, water purification, pollination and marine environments.

The most material risks for Axfood are connected to production areas upstream in the value chain. Land use conversion, pesticide use and water stress in agriculture contribute to biodiversity loss and weaker ecosystems. Water resource overuse also impacts crop quality and access to raw materials, which could lead to higher purchase prices. Physical risks such as droughts and extreme weather are also increasing as a result of climate change.

Additionally, Axfood has identified transition risks linked to reputation, financing and regulatory compliance. Insufficient governance procedures for deforestation, chemical use or species protection in the value chain could lead to fines, penalties or loss of stakeholder trust.

Dependency-related physical risks pertain to the production of key raw materials for the assortment, such as seafood, bananas, coffee, tea and cocoa. Loss of fish populations, pollinators and fertile soils could lead to higher prices for these raw materials or a more limited supply. Failure to integrate biodiversity into procurement processes and other business relationships also increases the risk of barriers to creating more sustainable and resilient food systems.

Axfood’s assessment is that risks linked to biodiversity will increase as ecosystems deteriorate. Legislation creates opportunities to set requirements for suppliers as well as challenges in terms of ensuring traceability. Gaining a better understanding of how supply chains are impacted by the loss of species, land and water resources is important for ensuring long-term access to sustainable food.

Avoid and mitigate impacts on biodiversity

Axfood works to reduce its negative impact on biodiversity through sustainability assessments and requirements in the supply chain. Assessments are carried out for products from risk countries where there are risks of deforestation, chemical use and impacts on ecosystems. Compliance with Axfood’s Supplier Code of Conduct and sustainability requirements is followed up through audits, which include environmental matters.

The Group participates in the Swedish Platform on Risk Commodities, a partnership initiative to manage cultivation risks. The goal of the platform is to ensure that soy and palm oil products used in food and animal feed are sustainability certified and do not contribute to deforestation or land use conversion. Production must take the environment into consideration and respect human rights.

Axfood uses sustainability certifications as a tool to reduce its negative impact on biodiversity. All coffee, tea, chocolate and cocoa sold under the Garant, Eldorado and Dazzley private labels are organic

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or certified by the Rainforest Alliance or Fairtrade. The banana offering is to carry sustainability certification from Fairtrade, KRAV, EU organic or Rainforest Alliance. Palm oil in the Group’s products must be RSPO certified.

Transition strategy

Axfood’s transition work related to biodiversity brings together the Group’s governance documents, processes and initiatives to reduce negative impacts on ecosystems and species. It is based on a biodiversity strategy and applies to the Group’s own operations as well as the supply chain. By developing the assortment, setting clear requirements and governing procurement processes, Axfood supports more sustainable production methods and a food supply that preserves natural resources and ecosystems. Axfood works to increase the share of sales from organic food, and by offering a well-developed organic assortment, the Group becomes both more resilient and more competitive.

Impacts on biodiversity occur locally within Axfood’s own operations, for example in relation to stores and warehouses near sensitive ecosystems. Since the Group generally leases store and warehouse facilities from property owners, these impacts are primarily indirect through requirements imposed on property owners and in connection with new establishments and refurbishments.

At the supply chain level, impacts are more complex and include risks such as deforestation, pesticide use and species loss as a result of primary production. To manage these issues, procedures and projects are being developed to integrate biodiversity into risk management. The certification of risk commodities and requirements for sustainable water management are policy instruments used to reduce impacts. With more than 70,000 items within the assortment from thousands of suppliers, clear prioritisation is needed.

Risk analysis

Axfood works with climate change and biodiversity to ensure that its climate action also benefits ecosystems and different species. A risk analysis was carried out to assess how climate change and biodiversity loss could impact the operations and supply chains. In 2025, this analysis was expanded to include more raw materials and countries. The analysis was carried out using the Taskforce on Nature-related Financial Disclosures’ (TNFD) LEAP method for risk analysis and covered the first two steps: Locate and Evaluate. The focus was on primary production, where Axfood’s impact on biodiversity is greatest.

Raw materials were selected based on the high-risk materials identified in the High Impact Commodity List from the Science Based Targets for Nature. The focus was on the most important countries of origin for sourcing. The selection included previously known risk commodities such as soy, palm oil, coffee and cocoa, as well as raw materials with less robust requirements, such as avocados, nuts and corn.

The WWF Biodiversity Risk Filter was used to analyse biodiversity impacts and dependencies in countries of origin. The analysis indicated that biodiversity and climate are closely related since a negative impact on one often leads to a negative impact on the other. When the impact on one is reduced, the situation improves for both.

The results of the analysis showed that the state of biodiversity and ecosystems, as well as the causes of impacts, vary greatly between different locations. In Europe, one of the most threatened ecosystem services is pollination, mainly due to pollution from pesticides and fertilisers. In Asia, there are more ecosystem services under threat, and the reasons vary. For basmati rice from India and Pakistan, quality and access to water, soil fertility and pollination are particularly vulnerable. The primary causes are pollution, a high carbon footprint, high water use and land use conversion.

The major variation between raw materials and locations means that actions to manage risks need to be adapted locally. Axfood already manages several of the risks identified in the analysis through actions described in this and other sections of the Annual and Sustainability Report.

The risk analysis is based on the current status and impact on biodiversity, since tools to cover longer time horizons are not yet available. The time horizon for the work is therefore short- and medium-term.

Biodiversity strategy

Axfood’s biodiversity strategy serves as the foundation for its transition plan and guides the integration of biodiversity into business models and supply chains. The strategy describes the long-term direction for the Group’s work to conserve and promote ecosystems and species as well as to reduce its negative impact. It is an important framework for the transition to more sustainable production and consumption patterns.

Management of material impacts, risks and opportunities

Policies and guidelines

Supplier Code of Conduct

Axfood’s Supplier Code of Conduct is a central governance document that covers all suppliers in the Group’s value chain. It sets out requirements for identifying, preventing and reducing the negative environmental impacts from the Group’s operations and for reversing possible damage to communities, health, natural resources, the climate and the environment.

Negative impacts include biodiversity loss, deteriorated ecosystems, deforestation and the use of harmful chemicals as well as air, soil and water pollution. The Code of Conduct also stipulates that the production and extraction of raw materials must not destroy natural resources or sources of income for socially or economically marginalised groups. It also requires suppliers to follow principles for responsible primary production. Accordingly, Axfood is to take sustainable practices into consideration when sourcing.

Guidelines for products

Axfood’s guidelines for products regulate environmental and sustainability aspects of primary production and aim to reduce the Group’s negative impact on biodiversity. The guidelines supplement the Supplier Code of Conduct and establish requirements for responsible farming and raw material production in the entire value chain.

They restrict the use of chemical pesticides and forbid the use of chemicals in farming operations that could be harmful to workers, local communities or ecosystems. They also stress the importance of promoting organic production, since organic food tends to benefit biodiversity more than conventionally grown products that use synthetic plant protection products and fertilisers.

The guidelines set out specific requirements for sourcing of risk commodities, meaning agricultural products that are difficult to replace and that are often associated with risks of deforestation, land use conversion or high water withdrawals. These requirements are closely linked to Axfood’s biodiversity strategy and are used to guide the Group’s purchasing towards sustainability-certified raw materials and suppliers.

Guidelines for seafood

The aim of Axfood’s guidelines for seafood is to preserve marine ecosystems and species by requiring sustainable methods for catching and farming fish. The guidelines manage risks such as overfishing and fishing methods that lead to biodiversity loss.

For more information about the application of these guidelines, certification requirements and the risk assessment for marine resources, see ESRS E3: Water and marine resources, on page 63.

Water procedure

Axfood manages risks related to water use in the supply chain through a water procedure that supplements the biodiversity strategy. The water procedure describes how suppliers are to work with sustainable resource management and which requirements to set to ensure that approved water standards are followed. Axfood has nine approved water standards, including Global G.A.P. SPRING, Alliance for Water Stewardship and Rainforest Alliance. These are required when purchasing water-intensive crops as well as crops purchased from water-scarce areas.

Taking action

Sustainability-labelled and organic products

An important part of Axfood’s work to reduce negative impacts on biodiversity is increasing the share of sales of sustainability-labelled products. Sustainability labels often include criteria that limit the negative impact of primary production, for example cautious use of chemicals and requirements for environmental protections and responsible fishing methods. These labels allow Axfood to reduce its environmental impact in the supply chain.



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Organic products play an important role in this work. Nature-based solutions are used in organic food production that help to limit the use of chemical pesticides and fertilisers. This has a positive impact on soil health, pollinators and species-rich ecosystems. Scientific studies have shown that organic production is beneficial for biodiversity compared with conventional production.

Axfood continuously develops its assortment of organic private label products and takes a similar approach when purchasing branded products. Several new organic products from Garant were introduced in 2025, including chocolate bars, crushed tomatoes, cooking wine, frozen mango, dark roast instant coffee and almonds. Other new sustainability-labelled products from Garant include lettuce with the Svenskt Sigill Klimatcertifierad label and MSC-labelled crispy baked Pacific hake.

The Group’s target is to increase the share of organic sales to at least 10% by 2030 at the latest. Sales management techniques, such as sale campaigns, developing the assortment and strategic in-store placement, are being used to reach this target. Hemköp has had the highest share of organic sales in the food retail industry for several years and encourages customers to purchase organic products through incentives such as offering double points in its Klubb Hemköp loyalty programme.

For more information about Axfood’s targets and agenda related to organic and sustainability-labelled products, see ESRS G1: Business conduct on page 96.

Swedish Platform on Risk Commodities and work to reduce soy in feed

A large portion of the negative environmental impact from meat, farmed fish, milk and eggs comes from ingredients used in feed during production, primarily soy and fishmeal. Axfood strives to ensure that these ingredients are sustainability certified and, when possible, replaced with alternatives that have a lower environmental impact.

Within the framework of the Swedish Platform on Risk Commodities, an initiative that brings together businesses and organisations with the aim of transforming the production and consumption of risk commodities, Axfood has committed to only purchasing from suppliers that use sustainable soy and palm oil products that do not contribute to deforestation or land use conversion. Human rights and the environment also need to be taken into consideration in the production of these goods. This commitment means that members require suppliers to ensure that products containing soy and oil palm, including both branded products and private label products, are sustainability certified or compensated no later than 2025. Indirect use of oil palm through feed is to be phased out by 2027 at the earliest.

The target for 2025 has been achieved and requirements for palm oil in feed are being introduced for 2026. Together with other members of the Swedish Platform on Risk Commodities, Axfood supports sustainable soy production in a high-risk area in the Cerrado, Brazil,

by purchasing soy credits that help limit CO₂ emissions, increasing carbon sequestration and improving biodiversity. Joint purchasing leads to better conditions for follow-up and evaluation. The credits purchased by the platform members for 2024 volumes supported farmers that together protected approximately 20,000 hectares of domestic vegetation – 16% more than required by law. The producers have also contributed to continuous improvements in land restoration, pest control, use of renewable energy and biodiversity by maintaining domestic vegetation and habitat corridors.

Assortment development

Assortment development is an important part of Axfood’s efforts to reduce negative impacts on biodiversity, especially deforestation and land use.

Investments in processing its own products could become a competitive advantage for the Group. Previous launches include eggs from free-range hens and quark where soy in feed was replaced with more sustainable ingredients. In 2025, the assortment from animals raised on soy-free feed was expanded to include flavoured yogurt and skyr. Instead of soy, animal feed included beans, clover, rapeseed and mycoprotein.

Investments in organic products

Axfood has a target to increase its sales of organic meat (KRAV-certified and/or Svenskt Sigill-labelled meat from natural grazing) to 5% by 2030. This includes offering more organic products and campaigns as well as clearer packaging design and signage. The availability of Swedish organic meat is currently limited, and Axfood is therefore also working on initiatives to help increase production.

Chemicals and pesticides

Phasing out hazardous pesticides in food production is essential when it comes to protecting biodiversity. Chemicals can damage ecosystems, threaten pollinators and other important species, and contaminate soil and water. Moreover, pesticide use in farming and production can impact human health and occupational safety, and residual amounts may still occasionally end up in food despite safeguards.

Axfood encourages suppliers to gradually phase out substances that are a threat to biodiversity, occupational safety and health. This work is based on the SIN list of unsuitable substances and is integrated into the Group’s requirements for responsible production.

For more information, see ESRS E2: Pollution on page 60.

New establishment

Axfood strives to minimise the negative impact on biodiversity arising due to the construction and development of stores, warehouses and offices. Endangered species and sensitive ecosystems are taken into considering during the planning phase, and land use is offset

through measures such as planting trees and shrubs around parking lots and equipping facilities with green roofs full of sedum species. This work does not currently involve any particular procedures for facilities located in or near highly sensitive areas. Guidelines with procedures will be developed in 2026 to address how establishments can give local ecosystems consideration.

Compensation

Axfood’s biodiversity work focuses on minimising negative impacts while increasing positive impacts in its own supply chain. Biodiversity loss has not been estimated or offset to date.

Social impact

The Food 2030 report, Axfood’s proposal for a sustainable food strategy for Sweden, includes proposals to industry and policy-makers for improving biodiversity. In addition to investments to increase the production and consumption of organic and sustainability-labelled products, the report emphasises the importance of political instruments that protect and restore habitats in agricultural landscapes.

Food 2030 highlights the necessity of financial incentives for farmers to preserve and establish flower field margins and other natural environments to support pollinators and insects. It also proposes investments in wetlands and humus soil restoration as well as support for more extensive pasture grazing on species-rich land. Additionally, it highlights the importance of limiting the use of chemicals that threaten biodiversity, for example by banning PFAS and reducing the use of pesticides. It also includes several proposals that support aquatic biodiversity.

The report presents several proposals for boosting organic production in Sweden, including support to farmers who switch to using organic methods, research and innovation in organic farming, and developing regulations and procurement processes that favour organic food. Such actions have the potential to increase the production of organic products and support a more sustainable food supply with a smaller impact on biodiversity.

Through the proposals in Food 2030, Axfood aims to influence policy-makers to adopt a food system that integrates consideration for nature and ecosystem services into production and where invest-

ments in biodiversity are considered a prerequisite for a sustainable food supply.

Targets and metrics

Axfood has targets for managing material impacts, risks and opportunities related biodiversity.

Organic sales

Axfood is to increase the share of sales of organic food to at least 10% by 2030 the latest to contribute to more sustainable agriculture, to promote biodiversity and to reduce the use of chemicals in primary production. The aim is to avoid and minimise Axfood’s negative impact. Organic food is defined as food items bearing the KRAV or EU organic sustainability labels.

In 2025, the share of sales of organic food was 3.9% (4.2).

The target includes activities upstream in the value chain and in own operations through sales in Group-owned stores in Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross. By focusing on credible and established labels with strict requirements, ecological thresholds are assumed to be maintained. These labels ensure that the products meet high environmental standards, helping protect the delicate balance of ecosystems.

Axfood’s target for sales of organic products is compatible with the EU’s biodiversity strategy as it aims to preserve biodiversity and make it easier to ensure the supply of safe, sustainable, nutritious and affordable food. The focus is on countering negative impacts upstream in primary food production, such as reductions in fish populations and pollinators, promoting sustainable farming practices, and avoiding overuse of pesticides and fertilisers. The target is also connected to the UN SDGs, in particular SDG 15. The target takes into account the Kunming-Montreal Global Biodiversity Framework, focusing on targets 7, 10, 14 and 15.

The target relates to Axfood’s guidelines for products, which promote food from sustainable agriculture. It also includes guidelines for seafood, which stipulate that farmed fish and shellfish cannot be sold unless resource management and biodiversity are taken into account during the farming process.

Organic sales

Key ratios	2025	2024	2023	Target level 2030	Base year 2024	Target period	Governance documents
Organic food, share of sales, %	3.9	4.2	4.6	10	6.1	Long-term (10 years)	<ul style="list-style-type: none"> Guidelines for products in Axfood’s assortment Biodiversity strategy

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Stakeholders did not contribute to formulating the target and no offsetting has been used when setting it. It is based on the same scientific evidence as that used for the external KRAV and EU organic ecolabels. Nor has Axfood taken ecological thresholds or entity-specific allocations into consideration when setting the target.

Activities to achieve the target include campaigns and offerings of organic-labelled products, assortment development, strategic in-store placement, industry collaborations and social advocacy efforts through proposals in Food 2030 that promote organic production and consumption.

The target for increased sales of organic products is measured as the share (%) of Axfood’s total food sales attributable to sales of organic food and includes the Group’s private label products as well as branded products from suppliers.

To calculate the share of sales, sales of organic food measured in SEK (excluding VAT) are divided by total food sales. Follow-up takes place at the Group level, and the target is revised annually. Revisions of the target are approved by the Executive Committee, which confirms whether the outcome corresponds with the original target as well as any revisions.

To ensure stronger and more accurate follow-up of the target, the share of sales of organic food is measured in volume (kg), although this does not determine whether or not the target has been achieved.

Changes in target reporting compared to the previous period

In 2024, the target year was changed from 2025 to 2030, starting 1 January 2025. Axfood originally decided on the target during a period of strong sales for organic products. Since 2016, sales of organic products across the entire food retail sector have plateaued and declined, though Axfood has fared slightly better than average.

Facilities located in close proximity to nature conservation areas Of those facilities that Axfood leases, 11 (877) are deemed to be located in close proximity to nature conservation areas. These have been assessed to evaluate and monitor negative impacts linked to the location of the facilities in relation to areas with sensitive biodiversity. This work helps to identify suitable locations for new stores.

Type of facility	Number of facilities located in close proximity to nature conservation areas	Total hectares of facilities
Stores	11	5.6
Warehouses	0	0
Offices	0	0
Total	11	5.6

The facilities refer to stores and are located in close proximity to two common types of nature conservation areas. None of the facilities are located within such areas. The total area of the facilities amounts to approximately 5.6 hectares.

Axfood’s assessment encompasses nature conservation areas in the Natura 2000 network, including the areas protected under the EU Habitats and Birds Directives. Natura 2000 aims to ensure biodiversity through the conservation of natural habitats and of flora and fauna. Axfood’s assessment gives consideration to national nature reserves established by Sweden’s county administrative boards and municipalities under the Environmental Code, which aim to conserve biodiversity, nurture and conserve valuable natural environments, and protect, restore or create valuable natural habitats for protected species. The threshold for the definition of “close proximity” has been set at 200 metres. Adjacent areas, such as parking lots or store entrances, are not included in the calculated area. Some facilities are located in close proximity to several nature conservation areas, which means that the same facility may be included several times. To identify each conservation area, its register ID is provided, which has been taken from the Swedish Environmental Protection Agency’s database. The measurement has not been validated by an external party other than Axfood’s auditor.

Changes in metric reporting compared to the previous period

In 2025, the threshold for the definition of “close proximity” to a nature conservation area was changed from one kilometre to 200 metres. The number of facilities within this threshold distance thereby declined drastically. The new threshold is considered a more reasonable and accurate reflection of how many Axfood facilities are located in proximity to sensitive areas for biodiversity and ecosystems.



E5 Resource use and circular economy

Efficient use of resources is key to reducing environmental impacts and creating a sustainable food supply chain. Axfood works systematically to limit resource consumption, increase reuse and recycling, and drive development towards more circular flows.

Axfood's work related to resource use covers production, purchasing, distribution and consumption. The focus is on reducing material use, developing packaging made from renewable and recycled raw materials, and reducing food waste and other waste. Food waste is a prioritised issue, both in terms of resource efficiency and with respect to reducing environmental impact. Through efficient procedures, innovation and collaboration, the Group contributes to ensuring that more food is utilised and that food waste is converted into resources in new cycles.

Axfood's aim is to gradually transition to a more resource-efficient and circular economy where nature's resources are used responsibly and waste is regarded as a resource in a sustainable food system.



0.9%

In 2025, the share of food waste in own operations amounted to 0.9% (0.9). Between 2015 and 2024, food waste in own operations was reduced by half. Axfood's target is for the share to fall below 0.7% by 2030.

E5 – RESOURCE USE AND CIRCULAR ECONOMY

Resource use and circular economy – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
• Resource inflows, including resource use	Potential negative impact	I16	Axfood offers consumables and purchases that can contribute to reducing the use of natural resources and conflict minerals.	Short-, medium- and long-term	Upstream and own operations
• Waste	Actual negative impact	I17	The operations generate waste, and plastics are a major source of GHG emissions.	Short- and medium-term	Own operations and downstream
• Waste	Actual negative impact	I18	Electronics containing hazardous materials are managed through reuse and recycling in order to increase circularity.	Medium- and long-term	Own operations and downstream
• Waste	Actual negative impact	I19	Food waste arises across the entire value chain, mainly from fresh produce such as fruit, vegetables and bread, resulting in climate-impacting emissions.	Short- and medium-term	Upstream own operations, and downstream
• Waste	Potential positive impact	I20	Efficient waste management and collaborations reduce food waste and contribute positively to sustainable resource use.	Medium- and long-term	Own operations
• Resource inflows, including resource use	Risk	R12	Shortages of key ingredients due to climate change and geopolitical instability could impact supply and customer satisfaction.	Short-, medium- and long-term	Upstream and own operations
• Resource inflows, including resource use • Resource outflows related to products and services	Risk	R13	New product and packaging rules could increase costs and administration.	Medium- and long-term	Upstream and own operations
• Waste	Opportunity	O3	Reducing food waste creates savings, generates new revenue and strengthens the brand.	Short-, medium- and long-term	Upstream, own operations and downstream
• Waste	Risk	R14	Food waste in the operations leads to unsold products and lost revenue.	Short-term	Own operations

Description of material impacts, risks and opportunities

The standard covers how Axfood impacts, manages and reports on matters related to resource use and circular economy in the value chain. This includes the use, reuse and recycling of products, materials and packaging, and how the operations contribute to reducing waste and food waste. The aim is to provide an overview of material impacts, risks and opportunities arising from Axfood’s efforts to streamline resource flows and promote a circular food supply chain.

Material impacts

Axfood’s purchasing and product flows have a significant impact on the environment and natural resources through the use of raw materials, materials and energy. This includes food, consumables, packaging and other items.

The operations generate waste from both materials and packaging, with plastics representing the largest source of greenhouse gas emissions. Food waste also occurs across the entire the value chain – upstream, in the Company’s own operations and downstream among consumers – resulting in unnecessary resource consumption and climate impact.

Food waste mainly comes from products that have a short shelf life or are sensitive to handling. When food waste is sent to landfill, it emits greenhouse gases during decomposition, making the reduction of food waste a top priority. Through efficient procedures, improved waste management and collaborations, Axfood works to ensure that more food is utilised and that circular flows are created in the food supply chain.

In addition to food, Axfood’s assortment includes consumables that can affect the use of natural resources and conflict minerals.

Other items purchased for the operations, such as refrigerators, freezers and vehicles, also have an environmental impact. Electronics and other products used in the operations may contain hazardous materials. Axfood therefore focuses in particular on reuse and recycling of electronics to reduce the amount of waste generated and increase circularity.

Material risks and opportunities

If the products offered do not meet customer demand and expectations, this entails a risk for Axfood. This risk is heightened by external factors, such as climate change and political instability in various parts of the world, which could have a negative impact on sales.

New regulations and requirements for products and packaging could lead to higher costs due to increased administration in order to ensure compliance as well as legal measures if these requirements are not met.

Food waste in the operations arises from unsold products and therefore lost revenue. Reducing food waste at every stage of the value chain and developing new solutions for unsold food creates opportunities for savings and revenue as well as improving the Company’s reputation among customers and other stakeholders.

Management of material impacts, risks and opportunities

Policies and guidelines

Axfood has taken key stakeholders into consideration when setting policies and guidelines. The guidelines for products and the Supplier Code of Conduct set out the Group’s requirements for its own products and packaging with a focus on circularity.

Axfood does not currently have a policy or guidelines for waste management at its offices, stores and warehouses. However, circular economy guidelines will be established in 2026. Internal procedures for employees working at the Group’s facilities, in collaboration with property owners, ensure that management is efficient and correct.

For more information about policies and guidelines, see pages 100-101.

Supplier Code of Conduct

Axfood’s Supplier Code of Conduct states that suppliers are to ensure that the use of chemicals, pesticides and other material that is hazardous to people or the environment are identified, evaluated, labelled and handled carefully. This is done to guarantee safe handling, transport, storage, use, recycling or reuse and removal. Such materials should be used minimally. All business partners are required to read and sign the Supplier Code of Conduct.

Guidelines for products

Axfood’s guidelines for products emphasise that making use of existing resources is an important aspect of sustainability. The guidelines state that work with products and packaging is to focus on increasing recyclability and the use of more renewable material. When working with packaging for private label products, great emphasis is placed on minimising environmental impact and avoiding food waste. The guidelines are available on Axfood’s website.

Taking action

Private label products and packaging

Axfood’s ongoing measures focus on the development of private label products and on making packaging circular. This work also includes creating circular processes in the production of products and input goods.

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Axfood is involved in a project aimed at producing more sustainable feed. The "Feed of the Future" project focuses on resource waste and the environmental impact of feed, two of the food system's greatest challenges. The project is run by Axfoundation and brings together researchers and players from the entire food supply chain, including farmers, feed manufacturers, food wholesalers, restaurants and food retailers. In 2025, Axfood was involved in introducing a Swedish farmed rainbow trout raised on circular feed based on insects, mycoprotein grown from residual flows from cellulose production, mussels and residual flows from the food industry. The fish has been sold at select Hemköp stores and at Urban Deli.

Axfood works to ensure that its assortment of private label products is packaged as sustainably as possible to reduce the amount of packaging waste. Packaging material is chosen based on product requirements. Packaging should preserve and protect the food, be cost-effective and safe for the food it packages, and work practically in production and logistics, in stores and for consumers. The amount of packaging material is minimised as far as possible without compromising on the quality of the contents or risking food waste. As of 2025, more than one hundred tonnes of plastic are saved every year by vacuum packaging Garant's mince and whole chickens in flow-pack instead of using traditional plastic trays.

Recyclable packaging material

Initiatives were carried out in 2025 to make packaging recyclable and to raise awareness among producers. This work was carried out in the value chain through dialogues with packaging suppliers, industry collaboration, training for the Group's producers and participation in research projects. To make recycling easier, packaging comes with recycling instructions.

Axfood works continuously with suppliers to reduce the use of fossil-based materials and has an ambition to increase the use of bio-based packaging materials. Part of this work involves finding new solutions for reusing packaging.

Food waste

Food waste occurs throughout the entire food supply chain. It is a waste of resources when food that is grown, processed, transported and packaged is thrown away without being eaten.

The Group has introduced several initiatives to reduce food waste such as optimisation of orders, improved waste routines, reducing prices for products that are nearing their best-before dates and are expected to be difficult to sell at regular prices, and charitable

donations. Axfood also works with other players in the food industry to reduce food waste.

Initiatives to reduce food waste in stores include the use of handheld computers to identify products with a short shelf life, clearance prices for products nearing their best-before dates, bargain bags and boxes with damaged fruits and vegetables in stores, and lower prices on day-old bread.

Willys and the private label brand Garant have launched a waste-smart product line made up of food that was previously discarded. 2025 Marked the launch of "Grill på Spill," barbecue briquettes made from leftover hazelnut shells, and "Smarta smulor: hallon," using leftover raspberry pieces from the production of frozen raspberries.

Store employees report information about food waste, which is then compiled and followed up at Group level.

Axfood, together with Stockholms Stadsmission, is a co-founder of "Matmissionen" (the Food Mission), subsidised grocery stores that sell food, that would otherwise be discarded, to people facing economic insecurity. Approximately 300 (255) of the Group's stores and warehouses collaborate with social organisations to donate food. In 2025, Axfood worked together with the members of the Swedish Food Retailers Federation to expand the availability of subsidised stores. The partnership is expected to reduce annual food waste in the industry by up to several thousand tonnes. Willys is a strategic partner of MatRätt in Gothenburg and a co-founder of several Matmissionen stores. In connection with the establishment of social supermarkets, Willys has contributed expertise in planning, design, interior layout and equipment.

The Group's stores are also part of various "charity instead of waste" partnerships. To avoid throwing away food that the stores were unable to sell before its best-before date, the Group donates the food to charities through partnerships with food banks that redistribute unsold food to people in need. In total, approximately 300 (255) stores in the Group donated food through such partnerships in 2025.

Axfood is participating in a new research project to reduce food waste by extending the shelf life of fresh vegetables. The project, led by Lund University, aims to evaluate a biological method wherein naturally occurring, health-promoting and non-GMO bacteria are applied to leafy vegetables, carrots and tomatoes after harvest to inhibit spoilage organisms such as mould. The project is being carried out in partnership with farmers, the innovation company VivoProtect AB and Livsmedelsakademin and includes large-scale application trials, microbiological and sensory evaluation, market analysis and logistics studies. The multi-year development project is expected to

provide a basis for broader implementation in Axfood's value chain and contribute to reduced food waste in the food supply chain.

Targets and metrics

Axfood's targets for resource use and the circular economy focus on selected aspects of raw material management. Initiatives to achieve the targets focus on collaboration throughout the value chain to spread knowledge about efficient resource management through industry organisations and training for producers. The Group strives to optimise resource efficiency and reduce waste, which is a part of Axfood's overall sustainability work and circular economy strategy.

Follow-up takes place at the Group and store chain level and the work contributes to increased sustainability and circularity. Revisions of the targets are approved by the Executive Committee, which also ensures that the outcomes correspond with the original targets as well as any changes made. The Executive Committee also monitors whether progress is being made in the right direction to achieve the target.

None of Axfood's targets in resource use and circular economy have any scientific basis and stakeholders did not contribute to their formulation. Nor have the targets been set or revised based on legislation.

Unless otherwise stated, targets and metrics within the standard have remained unchanged during the reporting period.

50% reduction in food waste

Axfood's target is to reduce food waste in its own operations by 50% by no later than 2025 compared with the base year of 2015 and to reduce the share of food waste to be below 0.7% by no later than 2030. The target is connected to Axfood's guidelines for products, which emphasise the importance of developing climate-smart packaging for private label products in order to minimise environmental impact and prevent food waste in the Group's stores. The target is to be achieved by encouraging the proper management of organic waste, which also leads to cost savings. Important initiatives in this work include training and procedures for the employees who handle food in stores.

The food waste target focuses on preventive measures to keep food from becoming waste and on ensuring that discarded food, to at least some extent, goes into energy recovery and other cycles. The target is connected to the UN SDGs, in particular SDG 12.

In 2025, the share of food waste amounted to 0.9% (0.9). This low share of food waste was mainly attributable to in-store clearance sales, effective waste management and more stores donating food.

The target covers activities in the Group's own operations and the food waste that arises in Group-owned stores in Willys, Willys Hemma, Eurocash, Hemköp (including retailer-owned stores), Snabbgross and City Gross.

The target is measured as total food waste as a share of Axfood's total food sales. Total food waste consists of registered food waste, returns and unknown waste in fruits and vegetables. To calculate the share, sales of total food waste measured in SEK (excluding VAT) are



Food waste

Key ratios	2025	2024	2023	Target level 2030	Base year 2015	Target period	Governance documents
Share of food waste, %	0.9	0.9	1.1	0.7	1.7	Long-term (15 years)	Guidelines for products

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divided by total food sales measured in SEK (excluding VAT). Food that is donated to charity is not considered food waste and therefore not included in the calculation.

In cases where store chain inventories were carried out before December, the waste reporting for the intermediate months has been estimated. These estimates are based on an average of the unknown waste per month, meaning accumulated waste from the month in which the inventory took place. This value is then multiplied by 12.

Changes in reporting compared to the previous period

In 2024, Axfood’s Executive Committee decided to raise the level of ambition by setting a food waste target of no more than 0.7% by 2030 the latest, since the target of reducing food waste by 50% was already achieved in the 2024 financial year. The change took effect on 1 January 2025 and was also adopted by Axfood’s Board of Directors in early 2025.

Combustible residual products

Axfood’s target is to reduce the share of combustible residual products from its own operations. The target pertains to waste management and is connected to Sweden’s Environmental Objective “Reduced Climate Impact” as well as the UN SDGs, particularly SDGs 12 and 15.

The target covers activities in the Group’s own operations and the waste removed from Group-owned stores in Willys, Willys Hemma, Eurocash, Hemköp (including retailer-owned stores), Snabbgross and City Gross.

The target is measured as the share of combustible waste in relation to net sales. To calculate the share, tonnes of combustible waste is divided by tonnes of products sold. Waste data is provided by Axfood’s two central waste handling contractors.

Combustible residual products

Key ratios	2025	2024	2023	Base year 2021	Target period	Governance documents
Share of combustible residual products, %	0.64	0.70	0.89	0.98	Short-term (annual)	—

Packaging made of renewable or recycled materials

Key ratios	2025	2024	2023	Target 2025	Base year 2022	Target period	Governance documents
1. Recycled (weight), %	Primary: 23 Secondary: 16 Tertiary: 10	Primary: 23 Secondary: 12 Tertiary: 9	Primary: 25 Secondary: 16 Tertiary: 10	100	Primary: 23 Secondary: 16 Tertiary: 11	Medium-term (3 years)	Guidelines for products
2. Renewable (weight), %	Primary: 22 Secondary: 32 Tertiary: 36	Primary: 24 Secondary: 28 Tertiary: 32	Primary: 22 Secondary: 31 Tertiary: 32	100	Primary: 16 Secondary: 28 Tertiary: 28		

In 2024, the share of organic material sorted for biological treatment in stores and warehouses increased significantly. The main reason is the legislation that requires packaging to be separated from its contents, which came into force in 2024. A positive effect of the new legal requirement was that new waste procedures contributed to Axfood achieving the target of halving food waste one year ahead of the target date.

In 2025, the share of combustible residual waste amounted to 0.64% (0.70), representing a continued decline compared with previous years. This development can partly be attributed to the gradual modernization of stores, which has contributed to more efficient waste sorting.

Packaging made of renewable or recycled materials

By no later than 2025, Axfood’s packaging (plastic, containerboard and paper) for private label products will be made of renewable or recycled material. This target is part of the Group’s overall work to increase the use of renewable and recycled material. The target is connected to Axfood’s guidelines for products, which emphasise the importance of using sustainable material in packaging for private label products in order to encourage a more efficient use of existing resources. The guidelines encourage and support a more efficient use of resources that are already in circulation. The target also supports Sweden’s Environmental Objective “Reduced Climate Impact” as well as the UN SDGs, particularly SDGs 12 and 15.

The target covers activities upstream in the value chain in the production of packaging for private label products. This includes all packaging of plastic, containerboard and paper. The target pertains to different packaging levels, such as primary, secondary and tertiary packaging.

The target is measured as the share, by weight, of packaging for private label products from renewable or recycled raw materials. To calculate the share of packaging produced from recycled raw materials, kg of packaging produced from recycled materials in each category (primary, secondary and tertiary) is divided by the total number of kilograms for each packaging level. To instead calculate the share of renewable packaging, the number of kilograms of renewable material for each category is divided by the total number of kilograms for each packaging level.

The result for 2025 was mainly attributable to the fact that recycled plastics are not permitted to come into direct contact with food, unless they are part of a clean and controlled flow. A deposit scheme is one such flow. The market for renewable or recycled raw materials in food packaging has also progressed at a slower rate than expected at the time the target was set.

Recyclable packaging

Axfood’s target is that the Group’s packaging for private label products is to be recyclable and the use of FSC-labelled paper is to increase. This target is part of the Group’s overall work to establish better possibilities for using circular material.

The target is connected to Axfood’s guidelines for products, which emphasise the importance of using sustainable material in packaging for private label products in order to encourage a more efficient use of existing resources. The guidelines encourage and support a more efficient use of resources that are already in circulation. The target also supports Sweden’s Environmental Objective “Reduced Climate Impact” as well as the UN SDGs, particularly SDGs 12 and 15.

The target covers activities upstream in the value chain in the production of packaging for private label products and pertains to primary, secondary and tertiary packaging.

The target is measured as the share of packaging for private label products that is recyclable and consists of FSC-labelled paper. To calculate the share of recyclable packaging, kg of recyclable packaging in each category (primary, secondary and tertiary) is divided by the total kg produced in each category. In 2025, 94% (94) of paper packaging, measured in kilograms, was made from FSC-labelled paper.

Recyclable packaging

Key ratios	2025	2024	2023	Target 2025	Base year 2022	Target period	Governance documents
1. Share of recyclable packaging, %	Primary: 89 Secondary: 99 Tertiary: 98	Primary: 89 Secondary: 99 Tertiary: 96	Primary: 89 Secondary: 99 Tertiary: 97	100	Primary: 81 Secondary: 98 Tertiary: 97	Medium-term (3 years)	Guidelines for products
2. Share of FSC-certified paper, %	Primary: 40 Secondary: 29 Tertiary: 6	Primary: 32 Secondary: 27 Tertiary: 7	Primary: 30 Secondary: 27 Tertiary: 10	100	Primary: 41 Secondary: 26 Tertiary: 4		

Resource inflows

Resource inflows encompass all products that are produced upstream in the value chain at suppliers’ production facilities, including private labels as well as branded products. Products are delivered to Axfood’s warehouses and are then sold at the Group’s stores. The products also include primary, secondary and tertiary packaging. In addition to products, resource flows also include IT equipment, software, furniture and company cars for offices. For warehouse operations, resource flows primarily include machinery, IT equipment and the vehicle fleet. For stores, resource flows primarily refer to store fittings and checkout equipment.

Key ratios	2025	2024
Total weight of products and technical and biological material, tonnes	512,535	450,767
Share of biological material, %	91.8	90.6
Total weight of secondary intermediary products and secondary materials, tonnes	4,675	4,832
Share of secondary intermediary products and secondary materials, %	13.4	11.9

During the period, the total weight of the Group’s products and materials is estimated at 512,535 tonnes (450,767), of which the proportion of biological material was approximately 91.8% (90.6). The estimates are based on 3,167 (3,146) items including their packaging. Packaging data includes primary, secondary and tertiary packaging. For approximately 200 (600) items, packaging weight was missing, and these were estimated. All food products, excluding packaging, has been assumed to be a biological material. The estimates are based on a great deal of uncertainty and a lack of reliability and completeness in the values presented. Axfood is working to increase the quality and reliability of reporting resource outflows.



E5 – RESOURCE USE AND CIRCULAR ECONOMY

Resource outflows

Products and materials

Axfood's main products consist primarily of food, but also include non-food. Packaging and non-food are to be designed and produced according to the principles of circularity, in line with the Group's policies, guidelines, targets and sustainability strategy. The principles of circularity focus on using renewable and recycled materials as well as making packaging and non-food recyclable.

For Axfood's private label goods in all product groups, sustainability, which by nature is long term, is not significantly different from the industry average.

Key ratios	2025	2024
Share of recyclable products, %	0.0	0.0
Share of recyclable packaging, %	95.0	97.8

As the majority of the products are food products and the data on the recyclability of non-food has not been reliable, the recyclability has been assumed to be zero. The proportion of recyclable packaging amounts to 95.0% and is based on estimates from packaging data from private label products. In both cases, there is a great deal of uncertainty and a lack of reliability and completeness in the values presented. Axfood is working to increase the quality and reliability of reporting resource outflows.

Waste

Axfood's operations contribute to various types of waste in its warehouses, stores and offices. Waste management is handled by the Group's two central waste suppliers and reporting is based on the number of emptyings.

Waste, management method, tonnes	2025	2024
Non-recycled waste	41	182
Share of non-recycled waste, %	0.1	0.4
Waste diverted from disposal	56,812	51,212
Hazardous waste		
Preparation for reuse	0	0
Recycling	77	131
Other recovery operations	20	44
Non-hazardous waste		
Preparation for reuse	0	0
Recycling	43,955	40,924
Other recovery operations	12,759	10,112
Waste directed to disposal	41	182
Hazardous waste		
Incineration	1	1
Landfill	0	0
Other disposal operations	0	13
Non-hazardous waste		
Incineration	0	0
Landfill	19	169
Other disposal operations	20	0
Radioactive waste	0	0
Total	56,853	51,394

During the period, Axfood's total waste amounted to 56,853 tonnes (51,394), of which 99.9% (99.6) is recycled in some form. Up to 60% (58) of the waste consists of paper and corrugated cardboard. 35% (36) consists of what is called alternative raw materials and which mainly consist of combustible and organic food waste.

Reported information during the period is based on discharges carried out at 423 (484) collection points.

TAXONOMY REPORTING

Axfood's reporting in accordance with the EU Taxonomy Regulation

The purpose of the EU Taxonomy Regulation (EU 2020/852) is to make it easier to identify and compare environmentally sustainable investments through a common classification system.

The Taxonomy is based on economic activities that research shows are responsible for a large share of GHG emissions, and that the EU deems to have a critical role to play in the transition to a climate-neutral, climate-resilient and more resource-efficient economy. Axfood's food retail business is not one of the above referenced activities, so only a limited proportion of the Company's economic activities is Taxonomy-eligible. Although Axfood's main activities are not Taxonomy-eligible, the Group is still considered able to contribute to the transition. Axfood has engaged in thorough sustainability efforts an integral part of its business for many years. Even if the Group's sustainability targets are not currently Taxonomy-eligible, several of them reflect the UN SDGs.

Only a very limited proportion of Axfood's turnover qualifies as direct revenue-generating activities according to the Taxonomy. However, the Group has an indirect impact on the economic activities mentioned in the Taxonomy, related to the first two environmental targets concerning climate change mitigation and adaptation. The Group's investments in property, plant and equipment and right-of-use assets as well as related costs are the main parts of the activities that are Taxonomy-eligible. Axfood's Taxonomy-eligible activities, which may be environmentally sustainable now or in the future, are disclosed here together with the relevant reporting policies.

Axfood chooses to apply the updated Delegated Act (EU 2026/73), which entered into force in 2026. In line with the simplified reporting requirements, Axfood applies a materiality threshold of 10% per key performance indicator.

Assessment of Taxonomy-eligible activities

Freight transport services by road

Axfood conducts economic activities in category 6.6 Freight transport services by road that qualify as contributing substantially to the environmental objective Climate change mitigation with respect to turnover from e-commerce, CapEx for own trucks and OpEx for maintenance and repairs of own trucks.

Approximately 0.1% of Axfood's retail sales corresponds to invoiced shipments for the e-commerce deliveries shipped by the Group's self-owned trucks. Vehicle fleets – both for the Group's own transports and for procured transports between warehouses and stores – are being rapidly converted to reduce CO₂ emissions by using more renewable fuels and becoming more fuel-efficient.

Dagab is responsible for the Group's logistics flow. Products from suppliers are distributed from the Group's warehouses to stores belonging both to the Group and to external customers. Two of the

Group's warehouses handle home deliveries in the Stockholm and Gothenburg areas. Home deliveries from the Group's warehouses are primarily distributed using own trucks, while store-to-home deliveries are made using a service provider.

Turnover and OpEx that are taxonomy-eligible are assessed as non-material based on the 10% threshold and are presented in the table as "Not assessed activities considered non-material".

Taxonomy-eligible CapEx pertains to Group-owned trucks, which have a clear connection to the core business.

A complete assessment of Taxonomy-aligned economic activities has not yet been concluded. Axfood is dependent on third parties and has not received complete information regarding whether the vehicles qualify as not doing significant harm to the other environmental objectives in the Taxonomy. While it was not possible to determine whether the economic activity qualifies as Taxonomy-aligned, adjustments have been made to the purchasing terms to ensure that, going forward, the Group chooses tire classes that are Taxonomy-eligible.

Transport by motorbikes, passenger cars and light commercial vehicles

Axfood conducts economic activities in category 6.5 Transport by motorbikes, passenger cars and light commercial vehicles that qualify as contributing substantially to the environmental objective Climate change mitigation with respect to purchases of Taxonomy-eligible goods and services. More specifically, this relates to CapEx for leases of passenger cars and company cars. Axfood is dependent on data from third parties to confirm whether these activities are Taxonomy-aligned and began conducting assessments during the year by gathering the necessary information from its lessors. However, the Group has not received complete information regarding whether the vehicles qualify as not doing significant harm to the other environmental objectives in the Taxonomy.

Acquisition and ownership of buildings

Axfood conducts economic activities in category 7.7 Acquisition and ownership of buildings that qualify as contributing substantially to the environmental objective Climate change mitigation with respect to purchases of Taxonomy-eligible goods and services. More specifically, this relates to CapEx for new and renegotiated leases for premises that house stores and warehouses.

Axfood began conducting assessments during the year by gathering the necessary information from property owners in order to confirm whether these activities are Taxonomy-aligned. To evaluate significant contribution to the climate goal, it was assessed whether the properties in question have a valid energy declaration of class A. In a

next step to assess the criteria for not causing significant harm (DNSH), documentation has been requested from property owners for a climate risk assessment to be carried out, documentation with information about the property's exposure to various climate-related risks and suggestions for appropriate actions and adaptations. However, information from property owners in 2025 was still largely insufficient, and verification of whether activities are Taxonomy-aligned could not be completed for any of the buildings. This lack of information is a clear indication that Taxonomy reporting has not yet achieved a sufficient level of maturity. However, the work that has been carried out has laid a foundation for the Group's collaboration with third parties that will likely facilitate future reporting.

Reporting principles

The proportion of environmentally sustainable activities in accordance with the Taxonomy is to be disclosed through three financial key performance indicators (KPIs), broken down by each of the EU's six environmental objectives. Axfood's methodology for calculating these three KPIs is described below. The risk for double counting is mitigated as Axfood is only reporting on one environmental objective, Climate change mitigation. The other environmental objectives are deemed as not relevant with respect to the Group's economic activities.

Economic activities must meet the criteria for substantial contribution and DNSH, however in addition must also ensure that minimum safeguards are met. This means that Axfood has to ensure that the Group has routines and processes in place for managing human rights, anti-corruption, taxation, and fair competition. The Group's Code of Conduct also stipulates that the Group is in line with guidelines such as the UN's Human Rights Declaration, the International Labour Organisation's (ILO) fundamental conventions, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child and Business Principles.

Axfood works according to a due diligence process for human rights which is described on page 43, and the work with anti-corruption is handled on page 98.

Axfood has a compliance policy and has also not breached its compliance with respect to legislation and regulations in taxation or competition law. Questions about honourable competition is handled in Axfood's ethical conduct rules. The general assessment is therefore that the Group's existing routines and processes are adequate to fulfil the minimum safeguards.

A change in the reporting compared to the previous year is that the updated 10% thresholds are now applied. Axfood has chosen to apply the threshold to turnover and OpEx as the identified economic

activities fall below the threshold. These economic activities are therefore reported as non-assessed activities considered non-material. All activities covered by the taxonomy within CapEx continue to be reported, even though some individual activities fall below the 10% threshold.

Turnover

Net turnover corresponds to the reported revenue for the financial year (see net sales for the Group in Note 3). Policies for consolidated revenue recognition are described in more detail in Note 1. The proportion of Axfood's turnover that is Taxonomy-eligible corresponds only to e-commerce revenue from deliveries/freight.

CapEx

Axfood's non-current assets often comprise right-of-use assets for warehouse and store premises, vehicles and some other equipment. Axfood mainly leases its warehouse and store premises, which is why a majority of the Group's reported non-current assets are attributable to right-of-use assets for leases signed by the Group. The property owner is usually responsible for maintenance, renovation and repairs (see Note 17). Other investments in non-current assets consist of store and warehouse equipment, machinery and IT equipment, and vehicles.

The value of Taxonomy-eligible assets corresponds to the cost for these assets divided by total acquired non-current assets, including right-of-use assets during the current reporting period (see Notes 15, 16 and 17). Total CapEx concerns additions to property, plant and equipment and intangible assets during the year after deducting depreciation/amortisation and any impairment, with the exception of changes to fair value. Also included are additions to, and revaluations of, right-of-use assets as well as property, plant and equipment and intangible assets related to business combinations. Goodwill and other surplus values are not included.

OpEx

According to the Taxonomy, Taxonomy-eligible OpEx corresponds to direct, non-capitalised costs for day-to-day servicing that may be environmentally sustainable now or in the future. More specifically, this relates to, among other things, building renovation measures, short-term leases, maintenance and repair. For Axfood, this pertains mainly to maintenance costs for trucks. From a Group perspective, this share of costs is negligible since the financial impact is very limited. Accordingly, costs deemed to contribute to Axfood's transition efforts by reducing GHG emissions, such as operating costs related to the Group's solar panel systems, purchased green electricity and costs for fuels, are not covered by the Taxonomy.

S1 Own workforce

Axfood's own workforce is a prerequisite for long-term development. As one of Sweden's largest food retail employers, Axfood has a significant responsibility for how its operations impact employee working conditions, security, health and opportunities for development. A sustainable work life characterised by participation, inclusion and a good work environment is key for the development of its operations and the ability to attract and retain expertise.

Developing skills and leadership is important for meeting Axfood's future requirements and changing needs. The Group offers training and works actively with succession planning and gender equality in career paths.

Axfood identifies and manages material impacts such as work-related stress, repetitive strain injuries, risks of accidents and precarious working conditions as well as discrimination and harassment. At the same time, Axfood has a positive impact through the jobs it creates across the country, by offering safe work environments and by promoting gender equality, inclusion and diversity.

Extensive work is conducted to improve occupational health and safety. This includes mandatory work environment and rehabilitation training for managers, structured procedures to prevent discrimination and offensive treatment, ways of working that enable more permanent positions and ongoing dialogues in the form of employee interviews, safety inspections and incident reporting. Axfood systematically follows up sickness-related absence, employee turnover and employee surveys to identify actions. A whistleblower service provides safe channels for reporting irregularities.



53/47% 5.8%

In 2025, the share of women and men in management positions was 53/47% (52/48), in line with the Group's target.

In 2025, sickness-related absence among Axfood's employees amounted to 5.8% (6.2), compared with the Group's target of a maximum of 5.3%.

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Own workforce – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
• Working conditions	Potential negative impact	I21	Salaried employees are at risk of work-related stress, work-life imbalance and ergonomic injuries, while employees in stores and warehouses are at risk of accidents and repetitive strain injuries.	Short- and medium-term	Own operations
• Working conditions	Actual negative impact	I22	Employees employed on temporary or non-guaranteed hours basis are often particularly vulnerable from a job security perspective, since staffing needs can vary.	Short-, medium- and long-term	Own operations
• Equal treatment and opportunities for all	Actual positive impact	I23	Axfood creates jobs around the country, including rural areas.	Short-, medium- and long-term	Own operations
• Equal treatment and opportunities for all	Potential positive impact	I24	Axfood can be a positive force in the labour market by promoting equal terms, with a focus on gender equality, inclusion and diversity.	Short-, medium- and long-term	Own operations
• Equal treatment and opportunities for all	Potential negative impact	I25	Discrimination and harassment can occur regardless of work assignment or operations.	Short-, medium- and long-term	Own operations
• Working conditions	Risk	R15	There is a risk that high employee turnover could result in increased costs.	Short- and medium-term	Own operations
• Working conditions	Risk	R16	New needs for expertise and intense competition for talent could leave Axfood unable to comply with new requirements, leading to increased costs.	Short-, medium- and long-term	Own operations

Description of material impacts, risks and opportunities

Axfood is a values-steered group that strives for inclusion, diversity and gender equality. The diversity of talents, competencies, backgrounds and perspectives among the Group’s employees creates opportunities, leads to better decisions and contributes to the development of the business.

Reporting of Axfood’s own workforce includes all employees who could be affected by the Group’s material impacts. It covers permanent, temporary, full-time, part-time and non-guaranteed hours employees working in retail, warehouses and e-commerce, hotels and restaurants as well as salaried employees. The Group’s own workforce also consists of individuals who are not employed directly by Axfood, such as different kinds of staffing of drivers, warehouse and store personnel, and cashiers, as well as cleaning staff at its offices, warehouses and stores.

Material impacts

Negative impacts with regard to health are often related to work assignments and workplace. For salaried employees, this largely concerns work-related stress, work-life imbalance and injuries linked to inadequate ergonomics. For employees in stores and warehouses, work-related accidents and repetitive strain injuries can arise, in the worst case leading to long-term sick leave or the employee leaving their job. Discrimination and harassment are negative impacts for employees, regardless of work assignments and operations.

Axfood has an opportunity to have a positive impact on its employees’ situation. Good working conditions, safe workplaces and clear channels for reporting irregularities can promote a sound work environment. This means that Axfood can be a positive force in the labour market and promote equal terms, with a focus on gender equality,

inclusion and diversity. Axfood has operations around the country and thus creates jobs in many places, even in rural areas.

Axfood operates in an industry with relatively high employee turnover. The sector is important for young people (16 to 24 years old), who account for nearly a third of those employed. Employees with temporary or non-guaranteed hours employment are often particularly vulnerable from a job security perspective, since staffing needs can vary in different periods. At the same time, this is an opportunity that creates jobs for young people and a way into the labour market.

Risks and opportunities

Axfood faces the same risks as other food retailers when it comes to human capital. High employee turnover is costly and new needs for expertise arise as industries and sectors evolve. In an already competitive market, it is important for Axfood to both attract and retain expertise.

Within the Group, continuous work is under way to improve working conditions for employees, for example by developing methods in stores to be able to offer more permanent positions that cover more working hours.

New and increased regulatory requirements in several areas could lead to higher costs for Axfood, especially if this gives rise to increased staffing needs to ensure compliance. If the Group does not follow regulations or engage with sustainability responsibly, this could lead to reputational and brand risks that in turn could affect its ability to attract and retain talent.

Axfood’s work with its transition plan related to the environment and climate has not led to any material impacts for its employees. Nor have any material risks related to forced or child labour in its own workforce been identified.

Management of material impacts, risks and opportunities

Policies and guidelines

Axfood has several policies and guidelines that address material impacts, risks and opportunities related to employees. These include the Group-wide Code of Conduct, an HR and work environment policy, occupational health and safety guidelines, procedures for equal treatment and offensive treatment, guidelines for business ethics, guidelines and procedures for the whistleblower service, and a recruitment policy. Axfood has established governance documents in these areas in order to strengthen the Group’s core values and corporate culture, which is essential for retaining and attracting employees.

Employee Code of Conduct

Axfood’s Code of Conduct describes basic principles that support and guide employees in their work. The Code of Conduct covers all employees as well as consultants, directors and other individuals representing the Group.

The greatest risk for human rights violations arises in the global supply chain, not in Axfood’s own workforce. Axfood’s operations impact working and living conditions upstream in the value chain through the purchase of goods from around the world.

According to the Code of Conduct, respect for fundamental human rights in all areas of the Group’s operations is to be ensured through active work in the area. Employees are to report serious risks of irregularities that can impact themselves or others negatively. These can be reported to their immediate supervisor, the head of the quality and sustainability department, the HR department or through a whistleblower service.

Ongoing work is carried out to detect, prevent and minimise risks of human rights violations. Child labour, human trafficking and forced labour are not acceptable in any part of the operations. The Group is to address any potential negative impact on human rights caused by its own operations. Information is provided to all employees, suppliers and other business partners about the importance of respecting human rights.

Guidelines for business ethics

Axfood’s guidelines for business ethics encourage employees to use the whistleblower service to report internal irregularities. The service is safe and confidential, without any risk of retaliation. HR managers at the subsidiaries are responsible for ensuring compliance with the guidelines. Axfood works with due diligence, identifies and assesses the risk of possible human rights violations, and manages confirmed deviations through actions and remediation.

HR and work environment policy and occupational health and safety guidelines

Axfood’s ambition is to reduce the number of accidents and the occurrence of ill health through targeted preventive measures. The policy emphasises the importance of early intervention and the identification and communication of physical and psychosocial work environment risks. Managers are expected to act on observed signals, and procedures are in place that describe how risks are to be detected and managed.

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Recruitment guidelines

Axfod's recruitment guidelines aim to counteract discrimination by ensuring objectivity in recruiting. Everyone is to be treated equally in external as well as internal recruiting, regardless of sex, age, religion or other belief, ethnicity, disability, sexual orientation, or transgender identity or expression.

Recruiting managers are to participate in Axfod's recruitment training or have equivalent expertise in order to carry out recruitment in accordance with Axfod's recruitment process and diversity target. The guidelines states that when there are qualified candidates of both genders, both genders are to be represented in the final stages of the recruitment process. If two final candidates have equivalent qualifications, the candidate of the underrepresented gender is to be selected.

Discrimination procedure

If an employee is subjected to discrimination, harassment or offensive treatment, Axfod's established and communicated procedures are to be followed. The first step is for the employee to act and engage in a dialogue. If this does not help, the employee is to inform their immediate superior, their superior's manager or HR. If the employee does not feel they can be open about the incident, it can be reported through the whistleblower service. They can contact a safety officer or trade union representative for support.

Axfod is to act promptly and initiate an investigation as soon as cases are communicated. All parties are to be involved and a corporate healthcare provider may support the investigation.

Availability of policies and guidelines

Axfod's policies and guidelines are available on the Group's intranet for salaried employees as well as store and warehouse employees. For those without access to the intranet, their immediate supervisor is responsible for informing them of their rights and working conditions, as well as for providing instructions for raising grievances or incidents as necessary.

For more information about Axfod's policies and guidelines, see pages 100-101.

Procedures for engaging with employees

Axfod strives to ensure good working conditions and fair treatment of all employees.

Axfod's President and CEO has the overall responsibility for contact with the Group's employees, but has delegated the operational responsibility to the Group's Head of Human Resources. The HR manager at each subsidiary is responsible for the ongoing contact with employees at each company and for reporting to Group level.

Skills development and contact channels

Axfod works preventively to identify and support employees who could be particularly vulnerable to negative impacts, which means

that the people who work with these groups need to have the right expertise. Training in systematic work environment initiatives, sickness-related absence, the rehabilitation process, and organisational and social work environments is mandatory for all managers.

To identify, prevent and follow up employee well-being and comfort, employee interviews, performance reviews, debriefings with the safety officer, employee meetings and incident reports are conducted on a regular basis. This work aims to increase the Group's positive impact as an equal-opportunity workplace where differences and diversity are prioritised. These initiatives also counter the risk of being unable to retain and attract the necessary expertise.

Employee survey

An annual employee survey is carried out to evaluate employee engagement, work environment and leadership. The survey provides individual employees as well as groups with an opportunity to create a more efficient and inclusive working environment. All responses are anonymous and aggregated at the Group level. An external party handles the material confidentially and ensures that the responses cannot be linked to individuals. The survey covers the following areas:

- Engagement index – how engaged employees are
- eNPS – the likelihood that employees would recommend the organisation as an employer
- Leadership index – how employees rate leadership
- Conditions for doing a good job and how employees feel
- Team Effectiveness index – how teamwork functions in groups
- Inclusion index – the extent to which employees feel included

A new index was introduced in 2025 to measure psychological well-being. It shows the extent to which employees feel they can express their opinions, take initiative and make mistakes without fear of negative consequences.

Inclusion

Axfod has, together with the organisation Mitt Liv, developed an inclusion index to measure the degree to which employees feel they can be themselves at the workplace and to which they feel valued for who they are. The index underlines the importance of inclusion for well-being and a good work environment. Axfod shall be a workplace that accepts differences and where employees can contribute to the development of the operations. This work makes it easier to retain employees and attract new talents.

Gender equality

Axfod's gender equality work is followed up through metrics such as the share of women and men in management positions. This work is monitored at the company level every month and communicated externally on a quarterly and yearly basis. The share of women and men in leadership training courses and in succession and replacement planning is also reviewed.

Work environment

At the Group level, there is a work environment group made up of union representatives, the chief occupational safety officer, representatives from the subsidiaries and the central work environment function. Work environment initiatives at company level are conducted and monitored through work environment committees established at central, regional and local levels. The local safety committees cover operations in warehouses and stores. At smaller workplaces without a local safety committee, work environment activities consist of safety inspections and employee meetings, which gives employees local influence over the work environment.

Health

When conducting well-being talks and continuous engagement in work environment issues, at the Group level as well as locally, the aim is to prevent and counteract negative impacts such as ergonomic risks, work-related health risks and accidents.

System support and procedures are in place to identify early signs of ill health. Managers hold well-being talks with employees in the event of recurring sickness-related absences in order to take preventive measures. To ensure that managers have the required knowledge, training in systematic work environment initiatives, sickness-related absence, the rehabilitation process, and organisational and social work environments is mandatory. Employees are regularly asked about incidents of discrimination, offensive treatment, bullying, harassment and retaliation through tools such as employee surveys, regular employee interviews, performance reviews, debriefings with safety officers, employee meetings and incident reports.

Employee turnover and the sickness-related absence rate are monitored internally every month at the Group and company levels and are communicated externally yearly. Key ratios are also monitored per contract area. Deviations from prior periods may indicate shortcomings in the operations. The earlier deviations are detected, the greater the potential there is to investigate and remedy them.

Processes to remediate

Axfod's whistleblower service allows employees to report work-related irregularities concerning the operations. The service enables follow-up of Code of Conduct compliance and is an important tool for maintaining good corporate governance, protecting employee health and safety, and identifying and addressing shortcomings. The whistleblower service covers all subsidiaries and consists of a Group-wide reporting channel as well as company-specific channels. The managing director of each subsidiary is responsible for reporting via the local channel.

The whistleblower chooses the appropriate channel. An external party handles the technical solution that enables anonymous reporting. A law firm receives and classifies cases before conducting a legal review. Cases that qualify as whistleblower matters are handled in consultation with Axfod's internal whistleblower committee.

Employees can use the whistleblower service through Axfod's website or the website of one of its subsidiaries, or through verbal contact with the law firm. Reporting can also be handled through external channels for the relevant authorities listed on the intranet.

Axfod does not specifically evaluate whether employees trust the whistleblower processes. Any dissatisfaction is expected to be revealed through regular contact such as employee surveys and well-being talks.

For more information about the whistleblower function, visit Axfod's website.

Procedures for equal treatment

In line with Axfod's procedure for equal treatment, the Group is to promote equal treatment of employees and to create a workplace free from discrimination, abuse, bullying, harassment and retaliation. It covers the protected grounds of discrimination under Swedish law and stipulate that no one is to be discriminated against, abused, bullied, harassed or subject to retaliation based on sex, transgender identity or expression, ethnicity (an individual's national or ethnic origin, skin colour or other similar characteristics), religion or other belief, disability, sexual orientation or age. Political convictions and social origins that are not explicitly expressed are not covered.

The procedure focuses on how various forms of discrimination are to be identified, prevented, addressed and followed up. It also specifies the responsibilities of managers, employees, HR departments, safety officers and trade union representatives.

Axfod's companies are to continuously investigate, analyse, address and follow up work on discrimination and diversity. This work is documented and followed up as necessary, but at least once per year. Axfod uses employee surveys and interviews as well as performance reviews to work preventively in this area, in addition to analysing statistics to identify causes of sickness-related absence. Well-being talks in cases of repeated sickness-related absences, debriefings with the safety officer and trade union representatives, employee meetings and incident reports are also important tools.

Taking action

Axfod works actively to create a sound working environment for its employees. Every year, measures are taken to prevent, identify and manage risks that can negatively impact employee health.

Working methods

To effectively implement measures, there is an ongoing partnership between employers, employees and trade union representatives. Managers, employees and union representatives actively participate in the efforts to create a good work environment that promotes employees' health.

Axfod has a central HR organisation and local HR departments in the Group companies. At the central level, HR specialists work with Group-wide processes, systems and training. This work is supported

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by an employee manual, a work environment committee and employee support. The Group works closely with the operations and strategically on issues pertaining to employees and their development.

Sickness-related absence

Sickness-related absence can indicate the presence of a problem, but it does not always provide insight into the underlying causes. Axfood’s work is based on a data-driven method that highlights the factors that impact sick leave, positive as well as negative. The model is based on documentation from sources such as HR data, information from the Group’s illness and rehabilitation system, process compliance and employee surveys. Analysis of this data enables absences at the regional and store level to be predicted and early action to be taken where it is needed most.

As a part of Axfood’s work to ensure employee well-being outside the workplace, Axfood offers employees support through a corporate healthcare provider. This support gives employees access to phone calls to social workers and cost-free conversations with licensed psychologists or psychotherapists. Contact with a lawyer or economist can also be provided as necessary.

Diversity and inclusion

Axfood works systematically to promote diversity and inclusion. Aggregated data from Statistics Sweden (SCB) on gender breakdown and international background within the Group enables advanced analysis and target follow-up at several organisational levels. This is done in accordance with the General Data Protection Regulation (GDPR), which ensures that personal data is processed lawfully and securely.

Data can be linked to results from employee surveys, sickness-related absence and other relevant key performance indicators, providing a clearer and more holistic picture that can better support decision-making. The employee survey also functions as a tool for evaluating initiatives and collecting valuable feedback from employees.

Succession planning

To ensure gender equality, Axfood has the ambition of including at least one man and one woman as potential replacements in succession planning. The succession process is continuously developed and quality-assured in order to ensure objective internal recruitment. Every step of the recruitment process is quality-assured in order to guarantee objectivity and gender equality.

The process is standardised and partially automated to counteract potential bias. Every year, a mapping of salaries is conducted to identify and address unjustified differences in salary and benefits.

Social impact

Axfood is to be an inclusive and attractive workplace where employees of different backgrounds are given equal opportunities to contribute and develop. Work on diversity and inclusion is therefore an important part of the Group’s social impact. The ambition is to create a safe, fair

and respectful work environment where differences are seen as a strength that drives innovation and competitiveness.

Axfood is an active voice in the public debate on gender equality, diversity and inclusion in the labour market. By standing up for these values, sharing experiences and highlighting good examples, the Group helps to drive development towards better gender equality and more inclusion in working life. As a part of this commitment, Axfood participates in several long-term partnerships that contribute to a more inclusive society.

In 2025, Axfood furthered its efforts to create more ways to enter the labour market and improve the conditions for workplace inclusion. Through Willys and Hemköp, Axfood collaborates with the non-profit initiative Nästa Generation Sverige to offer a work experience scheme, Studiemotiverande Arbetslivsorientering (SAO), providing young people in vulnerable areas with their first job opportunity and a path into the labour market. Together with the First Foundation, the Group creates job opportunities for young people whose home lives make studying difficult. These summer jobs at Axfood’s companies provide valuable work experience and in several cases have led to permanent employment. Axfood has also joined Tent Sverige to support people with a refugee background in gaining labour market access through internships, jobs and targeted development initiatives.

A new introduction programme for salaried employees at the Group was established in 2025. It provides a clear, comprehensive look at Axfood’s values, ways of working and expectations. Launch of the program is early 2026.

Targets and metrics

Axfood has targets to manage material impacts, risks and opportunities in the area related to its own workforce. Sickness-related absence is to be low and the Group aims to have an even gender breakdown among its senior executives and a variety of employees from diverse backgrounds.

Follow-up takes place at the Group level. Targets are revised annually and approved by the Executive Committee, which ensures that outcomes continuously correspond with the original targets as well as any adjustments. Employees and unit managers does not directly contribute to formulating the targets, however the closest unit managers are involved in follow-up and participates in improvement measures concerning target outcome.

As of the 2024 financial year, employees from City Gross, Hall Miba and Urban Deli were included, unless otherwise stated.

Unless otherwise stated, targets and metrics within the standard have remained unchanged during the reporting period.

Sickness-related absence

Sickness-related absence among Axfood’s employees is not to exceed 5.3%. The target is in line with the Group’s occupational health and safety policy and is also related to the UN SDGs, in particular SDG 3 and SDG 8. The target covers sickness-related absence in the Group’s

own operations and includes employees in the Group, with the exception of internal consultants and employees on parental leave or a leave of absence.

Sickness-related absence in 2025 decreased to 5.8% (6.2) compared with the previous period. The change is explained in part by continued investments in proactive health initiatives.

The target is measured as total sickness-related absence and includes active Axfood employees. To calculate the value, the hours of reported sickness-related absence is divided by scheduled work time, including short- and long-term sickness-related absence. Data from Statistics Sweden is used to identify a reasonable comparable level when setting the current target. Sickness-related absence at the Group is not deemed to differ significantly from the national average in Sweden.

In performance reviews, immediate supervisors aim to identify important health aspects for employees in order to prevent future illness. Axfood also encourages employees to take advantage of the wellness stipend offered by the Group.

Even gender breakdown

Axfood strives for an even gender breakdown among its senior executives. This target is related to the Group equal treatment policy and guidelines for equal treatment as well as the recruitment policy, and is a part of the Group’s work to promote a gender-equal workplace, with women as well as men in leadership roles. The target is connected to the UN SDGs, in particular SDG 5.

Sickness-related absence

Key ratios	2025	2024	2023	Target level	Target period	Governance documents
Sickness-related absence, %	5.8	6.2	6.4	<5.3	Short-term (annual)	HR and work environment policy

Even gender breakdown

Key ratios	2025	2024	2023	Target level	Target period	Governance documents
Share of women/men in management positions, %	53/47	52/48	51/49	40–60	Short-term (annual)	<ul style="list-style-type: none"> • Procedure for equal treatment and offensive treatment • Recruitment guidelines

Diversity

Key ratios	2025	2024	2023	Target level	Target period	Governance documents
Senior executives with international background, %	18.4	17.3	17.8	>20	Short-term (annual)	Procedure for equal treatment and offensive treatment

The share of women/men in management positions in 2025 was 53%/47% (52/48) and thus remained in line with the Group’s long-term target.

Gender equality is measured as the share of women and men, respectively, in management positions and is calculated at the end of the period. Senior executives are defined as employees with subordinates, including team managers with employee responsibility and members of the Executive Committee. The calculation is based on data from Statistics Sweden. Employees are counted as a total number, including part-time managers.

Recruiting managers are to participate in Axfood’s recruitment training or have the equivalent expertise in order to carry out recruitment in accordance with the Group’s recruitment process and diversity target.

Diversity

Axfood is to be an employer that leverages the diverse backgrounds of its employees, including its senior executives.

The diversity target is linked to the Group’s procedure for equal treatment and aims to promote and follow up diversity work. Axfood strives to be a workplace made up of individuals with diverse backgrounds and experiences. The target is also in line with the UN SDGs, in particular SDG 10. It includes employees with subordinates including team managers with employee responsibility, with the exception of internal consultants, and members of the Executive Committee.

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In 2025, the share of senior executives with an international background increased to 18.4% (17.3) compared with the previous period.

The target is measured as the share of senior executives with an international background in relation to the total number of senior executives. "International background" refers to employees who were either born outside Sweden or whose parents were both born outside Sweden. Senior executives are defined as employees with subordinates, including team managers with employee responsibility and members of the Executive Committee. The calculation is based on data from Statistics Sweden.

Characteristics of the undertaking's employees

The information about number of employees is a snapshot as of 1 December 2025 to align with diversity measurements from Statistics Sweden. Employees without hourly contracts (secondary employment) are not included.

The average number of employees corresponds to the definition given in Note 6 and refers to full time equivalents (FTEs). The figure is calculated as economic hours worked, including attendance hours, short-term sickness-related absence (days 1–14), paid holidays, leave of absence and other paid leave excluding overtime. This is divided by the annual working hours of 1,920.

Gender, number	2025	2024
Male	8,245	8,050
Female	10,407	10,422
Other	0	0
Not disclosed	0	0
Total	18,652	18,472

Number of employees per country ¹⁾	2025	2024
Sweden	18,652	18,472

1) Axfood operates exclusively in Sweden.

Diversity metrics

Gender and age breakdown is followed up in Axfood's gender equality and diversity work. This also includes whether an employee has an international or domestic background.

Measurement is based on Axfood's own categorisation of employees. Management teams at all companies include, in addition to the companies' management teams, the Executive Committee, staff management and the Board of Directors of Axfood AB.

Gender breakdown in the Group, %	Men		Women	
	2025	2024	2025	2024
Management teams of all companies incl. Executive Committee and Board of Directors	56.0	55.9	44.0	44.1
Employees with subordinates	47.2	48.0	52.8	52.0
Retail employees	35.0	34.7	65.0	65.3
Warehouse and e-commerce employees	75.3	75.2	24.7	24.8
Employees, salaried	50.6	50.8	49.4	49.2
Hotel and restaurant employees	55.9	52.2	44.1	47.8
Total	42.7	42.6	57.3	57.4

Age breakdown in the Group, %	Under 30 years old		30–50 years old		Over 50 years old	
	2025	2024	2025	2024	2025	2024
Management teams of all companies incl. Executive Committee and Board of Directors	0	0	49.5	50.5	50.5	49.5
Employees with subordinates	12.4	11.8	64.8	63.7	22.8	24.5
Retail employees	56.8	56.4	30.4	29.9	12.8	13.6
Warehouse and e-commerce employees	39.3	40.1	44.3	42.0	16.4	17.9
Employees, salaried	11.7	12.7	61.5	59.7	26.8	27.6
Hotel and restaurant employees	58.7	56.7	30.7	36.3	10.6	7.0
Total	48.8	48.4	36.2	35.6	15.0	15.9

International background in the Group, %	International background		Domestic background	
	2025	2024	2025	2024
Management teams of all companies incl. Executive Committee and Board of Directors	7.7	8.7	92.3	91.3
Employees with subordinates	18.4	17.3	81.6	82.7
Retail employees	27.0	27.0	73.0	73.0
Warehouse and e-commerce employees	45.2	42.6	54.8	57.4
Employees, salaried	17.4	16.6	82.6	83.4
Hotel and restaurant employees	36.6	52.9	63.4	47.1
Total	28.5	28.0	71.5	72.0

Adequate wages

All of Axfood's employees are covered by collective bargaining agreements, under which salaries are regulated in line with negotiated minimum wage levels.

Health and safety metrics

Own workforce consists of employees as well as non-employees in the Group's own workforce, including temporary workers, consultants and interns.

Accidents refer to work-related injuries or ill health that lead to:

- fatalities, illness-related absence, restrictions or reassignment to other tasks, medical care beyond first aid, loss of consciousness or – serious injury or ill health diagnosed by a doctor or other healthcare professional, even if the injury does not lead to fatality, illness-related absence, restrictions or reassignment to other tasks, medical care beyond first aid or loss of consciousness
- minor injuries such as bruises or small cuts that require bandages are considered incidents rather than accidents.

Due to a lack of system support, employees at Urban Deli and Hall Miba are not currently included.

Health and safety management system coverage, %	2025	2024
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Percentage of own workforce covered by the Company's health and safety management system based on legal requirements and/or recognised standards or guidelines	99	99
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Percentage of employees covered by the Company's health and safety management system based on legal requirements and/or recognised standards or guidelines	99	99
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Coverage rate, %	Collective bargaining coverage		Social dialogues
	Employees in EEA countries with >50 employees representing >10% of the total number of employees	Employees outside EEA (estimate for regions with >50 employees representing >10% of the total number of employees)	Workplace representation (EEA only) (for countries with >50 employees representing >10% of the total number of employees)
0–19		–	
20–39		–	
40–59		–	Sweden
60–79		–	
80–100	Sweden	–	

Number of fatalities as a result of work-related injuries and work-related ill health, %	2025	2024
Employees	0	0
Non-employee workers in own workforce	0	0

Number of work-related accidents and rate of accidents	2025	2024
Number of work-related accidents, employees and own workforce	1,517	1,408
Number of work-related accidents per million hours worked (attendance), employees and own workforce	57.0	58.9

Collective bargaining coverage and social dialogue

All of Axfood's employees are covered by four national collective bargaining agreements.

The definition of employee representatives has been limited to safety officers at offices, warehouses and stores. The reason is that Axfood is responsible for appointing safety officers at its workplaces, meaning that the Group – rather than unionised employees – has control over them.

S1 – OWN WORKFORCE

Remuneration metrics (pay gap and total remuneration)

Unadjusted pay gap

The unadjusted gender pay gap between men and women decreased to 7.0% (7.9) during the year. A contributing factor to differences in warehouse operations pertains to men working staggered working hours, extra hours, overtime, and night shifts to a larger degree than women, which results in more pay per worked hour. More men have professions in IT where salaries in general are higher than within support functions where more women are employed.

The metric is used to follow up Axfood’s work on equal opportunities for employees regardless of gender. The data is based on salaries paid for the full year 2025 and includes own employees in all employment forms. Consultants and hired staff are not included. To ensure more reliable hourly wages, a threshold was set that each employee must have worked at least 40 hours during the year.

Time worked consists of scheduled attendance and paid absence. Paid absence includes paid holiday, paid leave, paid training, union work such as acting as a union representative and various forms of overtime. Remuneration consists of base salary, which is the fixed monthly salary or hourly wage rate paid to an employee as well as bonuses, commissions and long term incentive programmes. Allowances and remuneration, such as responsibility allowance, inconvenient working hours, holiday pay and benefits (when such benefits comprise remuneration in addition to salary) are also included. Sick pay, parental leave, cash payments for holiday not taken and other remuneration that is not connected to work are not included.

Total remuneration ratio

The annual total remuneration ratio between the highest paid individual and the median value for total remuneration for all other employees amounted to 28.0 (57.1).

The calculation is based on actual remuneration in 2025 and includes all employees who received a salary during the year. To enable comparability between full-time, part-time and seasonal workers, remuneration was converted to full-year equivalents.

Total remuneration includes base salary, allowances, bonuses, commission and cash benefits. Sick pay and other paid absences reimbursed by the employer are included, while pensions, severance pay and expense reimbursements are not.

The highest salary refers to the total remuneration paid to the individual with the highest total income during the year. The median salary is calculated based on all employees excluding the highest paid individual.

Compensation metrics	2025	2024
Pay gap, gender, %	7.0	7.9
Total remuneration ratio	28.0	57.1

Changes in metric reporting compared to the previous period

As of the 2025 reporting year, remuneration has been more clearly categorised to facilitate an analysis of what drives the gender pay gap. This is considered to be in line with the emerging practice according to ESRS S1 Section 73. Distinctions are made between remuneration components such as bonuses, variable remuneration, overtime allowances, shift and on-call payments and other allowances and remuneration not directly connected to work carried out. Reporting this remuneration in separate categories makes it possible to analyse the factors behind differences in total remuneration and whether the differences are based on base salaries, working time or performance.

To provide a more accurate picture of the total remuneration ratio and employees’ actual remuneration, the metric was revised so that it is based on actual full-time salaries paid instead of full-time salaries contracted.

Age breakdown, employee turnover, %	Under 30 years old		30–50 years old		Over 50 years old		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Employee turnover	27.1	29.9	11.5	12.4	5.9	7.8	16.2	18.3
Hiring turnover	17.0	25.9	3.4	5.7 ¹⁾	1.9	3.2	8.2	13.0

1) Comparison figures have been adjusted due to a correction.

Gender breakdown, employee turnover, %	Men		Women		Total	
	2025	2024	2025	2024	2025	2024
Employee turnover	14.3	17.2	17.7	19.2	16.2	18.3
Hiring turnover	8.4	12.5	8.0	13.4	8.2	13.0

Employee turnover, %	Retail		Warehouses and e-commerce		Salaried employees		Hotels and restaurants		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Employee turnover	19.1	21.0	11.6	19.4	7.5	7.0	37.1	5.8	16.2	18.3
Hiring turnover	8.0	14.3	12.4	11.2	4.6	10.7	9.1	0	8.2	13.0

FTEs by employee categories	Men		Women		Other		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Permanent	6,455	5,843	6,873	5,906	0	0	0	0	13,328	11,749
Temporary	866	772	1,426	1,186	0	0	0	2	2,292	1,960
Non-guaranteed hours	0	0	0	0	0	0	0	0	0	0
Total	7,321	6,615	8,299	7,092	0	0	0	2	15,620	13,709

Employee turnover

Employee turnover pertains to the number of persons who began and left during the year in relation to the total number of employees. Reported figures only include permanent employment contracts and probationary hires. Employee turnover is calculated as the number of terminations per average number of employees during the year. Hiring turnover is also presented and calculated as the number of jobs per average number of employees during the year.

Jobs due to transition of activities and direct re-employment are excluded. Direct transfers within the Group are excluded as terminations.

The change in employee turnover within hotels and restaurants is primarily related to the discontinuation of an operation during the year.

Incidents, complaints and severe human rights impacts

Twice a year, the HR department of each subsidiary reports ongoing and new cases and suggestions for improvement. This includes incidents and complaints that may pertain to matters of offensive treatment and discrimination, unethical behaviour regarding employees and business partners, bribery or corruption, violations of the Group’s rules about gifts and entertainment, violations of free competition, serious deviations or violations of regulatory compliance, human rights violations, and material matters and deviations within the framework of the Group’s anti-corruption work.

During the year, 9 incidents (5) related to cases of discrimination, including harassment, were reported. The Group was also required to pay compensation for one incident amounting to SEK 15,000. The data does not include non-employee workers in the Group’s own workforce.

Number of discrimination incidents	2025	2024
Cases	9	5

S2 Workers in the value chain

Axfood engages in long-term and systematic work to ensure respect for human rights and to strengthen the social conditions in the value chain – from raw material production to finished product. It focuses on the parts of the value chain where the most material impacts occur, particularly in the supply chain and primary production, based on due diligence featuring clear requirements, monitoring and collaboration.

As a basis, the Group pursues a risk-based approach with a Supplier Code of Conduct, risk identification and regular social audits. Sustainability requirements are integrated into the procurement process, high-risk suppliers and sectors are prioritised for in-depth assessments, and deviations are addressed through action plans and follow-ups.

By engaging in close collaboration with suppliers, industry players, trade unions and civil society, Axfood strives to ensure that workers in the supply chain have safe workplaces, good working conditions and the right to organise. Grievance and remediation processes serve as a complement to the Group's efforts to ensure that reported irregularities are recorded and addressed and lead to lasting improvements.

A photograph showing a worker from behind, wearing a hard hat and operating a tractor in a field. The scene is backlit by a bright sunset, creating a silhouette effect and a lens flare. The tractor is a modern agricultural vehicle with a large cab and various mechanical components visible.

6.3%

In 2025, the share of sales attributable to Fairtrade-labelled food amounted to 6.3% (6.6). Axfood's ambition is to increase this share.

94%

Social audits are conducted in risk countries to ensure compliance with Axfood's Code of Conduct among suppliers of private label products. In 2025, the share of approved social audits amounted to 94%.

S2 – WORKERS IN THE VALUE CHAIN

Workers in the value chain – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
• Working conditions	Actual negative impact	I26	Industrial processing of agricultural products entails a number of work-related risks for employees.	Short- and medium-term	Upstream
• Working conditions	Actual negative impact	I27	Seasonal and migrant workers in the food supply chain are particularly vulnerable when it comes to inadequate working conditions.	Short-term	Upstream
• Equal treatment and opportunities for all • Other work-related rights	Actual negative impact	I28	Migrant workers often experience discrimination, low wages, long working hours and an unsafe working environment, aggravated by language barriers.	Short-, medium- and long-term	Upstream
• Other work-related rights	Potential negative impact	I29	Serious human rights violations, including child and forced labour, occur in the agricultural and food industry.	Short-, medium- and long-term	Upstream
• Working conditions • Equal treatment and opportunities for all • Other work-related rights	Risk	R17	A lack of transparency and due diligence regarding suppliers' working conditions could give rise to trust risks.	Medium- and long-term	Upstream
• Working conditions • Equal treatment and opportunities for all • Other work-related rights	Risk	R18	New ethical regulations and human rights legislation are placing greater demands in terms of ensuring compliance in the supply chain.	Short-, medium- and long-term	Upstream

Description of material impacts, risks and opportunities

The following section describes how Axfood impacts, manages and reports on matters concerning the conditions of workers upstream in the value chain through business relationships. The aim is to ensure that human rights are respected and that the Group's contracted suppliers and sub-suppliers provide good working conditions.

Axfood's strategy takes into account all workers at risk of being exposed to material negative impacts in the value chain, who are also included in the Group's reporting. The impacts, risks and opportunities identified as material to Axfood's operations and value chain through the Group's materiality assessment are presented above.

Material impacts

Axfood's main impact on workers takes place upstream in the value chain, where supplier relationships are directly linked to working

conditions in the agriculture and food industry. Seasonal and migrant workers, who often have worse terms of employment, low wages, long working hours and an unsafe working environment, are particularly vulnerable. Language barriers and limited knowledge about their rights increase this vulnerability. Sweden also faces challenges, especially when it comes to seasonal workers. In some high-risk countries, serious human rights violations also occur, including forced labour. The impacts identified are linked to Axfood's business model.

Material risks and opportunities

Stricter transparency requirements and new human rights regulations entail a risk that due diligence may in the supply chain may be inadequate. Non-compliance could lead to negative impacts on people, legal consequences and damage to Axfood's reputation.

At the same time, this development presents an opportunity to strengthen the Group's social sustainability and confirm its role as a responsible player.

Management of material impacts, risks and opportunities

Axfood works systematically to prevent, mitigate and remediate negative impacts on workers in the value chain. These efforts are based on due diligence according to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Governance is based on codes of conduct and supplementary guidelines and procedures established by the Executive Committee and followed up annually. As part of this process, Axfood's purchasers visit select new suppliers before contracts are signed to assess the conditions on site. If deviations are detected, established action plans are used and followed up through social audits and dialogues.

The Group has the opportunity to have a positive impact by establishing stricter requirements, supporting industry initiatives and collaborating with local players. Impacts and risks are assessed in the short, medium and long term, since conditions can change rapidly as a result of policy decisions, weather events or changing production patterns. Through regular audits in risk countries and categories, Axfood works to ensure that human rights are respected, that workplaces are safe and non-exploitative, and that wages are adequate to allow for a decent standard of living.

Policies and guidelines

The interests of workers in the Group's supply chain were taken into consideration by Axfood when setting governing principles regarding social and working conditions. The Group has a specific procedure for addressing and remediating human rights violations. Operational grievance mechanisms in place in the value chain address ongoing matters related to working conditions and their effectiveness is reviewed within the framework of social audits. The policy framework also includes procedures for risk assessment, supplier audits, grievance mechanisms and follow-up. The framework is integrated into Axfood's sustainability governance process, see pages 100-101.

Supplier Code of Conduct

Axfood's Supplier Code of Conduct is based on internationally recognised conventions on human rights, working conditions, the environment and anti-corruption. The Code applies to all suppliers and business partners.

The Code of Conduct stipulates prohibition against human trafficking, child labour and forced labour. It guarantees the right to organise and bargain collectively and states that no worker exercising these rights may be discriminated against. The Code requires that written employment contracts be signed and that all workers know the basic conditions of their employment.

Suppliers must provide wages and benefits that allow for a decent standard of living for workers and their families. The Code requires that due diligence be performed and be followed up through audits, sustainability assessments and dialogues.

The Code of Conduct is available on Axfood's website in Swedish and English and, where necessary, can be provided to suppliers in around 20 other languages.

Contact with workers in the supply chain

Axfood's sustainability work covers workers in the value chain and their working conditions are taken into consideration in purchasing. Procurement is to be conducted on equal terms, and sustainability requirements are integrated into the procurement process at an early stage.

The Group's purchasing managers compile a plan every year for launching new products that looks at the countries of origin of the products and their constituent ingredients. A sustainability assessment is performed if a product, or at least 5% of an ingredient or product, comes from a risk country.

The ultimate responsibility for procedures related to workers in the value chain rests with the Head of Quality and Sustainability at Dagab.

Risk identification

Axfood regularly identifies risks in the supply chain as part of its due diligence work. These assessments cover parameters such as human rights, the environment, child labour and discrimination, and is continuously updated in Maplecroft's global risk database, supplemented with analyses of the operating environment and data regarding suppliers. This combination allows risk levels to be monitored over time and compared across countries, sectors and products.

Suppliers must show that they have a systematic approach to complying with Axfood's Supplier Code of Conduct – for example, through social audit reports or collective bargaining agreements with a recognised trade union – as well as being transparent with respect to identified environmental and social risks. A crucial aspect of this assessment is that the supplier is able to provide an account of how risks are addressed and minimised. Suppliers' responses are weighed against Axfood's risk analyses to determine whether they

S2 – WORKERS IN THE VALUE CHAIN

are approved or excluded from procurement. The results are also used to prioritise audits, plan actions and conduct follow-ups as part of the Group’s ongoing work.

Memberships to promote human rights

Axfood is a member of Global Deal, Amfori BSCI and ETI Sweden. These partnerships strengthen due diligence and transparency surrounding the actual conditions of workers in risk countries.

Interactions with workers take place through industry initiatives and partner organisations, such as ETI Sweden. Where relevant, direct contact is also established with local players, including migrant worker organisations in Turkey, multi-stakeholder organisations in Spain and international organisations such as the International Organization for Migration (IOM).

In complex cases, input is also obtained from NGOs and trade unions ahead of procurements and supplier visits. The Maplecroft risk database is used to support assessments. Interactions take place periodically over the year and are monitored through assessments of suppliers of private label products with risk origins, supplemented with social audits and analyses of audit outcomes. The assessments are comprehensive, and while they do not always overlap directly with individual worker interactions, they are used together to govern the Group’s priorities and actions.

Axfood has identified particularly vulnerable groups in the value chain, namely workers and hazelnut farmers working for suppliers in Turkey, migrant workers in Italy, Spain and Sweden, female seasonal workers at Moroccan fruit and vegetable farms, and rice farmers in Pakistan.

Axfood participates in projects through ETI Sweden, including projects aimed at strengthening grievance mechanisms for migrant workers in Italy and Spain, promoting responsible sourcing in the cashew chain in Vietnam, and improving working conditions in the hazelnut chain in Turkey. In 2025, the Group also participated in ETI’s Forest Berry Initiative aimed at ensuring better conditions for berry pickers in Sweden.

Priority is given to the Employer Pay Principle – a commitment that employers should pay the full costs associated with recruitment of migrant workers. Lessons learned and the results of projects are integrated into risk assessments, prioritisation and follow-up of actions. By doing so, Axfood ensures that serious players who improve conditions can obtain work permits and does its part in the high-profile situation concerning Thai berry pickers through industry dialogues and joint initiatives.

The Banana Retail Commitment on Living Wage is a collective initiative by retailers to ensure that workers in the banana supply chain receive a living wage. The initiative is spearheaded by the Sustainable Trade Initiative (IDH) and as part of the initiative, Axfood supports the introduction of a living wage in the banana sector.

Collaborations

Axfood collaborates with industry actors, trade unions, authorities and civil society to make it easier to identify, prevent and address human rights violations in the value chain. These partnerships are a key part of the Group’s due diligence and provide a deeper understanding of local conditions and risks.

Axfood is a member of ETI Sweden, in which companies, trade unions and civil society work together to promote human rights and sustainable business practices. Through its membership, Axfood participates in joint projects, risk analyses and training that strengthen transparency and improve working conditions in high-risk sectors. Instances of non-compliance with the Code of Conduct or international conventions are sometimes identified within the framework of these partnerships. When this occurs, Axfood looks for solutions for each individual case together with the parties concerned.

In 2025, Axfood participated in ETI Norway’s project to improve conditions for cashew nut workers and farmers in Vietnam as well as preparations for ETI’s project to promote good working conditions for fruit and vegetable workers in Morocco, which runs from the end of 2025 to 2027.

In addition, Axfood collaborates with authorities, trade unions and industry organisations on individual cases as well as with local organisations in producer countries to ensure ongoing feedback and development. These joint efforts help to reduce risks and create the conditions for long-term improvements in the supply chain.

Audit follow-up

Social audits are a key tool in Axfood’s due diligence for monitoring suppliers’ compliance with the Code of Conduct and international conventions. Audits are carried out by independent, third-party auditors and cover areas such as working conditions, health and safety, freedom of association, salaries and grievance mechanisms.

Axfood is convinced that locally based grievance mechanisms, such as workers’ committees or representatives, are often more effective than externally imposed systems. As such, suppliers are required to have effective local channels for reporting and dialogues.

Amfori BSCI uses Speak for Change, an anonymous channel for reporting human rights violations. The programme has been introduced in various countries, including Vietnam, Turkey and India. Information about the channel is communicated via Amfori BSCI, while producers are responsible for providing local information, for example on notice boards.

According to Amfori BSCI and Sedex (SMETA), suppliers are to provide workers with information regarding the channels available, for example via committees or the HR function, and document grievances received and actions taken. The auditors check this when the audit is conducted.

For Axfood’s own whistleblower cases, clear procedures are in place regarding information flow and internal logging. The results of social audits are compiled and used to assess risk levels, prioritise

follow-ups and develop guidelines. Effectiveness is monitored by analysing recurring deviations, comparing supplier groups and following up on implemented action plans. For more information, see section G1 on page 95.

Improved grievance mechanisms

Axfood strives to ensure that workers in the value chain have access to effective and trustworthy grievance mechanisms. This work is part of the due diligence process and helps to identify and address actual human rights violations.

Vulnerable groups, such as migrant workers, sometimes refrain from raising grievances. To raise awareness and create stronger trust, Axfood has participated in a project through ETI that aims to make grievance mechanisms more accessible and provide workers with accurate information about their rights.

Axfood has a whistleblower service available through its supplier portal. The service is primarily aimed at suppliers and partners and can provide support when other channels are not available; it is not aimed directly at migrant or seasonal workers and is not intended to replace local grievance mechanisms. The whistleblower is protected against retaliation, in accordance with Axfood’s guidelines.

Axfood requires that Svenskt Sigill’s IP Arbetsvillkor (“IP Sigill Working Conditions”) standard is upheld in order to improve the situation for guest workers in the Swedish fruit and vegetable industry. As of 2024, information about the standard and how to report grievances is available in several languages. Axfood took the initiative to encourage Svenskt Sigill to evaluate guest worker experiences and the effects of the standard. In 2025, Svenskt Sigill engaged SLU to follow up on this work, which will be presented in 2026.

Availability and efficiency are monitored through supplier dialogues, social audit reviews and feedback from industry initiatives. The results are used to improve procedures and raise workers’ awareness of their rights and grievance channels.

Remediation procedures

Axfood’s remediation procedure identifies any cases of human rights violations in the supply chain that were not addressed through social audits or existing grievance mechanisms. The procedure is part of the Group’s due diligence process and can be triggered by reports from suppliers, industry initiatives, civil society organisations or the Group’s own follow-ups.

Serious deviations are to be addressed promptly and adequately. A checklist guides the process based on the principle of prioritising the human rights holders. Victims should first feel a sense of relief and security, followed by remediation. The measures taken are documented and followed up.

Axfood’s whistleblower guidelines reduces the risk of retaliation. The service is primarily aimed at suppliers and partners and is not intended to replace local grievance mechanisms for migrant or seasonal workers. All suppliers and sub-suppliers in risk countries



S2 – WORKERS IN THE VALUE CHAIN

or categories undergo social audits. The results of the remediation procedure are used to improve processes, prevent incidents from recurring and strengthen the requirements of the Code of Conduct.

Taking action

Axfood works continuously to put the results of its risk identification and audits into action. The work is planned and monitored, and identified risks guide the selection of action plans, priorities and projects. The aim is to prevent and address negative impacts in the supply chain and strengthen its focus on human rights. The experience gained from follow-ups is used in the planning of action plans.

Working method

Axfood’s sustainability officers analyse and evaluate suppliers’ sustainability work on an ongoing basis. They also support purchasers and quality assurers in target setting and follow-up of key ratios and ensure compliance with the Code of Conduct. If necessary, procurement processes are paused or terminated until the requirements have been met.

Through projects conducted in collaboration with ETI Sweden – such as a cashew nut project in Vietnam, ETI Sweden’s Forest Berry Initiative and a grievance mechanism project – objectives and procedures for monitoring are established. Suppliers with serious deviations are required to prepare and submit action plans. Opportunities for improvement are continuously identified – for example, by expanding sustainability certifications in high-risk origin for goods. The experience gained from these processes will be used to strengthen next year’s action plans.

In 2025, several of Garant’s teas received Fairtrade certification and Gastrino rice was awarded the SRP-Verified label by the Sustainable Rice Platform.

Identification of risk countries and risk categories

Axfood identifies and manages risk countries and risk categories within the framework of its annual due diligence process. Its assessments are based on Amfori BSCI and supplemented with information from Maplecroft and industry dialogues. Countries with weak public oversight and limited trade union structures, as well as in industries with a large share of foreign seasonal workers and countries not normally considered risk countries (such as fresh fruit and vegetables, canned tomatoes, forest berries and mushrooms), are monitored more closely.

In Sweden, Axfood requires all Swedish fruit and vegetable suppliers to be certified according to Svenskt Sigill’s IP Arbetsvillkor or an equivalent standard. Sustainability assessments are carried out for wild berry and mushroom suppliers from Sweden and Finland to ensure systematic follow-up of the Code of Conduct. Axfood also follows the Swedish Food Retailers Federation’s guidelines for responsible sourcing of berries. The results of risk assessments are used to plan audits, dialogues and training activities in the most vulnerable categories.

External risk monitoring

As part of its annual due diligence process, Axfood conducts continuous external monitoring to identify changing risk levels and new challenges in the supply chain at an early stage. This work is based on Amfori BSCI, Maplecroft, monitoring of workers’ rights, supplier visits and industry collaborations in Sweden, including through ETI Sweden and the Swedish Commerce berry network.

The information is used to update risk assessments, plan audits and focus follow-ups on vulnerable supplier groups. The risk of deviations is greatest for products originating or containing ingredients from risk countries as defined by Amfori BSCI. However, risk categories also exist in countries that are not classified as high risk. Axfood’s suppliers and sub-suppliers of private label products operate in approximately 40 such countries, where social audits are required. Categories currently assessed as being at a high risk of child labour are rice, cocoa, cane sugar, hazelnuts, coffee and tea. Categories currently assessed as being at a high risk of forced labour are cocoa, seeds, wild berries, fresh fruit and vegetables, cotton, fish and coffee. Depending on the definition of high risk, Axfood addresses the issue in more detail in its requirements as well as addressing the risk through relevant certifications and audits of the suppliers concerned.

Axfood systematically follows up on social audits within the framework of its due diligence process to ensure that deficiencies are addressed and that improvements have an impact. The Group accepts approximately 20 third-party standards. While audits are mainly carried out in accordance with Amfori BSCI, Sedex (SMETA) and SA8000 are also accepted. Some standards apply to the process level and others at the farm level.

Axfood has a zero tolerance approach to misinformation, corruption and failures to implement improvements. In the event of serious violations, such as child labour or forced labour, immediate action is taken with the supplier to ensure the violations are remediated and prevent repeat violations. According to the established process, the supplier and relevant purchasers are convened to prepare an action plan, which Axfood follows up on until the deviation has been resolved and the actions have been documented.

In 2024, deficiencies related to forced labour were identified at a Thai producer whose costs for migrant workers had not been paid. Thanks in part to pressure from Axfood, all of the affected workers were reimbursed in 2024–2025 and the producer has introduced new policies stating that all costs for migrant workers are to be covered.

The result of the audits are used to implement stricter supplier requirements, prioritise risk countries, and develop training and follow-up procedures.

Targets and metrics

Axfood currently has no quantified targets in this sustainability area but follows up material impacts, risks and opportunities through sustainability assessments and social audits, action and improvement

plans, projects and its sales. This is in line with the Group’s processes as described in the Supplier Code of Conduct, as well as the ambition that suppliers of private label products conduct their operations without negatively impacting workers’ rights. If audits nevertheless identify deficiencies among suppliers, action plans must be created. Audits therefore serve as a tool and metric for monitoring the effectiveness of Axfood’s actions with respect to supplier compliance with the Code of Conduct. Axfood also conducts follow-ups by measuring sales of Fairtrade-labelled food, which is the Group’s method of meeting the requirements for sustainability certification set out by Axfood’s guidelines for products. The aim is for the share of sales to increase for risk commodities included in the metric below.

Unless otherwise stated, targets and metrics within the standard have remained unchanged during the reporting period.

Fairtrade-labelled food, share of sales

Axfood aims to help strengthen the working and living conditions of farmers and workers in the value chain and contribute to reduced poverty. The metric is used to measure and follow up sales of Fairtrade-labelled food in the Group’s store chains. These foods include ingredients that are often associated with a high risk of poor working conditions for workers in the value chain. The metric helps assess Axfood’s contribution to the UN SDGs, in particular SDG 1 and SDG 8.

Key ratios	2025	2024
Fairtrade-labelled food, share of sales, %	6.3	6.6

In 2025, the share of sales attributable to Fairtrade-labelled food amounted to 6.3% (6.6). The change is partly due to a lower share of sales of Fairtrade-labelled coffee.

The metric is limited to the share of sales of Fairtrade-labelled foods containing coffee, tea, cocoa and bananas out of Axfood’s total sales of these ingredients. The focus is on these four ingredients because the supply chains often give rise to risks for workers in the form of discrimination, inadequate wages and precarious working conditions. Private label and branded products are both included in the metric and follow-up is carried out at the Group level. The metric includes upstream activities and own operations through sales in Group-owned stores in Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross.

Social audits carried out

Axfood has 645 (736) producers in risk countries that are required to conduct social audits. The Group works continuously to increase transparency and map the supply chain down to the farm level, where social risks are most likely to arise. This is also where it is the most difficult to carry out social audits.

In 2025, 247 (184) social audits were conducted of suppliers involved in the production of Axfood’s private label products as well

as fresh fruit and vegetables. Most audits were carried out under the Amfori BSCI and SEDEX standards. Of these 247 audits, some form of deviation was noted in 127 (87) audits, the most common of which concerned health, safety and working time.

A total of 12 audits revealed serious deviations. One coconut flake sub-supplier in the Philippines had inadequate fire safety measures, while one bulgur sub-supplier in Turkey was in violation of working time regulations and had an inadequate work environment. Another Turkish sub-supplier of sun-dried tomatoes lacked environmental permits as well as adequate fire safety measures. Half of the audits with serious deviations have approved action plans with timetables for addressing all deviations. Axfood has requested action plans from the others. Action plans have also been requested for audits with fewer, or less serious, deviations. If no acceptable explanation is given for why the action plans have not been implemented despite several reminders, the partnerships will be terminated.

Social audits carried out at suppliers of private label products with production in risk countries	2025	2024
Suppliers in risk countries¹⁾ covered by social impact audits, %	79	N/A
Contract suppliers covered by social impact audits, %	91	N/A
Suppliers with audit approved during the year, %	94	N/A
Suppliers with audit approved with remarks during the year, %	51	N/A
Suppliers without approved audit where negative social impacts were identified, %	5	N/A
Suppliers identified as having negative social impacts where action plans have been drawn up, %	50	N/A
Suppliers identified as having negative social impacts where the relationship was terminated, %	0	N/A

1) Contracted suppliers including sub-suppliers

Changes in metric reporting compared to the previous period

During the year, a shared grading system was used to expand the scope of the audits included in the follow-up. Previously, only Amfori BSCI audits were included. Share of social audits where the supplier received a score of 1 or 2 on a three-point scale, with a score of 1 indicating approved audits, a score of 2 indicating approved audits with remarks and a score of 3 indicating non-approved audits. Social audits include site visits and inspections to ensure that suppliers comply with the requirements of Axfood’s Supplier Code of Conduct. The sample includes audits of suppliers of private label products and fresh fruit and vegetables operating in risk countries as well as tomato suppliers in Italy. All audits were performed in accordance with one of the twenty-some trusted third-party standards accepted by Axfood. Self assessment questionnaires (SAQs) are accepted in exceptional cases, but are not scored.

S3 Affected communities

Axfood aims to be a positive force in society that contributes to sustainable development at the local, national and global level. Through long-term due diligence and close collaboration in the value chain, the Group assumes responsibility for the communities affected by its operations, especially in primary production where its impact is greatest.

Starting from a belief that the food retail sector should contribute to positive development, Axfood strives to counteract risks linked to land rights, discrimination, working conditions and access to natural resources in the communities affected by the Group's purchasing. Axfood also engages in dialogues, partnerships and projects that strengthen local structures, promote rights and contribute to better living conditions.

Through its involvement with suppliers and civil society as well as industry initiatives, Axfood aims to ensure rights-based processes are in place in the value chain, from berry picking in Sweden to agriculture in Asia. The goal is to ensure that the affected communities develop sustainably, with respect for human rights, natural resources and the needs of future generations.



S3 – AFFECTED COMMUNITIES

Affected communities – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
<ul style="list-style-type: none"> Communities' economic, social and cultural rights Rights of indigenous peoples 	Potential negative impact	I30	Local communities and indigenous peoples in commodity-producing regions could be negatively impacted by discrimination, limited access to natural resources and contested land rights.	Short-, medium- and long-term	Upstream
<ul style="list-style-type: none"> Communities' civil and political rights Rights of indigenous peoples 	Potential negative impact	I31	Indigenous peoples are at risk of displacement and deteriorating living conditions as a result of large-scale production causing pollution, water scarcity and biodiversity loss.	Short-, medium- and long-term	Upstream
<ul style="list-style-type: none"> Communities' economic, social and cultural rights Rights of indigenous peoples 	Risk	R19	Due to stricter requirements in new human rights regulations, there is a growing need for a process for identifying and managing negative impacts in the value chain, as non-compliance could damage reputation.	Short-, medium- and long-term	Upstream

Description of material impacts, risks and opportunities

Axfood is part of global food supply chains where local communities are impacted by farming, production and retail. Axfood applies the due diligence principle, which encompasses the entire value chain. The aim is to identify, prevent and reduce negative impacts, while also promoting positive development. Ensuring that local communities function and develop sustainably is an important starting point.

All communities at risk of material impacts in the value chain are taken into account in Axfood's strategy and included in this report. The largest impact occurs upstream in the value chain, primarily in relation to local communities in risk countries and risk categories. Sustainability assessments identify the communities most affected, mainly where agricultural commodity production may limit access to land, water and natural resources, or where weak social structures result in greater vulnerability.

The impacts, risks and opportunities identified as material to Axfood's operations and value chain through the Group's materiality assessment are presented in the table above.

Material impacts

Axfood's operations have both actual and potential impacts on communities upstream in the value chain, particularly in agriculture and primary production in risk countries. Local communities could be negatively impacted when access to land, water and natural resources is restricted, or when large-scale production causes pollu-

tion, water scarcity and biodiversity loss. There is also a risk of discrimination, exclusion from natural resources and violations of indigenous people's land rights.

The greatest impact has been identified in areas with vulnerable social structures and limited opportunities for influence, such as agricultural regions in Asia and North Africa.

Axfood engages in projects and partnerships that could have a material positive impact on local communities, including initiatives to strengthen rights, improve livelihoods and raise awareness of social risks in the value chain. This work is carried out both in-house and through industry partnerships that contribute to a far-reaching sustainable transition.

One example is Axfood's engagement in issues affecting Thai berry pickers, with the Group advocating for employers to cover all costs associated with recruitment in Sweden and Finland. The aim is to provide the berry pickers with better financial conditions and to reduce the risk of them going into debt. Another example is how Axfood's engagement on behalf of Burmese migrant workers in Thailand has inspired the Group's suppliers to introduce their own initiatives for the children of migrant workers, who are often particularly vulnerable. In markets where the Employer Pay Principle does not yet apply, Axfood takes the initiative and pushes for the gradual introduction of the principle. In 2025, Axfood advocated for the introduction of rules under IP Arbetsvillkor and KRAV to ensure that migrant workers are not in debt when they are working in Sweden.

A shared standpoint on the issue has also been established within the Swedish Food Retailers Federation, which strengthens the industry's joint responsibility for ensuring fair conditions in the supply chain.

Material risks and opportunities

Axfood incorporates new regulations and laws governing ethics and human rights by ensuring that clear procedures are in place for identifying, addressing, assessing, monitoring and communicating negative impacts in the value chain. Axfood also strives to integrate responsible business conduct into the Group's policies, processes and management systems. Non-compliance can have a negative impact on Axfood's reputation.

Axfood has identified communities where the risks are deemed most significant, including seasonal and migrant workers in Thailand's berry, nut, and fruit and vegetable industry, migrant workers in Burma and Cambodia, local populations near hazelnut farms in Turkey, communities impacted by the cashew nut industry in Vietnam, and migrant workers in the fruit and vegetable industry in Italy and Spain. In Morocco, risks have been identified related to the working conditions for women seasonal workers. There is also a risk in Sweden that seasonal workers could be subjected to inadequate living conditions and discrimination.

Since there is a risk that such violations could recur when projects end, continued engagement, follow-up and long-term responsibility are needed. One challenge is that Axfood is not always given a full overview of the situation in the affected communities since information is often passed on through suppliers, who may themselves have limited contact with the local population.

Management of material impacts, risks and opportunities Policies and guidelines

Axfood's work with affected communities is governed primarily by the Group's Supplier Code of Conduct and Code of Conduct for Human Rights. Together, these documents provide a basis for the Group's work pertaining to due diligence in the value chain.

The policies cover all suppliers and business partners and set clear requirements for respecting human rights, good working conditions, environmental considerations and ethical business conduct. They are supplemented with guidelines and processes for risk assessment, monitoring and remediation. When it comes to supplier relationships and human rights, the Group's overall governance and the implementation of these policies are described under ESRS G1 page 95 and in more detail under ESRS S2 page 84.

Supplier Code of Conduct

Axfood's Supplier Code of Conduct describes the Group's commitment to identifying, preventing and addressing risks of violations. The policy is based on the UN Guiding Principles on Business and Human Rights.

Axfood's Supplier Code of Conduct requires an assessment of the impact on local communities and populations in order to take action where necessary and avoid negative impacts. Axfood's negotiations in conflicts with local communities over land or natural resources are to ensure respect for individual and collective rights. This is to be based on local customs and traditions, even if these rights are not formally registered.

When there is a risk that indigenous people's rights may be violated, the principle of the right to free, prior and informed consent (FPIC) is always followed, as per the UN Declaration on the Rights of Indigenous Peoples.

The Supplier Code of Conduct is implemented through training, follow-up and audits. Axfood's sustainability function is responsible for ensuring that the policies are applied and followed up. The results are reported to the Executive Committee and the Board's Audit Committee annually.

The Supplier Code of Conduct is available in Swedish and English on the Group's website and can be translated to around 20 other languages if needed. It is also included in all supplier agreements and followed up through social audits, dialogues and action plans. Suppliers that do not meet the requirements are asked to take corrective action. If no improvements are made, the partnership may be terminated.

For more information about audits, addressing deviations and supplier compliance monitoring, see ESRS S2 page 84. For details on the Group's governance documents and due diligence process, see ESRS G1 page 95 and ESRS S2 page 84.

Contact with affected communities

Axfood does not currently have any fixed procedures for direct contacts with affected communities upstream in the value chain. Dialogue mainly takes place through memberships, contacts with suppliers and projects the Group participates in through industry organisations and networks.

Through these contacts, which are a key part of its due diligence process, Axfood monitors developments in the communities where it has an impact and contributes to joint solutions. Discussions with local players, civil society and trade unions provide insights into how people and communities are impacted by primary production and commerce.

S3 – AFFECTED COMMUNITIES

The results of these dialogues are used as the basis for sustainability assessments and risk analyses. In some projects, contact takes place indirectly through industry initiatives in which several companies work together to strengthen local structures and increase transparency. This enables local perspectives to be integrated into Axfod's risk assessments, even when the Group has no direct relationships.

Dagab's sustainability and quality function is responsible for contacts and dialogues in collaboration with the Group's central sustainability function, which follows up and reports to the Executive Committee.

Sustainability assessments

According to Axfod's procedures, sustainability assessments are to be carried out for purchases of private label products where at least 5% of ingredients come from risk countries. The assessments are part of the Group's due diligence process and are used to identify, prevent and manage risks of negative impacts on people and communities in the value chain.

Axfod's suppliers must follow the principle of due diligence to ensure that production does not have a negative impact on workers or local populations. Axfod weighs the information against known risks for each supply chain using tools such as Maplecroft's Global Risk Dashboard (GRiD) and Amfori BSCI and through its participation in ETI Sweden.

Axfod is a member of initiatives such as Global Deal, Amfori BSCI and ETI Sweden. These memberships entail a commitment to human rights and responsible business conduct in the value chain, helping to improve conditions for people in the communities where Axfod has the greatest impact.

The effectiveness of the assessments is monitored annually, providing a basis for Axfod's risk management and priorities. The Head of Quality and Sustainability at Dagab is responsible for operational coordination, in close cooperation with the Group's sustainability function.

For more information about methodology, the selection of high-risk suppliers, audits and follow-up, see ESRS S2 on page 84.

Remediation procedures

When human rights violations are detected in the supply chain, Axfod applies a Group-wide remediation process. The procedure is also applied in cases involving local communities and enables the Group to act swiftly, mitigate consequences and ensure remediation for those affected.

For a detailed description of the process, delegation of responsibilities and examples of how the process is applied, see the section Remediation procedure under ESRS S2 on page 86.

Grievance mechanisms

Locally based grievance mechanisms, such as workers' committees or representatives, are often more effective than externally imposed international tools. Axfod therefore encourages suppliers to establish and maintain grievance handling systems that are based locally.

In countries such as Vietnam, Turkey and India, where Amfori BSCI has implemented its Speak for Change tool, workers and other local players can report irregularities anonymously. This allows deficiencies and risks to be identified early, reducing risk of serious violations.

It can be difficult for local stakeholders who are not workers to access these systems. The Group therefore participates in industry projects aimed at improving accessibility and efficiency, including the Improved Grievance Mechanism Project in Italy and Spain in cooperation with ETI Sweden.

For a more detailed description of structures, delegation of responsibilities and follow-up, see the section Improved grievance mechanisms under ESRS S2 on page 86.

Procedure in the event of human rights violations

Axfod applies a Group-wide procedure for handling cases where human rights violations are detected in the supply chain. The procedure is also applied in situations affecting local communities and is used when deviations cannot be resolved through regular processes.

The aim is to act quickly, prioritise the safety of the people impacted and ensure remediation in cooperation with relevant players in the value chain.

For a detailed description of the process, roles, responsibilities and how the process is applied, see the section Remediation procedures under ESRS S2 on page 86.

People in vulnerable situations

Migrant workers and other groups at particular risk of vulnerability may find it difficult to raise grievances or demand remediation. Axfod therefore contributes to the development of Svenskt Sigill's IP Arbetsvillkor standard, which regulates the conditions for guest workers at Swedish fruit and vegetable farms.

The standard provides information in several languages about workers' rights and where workers can turn to with any grievances. Svenskt Sigill is also collaborating with SLU to evaluate guest workers' experiences and how the standard has affected their working conditions.

Axfod does not have its own policy to ensure protection from retaliation for stakeholders in the local community who file grievances. However, there are provisions in place – both in Axfod's Supplier Code of Conduct, see page 85, and in internal procedures – regarding protection for those who raise criticisms. Work on developing separate policies is ongoing as part of the Group's due diligence process.

Taking action

Axfod works continuously to reduce negative impact on local communities in the supply chain. Improving working conditions and sustainability, especially in risk countries and industries with seasonal workers, is prioritised.

Compliance with Axfod's Supplier Code of Conduct is ensured through sustainability assessments, social audits and follow-up visits. In 2025, visits were carried out to preserved canned tomato suppliers in Italy and to banana plantations in Colombia and Costa Rica. Partnerships with civil society, industry organisations and authorities provide a better foundation for good working conditions and long-term community development in areas where Axfod has the greatest impact.

For more information about how Axfod works with measures for local communities in the value chain, see ESRS S2 on page 84.

Improvement projects

In 2025, Axfod conducted two projects in global value chains: one focusing on the working conditions for seasonal workers on hazelnut farms in Turkey and one related to the cashew nut industry in Vietnam. Axfod was also a driving force in ETI Sweden's Forest Berry Initiative aimed at implementing the Employer Pay Principle for berry pickers, in the Food and Beverage Sector Working Group, the due diligence network and in the Swedish Platform on Risk Commodities.

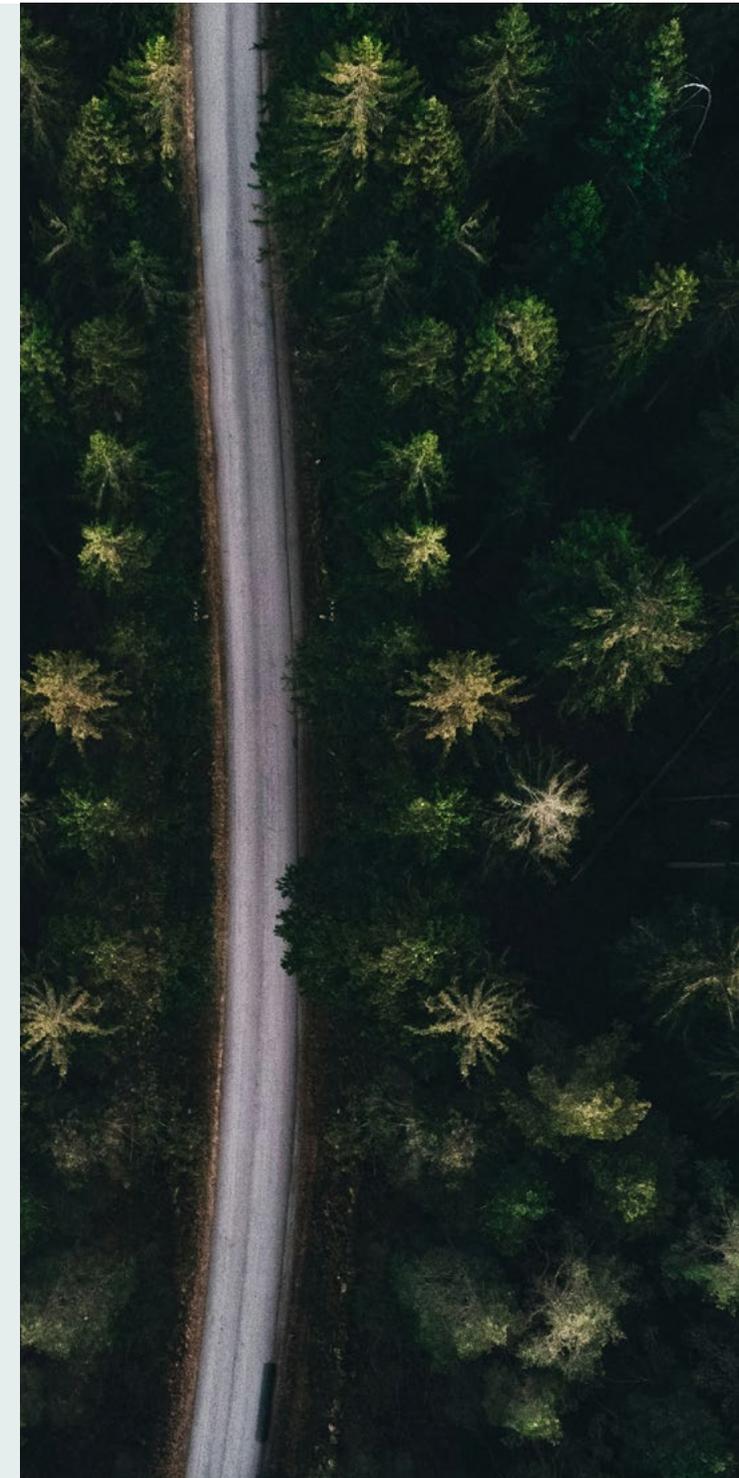
Axfod conducts several projects within the framework of ETI Sweden focused on following up on targets and action plans, and regularly collaborates with various organisations to ensure that human rights are respected in the supply chain. In the event of serious violations, immediate action is taken in accordance with the Group's remediation process. At the end of 2025, an ETI project involving multiple stakeholders was resumed with the aim of improving the conditions for workers at fruit and vegetable farms in Morocco.

Targets and metrics

Axfod currently has no quantitative, measurable targets in this area due to challenges with measuring and receiving reliable data in this part of the value chain. More information about these challenges is presented under ESRS 2 on page 42.

As future targets are developed, Axfod's current projects are crucial for ensuring that they are formulated in consultation with local communities. For example, this is one of the ambitions of the project for grievance mechanisms and Axfod's work to advocate that employers to bear all costs associated with the recruitment of berry pickers.

To guide its purchasing, Axfod has a process whereby only approved suppliers and sub-suppliers are permitted to move forward in the procurement process. Over time, this means that suppliers with clear due diligence concerning their own risks and who respect human rights are favoured. Development work is ongoing to improve performance measures and governance.



S4 Consumers and end-users

Through its different concepts, Axfood meets millions of customers across Sweden every week as they shop at the Group's stores and online. This brings with it a responsibility and an opportunity to influence the way people eat and feel by offering affordable, good and sustainable food. Customer responsibility also includes safeguarding customer privacy and ensuring clear, accurate and transparent information.

Axfood takes a long-term approach to minimising risks, preventing negative impacts and reinforcing positive impacts on consumers and end-users, such as better eating habits, a greater sense of confidence in the quality of the food they buy and more sustainable consumption. High standards are set for food safety, labelling and data protection. Preventive work is conducted through established procedures and controls throughout the value chain. Insights from customer surveys, returns and a close dialogue with consumers create a foundation for continuous improvement.

Axfood continuously develops its assortment with a focus on health and strives to reduce the levels of sugar and salt in its private label products and increase the share of Keyhole-labelled products. The Company's collaboration with the Generation Pep Foundation strengthens its preventive efforts to improve the health of children and young people and aims to contribute to better eating habits in society.



20.1%

In 2025, the share of sales of Keyhole-labelled foods amounted to 20.1% (21.7), compared with Axfood's target of at least 25% by 2030, with 2024 as the base year.

S4 – CONSUMERS AND END-USERS

Consumers and end-users – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
<ul style="list-style-type: none"> Information-related impacts for consumers and/or end-users Personal safety of consumers and/or end-users 	Actual positive impact	I32	Axfood promotes healthy consumption by making healthy products affordable and available.	Short-term	Down-stream
Information-related impacts for consumers and/or end-users	Potential negative impact	I33	Leaked personal data or fraud linked to loyalty programmes could damage consumer privacy.	Short-, medium- and long-term	Own operations and down-stream
Personal safety of consumers and/or end-users	Potential negative impact	I34	Unhealthy products and low-price promotions could encourage unhealthy eating habits.	Short- and medium-term	Down-stream
Personal safety of consumers and/or end-users	Potential negative impact	I35	Shortcomings in food handling could harm consumer health.	Short-, medium- and long-term	Down-stream
Social inclusion of consumers and/or end-users	Potential positive impact	I36	A broad and clearly labelled assortment allows all consumers to choose sustainable and healthy food.	Short-, medium- and long-term	Down-stream
Information-related impacts for consumers and/or end-users	Risk	R20	Misleading information or a lack of transparency could lead to legal disputes, fines and reputational damage.	Short- and medium-term	Own operations and down-stream

Description of material impacts, risks and opportunities

Axfood’s material impacts, risks and opportunities include its own operations as well as consumers downstream in the value chain who shop at the Group’s store chains. End-users in this context are wholesalers and restaurant customers in the wholesale operations. They account for a much smaller share of total sales than consumers.

In the materiality assessment, consumers and end-users have been defined based on their role in the business model and strategy. All of Axfood’s consumers and end-users that may be affected by the Group’s material impacts, risks and opportunities are covered by this sustainability report.

The table above shows the impacts, risks and opportunities identified as material to Axfood’s operations and value chain through the Group’s materiality assessment.

Material impacts

Axfood’s operations mainly focus on food sales, which has a direct impact on the health, safety and privacy of consumers and end-users. A wide assortment of clearly labelled products enables consumers to choose healthy and sustainable food. Incorrect labelling or communication could have a negative impact on consumers, particularly on vulnerable groups such as children and those with allergies.

In the worst case, inadequate food handling could cause illness or injury. Eating habits and consumption patterns also have a major impact on health. Unhealthy food is one of the main causes of lifestyle-related diseases in Sweden. According to the Public Health Agency of Sweden and Generation Pep, too few children have sufficiently healthy diets, which underlines the importance of clear information that supports increased consumption of nutritious foods.

To promote healthy consumption and avoid negative impacts on health, Axfood works to make healthy products more affordable and available. When it comes to private label products, the focus is on reducing the levels of sugar and salt and increasing the share of Keyhole-labelled products.

Digital developments mean that information and customer data need to be protected. Large volumes of personal data are processed within the store chains’ loyalty programmes, which means that clear procedures are required to prevent leaks and fraud.

The Company’s overall impacts include impacts related to health and safety linked to food and labelling as well as impacts related to the protection of consumer privacy when processing personal data.

Risks and opportunities

Labels and marketing of goods constitute risks for Axfood’s operations. If information to consumers is perceived as misleading or as not complying with legislation or requirements, this could lead to legal disputes, fines or lost revenue. A lack of transparency poses a reputational risk that could impact trust in the Group’s brands. To minimise these risks and maintain credibility, it is crucial that information related to the customer offering is clear, accurate and traceable.

Management of material impacts, risks and opportunities Policies and guidelines

Axfood works thoroughly and systematically to offer healthy and food-safe products and protects customer privacy. This work is governed by various policies and guidelines that clarify responsibilities and requirements.

Guidelines for products

Axfood’s guidelines for products are integrated into the procurement process and include commitments aimed at making healthy and safe food available to consumers. The guidelines state that Axfood is to develop and offer a broad assortment of high-quality food products. When developing these guidelines, Axfood took consumer health into

consideration by setting requirements during the procurement process. The requirements include reducing the amount of salt, sugar and unnecessary additives.

When new products are launched or checks are carried out of the existing assortment of private label products, an assessment is made of the product’s quality, sugar and salt levels, and other contents. Ingredients, chemical content and production conditions are analysed systematically.

With respect to private label products, work is under way to ensure that more products meet the Keyhole criteria. In line with the Group’s sugar and salt strategy, sugar and salt levels are being reduced where possible without affecting taste.

Supplier Code of Conduct

Axfood’s Supplier Code of Conduct focuses on food and product safety and respect for human rights. To meet these requirements, suppliers must actively work on food safety, hygiene, cold chains and product liability.

Continuous arrival controls, hygiene procedures and cold chain controls are carried out to ensure that suppliers follow the Group’s policies and operational quality requirements. Where shortcomings are identified, they are investigated and addressed with a focus on long-term solutions.

The Supplier Code of Conduct makes it clear that customers’ personal data is to be processed securely and treated confidentially.

While the most significant risks of human rights violations arise upstream in the supply chain, the Supplier Code of Conduct states that Axfood is to actively safeguard human rights throughout the value chain, including those of consumers and end-users. This work involves due diligence, meaning that the Group continuously identifies and assesses risks of violations, manages these risks and prevents future risks, in addition to rectifying any confirmed violations.

Negative impacts on human rights caused by its operations must always be addressed. Serious violations and irregularities are reported through the Group’s whistleblower service.

Processing personal data

Axfood’s policy and guidelines for processing personal data aim to ensure responsible processing of customer data and protection of consumer privacy. Processing of personal data is subject to technical and organisational protective measures, with systems and processes designed to comply with data protection principles. Customers are

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entitled to access stored personal data. When new customers join the store chains' loyalty programmes, information is provided to them digitally.

For more information about policies and guidelines, see pages 100-101.

Processes for engaging

The most common interaction with customers takes place in stores when they buy food. Axfod also works systematically to collect and analyse customer feedback through surveys and returns.

Customer surveys

To gain a better understanding of customer experiences and behaviours, surveys are regularly conducted of members of the loyalty programmes at its store chains. The surveys are often conducted by external parties and the results are analysed carefully. They provide insight into various areas, including product availability, timing of foot traffic and perceptions of in-store reception.

Returns

Axfod's quality and sustainability strategy governs how returns from consumers and end-users are handled. The strategy addresses delivery reliability, quality guarantees and communications in direct contacts with consumers. Contact details for the Group's consumer contact department are provided on all private label products.

The consumer contact department consists of case managers who address matters from consumers and end-users. The department is run by the Head of Communication and Quality at Dagab.

Returns and viewpoints from consumers are processed in a special system, where cases are registered and followed up. The system is used to monitor trends, which is part of the preventive work to avoid selling products that are hazardous to health. Written procedures for guidance are part of the internal documents that govern this work.

Processes to remediate

Axfod has no specific process for compensating consumers for negative sustainability-related impacts. However, there are established procedures for handling complaints, returns and questions from consumers and end-users.

When complaints, returns or questions arise, consumers are initially referred to the respective chain's customer service function. Returns of branded products are handled by the respective supplier, while cases concerning private label products are handled by Axfod's consumer contact department.

Internal procedures, including the Group's service policy, determine whether compensation is to be paid in the event of a return.

*Taking action**Healthy offerings*

Axfod's ambition is to contribute to a healthier Sweden by offering a wide and varied assortment of healthy products. Product development and affordable options inspire consumers to choose fruits, vegetables, plant-based foods and products with less added sugar and salt. This work is carried out on an ongoing basis and followed up annually, including through measuring the share of sales of Keyhole-labelled foods.

It includes both preventive and operational efforts to ensure access to affordable and healthy food. When developing its assortment of private label products, Axfod focuses on increasing the share of sales of organic, healthy and sustainability-labelled products.

The Group's store chains invest in various initiatives to support healthy choices. For example, fruit and vegetables are regularly offered at favourable prices through campaigns.

Partnership with Generation Pep

Axfod has worked with Generation Pep since 2023 to promote the health of children and young people and counteract the negative impacts of unhealthy eating habits. Generation Pep is a non-profit organisation that works to spread information, encourage engagement and reduce health inequalities in society.

Through this partnership, Axfod aims to raise awareness of good eating habits and encourage physical activity. Several joint initiatives have been launched to make it easier for children, young people and their families to make healthy choices. The cooperation agreement was extended until 2028.

A key aspect of the partnership is product development and innovation regarding healthy everyday options. For example, hybrid products such as "Nöt & Grönt" mince and "Nöt & Grönt" sausages have been developed and launched. The products contain equal amounts of minced beef and vegetables, with a lower carbon footprint and price than traditional minced beef. Hemköp has also set up snack shelves in most of its stores, while Willys carried out a communication campaign focused on fruit and vegetables together with Generation Pep. Snabbgross has partnered with Fuzed to offer healthier options in vending machines at gaming centres.

Social impact

Axfod works to influence policy-makers, authorities and businesses to implement sustainable and healthy solutions. These proposals are published in the Food 2030 report, Axfod's proposal for a sustainable food strategy for Sweden, first published in 2016.

Sugar and salt have negative impacts on health and are also present in products where consumers do not expect them. One of Axfod's solutions is to introduce mandatory limits for sugar and salt in certain foods and to remove or reduce VAT on sustainability-labelled products, such as Keyhole-labelled fruit and vegetables.

Other health-related proposals include strengthening the Keyhole label through joint efforts by authorities and the food industry, and facilitating communication on reducing sugar and salt levels in food. Food 2030 also highlights the need for national advice on climate-smart and healthy meals and to promote sales of plant-based food.

The report also highlights the need for clearer sustainability information in shops and on packaging, mandatory country of origin labelling for meat in restaurants, and clearer information on date labels to reduce food waste and improve consumer safety. Through these proposals, Axfod recommends policy decisions and industry-wide initiatives that make it easier to choose healthy and sustainable food.

Product alerts and labelling

To prevent and reduce health risks for consumers, preventive work is carried out based on the Group's quality and sustainability strategy. Internal procedures for product recalls, a chemical and microbiological analysis programme for products and measures to address food fraud.

Despite Axfod's quality work and internal inspection programme, products are sometimes recalled. Clear internal procedures and action plans are in place to handle these. Serious recalls are communicated to the public via press releases.

Product alerts are primarily issued to recall a product deemed to pose a health risk due to incorrect labelling or a quality defect. Clear procedures and action plans for product alerts aim to ensure uniform handling and registration. Dagab's quality department issues product alerts and the Head of Quality and Sustainability ensures that all quality assurance staff and experts, for example in over-the-counter medicine, receive continuous education and training in assessing various product alerts.

Quality assurance staff assess the severity of the alerts by sorting them according to different categories. The highest category entails a negative impact on consumer health and may include cases of salmonella, high levels of aflatoxin, indications of sabotage, allergy risks due to mislabelling or similar. Recalls are only carried out when harm can be confirmed. They are then communicated to the general public.

The quality department makes decisions regarding appropriate measures according to the applicable procedures. The supplier concerned is informed of the measures decided and, in the case of serious alerts related to private-label products, the decision and measures are recorded. Each product category has its own procedures for determining which authority is to be alerted.

Food fraud is when a player violates food legislation for financial gain. The most common forms of this type of fraud are food that is deliberately mislabelled or so-called substitution, where ingredients and raw materials in food products have been replaced with other, uncontrolled substances. This may involve both the sale of unsafe food that may pose a risk to human health or deliberately misleading information or incorrect descriptions of products.



S4 – CONSUMERS AND END-USERS

To counteract food and product fraud among private label products, vulnerability assessments are conducted. These procedures are intended to ensure a uniform approach to management and checks of high-risk products, and cover all categories of food, non-food and consumables. The procedures also include sustainability-labelled products, such as products with KRAV, EU organic, Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC) and Rainforest Alliance certification. Risk products and risk suppliers are included in the vulnerability assessment.

The Head of Quality and Sustainability has ultimate responsibility for ensuring compliance with the procedures. Follow-up is carried out by the Group Manager for Quality Assurance, while quality assurance staff are responsible for carrying out the vulnerability assessment according to established procedures. Product alerts and correct labelling involve recurring work carried out every year. This work is mainly measured by monitoring the number of public product recalls.

Processing personal data

Axfood works systematically to protect the individual’s privacy and ensure that personal data is processed responsibly. To ensure that data is not stored for longer than necessary, inactive or redundant data is removed from the systems on a regular basis. This ensures customer privacy and security. In 2025, the Group’s data protection organisation supported this work and ensured that the relevant procedures were followed in all companies in the Group.

Axfood uses AI in several areas to simplify and streamline employees’ work. The technology has significant potential but clear limits are needed in terms of how data is used. To protect consumer and employee privacy, work is carried out with a focus on security, transparency and control. Confidential information, such as personal data, may only be processed in accordance with the Group’s copyright, security and data protection requirements.

Identification of appropriate measures and evaluations of existing measures are carried out continuously through customer surveys, the consumer contact department, external partnerships, science-based reports and studies, and follow-up through websites and social media. This contributes to strengthening consumer trust in the Group’s data processing and to a high level of transparency in its customer relationships. Ensuring that personal data is processed correctly and securely is an ongoing process.

No serious human rights issues or incidents related to consumers and end-users were identified in 2025.

Targets and metrics

Axfood has targets to manage material impacts, risks and opportunities in the area related to consumers and end-users.

Unless otherwise stated, targets and metrics within the standard have remained unchanged during the reporting period.

Share of sales of healthy food

Axfood aims to promote a healthier food consumption. This will be achieved by reducing the Group’s negative impact by offering a large and highly varied assortment of healthy products and by developing the assortment and promoting campaigns that guide consumers toward more fruits, vegetables, vegetable fats and products with less added sugar and salt. The work is in line with Axfood’s guidelines for products.

Axfood’s target is that at least 25% of food sales are to comprise Keyhole-labelled products by no later than 2030 compared with the base year 2024. Follow-up is carried out at the Group level. The metric is in line with national goals for sustainable and healthy food consumption and is connected to the UN SDGs, in particular SDG 3 and SDG 12.

In 2025, the share of sales of Keyhole-labelled food amounted to 20.1% (21.7). The result is a primarily due to that the share of sales of fruit and vegetables decreased in relation to total sales.

Share of sales of healthy food

Key ratios	2025	2024	Target level 2030	Base year: 2024	Target period	Governance documents
Share of sales Keyhole-labelled food, %	20.1	21.7	25.0	21.7	Long-term (6 years)	Guidelines for products

The target is measured as the share of Axfood’s retail and wholesale food sales attributable to Keyhole-labelled food. The Group’s private label products and external branded products are included. To determine the share of sales, sales of healthy food in SEK (excluding VAT) are divided by total food sales. The target includes upstream activities and the Group’s own operations through sales in Group-owned stores in Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross. The Group’s stakeholders did not contribute to formulating the target and do not control follow-up of the target.

In 2025, the Executive Committee decided that the share of food sales labelled with the Keyhole shall amount to at least 25% by 2030 the latest with a base year 2024. The purpose with the target is to better steer towards increased consumption of healthy food.

Public product recalls

Despite Axfood’s quality work and internal inspection programme, products sometimes need to be recalled. This primarily happens when a product is deemed to pose a health risk, due to incorrect labelling or quality defects. To follow up these events, the number of public product recalls is measured for Axfood’s private label products as well as branded products.

Number of recalls due to quality defects	2025	2024
Private label products	35	27
Branded products	77	94
Total	112	121

In 2025, a total of 112 (121) product recalls were conducted, most of which pertained to branded products.

The metric is measured as the number of public product recalls within the Group’s total assortment. All public product recalls within the Group’s total assortment are included.

G1 Business conduct

Axfood is to be a positive force in society and a trustworthy player in the food supply chain. Business conduct – based on material matters such as relationships with suppliers and partners, matters of ethics, social impact and animal welfare – is key to the Group's long-term success. The entire organisation is permeated by this work, which is based on a conviction that sustainable and ethical business is a prerequisite for competitiveness, trust and growth. By integrating sustainability into the business strategy and allowing the Group's values to govern everyday decisions as well as long-term investments, Axfood takes responsibility for promoting change in an industry with a large impact on society.

Business conduct includes both the Group's own operations and the supply chain. This work is based on international guidelines for human rights, working conditions, anti-corruption and environmental considerations. Axfood has high standards on both its own operations and its partners, and works with training, follow-up and dialogues to ensure compliance and improvement.

As a leading player in Swedish food retail, Axfood has the opportunity to influence the development of a more sustainable food system. By combining business and social value, and through partnerships that drive joint solutions, the Group intends to make choosing the sustainable option a matter of course for more consumers.



26.6%

In 2025, the share of sales from sustainability-labelled products amounted to 26.6% (27.2). Axfood's target is for the share to reach to at least 30% by 2030.

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Business conduct – material impacts, risks and opportunities

Sustainability area	Type of material IRO	IRO code	Description	Time horizon	Value chain
Corporate culture	Actual positive impact	I37	Axfood's concept and structure promote innovation and enable faster implementation of sustainable solutions in its own operations.	Short-, medium- and long-term	Own operations
Animal welfare	Actual negative impact	I38	The extensive use of antibiotics in livestock production is leading to antibiotic resistance, making it more difficult to treat infections.	Short-term	Upstream
Political engagement and lobbying activities	Potential positive impact	I39	By participating in industry organisations and holding dialogues with decision makers, Axfood helps spread knowledge and promote sustainable development in the food retail sector.	Medium- and long-term	Own operations and downstream
Management of relationships with suppliers including payment practices	Potential negative impact	I40	Complex supply chains with several production stages carry a risk of insufficient environmental and social standards at sub-suppliers.	Short-, medium- and long-term	Upstream
Corruption and bribery	Potential negative impact	I41	Falsified certificates and undue influence during purchasing are risks that could impact integrity and transparency in the supply chain.	Short-, medium- and long-term	Upstream, own operations and downstream
Corporate culture	Risk	R21	Stricter regulations and increased administrative requirements could increase costs and lead to a risk of non-compliance and reputational damage.	Short-, medium- and long-term	Own operations
Animal welfare	Risk	R22	Inadequate livestock farming by suppliers could lead to brand and reputational damage and lost business opportunities.	Short- and medium-term	Upstream
Political engagement and lobbying activities	Risk	R23	Poorly considered or controversial positions in policy advocacy could entail brand, legal and financial risks.	Medium- and long-term	Own operations and downstream
Management of relationships with suppliers including payment practices	Risk	R24	Good supplier relationships allow the Group to advocate for responsible sourcing, while insufficient transparency could limit its ability to follow up on requirements and commitments.	Short-, medium- and long-term	Upstream
Corruption and bribery	Risk	R25	Insufficient insight into the value chain could increase the risk of corruption and bribery, which could have negative impacts in terms of trust and the Group's financial position.	Short- and medium-term	Upstream, own operations and downstream

Description of material impacts, risks and opportunities

This section covers Axfood's work with business ethics, including corruption, bribery and payment practices, as well as social impact and dialogues related to political advocacy and animal welfare. These are key areas since they influence trust in Axfood as well as the conditions for sustainable development in the food retail sector.

The impacts, risks and opportunities identified as material to Axfood's operations and value chain through the Group's materiality assessment are presented in the table to the left.

Material impacts

When it comes to business conduct, Axfood's largest impact is indirect, occurring through its relationships with suppliers and partnerships in the value chain. As a leading player in Swedish food retail, the Group has an opportunity to influence thousands of suppliers in matters pertaining to human rights, business ethics and animal welfare.

As a purpose-driven Group, Axfood also has an important internal impact. A good work environment, strong culture and clear values create the conditions for health, safety, learning and commitment among employees. The Group's structure, with distinct concepts that promote innovation, enables faster implementation of sustainable solutions.

Axfood has a material impact within its own operations through its management of ethics, transparency and internal governance matters. Guidelines for business ethics and ethical conduct rules for employees clarify how conflicts of interest, gifts and bribes are to be handled. Internal training, whistleblower functions and continuous follow-up help create a culture of responsibility and integrity.

Good long-term relationships with suppliers and high levels of transparency in the value chain make it easier to have a positive impact. Requiring all partners to sign Axfood's Supplier Code of Conduct increases the focus on fundamental principles related to human rights, working conditions, environmental protection and animal welfare. Audits in risk countries and follow-up of suppliers with shortcomings are important actions for reducing risks.

Animal welfare is an area that has a significant impact on food production and public health. Requirements for meat, dairy and fish suppliers ensure good animal care, with low antibiotic use and compliance with recognised certification systems. High levels of antibiotic use in animal production lead to antibiotic resistance, a growing societal problem. Axfood therefore works to reduce the use of antibiotics and to promote the development of industry standards for Swedish beef production, which still lacks certification.

Axfood's impact largely takes place through its participation in industry organisations and dialogues with decision makers. Active and impartial policy advocacy allows the Group to help spread knowledge about the food industry and to drive the development of sustainable, competitive solutions.

Material risks and opportunities

Risks in the area of business conduct are primarily related to improper business ethics, low transparency in the supply chain, corruption and non-compliance with environmental and social requirements. Supply chains in countries that are at a high risk of human rights violations, poor working conditions or corruption are particularly vulnerable.

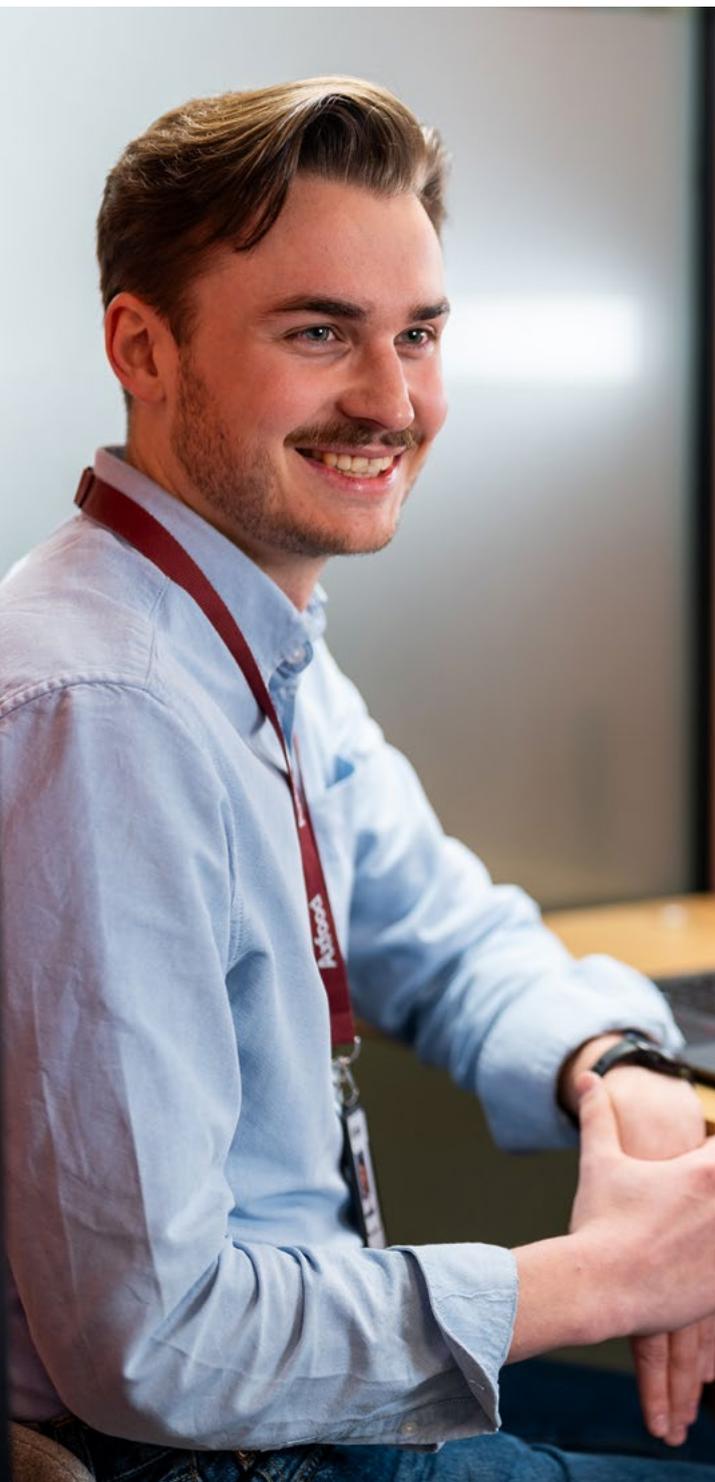
Legislation and new regulations entail administrative costs, and regulatory non-compliance could lead to operational, legal and reputational risks. Deviations from established principles could damage trust in Axfood and impact its relationships with customers, suppliers, investors and other stakeholders.

Axfood carefully considers which issues it lobbies for. Controversial or poorly investigated positions could entail brand, financial and legal risks that impact the Group negatively.

Insufficient insight into the value chain could increase the risk of irregularities such as bribery and corruption, which could negatively impact Axfood's financial position and trust. In the same way, there is a risk that inadequate livestock farming or violations of animal welfare requirements could damage the Group's reputation and lead to lost business opportunities. This could also impact the Group's ability to attract and retain talent.

At the same time, there are also opportunities within the area of business conduct. Axfood's high ethical standards and clear governance can strengthen trust among customers, suppliers and society at large. A responsible value chain with clear requirements concerning human rights, animal welfare and transparency leads to long-term competitiveness and stability. By engaging in industry issues, the Group can contribute to the creation of laws and regulations that foster fair competition and contribute to a more sustainable food sector.

Animal welfare presents both a risk and an opportunity. Inadequate animal care could lead to a loss of trust among consumers, while certifications, transparency and sustainability labels could lead to increased loyalty and growth for sustainability-labelled products.



G1 – BUSINESS CONDUCT

Management of material impacts, risks and opportunities

Policies and guidelines

Axfood's business conduct work is governed by the Group's Codes of Conduct, policies and guidelines covering business ethics, sustainability, animal welfare, social impact and relationships with suppliers. It is based on the Group's double materiality assessment, which weighs up how Axfood impacts people and the environment as well as how external factors and developments in the operating environment impact the Group.

Business ethics policies and corporate culture

Axfood has several governance documents covering issues related to ethics, corruption and bribery. These include the Group-wide Code of Conduct, the Supplier Code of Conduct, the risk and regulatory compliance policy, business ethics guidelines, ethical conduct rules for employees and the governance document for equal treatment.

These documents are adopted by the Board or the Executive Committee and collectively form the basis of a shared business ethics culture across the Group. They are prepared in accordance with Swedish legislation on corruption and meet the requirements in the EU's implementation of the United Nations Convention against Corruption (UNCAC) and the Code to Prevent Corruption in Business developed by the Swedish Anti-Corruption Institute (Swe: Institutet Mot Mutor, IMM).

The business ethics guidelines emphasise that Axfood, together with relevant operations, is to take an active and preventive approach to anti-corruption. This means that risks of irregularities are to be continuously identified and managed, that business decisions are to be characterised by transparency and impartiality, and that no benefits are to be offered or received that could influence objectivity within a partnership.

Everyone who works at, or on behalf of, Axfood is to act with integrity, respect and responsibility, and to commit to following the Group's ethical conduct rules.

Axfood's ethical culture is a central part of its identity as a purpose-driven Group. It is based on openness, trust and responsibility and permeates everything from leadership and procurement to customer meetings and social dialogues. By joining strong values with clear rules, Axfood creates the conditions for a sound corporate culture and long-term sustainable business.

Internal knowledge and procedures

To ensure a high ethical standard, internal training is held in business ethics, conflicts of interest and competition law. The focus is on management as well as employees with authorisation rights and employees who can influence purchasing decisions. Each operation is responsible for establishing procedures that are adapted to its specific risks and for regularly following up on compliance. Group-wide efforts also include providing support in the form of legal advice and external monitoring to maintain a high internal level of knowledge in these areas.

Supplier Code of Conduct

The Supplier Code of Conduct is a key tool for ensuring that suppliers and partners follow high standards when it comes to human rights, environmental protection and animal welfare. All suppliers who enter into an agreement with Axfood are to sign the Code of Conduct.

Suppliers in risk countries (according to Amfori BSCI) and countries with extensive migrant labour (according to Maplecroft) are monitored especially closely through social audits and sustainability assessments. These audits form the basis for action plans and follow-up audits. Serious deviations from Axfood's Code of Conduct, such as child labour, forced labour or safety violations, lead to immediate action and can, as a last resort, result in the partnership being terminated.

Audits and follow-ups are carried out by Axfood and in partnership with external parties such as Amfori BSCI and independent auditing companies. Transparency in the supply chain allows Axfood to have a positive impact and to promote sustainable development.

Employee Code of Conduct

The Group-wide Code of Conduct includes requirements for operations and employees as well as a summary of relevant basic regulations, policies and guidelines.

Each operation in the Axfood Group is responsible for its compliance and for delegating responsibility and follow-up to the correct function and role. The Code of Conduct is supplemented by an HR policy, an occupational health and safety policy, and other governance documents that describe how employee well-being and safety are to be promoted.

For more information, see the section ESRS S1 on page 78.

Whistleblower function

Axfood provides a whistleblower function that allows confidential, anonymous reporting of serious irregularities, such as corruption, discrimination and other violations of legislation and internal rules.

The service is managed by an external party and reported cases are reviewed by an internal whistleblower committee who reports to the Board. The procedures follow Swedish law and guarantee that anyone who reports a case is protected against retaliation. The guidelines are available to employees on the Group's intranet.

Guidelines for the responsible use of antibiotics

Together with other members of the Swedish Food Retailers Federation, Axfood was involved in establishing industry-wide guidelines for the responsible use of antibiotics in animal husbandry. The goal is to reduce the risk of antibiotic resistance and to promote animal health as well as food safety along the entire value chain. The guidelines are based on Axfood's criteria for the responsible use of antibiotics, which were developed in a collaboration between industry, researchers and authorities. They were then adjusted to suit food retail's needs and now serve as a joint foundation for the industry's work in this area.

The guidelines in Axfood's quality and sustainability strategy state that antibiotics are not to be used to stimulate growth. They are only permitted with a prescription from a veterinarian and their use is to be documented and followed up. They are also to be used alongside other preventative measures within animal health. By applying and supporting these joint guidelines, Axfood is helping make food production more responsible. The goal is to reduce the risk of antibiotic resistance while improving animal health and food safety.

Taking action

Axfood strives to ensure that its suppliers and partners have high standards when it comes to environmental protection, human rights and animal welfare. This work is based on the Group's Supplier Code of Conduct and a written commitment where partners agree to demonstrate due diligence in their supply chains. Participation in industry initiatives, such as Amfori BSCI, ETI Sweden and the Global Social Compliance Programme, promotes joint improvements in working conditions, the environment and animal welfare.

The actions are recurring, systematic processes in Axfood's sustainability work. This report covers the initiatives and activities carried out in 2025 as part of this ongoing work.

Requirements for suppliers

As a rule, all suppliers and other partners who sign agreements with Axfood, regardless of whether it concerns private label products, external brands, or indirect procurement, are to sign the Code of Conduct. The Code of Conduct includes a written commitment to demonstrate due diligence with respect to human rights, environmental protection and animal welfare in the supply chain in line with internationally recognised principles regarding human rights, working conditions and environmental considerations.

Deviations from the Code of Conduct are deemed to be greatest for goods manufactured in, or that contain raw materials from, countries assessed as high risk according to Amfori BSCI. Axfood's suppliers and sub-suppliers of private label products operate in approximately 40 such countries. Axfood requires social audits to be carried out in all of these countries, or that the equivalent documentation be made available.

Equivalent controls are also applied to the production of compound products (where at least 5% of food content includes a risk commodity). The supplier base for private label products includes 537 suppliers and 1,842 sub-suppliers, of which 645 have production in risk countries according to Amfori BSCI. Ukraine has been excluded as a risk country since 2022 to avoid burdening suppliers during the ongoing war.

Control and follow-up

Supplier agreements for food and non-food items are negotiated centrally within Axfood, creating a coordinated purchasing system and providing opportunities for greater control throughout the entire

G1 – BUSINESS CONDUCT

value chain. Follow-up of the Supplier Code of Conduct is carried out through sustainability assessments, risk analyses and social audits, particularly in risk countries.

Suppliers in these countries must be able to report on transparency in their supply chain, systematically follow up on the Code of Conduct, and analyse environmental and social risks. Axfood assesses the results and partners with suppliers to drive improvements. If deficiencies are not addressed within the agreed time, the partnership may be terminated.

Audits are conducted on an ongoing basis through control and follow-up. For more information, see ESRS S2 on page 84.

Axfood has zero tolerance for corruption and falsified information. The same applies for serious violations, such as child labour, forced labour or acute dangers to health and safety. In such cases, the supplier is called to a meeting with Axfood’s purchaser to create an action plan that will lead to immediate change, focusing on the rights holder. If the requirements are not met, the partnership may be terminated. For more information about the outcome of social audits in 2025, see ESRS S2 on page 84.

This systematic way of working gives Axfood insight into the supply chain, as well as the opportunity to influence it, in addition to strengthening its relationships with players who share the Group’s sustainability and transparency requirements.

Responsible payment processing

Axfood strives for all business relationships to be characterised by fairness and trust. The timing of invoice payments can have a major impact on the finances of smaller suppliers, which in turn can have a negative impact on conditions for their employees.

Axfood’s guidelines for business ethics emphasise the importance of authorising transactions and making payments within the agreed-upon timeframe. Clear delegation and procedures ensure that all transactions are correctly authorised and registered. This approach allows Axfood to increase transparency and build a sound financial relationship with its suppliers. For more information about the guidelines for business ethics, see page 100.

Anti-corruption and bribery

Axfood strives to ensure compliance with its business ethics principles throughout the value chain. All suppliers are to sign the Supplier Code of Conduct, which includes requirements for business ethics. All employees with authorisation rights agree to follow the Group’s ethical conduct rules when they are hired and then every year thereafter.

The greatest risk for corruption among Axfood’s own employees arises when large amounts of money are involved. This refers to functions that handle large contracts, supplier selection, category purchasing and private label products, which often have a relatively high degree of discretion and scope to act. These functions may therefore be exposed to pressure, gifts, favourable treatment or “friendly agreements.”

Regular checks, audits and training ensure compliance with the Group’s business ethics principles in the value chain. Axfood’s whistleblower function is an important part of this work and allows suspected irregularities to be quickly detected and addressed.

Preventive anti-corruption work

To counteract the risk of corruption and bribery, every supplier is required to sign Axfood’s Supplier Code of Conduct, which includes clear business ethics requirements. Work is under way to further develop systems pertaining to environmental monitoring, controls, risk assessments, follow-up and action plans to detect business ethics violations in risk countries and industries at an early stage. This work strengthens the Group’s ability to act preventively and minimise risks across the entire value chain.

All employees with authorisation rights or who are in a position to influence purchasing decisions are required to sign the ethical conduct rules when they are hired as well as every year thereafter. Regular social audits are carried out for suppliers in risk countries, and regular controls are carried out for Nordic suppliers.

Special anti-corruption training was developed in 2025 for Axfood’s employees in relevant roles, including salaried employees with authorisation rights and the Executive Committee. This training provides guidance in identifying, managing and preventing risks of corruption and bribery. The goal is to improve employees’ confidence and ability to act in complex business situations and to ensure compliance with Axfood’s high ethical standards across the entire Group. Internal dialogues and work on more concrete business ethics issues are also ongoing.

Whistleblower function

Employees can report suspected irregularities such as bribes, corruption and other serious violations through the Group’s whistleblower function.

The service is managed by an external provider and offers several reporting channels, including a web-based platform. An independent external function receives, classifies and assesses all cases on a legal basis before they are forwarded to Axfood’s internal whistleblower committee. The committee, in turn, reports to the Board.

Cases that qualify as whistleblower matters are handled in consultation with the committee. If a case does not qualify as a whistleblower matter, it is sent to the central HR function or to the relevant function at the business concerned.

In accordance with Swedish whistleblower legislation, the whistleblower function guarantees that reports can be made safely and confidentially and that the person reporting the case is protected from retaliation.

Animal welfare

Animal welfare is an important part of Axfood’s sustainability agenda. Suppliers of private label meat and dairy products are to meet requirements regarding animal care and the limited use of antibiotics, among other requirements.

These requirements are based on EU animal protection legislation and are verified through certifications and third-party audits. They have already been implemented for imported products. The focus going forward will be on introducing equivalent requirements for Swedish beef production, which still lacks certification. Axfood is raising the matter of national certification (IP Nöt & Mjölk Grundcertifiering) and prioritises the KRAV label in organic production, since it includes special rules for animal welfare. The share of sales of KRAV-certified meat is used as a key ratio to follow up on the target.

Social impact

Axfood is to be a positive force in society. This means promoting sustainability, fair competition and good access to groceries in the entire country. Its policy advocacy efforts are non-partisan, without financial or other party contributions, and are carried out with the oversight of a policy council comprised of representatives from Axfood’s Executive Committee and relevant roles. The council establishes priorities and ensures that Group’s policy advocacy follows relevant regulations pertaining to, for example, political visits and meetings.

None of Axfood’s directors has held a position at an authority, including supervisory authorities, in the last two years. Axfood is not listed in the EU Transparency Register and input to EU institutions is primarily provided indirectly through industry organisations.

A key tool in the Group’s advocacy is the Food 2030 report, Axfood’s proposal for a sustainable food strategy for Sweden. The report includes over a hundred solutions for authorities, policy-makers and business to strengthen the sustainability and competitiveness of the food system. The solutions are based on extensive experience from food retail and a close dialogue with producers, suppliers, researchers and politicians. By highlighting the connection between food, health and climate, Axfood helps drive the development towards healthier and more sustainable consumption.

The issues that Axfood highlighted in 2025 included sustainable consumption and improved conditions for store establishments. Together with the BalticWaters Foundation, the Group has also promoted initiatives focusing on sustainable fishing in the Baltic Sea.

In 2025, responses were submitted in comment rounds concerning several prioritised issues, such as reducing or eliminating VAT on sustainability-labelled products (such as fruit, vegetables and organic products) to make it easier for consumers to make more sustainable choices.

Axfood also promoted lowering the employer payroll tax for young people in order to strengthen the supply of skilled workers in the retail sector. Regulatory simplification and better conditions for the establishment of new food stores were other important issues. Another prioritised area was keeping the grazing requirement and compensating dairy farmers accordingly as a means of promoting good animal welfare and the competitiveness of Swedish dairy production.

Targets and metrics

Axfood has targets for managing its material impacts, risks and opportunities through business conduct. These targets aim to increase the total share of sales of sustainability-labelled products and to increase the share of sales of sustainability-labelled meat. They are also based on expectations from consumers and society at large that Axfood is to contribute to sustainable development.

Axfood’s targets include upstream activities in the value chain within primary production and in the Group’s own operations through sales in Group-owned stores in Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross.

Follow-up takes place at the Group level. Targets are revised annually and approved by the Executive Committee, which ensures that outcomes continuously correspond with the original targets as well as any adjustments. The Group’s stakeholders did not contribute to formulating the target.

Targets were set on a voluntary basis as a part of the Group’s overall business strategy and are not a statutory requirement.

Targets are based on the scientific evidence used by external ecolabels to set their criteria.

Unless otherwise stated, targets and metrics within the standard have remained unchanged during the reporting period.

Sustainability-labelled products, share of sales

Axfood is to increase the share of sales attributable to sustainability-labelled products to at least 30 percent by 2030 the latest in order to promote products that contribute to a sustainable value chain for food production and consumption in various ways. This target is

Sustainability-labelled products, share of sales

Key ratios	2025	2024	2023	Target level 2030	Base year 2025	Target period	Governance documents
Sustainability-labelled products, share of sales, %	26.6	27.2	26.7	30.0	28.3	Long-term (10 years)	Guidelines for products in Axfood’s assortment

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connected to the guidelines for products in the Group’s assortment, which state that labelling and certification are to guide consumers to products that have been produced with particular attention to people, animals and the environment. Placing demands on sustainability certification is a way for Axfood to promote more sustainable production.

Sustainability-labelled products are defined as food and non-food items with approved sustainability labels. Approved labels mainly include ASC, Bra Miljöval/Falken, Ecocert Cosmos Organic, EU Flower, EU Ecolabel, Fairtrade, KRAV, MSC, Keyhole, Rainforest Alliance, Nordic Swan Ecolabel, Sustainable Rice Platform, Global Organic Textile Standard and UTZ-certified.

In 2025, the share of sustainability-labelled products amounted to 26.6% (27.2). Decreased shares of sales, primarily of Keyhole-labelled and organic products, contributed to the result.

The products are considered to contribute to sustainable development since the target is based on credible and established labels with strict requirements for goods. The target is connected to the UN SDGs, in particular SDG 1, SDG 8, SDG 12, SDG 13, SDG 14 and SDG 15. The primary activities for achieving this target include campaigns, offerings of sustainability-labelled products and assortment development.

Axfood engages in industry partnerships and other social advocacy, such as the Food 2030 report, Axfood’s proposal for a sustainable food strategy for Sweden. Food 2030 includes proposals for lower VAT on sustainability-labelled food products and investments in sustainability labels such as organic products, Keyhole and MSC in order to promote sustainable production and consumption.

The target is measured as the share of Axfood’s retail and wholesale sales attributable to sustainability-labelled products. The Group’s private label products and branded products are included.

To calculate the share, sustainability-labelled product sales as measured in SEK (excluding VAT) are divided by retail and wholesale sales.

The Board validates and approves the target and confirms whether the outcome corresponds with the original target as well as any revisions. One of the reasons is that the target is part of the Group’s long-term share-based incentive programme (LTIP) described in the section ESRs 2 on page 43.

Changes in reporting of the target compared to the previous period

The target was adopted in early 2025 by Axfood’s Board as part of the Group’s long-term strategy, since the target year was revised from 2025 to 2030 the latest. The reason is to highlight the target as part of the Group’s overall strategic work, while also providing a more realistic basis for achieving the target.

Sustainability-labelled meat

Axfood’s share of sales of KRAV and/or Svenskt Sigill-labelled meat from natural grazing is to amount to at least 5% by 2030. The target helps the Group contribute to better animal welfare and reduced antibiotic use in primary production, which is in accordance with the commitments in the guidelines for products in the assortment regarding animal health and Swedish food production. Additionally, it helps prevent antibiotic resistance.

In 2025, the share of KRAV-certified meat declined to 2.2% (2.7). The decrease is mainly explained by a shortage of organic beef.

Target achievement is expected to contribute positively to Axfood’s value chain, since the target is based on credible and established labels with strict requirements. The target is also connected to the UN SDGs, in particular SDG 12.

The primary activities for achieving this target include campaigns and offerings of sustainability-labelled products, assortment development, sales management, industry collaborations and social advocacy efforts through several proposals in Axfood’s Food 2030 report that promote organic production and consumption.

The target is measured as the share of Axfood’s total sales of meat attributable to KRAV-certified and Svenskt Sigill-labelled meat from natural grazing. The Group’s private label products and branded products are included. To calculate the share, sustainability-labelled product sales as measured in SEK (excluding VAT) are divided by total sales.

Changes in reporting of the target compared to the previous period

In 2024, Axfood’s Executive Committee set a target of 5% by 2030, compared with the previous target which only included Hemköp. The changes applied as of 1 January 2025.

Incidents of corruption or bribery

In 2025, Axfood had incidents reported through central and local channels of the whistleblower function. To date, no incidents have been confirmed as corruption, as validated by a law firm. As a result, there were no convictions for violations of applicable anti-corruption and anti-bribery laws.

Reported and confirmed breaches	2025	2024
Confirmed incidents of corruption	0	N/A
Convictions for violation of anti-corruption and anti-bribery laws	0	N/A

KRAV-certified meat, share of sales

Key ratios	2025	2024	2023	Target level 2030	Base year 2025	Target period	Governance documents
KRAV-certified meat, share of sales, %	2.2	2.7	2.8	5.0	3.1	Medium-term (5 years)	Guidelines for products in Axfood’s assortment

Supplier payment terms

Type of supplier	Average actual payment time in contract (days)	Payment time applied as standard (days)	Share of payments made within the payment time (%) (days)
Micro enterprises (0–9 employees)	30	29	58
Small enterprises (10–49 employees)	21	21	58
Medium-sized enterprises (50–249 employees)	27	26	61
Large enterprises (>250 employees)	20	19	65

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Sustainability policies and governance documents

Governance documents	Description	Scope	Connection to international frameworks and conventions	Document owner	Decision level	Available
Sustainability policy	Description of direction and principles of sustainability work.	Group	<ul style="list-style-type: none"> UN Sustainable Development Goals (the 2030 Agenda) UN Guiding Principles on Business and Human Rights Corporate Sustainability Reporting Directive (CSRD) OECD Guidelines for Multinational Enterprises on Responsible Business Conduct 	Head of Corporate Communications	Board of Directors	Internal document
Guidelines for Axfood's sustainability work	Description of principles and requirements for sustainability work, including delegation of responsibilities, what is to be taken into consideration when developing sustainability targets, due diligence processes and sustainability reporting.	Group	<ul style="list-style-type: none"> UN Sustainable Development Goals (the 2030 Agenda) UN Guiding Principles on Business and Human Rights OECD Guidelines for Multinational Enterprises on Responsible Business Conduct Corporate Sustainability Reporting Directive (CSRD) 	Head of Corporate Communications	CEO/ Executive Committee	Internal document
Supplier Code of Conduct	Written commitment established between Axfood's subsidiaries and their partners to demonstrate due diligence in the matters of human rights and environmental protection in supply chains in line with internationally recognised principles.	Upstream in the value chain	<ul style="list-style-type: none"> UN Universal Declaration of Human Rights OECD Guidelines for Multinational Enterprises on Responsible Business Conduct ILO Declaration on Fundamental Principles and Rights at Work UN Guiding Principles on Business and Human Rights UN Children's Rights and Business Principles The Paris Agreement Convention on Biological Diversity (CBD) 	General Counsel	Board of Directors	Website
Axfood's ethical conduct rules	Written annual commitment for employees with authorisation rights for cost centres or who otherwise influence purchasing decisions relating to products or services.	The entire value chain	<ul style="list-style-type: none"> The Code to Prevent Corruption in Business (Näringslivskoden) 	Head of Labour Relations and Compensation	CEO/ Executive Committee	Website
Employee Code of Conduct	The goal is to communicate Axfood's purpose, vision, values and requirements of the Group's operations and employees in a clear and comprehensive manner as well as to summarise Group-wide policies and relevant guidelines and to point employees in the right direction to easily find relevant information.	Own operations	<ul style="list-style-type: none"> UN Global Compact OECD Guidelines for Multinational Enterprises on Responsible Business Conduct ILO Declaration on Fundamental Principles and Rights at Work 	General Counsel	Board of Directors	Internal document
Biodiversity strategy	Describes Axfood's strategic work to conserve and promote biodiversity and ecosystems and to limit the operations' negative impact on them.	Upstream in the value chain	<ul style="list-style-type: none"> Kunming-Montreal Global Biodiversity Framework 	Head of Sustainability	Head of Corporate Communications	Website
Guidelines for business ethics	Describes requirements and the overall responsibility of each company and established function within the Group. Addresses issues such as accurate accounting and reporting, anti-corruption, conflicts of interest, free competition, counteracting money laundering, international sanctions, political influence, and reporting and monitoring requirements.	Group	<ul style="list-style-type: none"> UN Global Compact The Code to Prevent Corruption in Business (Näringslivskoden) 	General Counsel	CEO/ Executive Committee	Internal document
Guidelines for products in Axfood's assortment	Summarises the requirements that govern operating activities in order to live up to the Group's vision of offering affordable, good and sustainable food.	Upstream in the value chain	—	Dagab's Head of Quality and Sustainability	CEO/ Executive Committee	Website

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Governance documents	Description	Scope	Connection to international frameworks and conventions	Document owner	Decision level	Available
Guidelines for seafood	Supplements the sustainability requirements in the guidelines for products in Axfood's assortment and the guidelines governing the Group's procurement of seafood in the form of fish, shellfish and plant-based seafood.	Upstream in the value chain	—	Dagab's Head of Quality and Sustainability	CEO/ Executive Committee	Website
Occupational health and safety policy	Describes what Axfood considers to be important priorities when it comes to the work environment, alcohol and drugs, health and rehabilitation.	Own operations	—	HR specialist, work environment and health	CEO/ Executive Committee	Internal document
HR and work environment policy	Describes the values that are to guide employees' actions and what defines the Group's corporate culture.	Own operations	—	Head of Human Resources	Board of Directors	Internal document
Equal treatment policy	Clarifies Axfood's views on equal treatment and diversity, and highlights the importance of including equal treatment and diversity as a natural part of the Group's way of working.	Own operations	<ul style="list-style-type: none"> Swedish Work Environment Act Swedish Discrimination Act 	HR specialist, work environment and health	CEO/ Executive Committee	Internal document
Guidelines and procedures for equal treatment and offensive treatment	Provides a more in-depth description of how employees are to act and the Group's procedures in the event that an employee feels that they have been discriminated against, subjected to offensive treatment, harassed, bullied or retaliated against.	Own operations	—	HR specialist, work environment and health	HR steering committee	Internal document
Guidelines and procedures for the whistleblower service	Describes how to correctly use the whistleblower service. Applies for companies in the Axfood Group, for franchise owners and for any associated companies with a direct connection to the Group.	The entire value chain	<ul style="list-style-type: none"> The EU Whistleblowing Directive (2019/1937) 	Head of Labour Relations and Compensation	CEO/ Executive Committee	Internal document
Travel and meetings guidelines	Describes Axfood's overall view on the trade-off between travel-free meetings and travel, as well as applicable requirements and approaches.	Own operations	—	HR Specialist Process Development	CEO/ Executive Committee	Internal document
Guidelines for sustainable IT	Describes how Axfood will use a systematic tool to ensure a sustainable supply chain for selected existing suppliers of services, hardware and software.	Own operations	—	Sustainability coordinator Axfood IT	Head of IT	Website
Recruitment policy	Describes and clarifies Axfood's approach to external and internal recruitment. The Group is to promote equal opportunities and counteract discrimination when hiring new employees or when employees change positions within the Axfood Group.	Own operations	—	Head of Leadership Development and Executive Recruitment	CEO/ Executive Committee	Internal document

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Sources for emission factors

Emissions	Share of primary data	Metric	Source	Comments
Scope 1				
Own transports	100%	kg CO ₂ eq/litre	• DESNZ. Conversion factors 2025 (DEFRA)	
Refrigerants	100%	kg CO ₂ eq/kg	• IPPC fourth report (AR4)	
Company cars	100%	g CO ₂ eq/km	• DESNZ. Conversion factors 2025 (DEFRA)	
Scope 2				
Purchased electricity	100%	g CO ₂ eq/kWh	• AIB (2025). European Residual Mixes 2024 Version 2.0, 26 August 2025	
Purchased heat	100%	g CO ₂ eq/kWh	• Swedenergy and VMK (2025). Local environmental values of district heating, 2024.	
Scope 3				
Category 1: Purchased goods and services	0%	kg CO ₂ eq/kg product	• RISE (2025). RISE food climate database • RISE (2025). Emissions factors for non-food items • IVL (2024) IVL Swedish Environmental Research Institute: Product databases: the environmental benefits of reuse, 2020 • BEIS (2025) • The Swedish National Agency for Public Procurement (2019)	
Category 2: Capital goods	0%	tCO ₂ eq/tonne kg CO ₂ eq/SEK	• The Swedish National Agency for Public Procurement (2019)	
Category 3: Fuel- and energy-related activities	7%	g CO ₂ eq/kWh	• Swedenergy and VMK (2025). Local environmental values of district heating, 2024. • DEFRA. Conversion factors 2021 • DESNZ. Conversion factors 2025 (DEFRA)	
Category 4: Upstream transportation and distribution	31%	kg CO ₂ eq/litre	• DESNZ. Conversion factors 2025 (DEFRA) • The Swedish Energy Agency fuel statistics 2024	
Category 5: Waste	0%	g CO ₂ eq/tkm g CO ₂ eq/kWh	• NTM (2025) • SMED (2021)	
Category 6: Business travel	100%	kg CO ₂ eq/tonne	• DESNZ. Conversion factors 2025 (DEFRA)	
Category 7: Employee commuting	0%	kg CO ₂ eq/transportation mode and accommodations	• DESNZ. Conversion factors 2025 (DEFRA)	
Category 9: Downstream transportation	0%	kg CO ₂ eq/km	• Transport Analysis, Transporternas energi och klimateffektivitet Rapport 2022:1 • 2030 Miljöbarometern. Average CO ₂ emissions from vehicles, 2024 • The Swedish Public Transport Association. Kollektivtrafikbarometern Annual Report 2024.	
Category 11: Use of sold products	0%	g CO ₂ eq/kWh	• AIB (2024). European Residual Mix 2024. Version 2.0, 26 August 2025	
Category 12: End-of-life treatment of sold products	0%	kg CO ₂ eq/unit	• BEIS (2025)	
Category 14: Franchises	39%	g CO ₂ eq/kWh	• AIB (2024). European Residual Mix 2024. Version 2.0, 26 August 2025	

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ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		42
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				43–44
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
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ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		58

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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location
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ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Phased-in
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)					Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			Phased-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				62
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I				64, 100–101
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex I				Not material
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ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex I				Not material
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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				75
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				79
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				79
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				79,100
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		79,100
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				79
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				80
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				80
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		82
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				82
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		83
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				83
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				83
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		83
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and 13 Table #3 of Annex I				85
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				85,100
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators number 11 and 4 Table #3 of Annex I				85
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		85,100
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		85,100

APPENDIX

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Location
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				87
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				89, 100
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		89, 100
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				90
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				92, 100
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		92, 100
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				94
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				97
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				97
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		99
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				99

Strong financial position and stable cash flow



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GROUP

Financial statements

Axfood is a leader in food retail in Sweden and a family of different concepts in collaboration. The Group includes the store chains Willys, Hemköp, City Gross and Eurocash as well as Tempo, Handlar'n and Matöppet. B2B sales are conducted through Snabbgross, and Dagab is responsible for the assortment, purchasing and logistics. Axfood's operations are divided into five operating segments – Willys, Hemköp, City Gross, Snabbgross and Dagab.

Important events during the year

To strengthen the hypermarket chain City Gross, which was acquired on 1 November 2024, a number of activities were initiated in 2025 in areas such as concept and brand, customer offering, implementation of a chain management structure, and streamlining of the operations. Two City Gross stores were converted to Willys stores.

During the year, it was announced that Axfood is planning to establish a new highly automated logistics centre to be completed in 2030, to ensure higher capacity and efficiency in southern Sweden. A letter of intent was signed with the Municipality of Kungsbacka to locate the logistics centre in Frillesås, and an agreement was entered with Witron to use the company's automation technology. In addition, several logistics investments were completed in 2025. The highly automated logistics centre in Bålsta has been fully operational since spring, and the expansion of the existing high-bay warehouse in Backa, Gothenburg was completed.

Retail sales

SEK m	2025	2024	Change	Change in like-for-like sales
Willys	48,614	45,782	6.2%	4.2%
Hemköp (Group-owned, retailer-owned and Tempo)	21,697	20,642	5.1%	4.0%
City Gross ¹⁾	8,892	1,629	446.0%	1.5%
Total	79,204	68,052	16.4%	4.0%
Total excluding City Gross	70,311	66,424	5.9%	4.1%

1) City Gross is included as of the acquisition date of 1 November 2024.

Change in store structure

Number of stores	31 Dec 2024	New establishment/acquisition	Divestments/discontinuations	Conversions	31 Dec 2025
Willys/Willys Hemma/Eurocash	248	8	-2	2	256
Hemköp/Tempo, Group-owned stores	68	1	-1	1	69
City Gross	42	–	–	-2	40
Snabbgross/Snabbgross Club	31	–	–	–	31
Total, Group-owned stores	389	9	-3	1	396
Hemköp, retailer-owned stores	134	3	-1	-2	134
Tempo, retailer-owned stores	124	10	-8	1	127
Total, retailer-owned stores	258	13	-9	-1	261
Total, Group-owned and retailer-owned stores	647	22	-12	–	657

Future development

Axfood's vision is to be the leader in affordable, good and sustainable food. This is how better quality of life for everyone can be achieved, which is the Group's purpose. Four objectives guide the Group's long-term development. With a focus on the customer meeting, Axfood has a clear strategy for 2030 that rests upon a values-steered culture and core values, and consists of six growth-promoting and efficiency-enhancing focus areas: assortment, store network, operational efficiency, digitalisation and automation, leading employer, and sustainability and health.

Employees are Axfood's most important resource. However, the Group's wide range of distinctive, private label brands, its family of different concepts in collaboration, and its integrated value chain featuring clear collaboration within the Group are also key resources that lay the foundation for a competitive business. Employee engagement and diversity are the basis for the Group's success, and its people and operations develop together through learning, partici-

pation and a sustainable working life. With strong concepts and brands, the Group has a presence in all market segments and meets customers on their terms. The Group's strategy – with different concepts in collaboration – provides an advantage in terms of establishment opportunities, giving the Group the opportunity to assess which brand is suitable for each establishment and to convert stores from one concept to another if necessary should the conditions in a location change. With an operating model that combines Group-owned and retailer-owned stores, an integrated value chain and close collaboration, Axfood has a unique position in the Swedish food retail market, allowing the Group to create affordable and attractive customer offerings.

Sustainability is integrated into Axfood's business model and operating activities. On the strength of the long-term work and commitment of its employees, Axfood aims to be the leading driving force for sustainable food in Sweden. Ambitious sustainability efforts lay the foundation for strengthened market position and for long-term profitable growth.

Axfood's own warehouses and well-developed fleet of delivery vehicles supply products to stores and e-commerce customers throughout Sweden. To further strengthen the base operations, extensive investments are being made in the Group's logistics structure to increase capacity and productivity through more automated processes. Customer meetings are also constantly being developed through continuous concept development in the store chains as well as ongoing work to modernise stores.

To expand its reach and attract even more consumers, Axfood plans to maintain a high rate of establishment, with plans to establish 10–15 new Group-owned stores in 2026. Investments in 2026 are expected to amount to between SEK 2,200 m and SEK 2,300 m, excluding acquisitions and right-of-use assets, of which approximately SEK 470 m pertains to automation of the new logistics centre in Kungsbacka.

Share repurchases and transfers, and holdings of treasury shares

The 2025 AGM resolved to adopt a new long-term share-based incentive programme that runs over a three-year period, LTIP 2025. Allotment was carried out for LTIP 2022 in April using treasury shares.

The holding of treasury shares on 31 December 2025 amounted to 921,517 shares, which is sufficient to secure the delivery of shares for all of the Company's incentive programmes.

A proposal has been drafted for the 2026 AGM to introduce a new long-term share-based incentive programme, LTIP 2026, which corresponds in all material respects to LTIP 2025. The programme is proposed to include approximately 85 employees.

Proposed disposition of profit

The Board of Directors proposes the following appropriation of the available funds:

SEK	
Share premium reserve	1,476,153,002
Profit brought forward	1,118,416,042
Net profit for the year	1,603,668,097
Total	4,198,237,141

Be disposed as follows:

SEK	
SEK 9.00 per share to be distributed to shareholders	1,943,295,507
To be carried forward	2,254,941,634
Total	4,198,237,141

The Board proposes a dividend of SEK 9.00 (8.75) per share. The dividend is to be split into two payments, SEK 4.50 per share in March 2026 and SEK 4.50 per share in September 2026. The proposed dividend amounts to a total of SEK 1,943,295,507.

The amount stated is based on the total number of shares outstanding in the Company less the Company's holding of treasury shares on the date of publication of the Annual and Sustainability Report. This holding will change before the second record date, in part owing to allotments under the LTIP 2023 framework and in part as a result of the proposal for LTIP 2026, if the proposal is adopted by the AGM.

In reference to the above and to other information that has been brought to the Board's attention, the Board is of the opinion that a comprehensive assessment of the Company's and Group's financial position entails that the dividend is justified in view of the demands that the nature, scope and risks in the business place upon the size of the Company's and Group's equity and upon the Company's and Group's funding needs, liquidity and financial position in general.

OPERATING SEGMENT – WILLYS

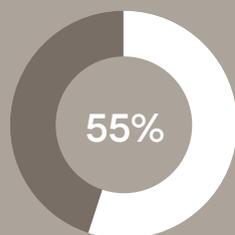
Willys – leader in the discount segment

Willys is Sweden’s leading discount grocery chain, offering a broad range of products in both Group-owned stores and online. With the ambition to offer Sweden’s cheapest bag of groceries, Willys aspires to lead and develop the discount segment of food retail. The Willys operating segment also includes the partly owned cross-border grocery chain Eurocash.

“We are summarising yet another year in which we gained market share and improved our offering. We opened many new stores and increased our rate of expansion so that even more people can shop with us. Willys’ concept – Sweden’s cheapest bag of groceries – is more relevant than ever.”

Nicholas Petterson, Managing Director of Willys

Share of external net sales



Excluding Joint-Group.

Share of operating profit



Excluding City Gross and Joint-Group.



Willys

- 250 stores, of which 189 Willys and 61 Willys Hemma
- Average retail area, Willys: 2,200–2,500 sq. m. (range 1,100–4,700 sq. m.)
- Average retail area, Willys Hemma: 600–800 sq. m. (range 300–1,200 sq. m.)
- Online shopping through 174 stores
- Assortment, Willys: approximately 10,000 items, Willys Hemma: approximately 6,000 items

Sweden’s leading discount grocery chain

Willys combines quality and sustainability with simplicity and low prices. The broad assortment includes everything from seasonal fresh products and organic products to high-quality everyday food that offers value for money.

Willys has a modern and updated base of attractive stores. The chain is the food retail concept in the market that reaches the highest share of households and the Willys Plus loyalty programme has just over 3.9 million members. Willys focuses a lot on digital services and has a strong e-commerce position. Customers can shop at the same low prices as in stores, with the option to pick up their groceries at a store or have them delivered home. Willys works with a wide range of sustainability issues, and all of the chain’s stores meet the criteria for the Swedish Society for Nature Conservation’s Bra Miljöval (“Good Environmental Choice”) eco-label. Willys Hemma is Willys’ concept for smaller stores where customers can find good food at low prices near residential areas, city centres or in smaller cities.



Eurocash

- 6 stores
- Average retail area: 3,000–3,500 sq. m. (range 2,500–5,500 sq. m.)
- Assortment: approximately 10,000–15,000 items

The leading food retail chain on the border

Eurocash, in which Axfood has a 51% holding, is focused on retail along the Norwegian border, with 6 stores from Strömstad to Storlien.

Eurocash offers easily accessible stores with a broad assortment of good, affordable food. The target group is primarily Norwegian consumers who appreciate the significantly lower prices in Sweden compared with Norway. As a specialist in cross-border shopping, Eurocash aims to make it easy for Norwegian customers to shop for good food at the lowest prices.



OPERATING SEGMENT – WILLYS

Development during the year

Net sales grew 6.2% to SEK 48,607 m (45,775). Retail sales increased 6.2%, which was more than the market. Growth in like-for-like sales amounted to 4.2% (3.1). Willy's performance was primarily driven by higher volumes as a result of an increased number of customer visits and new establishments. In addition, a higher average ticket value had a positive impact on sales. Eurocash delivered strong growth in terms of both total and like-for-like sales.

Willys is Sweden's most recommended grocery chain and has a unique position in the market through a combination of low prices, a broad assortment, modern stores and online shopping. In recent years, Willy's has attracted a large number of new customers and noted strong loyalty among its existing ones.

In total, 8 new stores were established during the year. The number of stores at year-end was 256 (248), of which 250 (241) were Willy's and 6 (7) were Eurocash. At year-end, Willy's offered online shopping at 174 stores (166). The share of sales of private label products amounted to 35.1% (34.6).

Operating profit amounted to SEK 2,114 m (1,992), corresponding to an operating margin of 4.4% (4.4). The increase in operating profit was primarily driven by higher sales volumes, a stable gross margin trend and effective cost control.

Business highlights

- High rate of new store establishments and re-establishments as well as the roll-out of the new Willy's 5.0 store concept.
- Continued progress in e-commerce, with a focus on the omni-channel experience and Willy's Hämta.
- The number of new members in the Willy's Plus loyalty programme continued to increase, with a total of just over 3.9 million members at year-end.
- Food waste was reduced by just over 2,000 tonnes by offering customers waste-smart bargain boxes with fruits and vegetables and by almost 900 tonnes through clearance sales of daily-fresh bread. Food waste was further reduced through donations of almost 600 tonnes of food to charity organisations.



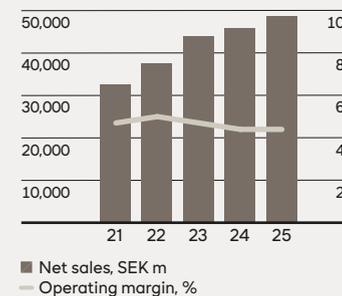
Net sales

SEK 48.6 bn

Operating profit

SEK 2.1 bn

Net sales, Operating margin



Key ratios

	2025	2024	Change
Net sales, SEK m	48,607	45,775	6.2%
Retail sales, SEK m	48,614	45,782	6.2%
Like-for-like sales growth, %	4.2	3.1	1.1
Operating profit, SEK m	2,114	1,992	6.1%
Operating margin, %	4.4	4.4	0.0
Group-owned stores, number	256	248	8
Average number of employees	7,572	7,273	299
Share of women/men in management positions, %	58.4/41.6	58.4/41.6	0.0/-0.0
Private label products, share of sales, %	35.1	34.6	0.5
Sustainability-labelled products, share of sales, %	27.9	28.3	-0.4
Organic products, share of sales, %	3.7	4.0	-0.3
Carbon footprint per kg of food sold, kg CO ₂ eq	1.95	2.02	-3.5%

OPERATING SEGMENT – HEMKÖP

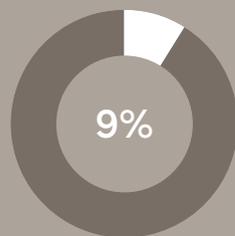
Hemköp – affordable passion for food

Hemköp offers a broad, attractively priced assortment with a rich offering of fresh products. Group-owned stores, retailer-owned stores and e-commerce aim to inspire good, tasty meals in a simple and well thought-out manner. The operating segment Hemköp also includes Tempo, a mini-mart format comprising retailer-owned stores.

“By focusing on the customer meeting, we have grown more than the market. We have developed the offering, improved efficiency in operations, created stronger price value, and invested in the store network and our employees, allowing us to strengthen our position and attract more customers than ever.”

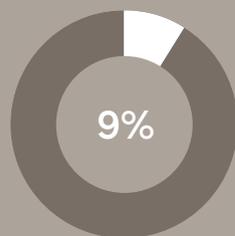
Shoan Etemadi, Managing Director of Hemköpskedjan

Share of external net sales



Excluding Joint-Group.

Share of operating profit



Excluding City Gross and Joint-Group.

Hemköp

Hemköp

- 203 Hemköp stores, of which 69 Group-owned and 134 retailer-owned
- Average retail area: 1,000–1,500 sq. m. (range 400–4,000 sq. m.)
- Online shopping through 65 stores
- Assortment: approximately 10,000–12,000 items

A favourite among food lovers

With a focus on a wide assortment of good, affordable and sustainable food, Hemköp inspires a passion for food, with a vision of becoming every food lover’s favourite store.

Hemköp operates in the traditional grocery segment with stores and e-commerce. Its operating model – with a combination of Group- and retailer-owned stores – allows Hemköp to maintain a presence in many locations across Sweden, while the combination of a chain management structure and entrepreneurship promotes and creates growth. Everything is based on a passion for food and inspiration as well as continually ongoing sustainability efforts. Hemköp provides a high level of service, a wide range of fresh produce and a large selection of meal solutions in an inspiring store environment. The Klubb Hemköp loyalty programme rewards customers for making sustainable choices and has just over 2.1 million members.

Tempo

Tempo

- 127 retailer-owned stores
- Average retail area: 300–500 sq. m.
- Assortment: approximately 5,000–7,000 items

The grocery store that makes everyday life easier and more enjoyable

Tempo is a local meeting place, offering customers good food and service regardless of whether they live in a small community or in a suburban corner of a major city.

All Tempo stores are run by knowledgeable and dedicated retailers. Everyone should be able to come to Tempo to buy their dinner, everything they need for a cosy Friday night in or a lovely weekend breakfast. This is what makes Tempo so successful: its close location and personal touch. Many stores also offer services such as package pick-up, betting and lotteries, and pharmacy order pick-up.



OPERATING SEGMENT – HEMKÖP

Development during the year

Net sales grew 6.0% to SEK 8,348 m (7,878). Retail sales, including retailer-owned Hemköp and Tempo stores, increased 5.1%, which was more than the market. Growth in like-for-like sales amounted to 4.0% (5.1). Higher volumes contributed to this change as a result of an increased number of customer visits. In addition, a higher average ticket value had a positive impact on sales.

Hemköp is continuing to strengthen its position with a focus on price value, fresh products and meal solutions. Hemköp is also investing in modernising its existing stores and strengthening its sustainability profile.

In total, 1 new Hemköp store was established during the year. The number of stores at year-end was 330 (326), of which 203 (202) were Hemköp and 127 (124) were Tempo. Of the Hemköp stores, 134 (134) were retailer-owned and 69 (68) were Group-owned. Hemköp offered online shopping at 65 stores (67) at the end of the year. The share of sales of private label products amounted to 27.0% (26.9).

Operating profit amounted to SEK 372 m (343), corresponding to an operating margin of 4.5% (4.4). The increase in operating profit was primarily driven by higher sales, a stable gross margin trend and effective cost control.

Business highlights

- A new store concept continued to be rolled out with a high number of modernisations.
- Development of Hemköp’s omnichannel experience with stores and e-commerce, and increased focus on hybrid stores in Tempo.
- New launches and the continued roll-out of the meal solution offering, with a focus on innovation, simplicity and scalability.
- The number of members in the Klubb Hemköp loyalty programme increased to just over 2.1 million at year-end.
- Food waste from fruits and vegetables was reduced by approximately 850 tonnes by offering customers waste-smart bags. Food waste was further reduced through donations of more than 100 tonnes of food to charity organisations.



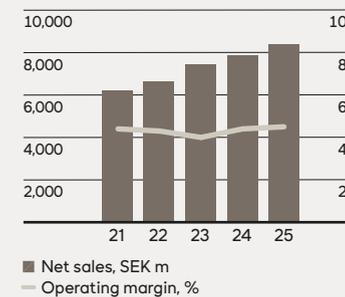
Net sales

SEK 8.3 bn

Operating profit

SEK 372 m

Net sales, Operating margin



Key ratios

	2025	2024	Change
Net sales, SEK m	8,348	7,878	6.0%
Retail sales, SEK m	21,697	20,642	5.1%
Like-for-like sales growth, %	4.0	5.1	-1.1
Operating profit, SEK m	372	343	8.4%
Operating margin, %	4.5	4.4	0.1
Group-owned stores, number	69	68	1
Average number of employees	1,729	1,697	32
Share of women/men in management positions, %	51.0/49.0	49.3/50.7	1.7/-1.7
Private label products, share of sales, %	27.0	26.9	0.1
Sustainability-labelled products, share of sales, %	27.5	27.2	0.3
Organic products, share of sales, %	5.6	6.1	-0.5
Carbon footprint per kg of food sold, kg CO ₂ eq	1.71	1.78	-3.8%

OPERATING SEGMENT – CITY GROSS

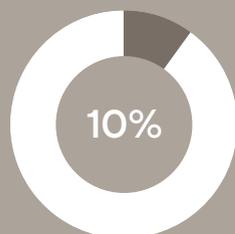
City Gross – challenger in the hypermarket segment

City Gross' stores and e-commerce offer customers a combination of a food market hall and hypermarket, along with one of the market's widest assortments of food. With knowledge and extensive commitment to food, City Gross challenges the other players in the hypermarket segment of the food retail market.

"This year, we focused on building a strong foundation for the future, and the initiatives we implemented have also started to deliver results. I am incredibly proud and impressed with the contributions of everyone at City Gross."

Patrick Grabenbauer, Managing Director of City Gross

Share of external net sales



Excluding Joint-Group.

CITY GROSS

City Gross

- 40 stores
- Average retail area: 5,000–5,500 sq. m. (range 3,000–10,000 sq. m.)
- Online shopping through 39 stores
- Assortment: approximately 45,000 items

Food market hall and hypermarket under the same roof

With one of the market's broadest assortments and a major focus on fresh produce, City Gross wants to challenge other players in the hypermarket segment of the food retail market. A high level of service creates a store experience that is characterised by knowledge about and a commitment to food and raw materials.

City Gross is a significant player and a well-known hypermarket concept in Swedish food retail, with a presence through stores and e-commerce primarily in southern Sweden. For City Gross, the focus is on knowledge about food and raw materials and a commitment to providing high-quality products. In addition to a broad and complete assortment of foods, a large range of non-food items are also offered.



OPERATING SEGMENT – CITY GROSS

Axfood acquired City Gross Sverige AB on 1 November 2024. Reported data for the January–December 2024 period pertain to the two-month period from 1 November to 31 December. The data presented for periods prior to the acquisition date are not consolidated and have not been adjusted for IFRS.

Development during the year

Net sales amounted to SEK 8,898 m (1,646) and retail sales to SEK 8,892 m (1,629). Compared with the January–December period in the preceding year, growth was 0.1% overall and 1.7% in like-for-like sales. The weak overall growth was mainly due to store closures.

The number of stores at year-end was 40 (42). During the year, 2 stores were discontinued and closed ahead of conversion to the Willys concept. Online shopping is offered at 39 stores (42). The share of sales of private label products amounted to 21.9% (20.0).

An operating loss of SEK –192 m (–40) was noted, corresponding to an operating margin of –2.2% (–2.4). The operating loss includes items affecting comparability of SEK –116 m (–) pertaining to structural measures, including discontinuation costs for stores as well as costs for reorganisation and sales clearance within the non-food assortment. Excluding items affecting comparability, the operating loss amounted to SEK –76 m (–40), corresponding to an operating margin of –0.9% (–2.4). The earnings trend gradually improved during the year, primarily driven by a gradual improvement in like-for-like sales growth, the effects of structural measures and efforts to streamline the operations.

The acquisition of City Gross has expanded Axfood’s reach by establishing a presence in the hypermarket segment, the fastest-growing segment in the market after discount. Axfood’s knowledge and experience provide the conditions to further develop and strengthen the City Gross concept. This work continued during the year according to plan and includes several improvement initiatives. These initiatives include developing the store concept and reviewing the customer offering with a focus on attractiveness, efficiency, price value and private label products.

Business highlights

- Launch of a new communication concept along with a stronger and more affordable customer offering.
- Implementation of a chain management structure, including a new operational organisation as well as new routines and procedures.
- Development of a new store concept to be launched in 2026.
- Structural measures for stores and reorganisation of support functions.



Key ratios

	2025	2024 ¹⁾	Change
Net sales, SEK m	8,898	1,646	440.7%
Retail sales, SEK m	8,892	1,629	446.0%
Like-for-like sales growth, %	1.5	–	1.5
Operating loss, SEK m	–192	–40	–377.5%
Operating loss excl. items affecting comparability, SEK m	–76	–40	–89.9%
Operating margin, %	–2.2	–2.4	0.3
Operating margin excl. items affecting comparability, %	–0.9	–2.4	1.6
Group-owned stores, number	40	42	–2
Average number of employees ²⁾	1,871	1,928	–57
Share of women/men in management positions, %	56.7/43.3	55.5/44.5	1.2/–1.2
Private label products, share of sales, %	21.9	20.0	1.9
Sustainability-labelled products, share of sales, %	21.9	20.6	1.3
Organic products, share of sales, %	3.1	3.0	0.1
Carbon footprint per kg of food sold, kg CO ₂ eq	2.01	2.23	–9.8%

1) Pertains to the 1 November 2024–31 December 2024 period.

2) For 2024, the average number of employees reported refers to the number of hours worked for full-year 2024 in relation to annual working hours in accordance with Axfood’s definition. For the 2024 consolidated period, the average number of employees in relation to annual working hours was 305.

Net sales

SEK 8.9 bn

Operating loss

SEK –192 m

OPERATING SEGMENT – SNABBGROSS

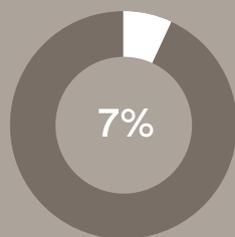
Snabbgross – restaurant wholesaler with a unique position

Snabbgross is one of Sweden’s leading restaurant wholesalers with a customer base of restaurants, fast food operators and cafés. Through a broad presence with physical stores, Snabbgross has a unique position in the market, and along with online shopping, it offers personal service, accessibility and quality. The Snabbgross operating segment also includes the Snabbgross Club concept, which targets consumers.

“With an attractive and affordable offering, we continued to successfully navigate a challenging market. We have a unique position thanks to our easily accessible stores and are also able to reach consumers through our Snabbgross Club concept.”

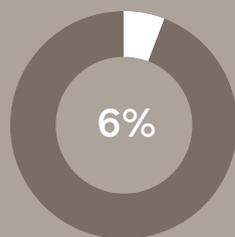
Eva Pettersson, Managing Director of Snabbgross

Share of external net sales



Excluding Joint-Group.

Share of operating profit



Excluding City Gross and Joint-Group.



Snabbgross and Snabbgross Club

- 31 stores, of which 13 Snabbgross Club
- Average retail area: 2,000 sq. m. (range 1,200–4,000 sq. m.)
- Online sales to B2B customers through all stores
- Assortment: approximately 12,000 items

Attractively priced assortment for business customers

Snabbgross is one of Sweden’s leading restaurant wholesalers, offering personal service, accessibility and quality at its Group-owned stores and online.

Snabbgross has a unique position in the market, with stores across the country in addition to e-commerce. Owing to a wide assortment of approximately 12,000 items, Snabbgross can offer attractively priced, high-quality food products. This is combined with personal service and good accessibility both geographically as well as through generous opening hours. Each store is adapted to its own local market. Snabbgross has both full-service customers who purchase all of their products in stores as well as customers who make supplementary purchases. The total number of customers amounts to approximately 120,000. Sustainability is a key principle for Snabbgross and, in addition to developing the assortment, its stores continuously work to upgrade and adapt their operations.

Membership-based consumer trade

In Snabbgross Club, consumers also have the opportunity to purchase directly from the restaurant store.

Of Snabbgross’ 31 stores in total, 13 are profiled as Snabbgross Club. As a Snabbgross Club member, consumers can also buy food and household items directly from the wholesaler and gain access to a unique and attractively priced assortment in bulk packaging as well as customised member offers. After a three-month trial period, customers must have a paid membership to shop at the stores. Membership builds loyalty, and customers can quickly recover the fee through unique offers, among other things. B2B customers can also shop for member offers.



OPERATING SEGMENT – SNABBGROSS

Development during the year

Net sales grew 5.8% to SEK 5,853 m (5,533). Growth in like-for-like sales amounted to 5.2% (3.3). Snabbgross navigated a challenging restaurant and café market during the year, continuing to increase the number of unique customers thanks to its accessibility and attractive customer offering. Sales to consumers through the member-based Snabbgross Club store concept contributed to this growth.

The number of stores at year-end was 31 (31), of which 13 (10) Snabbgross Club.

Operating profit amounted to SEK 256 m (253), corresponding to an operating margin of 4.4% (4.6). The increase in operating profit was primarily driven by higher sales and effective cost control. The gross margin decreased slightly due to temporary market investments towards the end of the year.

Business highlights

- Continued customer growth and approximately 120,000 active B2B customers.
- Re-establishments of 3 stores and development of Snabbgross Club through conversions of 3 stores.
- Investments in private label products with the brand Gastrino.
- Ambitious sustainability efforts continued, including reducing food waste with a particular focus on fruits and vegetables, sustainable stores and ecolabelled electricity. In addition, the business is MSC and ASC certified and has already chosen to exclusively sell organic bananas and stopped selling fruit, vegetables, meat and fish transported by air.



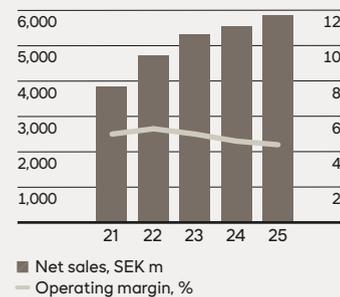
Net sales

SEK 5.9 bn

Operating profit

SEK 256 m

Net sales, Operating margin



Key ratios

	2025	2024	Change
Net sales, SEK m	5,853	5,533	5.8%
Like-for-like sales growth, %	5.2	3.3	1.9
Operating profit, SEK m	256	253	1.5%
Operating margin, %	4.4	4.6	-0.2
Group-owned stores, number	31	31	-
Average number of employees	600	598	2
Share of women/men in management positions, %	43.5/56.5	44.4/55.6	-0.9/0.9
Sustainability-labelled products, share of sales, %	20.5	20.7	-0.1
Organic products, share of sales, %	1.6	1.6	0.0
Carbon footprint per kg of food sold, kg CO ₂ eq	2.37	2.53	-6.3%

OPERATING SEGMENT – DAGAB

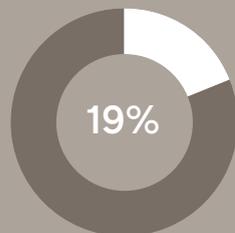
Dagab – sustainable and efficient product supply

Dagab handles the assortment, purchasing and logistics for Axfood concepts as well as for external B2B customers. The Dagab operating segment also includes the retailer concepts Handlar'n and Matöppet as well as the partly owned online pharmacy Apohem and the Urban Deli restaurant chain.

“During the year, we strengthened our offering of affordable, good and sustainable food while purposefully streamlining the flow of goods and continuing to ensure the stability of our logistics structure.”

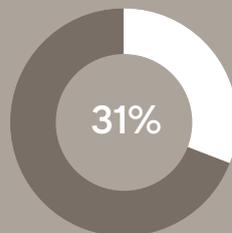
Hans Bax, Managing Director of Dagab

Share of external net sales



Excluding Joint-Group.

Share of operating profit



Excluding City Gross and Joint-Group.

DAGAB

Dagab

- In total 10 warehouses, volume handling for food retailers, convenience retailers and e-commerce
- Assortment: more than 70,000 items
- Own fleet of heavy-duty and light trucks
- Delivers to more than 7,000 stores and customers throughout Sweden

Efficient and innovative operations

Dagab has a key role in the efforts to continually improve the efficiency of product flows, from the assortment and purchasing to warehousing operations and distribution.

Dagab is where an attractive and sustainable assortment is created, and also where the Group's development of private label products takes place. The work is digital and data-driven, governed by customer insights. All supplier agreements are negotiated centrally by Dagab, and in this way the best conditions are created. Dagab's logistics flow comprises the company's own warehouses and a well-developed fleet of delivery vehicles supply products to stores and e-commerce customers. To further strengthen the base operations, extensive investments are being made into the logistics platform. Only renewable fuels are used for Dagab's own transports and for all procured transports. The logistics and purchasing model is constantly fine-tuned in an effort to increase inventory turnover, improve distribution and create more efficient order flows and transports. Large-scale, flexible and customised solutions are created that meet varying needs while at the same time leveraging economies of scale.



Handlar'n

Through 175 retailer-owned mini-marts, Handlar'n offers accessibility and proximity to groceries and services, mainly in the countryside but also in city centres.

Matöppet

Matöppet is a mini-mart chain with 36 stores that always put the customer first with a focus on service and a good assortment of fresh products.

Apohem

Apohem is a full-scale retail pharmacy where customers can order over-the-counter and prescription drugs. In addition to prescription drugs, Apohem offers some 25,000 items. Apohem is a joint venture in which Axfood has a 53% holding.

Urban Deli

Urban Deli has three locations in Stockholm and is a combination of a restaurant, deli and food store. In addition, Urban Deli has a hotel.



OPERATING SEGMENT – DAGAB

Development during the year

Net sales grew 5.2% to SEK 80,579 m (76,589). Growth was mainly driven by sales to Axfood’s own concepts. External net sales amounted to SEK 17,344 m (23,024). In connection with the acquisition of City Gross on 1 November 2024, Dagab’s sales to City Gross were reclassified from external to internal.

Operating profit amounted to SEK 1,240 m (1,156), corresponding to an operating margin of 1.5% (1.5). The increase in earnings was primarily attributable to positive sales growth and a lower cost level due to improvements in logistics efficiency. However, operating profit was negatively impacted by a lower gross margin.

During the year, work began on the establishment of a new highly automated logistics centre to be completed in 2030, which will ensure higher capacity and efficiency in southern Sweden. During the year, a letter of intent was signed with the Municipality of Kungälv to locate the logistics centre in Frillesås. In addition, an agreement was entered into with Witron – a market leader in dynamic inventory management and picking that delivered the automation solution for Axfood’s logistics centre in Bålsta – to invest in the company’s automation solution for the new logistics centre.

Business highlights

- The logistics centre in Bålsta became fully operational during the year, resulting in efficiency improvements and a lower cost level in logistics.
- The expanded and automated high-bay warehouse in the distribution centre in Backa, Gothenburg was taken into operation, further increasing capacity and efficiency.
- The Company transitioned to using exclusively renewable fuels in its transports, resulting in a sharp reduction in the carbon footprint from transports.
- Approximately 270 new private label products were launched.



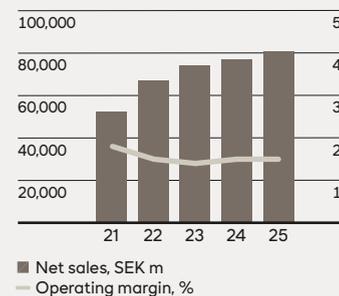
Net sales

SEK 80.6 bn

Operating profit

SEK 1.2 bn

Net sales, Operating margin



Key ratios

	2025	2024	Change
Net sales, SEK m	80,579	76,589	5.2%
Operating profit, SEK m	1,240	1,156	7.2%
Operating margin, %	1.5	1.5	0.0
Average number of employees	3,209	3,208	1
Share of women/men in management positions, %	35.3/64.7	32.3/67.7	3.0/-3.0

GROUP

Statement of profit or loss and other comprehensive income Group

SEK m	Note	2025	2024
Net sales	3	89,152	84,057
Cost of goods sold	5, 6, 8	-76,020	-71,826
Gross profit		13,132	12,231
Selling expenses	5, 6, 9	-5,581	-4,388
Administrative expenses	5, 6, 7	-4,733	-5,087
Share of profit/loss in associated companies and joint ventures	19	-48	-58
Other operating income	9	861	768
Other operating expenses	4, 5, 8	-59	-176
Operating profit	3	3,572	3,290
Interest income and similar profit/loss items	12	38	51
Interest expense and similar profit/loss items	12	-579	-456
Net financial items		-541	-405
Profit before tax		3,031	2,885
Current tax	14	-470	-586
Deferred tax	14	-186	-80
Net profit for the year		2,375	2,219

SEK m	Note	2025	2024
Other comprehensive income			
<i>Items that cannot be reclassified to profit or loss for the period</i>			
Revaluation defined benefit pensions	21	14	-53
Change in holdings measured at fair value	23	-	-156
Tax	14	-3	11
<i>Items that can be reclassified to profit or loss for the period</i>			
Change in hedging reserve	22	-30	26
Tax	14	6	-5
Other comprehensive income for the year		-13	-177
Comprehensive income for the year		2,363	2,042
Net profit for the year attributable to:			
Owners of the parent		2,339	2,192
Non-controlling interests		37	27
Net profit for the year		2,375	2,219
Comprehensive income for the year attributable to:			
Owners of the parent		2,326	2,015
Non-controlling interests		37	27
Comprehensive income for the year		2,363	2,042
Earnings per share before dilution, SEK	20	10.84	10.16
Earnings per share after dilution, SEK	20	10.79	10.11

Comments

Net sales increased 6.1%, with an increase noted in all segments. Volume growth was the primary contributor to this trend. The acquisition of City Gross had an impact of SEK 1,351 m (323) on consolidated net sales. Store and online sales accounted for 80% (72) of net sales and external B2B sales for 19% (27), a change mainly attributable to the acquisition of City Gross. Retail sales increased 16.4% (6.8). Excluding City Gross, retail sales increased 5.9% (4.3). Growth in like-for-like sales amounted to 4% (3.7). Online sales increased 8.6% (8.4) to SEK 3,866 m (3,559).

Operating profit increased 8.6%. The operating margin was 4.0% (3.9). Operating profit was positively affected by increased sales volumes, effective cost control and a lower cost level for logistics, while City Gross's operating loss had a negative impact on the results. Operating profit includes items totalling SEK -116 m (-143) that have been reclassified as items affecting comparability in the operational earnings monitoring, see Note 8 for more information.

Net financial items amounted to SEK -541 m (-405), of which SEK -455 m (-364) pertained to interest expenses for leases. Net financial items were mainly impacted by higher interest expenses from leases and by increased borrowing. The tax expense was SEK -655 m (-666), corresponding to an effective tax rate of 21.6% (23.1).

GROUP

Statement of financial position Group

SEK m	Note	31 Dec 2025	31 Dec 2024
Assets			
Non-current assets			
<i>Intangible assets</i>	15		
Goodwill		4,848	4,769
Other intangible assets		2,438	2,439
		7,286	7,208
<i>Property, plant and equipment</i>	16		
Land and buildings		245	251
Equipment, tools, fixtures and fittings		6,127	6,023
Construction in progress		296	252
		6,668	6,525
Right-of-use assets	17	12,674	12,488
<i>Financial assets</i>			
Participations in associated companies and joint ventures	19	33	35
Other long-term securities holdings	23	8	8
Other non-current receivables	23	134	134
		175	178
Deferred tax assets	14	218	227
Total non-current assets		27,022	26,627
Current assets			
Inventories		5,285	4,887
<i>Current receivables</i>			
Trade receivables	22, 23	2,538	1,532
Current tax asset		124	–
Other current receivables	23	196	70
Prepaid expenses and accrued income	24	672	1,581
		3,530	3,184
Cash and cash equivalents	23, 25	1,077	735
Total current assets		9,892	8,805
Total assets		36,913	35,432

SEK m	Note	31 Dec 2025	31 Dec 2024
Equity and liabilities			
Equity	20		
Share capital		271	271
Other capital contributions		1,973	1,973
Reserves		–22	2
Profit brought forward		5,285	4,807
		7,508	7,053
Non-controlling interests		323	335
Total equity		7,830	7,388
Non-current liabilities			
Non-current lease liabilities	17, 22, 23, 25	10,478	10,161
Non-current interest-bearing liabilities	22, 23, 25	2,700	2,900
Provisions for pensions	21, 25	272	300
Deferred tax liabilities	14	1,682	1,509
Other non-current liabilities	23	27	8
Total non-current liabilities		15,160	14,878
Current liabilities			
Current lease liabilities	17, 22, 23, 25	2,224	2,233
Current interest-bearing liabilities	22, 23, 25	–	2
Trade payables	22, 23	7,697	7,229
Current tax liability		–	10
Other current liabilities	23	533	474
Accrued expenses and deferred income	26	3,468	3,218
Total current liabilities		13,923	13,166
Total equity and liabilities		36,913	35,432

Comments

The Group's total investments in intangible assets and property, plant and equipment that affected cash flow amounted to SEK 1,730 m (1,539). Including acquisitions of operations, investments amounted to SEK 1,731 m (3,100), of which SEK 1,561 m in the preceding year pertained to the acquisition of City Gross. Investments in right-of-use assets amounted to SEK 2,817 m (3,416), of which SEK 695 m (810) pertained to newly acquired assets and SEK 2,122 m (2,607) pertained to revaluations of existing leases.

A change in invoicing procedures affected the distribution between trade receivables and accrued income.

Interest-bearing liabilities and provisions totalled SEK 15,675 m (15,596). Interest-bearing net receivables amounted to SEK 14,598 m (14,861). Net debt/EBITDA amounted to a multiple of 1.9 (2.2). Net debt/EBITDA excluding IFRS 16 amounted to a multiple of 0.4 (0.6).

One of the Group's strategic Group-wide targets is to have an equity ratio of at least 20% at year-end. As of 31 December 2025, the equity ratio amounted to 21.2% (20.9).

GROUP

Statement of cash flows Group

SEK m	Note	2025	2024
Operating activities			
Operating profit		3,572	3,290
Depreciation/amortisation/impairment	5, 15, 16, 17	4,077	3,375
Interest paid and similar items		-578	-453
Interest received and similar items		38	51
Adjustments for non-cash items		92	461
Paid tax		-617	-587
Cash flow from operating activities before changes in working capital		6,584	6,137
Cash flow from changes in working capital			
Change in inventories		-403	-28
Change in current receivables		-221	740
Change in current liabilities		791	-1,390
Cash flow from operating activities		6,751	5,459
Investing activities			
Acquisitions of intangible assets		-350	-430
Acquisitions of property, plant and equipment		-1,379	-1,109
Acquisitions of financial assets		-49	-89
Acquisitions of operations	4	-2	-1,561
Sales of property, plant and equipment		12	4
Sales of operations	4	1	0
Cash flow from investing activities		-1,767	-3,184
Financing activities			
Loans raised		6,973	4,682
Amortisation of loans		-7,175	-2,715
Amortisation of lease liability		-2,478	-2,294
Share repurchases		-25	-66
Dividend paid out		-1,938	-1,834
Cash flow from financing activities		-4,643	-2,227
Cash flow for the year		341	47
Cash and cash equivalents at start of year		735	688
Cash and cash equivalents at year-end		1,077	735

Statement of changes in equity Group

SEK m	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Other capital contributions	Hedging reserve	Profit brought forward	Total			
Opening equity 2024	271	1,973	-18	4,652	6,877	308	7,185	
Net profit for the year	–	–	–	2,192	2,192	27	2,219	
Other comprehensive income for the year	–	–	20	-197	-177	–	-177	
Comprehensive income for the year	–	–	20	1,995	2,015	27	2,042	
Shareholder dividend	–	–	–	-1,834	-1,834	–	-1,834	
Share repurchases	–	–	–	-66	-66	–	-66	
Share-based payments	–	–	–	61	61	–	61	
Closing equity 2024	271	1,973	2	4,807	7,053	335	7,388	
Opening equity 2025	271	1,973	2	4,807	7,053	335	7,388	
Net profit for the year	–	–	–	2,339	2,339	37	2,375	
Other comprehensive income for the year	–	–	-24	11	-13	–	-13	
Comprehensive income for the year	–	–	-24	2,350	2,326	37	2,363	
Shareholder dividend	–	–	–	-1,889	-1,889	-49	-1,938	
Share repurchases	–	–	–	-25	-25	–	-25	
Share-based payments	–	–	–	42	42	–	42	
Closing equity 2025	271	1,973	-22	5,285	7,508	323	7,830	

PARENT COMPANY

Income statement Parent Company

SEK m	Note	2025	2024
Net sales		13	22
Selling expenses		-3	-2
Administrative expenses	6, 7, 11, 16	-599	-655
Other operating income	11	452	433
Operating loss		-138	-203
Interest income and similar profit/loss items	12	212	212
Interest expense and similar profit/loss items	12	-94	-516
Loss after financial items		-19	-508
Appropriations	13	2,040	2,132
Profit before tax		2,020	1,625
Current tax	14	-416	-427
Deferred tax	14	-1	0
Net profit for the year		1,604	1,198

Net profit for the year corresponds to comprehensive income for the year.

Balance sheet Parent Company

SEK m	Note	31 Dec 2025	31 Dec 2024
Assets			
Property, plant and equipment			
Equipment, tools, fixtures and fittings	16	20	28
		20	28
Financial assets			
Participations in Group companies	18	4,244	4,020
Deferred tax assets	14	6	7
Other non-current receivables		3	2
		4,253	4,029
Total non-current assets		4,273	4,057
Current assets			
<i>Current receivables</i>			
Trade receivables		2	3
Receivables from Group companies	25	8,941	10,189
Current tax assets		159	-
Other current receivables		14	1
Prepaid expenses and accrued income	24	26	35
		9,141	10,229
Cash and bank balances	25	392	14
Total current assets		9,533	10,243
Total assets		13,807	14,300

SEK m	Note	31 Dec 2025	31 Dec 2024
Equity and liabilities			
Equity	20		
<i>Restricted equity</i>			
Share capital		271	271
Revaluation reserve		25	25
		296	296
<i>Non-restricted equity</i>			
Share premium reserve		1,476	1,476
Profit brought forward		1,118	1,792
Net profit for the year		1,604	1,198
		4,198	4,466
Total equity		4,494	4,762
Untaxed reserves	13	4,113	4,032
Non-current liabilities			
Liabilities to credit institutions	22, 25	2,700	2,900
Other non-current liabilities		9	10
		2,709	2,910
Current liabilities			
Liabilities to credit institutions	22, 25	-	2
Trade payables		24	25
Liabilities to Group companies	25	2,342	2,406
Current tax liabilities		-	24
Other current liabilities		17	19
Accrued expenses and deferred income	26	107	120
		2,490	2,596
Total equity and liabilities		13,807	14,300

PARENT COMPANY

Cash flow statement Parent Company

SEK m	2025	2024
Operating activities		
Operating loss	-138	-203
Interest paid and similar items	-94	-81
Interest received and similar items	161	212
Dividends from participations in Group companies	51	-
Depreciation/amortisation	9	9
Adjustments for non-cash items	41	63
Paid tax	-598	-501
Cash flow from operating activities before changes in working capital	-568	-502
Cash flow from changes in working capital		
Change in current receivables	1,132	-2,376
Change in current liabilities	-45	-687
Cash flow from operating activities	519	-3,564
Investing activities		
Acquisitions of property, plant and equipment	-1	-3
Acquisitions of financial assets	-225	-35
Cash flow from investing activities	-225	-38
Financing activities		
Loans raised	6,973	4,682
Amortisation of loans	-7,175	-2,299
Dividend	-1,889	-1,834
Share repurchases	-25	-66
Group contribution received	2,883	3,179
Group contribution paid	-683	-57
Cash flow from financing activities	84	3,605
Cash flow for the year	378	2
Cash and cash equivalents at start of year	14	12
Cash and cash equivalents at year-end	392	14

Statement of changes in equity Parent Company

SEK m	Restricted equity		Non-restricted equity		Total equity
	Share capital	Revaluation reserve	Share premium reserve	Profit brought forward	Total
Opening equity 2024	271	25	1,476	3,631	5,403
Net profit for the year	-	-	-	1,198	1,198
Shareholder dividend	-	-	-	-1,834	-1,834
Share repurchases	-	-	-	-66	-66
Share-based payments	-	-	-	61	61
Closing equity 2024	271	25	1,476	2,990	4,762
Opening equity 2025	271	25	1,476	2,990	4,762
Net profit for the year	-	-	-	1,604	1,604
Shareholder dividend	-	-	-	-1,889	-1,889
Share repurchases	-	-	-	-25	-25
Share-based payments	-	-	-	42	42
Closing equity 2025	271	25	1,476	2,722	4,494

Net profit for the year corresponds to comprehensive income for the year.

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NOTES

Notes to the financial statements

1. Accounting policies

Axfood AB, corporate registration number 556542-0824, is a Swedish-registered limited liability company, with its registered office in Stockholm. The Parent Company's shares are listed on Nasdaq Stockholm. The visitors' address of the head office is Solnavägen 4 in Stockholm and the postal address is SE-107 69 Stockholm. Axfood AB is a subsidiary of AxRetail AB, corporate registration number 556039-2226, with its registered office in Stockholm. AxRetail AB, in turn, is a wholly owned subsidiary of A Johnson & Co. AB, corporate registration number 559506-5789, with its registered office in Stockholm, which prepares consolidated financial statements for the ultimate group.

The consolidated financial statements include the Parent Company, Axfood AB, and its subsidiaries. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the European Union (EU). Swedish Financial Reporting Board recommendation RFR 1, Supplementary Reporting Rules for Groups, has also been applied, which stipulates supplementary disclosures, in addition to the disclosures required under IFRS, that are to be provided in accordance with the provisions of the Annual Accounts Act. The Parent Company applies the same accounting policies as the Group, except in the cases indicated under the section Parent Company accounting policies.

The Annual Report and consolidated financial statements were approved for publication by the Board of Directors and President on 13 February 2026. The Group's statement of profit or loss and other comprehensive income and statement of financial position and the Parent Company's income statement and balance sheet are subject to adoption by the AGM on 18 March 2026.

Basis of preparation of the financial statements

The consolidated financial statements are based on historical cost, with certain exceptions presented in the accounting policies.

The Parent Company's functional currency is Swedish kronor (SEK), which is also the presentation currency for the Parent Company and Group. The financial statements are presented in SEK. All amounts are rounded off to the nearest million kronor, unless stated otherwise. Totals may be affected by rounding.

Estimates and judgements in the financial statements

Preparing the financial statements in accordance with IFRS requires the Board and Executive Committee to make estimates and judgements that affect the application of the accounting policies and the Company's result and position as well as other disclosures in general. The actual outcome may deviate from these estimates and judgements. Judgements made by the Executive Committee in the application of IFRS that have a material impact on the financial statements, and estimates made that entail a significant risk of material adjustments to the carrying amounts of assets and liabilities in the subsequent financial year, are described in more detail in Note 2.

Significant accounting policies applied

The accounting policies presented are applied consistently in the Company's published financial statements.

New or amended accounting policies

Amended accounting policies and interpretations endorsed for application from 1 January 2025 have not had any material effect on the consolidated financial statements.

New or amended accounting policies in 2026 and later

No new or amended standards or interpretations that have been endorsed for application in 2026 or later are deemed to have had any material effect on the consolidated financial statements. IFRS 18 Presentation and Disclosure in Financial Statements was issued in 2024 and is to be applied for financial years starting 1 January 2027. The standard has not yet been adopted by the EU. The standard only affects presentation and disclosure, not the recognition or measurement of items in the financial statements. An analysis of the standard's impact on the Group is ongoing.

Segment reporting

Segment reporting follows the internal reporting structure for reporting to the Executive Committee, which is the decision-making body within Axfood that comprises the chief operating decision-maker. The operating segments that have been identified are Willys, Hemköp, City Gross, Snabbgross and Dagab. Joint-Group pertains to support functions such as the Executive Committee, Finance, Legal Affairs, Communications, Business Development, HR, IT and Insurance. The Executive Committee reviews the segments' operating profit or loss, both including and excluding items affecting comparability.

Items affecting comparability refer to financial effects in conjunction with major acquisitions and divestments or other major structural changes and material non-recurring items that are significant for comparisons between periods. Items affecting comparability are only included in the operational monitoring of the Group's operating segments and not in the statutory reporting.

Revenue

The Group primarily conducts retail sales of groceries to consumers through the chains Willys, Hemköp, City Gross and Eurocash, and B2B of groceries through Snabbgross and Dagab. Sales in Willys, Hemköp, City Gross and Snabbgross take place both in stores and online, and in Eurocash in stores. Dagab's sales primarily comprise sales to intra-Group customers as well as sales to external customers. Retail and B2B sales are the Group's main sources of revenue. Other revenue represents an insignificant portion of the Group's total sales.

For in-store retail sales, revenue is recognised when the customer has paid for and received the product in the store. For online retail sales, the transaction price falls due for payment and revenue is recognised when the product is delivered to the customer via home delivery or in-store pickup.

Hemköp has a customer loyalty programme in which customers earn points for purchases made, which provide discounts on future purchases. A contractual liability is recognised at the point in time the sale was made and revenue is recognised when the points are used or expire. There are no equivalent point systems in the other chains' customer loyalty programmes.

In Snabbgross, B2B sales are mainly conducted in stores. For cash sales, revenue recognition is handled in the same way as for in-store retail sales. In-store sales also take place on invoice, and revenue is recognised when the customer receives the product in the store. Online B2B sales with customer delivery take place on invoice, and revenue is recognised when the product has been delivered to the customer's designated delivery location.

For B2B sales in Dagab, revenue is recognised when control of the product has been transferred, which takes place when the product has been delivered to the customer. Products are mainly delivered to customers via distribution from Dagab, but can also be delivered directly from the supplier to the customer for certain types of products, so-called direct deliveries, within the framework of the contract negotiated by the Axfood Group. The assessment is that Axfood serves as principal for direct deliveries based on the contractual relationships that exist, whereby Axfood assumes primary responsibility for fulfilling the contract with the customers, has control of the products and is exposed to credit risk as invoicing takes place at all stages. Invoicing takes place in connection with delivery.

In the wholesale operations, discounts are typically recognised through a deduction on the invoice. Volume discounts are offered to some extent, based on accumulated sales over a period of time. Revenue from sales with volume discounts is based on the price stated in the contract, less expected volume discounts, with historical data used to estimate the expected value of the volume discounts. A liability is recognised for anticipated volume discounts in relation to sales through the balance sheet date.

Subsidiaries, associated companies and joint ventures

Subsidiaries are companies in which the Parent Company, Axfood AB, directly or indirectly has control. Control exists when Axfood is exposed, or has the right, to variable returns from its involvement in the company and has the ability to use its control over the company to affect those returns.

Associated companies are companies over which the Group has a significant but non-controlling influence, typically through a holding of between 20% and 50% of the votes but also through other contractual relationships. Joint ventures refer to companies over which the Group has joint control through a joint arrangement. Participations in associated companies and joint ventures are recognised in accordance with the equity method. Based on judgements regarding influence, the holding in Apohem is recognised as a joint venture, despite the fact that Axfood holds more than 50% of the shares in the company. Based on judgements regarding the Group's influence, the holding in City Gross was recognised as an associated company until the acquisition of an additional 90.1% on 1 November 2024, despite the fact that Axfood held less than 20% of the shares in the company.

In a step acquisition, previously owned minority stakes are revalued to fair value in accordance with the valuation made in conjunction with obtaining control. Any gain or loss, compared with the previously reported value, is recognised in the income statement.

NOTES Note 1, cont.**Employee benefits***Post-employment remuneration*

Axfod has both defined contribution and defined benefit pension plans. Defined contribution pension plans are classified as plans in which Axfod's obligation is limited to the contributions that the Company has undertaken to pay. The pension cost for defined contribution plans is charged against profit or loss as employees' perform their services.

Plans that are financed and secured by the Company itself and defined benefit pension plans financed and vested through premium payments to insurance companies are classified as defined benefit pension plans financed and secured by the Company itself are locked and all new vesting takes place through premium payments to insurance companies. Defined benefit pensions secured through premium payments to insurance companies are recognised as defined contribution pension plans in accordance with Swedish Financial Reporting Board statement UFR10. Defined benefit pension plans financed and secured by the Company itself are calculated by an external actuary in accordance with the Projected Unit Credit Method. The calculations are affected by actuarial assumptions, such as longevity and inflation. Revaluation effects are recognised in other comprehensive income. Retirement pension and family pension obligations for salaried employees in Sweden are funded partly through insurance with Alecta. According to pronouncement UFR 10 issued by the Swedish Financial Reporting Board (RFR), this is classified as a multi-employer defined benefit plan and the pension plan secured in Alecta is therefore reported as a defined contribution plan.

Share-based payments

The Group has share-based incentive programmes in which settlement is made with the Company's shares and where the Company receives services from the employee in exchange for equity instruments (performance shares) in the Group. The programmes cover three-year periods and entitle the participants to performance shares provided that the participants remain employed and have purchased and retain a certain number of shares in Axfod ("savings shares") during the term of the programme, and that the performance targets are met.

The fair value of the share rights that the employee receives is calculated on the allotment date according to a calculation model based on Monte Carlo simulations. The share rights are valued based on the share price on the allotment date for the share rights. The vesting terms include both market terms and non-market terms. The calculated dividend is taken into account in the calculation model. The fair value of the allotted share rights is recognised as a personnel cost, with a corresponding increase in equity that is apportioned over the vesting period. During the vesting period, provisions are made for estimated social security contributions, and social security contributions are measured based on the share price on the accounting date.

Share repurchases carried out to fulfil the delivery obligation under outstanding share-based programmes are recognised in equity.

Taxes

The Group's total taxes consist of current tax and deferred tax. Taxes are recognised in profit or loss for the year except when the underlying transaction is recognised in other comprehensive income or equity, in which case the associated tax effect is recognised in a corresponding manner. Deferred tax assets relating to deductible temporary differences and unutilised loss carryforwards are recognised only to the extent it is probable that they will entail lower tax payments in the future.

Pillar II

The Group is subject to the OECD's Pillar II Model Rules. Under Pillar II, the Axfod Group is not an independent group but rather is part of the Axel Johnson Group. The Axel Johnson Group has assessed the Axel Johnson Group's exposure to the legislation through a safe harbour test based on the latest available data, which is the 2024 Country-by-Country Report. Based on the safe harbour test, top-up tax is deemed to be zero.

The Axfod Group further applies the amendments to IAS 12 regarding the temporary relief with respect to the recognition of and disclosures concerning deferred tax assets and tax liabilities related to income taxes in accordance with Pillar II.

Leases

The Group leases premises for stores, warehouses and offices, mainly for its own use but also to a certain extent for sub-letting, mainly to retailer-owned stores. The leases normally have a term of between three and ten years. The Group also leases vehicles and certain other equipment.

When a contract is entered into, the Group identifies whether the contract is, or contains, a lease. For leases that include several components – lease and non-lease components – the Group allocates the consideration in accordance with the contract to each component based on the standalone price. In cases where it is not possible to distinguish between the components, they are recognised as a single lease component.

Leases where the Group is lessee

The Group recognises a right-of-use asset and a lease liability on the commencement date of the lease. The right-of-use assets is initially measured at cost and depreciated on a straight-line basis over the lease term. The lease liability is initially measured at the present value of the remaining lease payments during the assessed lease term. The lease term consists of the uncancellable period plus additional periods in the contract if, at the commencement date, it is determined to be reasonably certain that these will be used.

In most cases, leases include extension options and termination options which the Group may choose whether or not to exercise. Whether or not it is reasonably certain that an option will be exercised is determined on the commencement date of the lease. Since the initial lease terms are often long and it is not unusual for one of the parties to give notice of renegotiation in conjunction with the end of the lease term and the rent to be paid in the next period is therefore unknown until these renegotiations are completed, the lease term usually corresponds to the contractual lease term without extensions. The Group regularly reconsiders whether or not it is reasonably certain that an option will be exercised, for example, in connection with major premises renovations.

The lease payments are discounted using the Group's incremental borrowing rate. The incremental borrowing rate is allocated to different terms, depending on the lease term.

The lease liability for the Group's premises with a rent that is indexed is calculated based on the rent that applies at the end of the respective reporting period. When the cash flows change, the liability is adjusted with a corresponding adjustment of the right-of-use asset's carrying amount. In a corresponding way, the liability's and asset's values are adjusted in connection with a reassessment of the lease term.

Lease payments for leases with a lease term of 12 months or less or with an underlying asset of low value are recognised as an expense on a straight-line basis over the lease term. This also applies for variable lease payments, such as turnover-based rent payments.

Leases where the Group is lessor

The Group sub-lets leased premises, mainly to retailer-owned stores. When a leased asset is sub-let, the main lease and the sub-lease are recognised as two separate contracts. On the commencement date of the lease, it is determined whether the sub-lease is to be classified as a finance or operating lease. All sub-let premises have been classified as operating leases. The Group recognises lease payments from operating leases as revenue on a straight-line basis over the lease term.

Intangible assets

Intangible assets consist primarily of goodwill, customer relationships, and current or capitalised costs for IT development. Intangible assets with definite useful lives are recognised at cost after deducting accumulated depreciation and any impairment.

Eligible intangible assets are amortised on a straight-line basis over the asset's estimated useful life, starting from the date they are put in use. Goodwill and trademarks have indefinite useful lives and are not depreciated, but rather are tested for impairment at least once a year.

Estimated useful lives:	
IT development	5–10 years
Customer relationships	Length of relationship/contract
Other intangible assets	3–7 years

Property, plant and equipment

Property, plant and equipment are recognised at cost after deducting accumulated depreciation and any impairment. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the assets. The useful life on land is indefinite and land is therefore not depreciated. Useful life for improvement expenses for another party's property is based on the remaining lease term for the underlying lease.

Estimated useful lives:	
Equipment, tools, fixtures and fittings	3–15 years
Store equipment	6–7 years
Buildings	20–50 years
Land improvements	20 years

Impairment

Goodwill and other intangible assets with an indefinite useful life are tested annually to determine any need to recognise impairment. The carrying amounts of property, plant and equipment and intangible assets are also tested when an indication of a decrease in value has been identified. Estimates of the value of goodwill and other assets are based on the cash-generating units' value in use. Value in use is based on cash flows after tax that are estimated to be generated during the remaining useful life of the units, with an assumption of infinite useful life. To calculate value in use, future cash flows are discounted using a rate corresponding to Axfod's estimated weighted cost of capital, meaning the weighted sum of the required rate of return on equity and the cost of externally borrowed capital.

Financial instruments

Financial assets are classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss based on the Group's business model for managing the asset and the asset's contractual cash flow characteristics. Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss.

NOTES Note 1, cont.

On initial recognition, an irrevocable choice can be made for individual investments in equity instruments that would otherwise be measured at fair value to recognise subsequent changes in fair value in other comprehensive income. Axfood has chosen to classify the holding in Oda Group as a financial asset measured at fair value through other comprehensive income.

For trade receivables, the simplified method is used to measure expected credit losses. The Group has prepared a loss reserve matrix to measure expected credit losses for trade receivables, which is based on an analysis of actual bad debts during the last three years, taking the current situation into consideration. Trade receivables are recognised net including expected credit losses.

Financial derivative instruments and hedge accounting

The Group holds financial derivative instruments to hedge foreign currencies. After initial recognition, derivatives are measured at fair value through profit or loss. The Group identifies certain derivatives as hedge instruments to hedge the variability in cash flows from changes in exchange rates associated with highly probable transactions. When a derivative is identified as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and is accumulated in the hedging reserve. Ineffective portions of changes in the fair value of the derivative are recognised in profit or loss. Forward exchange contracts are used to hedge liabilities against exchange rate risk. Hedge accounting is not used to protect against currency risk, since a financial hedge is reflected in the reporting in that both the underlying transaction and the hedge instrument are recognised at the exchange rate in effect on the balance sheet date, and changes in exchange rates are recognised in profit or loss.

Inventories

Inventory consists of finished products and goods for resale. Cost consists of the purchase price less supplier discounts attributable to articles in stock. In addition to the purchase price, other direct costs for bringing the products to their current location and condition are also included. In the chains, cost is calculated applying the first-in, first-out (FIFO) method. In Dagab, cost is calculated according to the weighted average cost method.

Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method.

Parent Company accounting policies

The Parent Company reports in accordance with the Swedish Annual Accounts Act (1995:1554) and Swedish Financial Reporting Board recommendation RFR 2, Reporting for Legal Entities. In accordance with RFR 2, the Parent Company is to apply all IFRS endorsed by the EU as far as possible within the framework of the Annual Accounts Act, taking into consideration the connection between accounting and taxation. The main differences between the Parent Company's and Group's accounting policies are described below.

Application of new and amended accounting policies

Unless stated otherwise below, the Parent Company's accounting policies in 2025 have been amended in accordance with what is stated for the Group.

Amended accounting policies 2026 and later

No new or amended standards or interpretations that have been endorsed for application in 2025 or later are deemed to have had any material effect on the Parent Company financial statements.

Subsidiaries and associated companies

Participations in subsidiaries and associated companies are recognised in accordance with the cost method. All holdings are recognised as financial assets, and earnings from dividends are recognised as profit from financial items.

Leases

The Parent Company does not apply IFRS 16, in accordance with the exception in RFR 2. In its capacity as a lessee, the Parent Company recognises lease payments as an expense on a straight-line basis over the lease term. Right-of-use assets and lease liabilities are not recognised in the balance sheet.

Financial instruments

In view of the connection between reporting and taxation, the rules on financial instruments in IFRS 9 are not applied for financial instruments in the Parent Company as a legal entity. Financial assets are measured at cost less impairment, and financial current assets are measured at the lower of cost or net realisable value.

Financial guarantees

The Parent Company applies a relief rule in the application of IFRS 9 pertaining to financial guarantee agreements pledged for the benefit of subsidiaries and associated companies. The Parent Company's financial guarantee agreements consist mainly of guarantees for the benefit of subsidiaries, which are recognised as contingent liabilities in the Parent Company.

Taxes

In the Parent Company, untaxed reserves are recognised in a gross amount without a breakdown into equity and deferred tax liability. In a corresponding manner, appropriations are recognised in a gross amount in profit or loss.

Group contributions

The Parent Company recognises Group contributions received and paid as appropriations in accordance with the alternate rule in RFR 2.

2. Key estimates and assessments

Measurement of right-of-use assets and lease liabilities

The Group leases a large number of premises as well as vehicles and certain other equipment. When entering into a lease, an assessment of the lease term and interest rate is carried out.

Extension and termination options

In most cases, leases pertaining primarily to premises include extension options and termination options which the Group may choose whether or not to exercise. Whether or not it is reasonably certain that an option will be exercised is assessed on the commencement date of the lease. Based on the fact that the initial lease terms are often long and it is not unusual for one of the parties to give notice of renegotiation in conjunction with the end of the lease term and the rent to be paid in the next period is therefore unknown until these renegotiations are completed, the assessment is normally that these options are not taken into consideration on the commencement date of the lease. The Group regularly reconsiders its assessments related to extension and termination options, for example, in connection with major premises renovations.

Discount rate

The Group has determined that the rate to be used for discounting future lease payments is the Group's incremental borrowing rate, which consists of a swap rate for the current term plus a risk premium.

Guarantee commitments

Axfood AB has a guarantee commitment with NREP Logicensers pertaining to future rents. The Group also has guarantee commitments to government authorities such as the Swedish Customs Service and the Swedish Board of Agriculture. Since the likelihood of an outflow through the settlement of these commitments is very small, the assessment has been made that the commitments are not to be recognised as a contingent asset or contingent liability.

Holdings in City Gross and Apohem

Axfood recognises its holding in Apohem as a joint venture, despite the fact that Axfood holds more than 50% of the shares in the company. Axfood has determined that a controlling influence does not exist based on the fact that all significant decisions about the operations of Apohem are made jointly by the parties in accordance with a shareholder agreement. In accordance with the shareholder agreement, the Board is appointed with equal representation and a controlling influence is therefore not deemed to exist through the shareholder agreement either.

Until the acquisition of an additional 90.1% of City Gross on 1 November 2024, Axfood recognised its holding in City Gross as an associated company, despite the fact that Axfood held less than 20% of the shares in the company. Axfood determined that a significant influence over City Gross existed based on the option agreement to gradually acquire additional shares in City Gross, which was entered into in connection with the acquisition in 2021; on the fact that Axfood is represented on City Gross's Board and that material transactions occur between the companies; and on other contractual relationships between the companies.

Impairment testing of goodwill and other intangible assets

In impairment testing of goodwill and other intangible assets, estimates are made regarding future conditions for the calculation of the recoverable amount of the cash-generating units. The recoverable amount is based on the Executive Committee's estimate of future cash flows, which are discounted using an estimated average cost of capital. The estimates are based on various assumptions regarding price and volume trends, external factors such as inflation, changes in electricity and fuel prices, shortages of raw materials and packaging, disruptions in the transport sector, the anticipated competitive situation, and costs related to climate and environmental transitions due to decisions made, established goals and assessed risks.

For recently acquired operations undergoing a transformation phase, the Group assesses that historical financial performance is only to a limited extent indicative of future earnings capacity. As a result, the forecasts for these operations are subject to a higher degree of uncertainty compared with more established operations. This increased uncertainty has been reflected through cautious assumptions and by applying a cost of capital that includes an increased risk premium. Against this background, the likelihood of future impairment losses is generally higher.

The Executive Committee is of the opinion that reasonable, possible changes in estimates and assumptions would not have such a large effect that they individually would reduce the recoverable amount to a value that is lower than the carrying amount. A sensitivity analysis is presented in Note 15.

NOTES

3. Segment reporting

	Willys		Hemköp		City Gross ¹⁾		Snabbgross		Dagab		Joint-Group		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
External net sales	48,607	45,775	8,347	7,878	8,898	1,646	5,852	5,532	17,344	23,025	104	202			89,152	84,057
Internal net sales	0	–	1	0	0	–	1	1	63,236	53,565	1,474	1,318	–64,712	–54,884	–	–
Net sales	48,607	45,775	8,348	7,878	8,898	1,646	5,853	5,533	80,579	76,589	1,577	1,519	–64,712	–54,884	89,152	84,057
Depreciation of property, plant and equipment, and amortisation of intangible non-current assets	–418	–366	–112	–105	–121	–20	–43	–38	–447	–401	–322	–301			–1,463	–1,231
Depreciation of right-of-use assets	–1,136	–1,089	–470	–448	–411	–71	–116	–110	–393	–358	–63	–62			–2,590	–2,138
Total depreciation/amortisation	–1,554	–1,455	–582	–553	–532	–91	–160	–148	–839	–760	–386	–363			–4,054	–3,369
Share of profit in associated companies and joint ventures	–	–15	–	–	–	–	–	–	–48	–43	–	–			–48	–58
Operating profit excl. items affecting comparability	2,114	1,992	372	343	–76	–40	256	253	1,240	1,156	–219	–271			3,688	3,433
Items affecting comparability	–	–	–	–	–116	–	–	–	–	–	–	–143			–116	–143
Operating profit/loss	2,114	1,992	372	343	–192	–40	256	253	1,240	1,156	–219	–414			3,572	3,290
Financial items, net															–541	–405
Consolidated profit before tax															3,031	2,885
Other disclosures																
Investments in non-current assets	646	485	323	140	61	21	38	46	313	408	348	439			1,730	1,539
Investments in right-of-use assets	1,282	1,982	600	779	176	–	208	139	538	453	13	63			2,817	3,416
Total investments in non-current assets	1,929	2,467	923	919	237	21	246	185	851	862	361	502			4,546	4,956

1) Comparison period pertains to the 1 November 2024–31 December 2024 period.

Axfood's operations are divided into five operating segments: Willys, Hemköp, City Gross, Snabbgross and Dagab. In addition to Willys and Willys Hemma, the Willys segment includes partly owned Eurocash. The Hemköp segment includes the Group-owned Hemköp stores and the central functions that support the Hemköp and Tempo retailer-owned stores. City Gross is a subsidiary as of 1 November 2024 and is recognised as a separate segment from this date. The Snabbgross segment includes B2B sales to restaurants and cafés as well as the Snabbgross Club consumer concept. In addition to Dagab's assortment, purchasing and logistics operations,

the Dagab segment includes Urban Deli, the retailer-owned concepts Handlar'n and Matöppet as well as Apohem, which is a joint venture. Approximately 78% of Dagab's sales are made to Group-owned stores. Dagab also conducts B2B sales to retailer-owned stores and convenience retailers. The Group's segments are described in more detail on pages 112–121. Joint-Group pertains to support functions at the head office, such as the Executive Committee, Finance, Legal Affairs, Communications, Business Development, HR, IT and Insurance.

NOTES

4. Acquired and divested operations

Acquired operations

No significant acquisitions were carried out in 2025.

Acquired operations in the preceding year

In 2024, Axfood acquired a share corresponding to 90.1% of the shares in City Gross Sverige AB ("City Gross"), which meant that Axfood's holding in City Gross increased from 9.9% to 100% in conjunction with the transaction. The acquisition was completed on 1 November 2024, and City Gross was consolidated as of this date.

The final purchase consideration for City Gross Sverige AB amounted to SEK 1,825 m, and the purchase price allocation was finalised in the third quarter of 2025, with minor adjustments made to the preliminary purchase price allocation in the first quarter of 2025. In connection with the completion of the transaction, the previous minority stake of 9.9% in City Gross was revalued, resulting in an earnings effect of SEK -143 m.

The fair value according to the finalised purchase price allocation is presented in the table below.

Fair value according to purchase price allocation, SEK m

Trademarks	710
Customer relationships	8
Intangible assets	111
Property, plant and equipment	404
Right-of-use assets	2,016
Inventories	610
Trade receivables	7
Other current assets	196
Cash and bank balances	82
Deferred tax, net	-109
Lease liabilities	-2,016
Current financial liabilities	-416
Trade payables	-560
Other current liabilities	-350
Total acquired identifiable net assets	694
Goodwill	1,131
Total acquired identifiable net assets including goodwill	1,825

Purchase consideration paid 100%	1,825
Less value of previously owner minority stake 9.9%	-181
Cash and cash equivalents in City Gross Sverige AB	-82
Change in consolidated cash and cash equivalents	1,562
Cash consideration paid	1,645

Divested operations

No significant divestments took place in 2025.

Divested operations in the preceding year

No significant divestments took place in 2024.

5. Allocation of costs by type of cost

Group	2025	2024
Cost of goods for resale	64,050	61,810
Personnel costs	11,041	9,642
Depreciation/amortisation/impairment	4,077	3,375
Other	7,225	6,649
Total	86,392	81,477

The Group's depreciation/amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets is distributed by function as follows:

Group	2025	2024
Cost of goods sold	2,306	1,970
Selling expenses	1,403	1,111
Administrative expenses	345	288
Other operating expenses	24	6
Total depreciation/amortisation and impairment	4,077	3,375

NOTES

6. Employees and senior executives

Average number of employees	2025			2024		
	Women	Men	Total	Women	Men	Total
Parent Company						
Average number of employees	191	81	272	199	84	283
Subsidiaries						
Average number of employees	8,108	7,240	15,348	6,894	6,532	13,426
Total, Group	8,299	7,321	15,620	7,093	6,616	13,709

In calculating the number of hours worked per year per employee, 1,920 hours (1,920) has been used.

Expensed salaries, other remuneration and social security expenses	2025			2024		
	Salaries and remuneration	Social security expenses	Of which, pension costs	Salaries and remuneration	Social security expenses	Of which, pension costs
Parent Company	216	115	36	225	123	37
Subsidiaries	7,304	2,921	603	6,230	2,482	516
Total, Group	7,521	3,036	638	6,455	2,605	553

Gender breakdown of the Board of Directors and senior executives in the Group	2025		2024	
	Women	Men	Women	Men
Board of Directors (AGM-elected), Parent Company	38%	63%	43%	57%
Boards of directors (AGM-elected) and managing directors, Group	29%	71%	28%	72%
Executive Committee	55%	45%	55%	45%

NOTES Note 6, cont.

Fees are payable to the Chairman of the Board and the directors in accordance with an AGM resolution. In addition to directors' fees, an additional fee is paid to the Chairman and other members of the Audit Committee and the Remuneration Committee. Employee representatives do not receive any directors' fees. According to a resolution by the 2025 AGM, the annual fee payable to directors was set at KSEK 4,665 (3,970), of which KSEK 850 (820) is payable to the Chairman. Fees for the Audit Committee for 2025 were set at KSEK 465 (440), of which KSEK 245 (230) pertains to the fee for the Chairman of the committee. Fees for the Remuneration Committee for 2025 were set at KSEK 175 (175), of which KSEK 75 (75) pertains to the fee for the Chairman of the committee. 75% of the total fees were paid out in 2025, with the remainder paid out after year-end.

Board of Directors, Parent Company

Expensed remuneration to members of the Board of Directors, KSEK	2025			2024		
	Directors' fees	Committee fees	Total fees	Directors' fees	Committee fees	Total fees
Caroline Berg (Chairman) ¹⁾	769	50	819	521	50	571
Thomas Ekman (Chairman) ^{1) 2)}	205	19	224	743	56	799
Björn Annwall ³⁾	409	—	409	—	—	—
Fabian Bengtsson	540	50	590	521	50	571
Mia Brunell Livfors ²⁾	540	56	596	594	19	613
Christian Luiga	540	241	781	521	223	744
Peter Ruzicka	540	109	649	521	104	625
Kristofer Tonström ³⁾	409	—	409	—	—	—
Sara Öhrvall	540	109	649	521	104	625
Total	4,491	634	5,125	3,943	605	4,548

- 1) Thomas Ekman stepped down as Chairman of the Board and Director in connection with the 2025 AGM, at which point Caroline Berg succeeded him as Chairman.
- 2) Thomas Ekman left the Remuneration Committee in connection with the 2025 AGM, at which point Mia Brunell Livfors was elected to the committee.
- 3) Newly elected in connection with the 2025 AGM.

Remuneration of senior executives

The Board's Remuneration Committee makes decisions on salaries and other terms of employment for members of the Executive Committee, except for the President and CEO, for whom the Board in its entirety sets the level of remuneration and other terms of employment, according to the guidelines decided on by the AGM.

Variable remuneration for all senior executives including the President and CEO is based mostly on the Group's earnings and performance, and partly on personal goals. Variable remuneration amounts to a maximum of 60% of the fixed salary. Short-term variable remuneration is expensed during the financial year and is paid out after the annual report has been adopted by the AGM.

For notice of termination served by Axfood, the notice period may be a maximum of 12 months. Fixed base salary during the notice period and severance pay may together not exceed an amount corresponding to two years' fixed base salary. For notice given by a senior executive, the notice period may be a maximum of six months, without any right to severance pay. In the event Axfood serves notice of termination of employment, the President and CEO is entitled to a 12-month notice period plus severance pay corresponding to 12 months' salary, on account. In the event the President and CEO gives notice, the notice period is six months.

Axfood applies a retirement age of 65 for all senior executives including the President and CEO. The basic pension benefit consists of the ITP plan. In addition to this, the Company pays an extra pension premium of 30% of fixed salary amounts between 30 and 50 times the income base amount. The President and CEO is entitled to retirement pension provisions corresponding to 35% of fixed yearly cash salary.

Senior executives

The Executive Committee consists of 11 (11) individuals. For the composition of the Executive Committee, see page 39.

Expensed remuneration and other benefits, KSEK	2025						2024					
	Fixed salary ³⁾	Variable remuneration	Other benefits	Pension cost	Total	Share-based payments ⁴⁾	Fixed salary ³⁾	Variable remuneration	Other benefits	Pension cost	Total	Share-based payments ⁴⁾
President and CEO, Simone Margulies (from 15 August 2024) ¹⁾	7,775	3,452	111	2,752	14,090	2,882	2,762	891	18	973	4,644	866
President and CEO, Klas Balkow (until 14 August 2024) ¹⁾	—	—	—	—	—	—	5,624	1,767	123	1,944	9,458	4,739
Other senior executives ²⁾	30,734	10,471	1,050	7,608	49,862	12,404	27,868	9,265	959	8,017	46,109	20,643
Total	38,509	13,923	1,161	10,360	63,952	15,286	36,254	11,923	1,099	10,934	60,211	26,248

- 1) Expensed remuneration and other benefits to the President and CEO are presented for the period during which each individual held the role as President and CEO of Axfood.
- 2) Of expensed remuneration and benefits, KSEK 28,971 (28,896) pertains to remuneration that the senior executives received from other Group companies.
- 3) Fixed salary comprises contractual base salary adjusted for holiday pay, sick pay and similar items.
- 4) Pertains to the year's expensed, calculated outcomes for the incentive programmes LTIP 2023, LTIP 2024 and LTIP 2025, which will be settled in 2026 and later, and the year's expensed outcome for LTIP 2022, which was settled in April 2025.

NOTES Note 6, cont.

Guidelines for remuneration to senior executives, adopted at the AGM on 22 March 2023

The guidelines cover the President and CEO of Axfood and members of the Executive Committee, who report directly to the CEO. The guidelines do not pertain to remuneration decided on by a general meeting of shareholders, such as directors' fees or share-based incentive programmes.

The guidelines are to be applied for remuneration that is agreed upon – and changes made to already agreed-upon remuneration – after the guidelines were adopted by the 2023 AGM.

The guidelines govern the decisions on remuneration that are made by the Board's Remuneration Committee with respect to senior executives who report directly to the CEO and by the Board as a whole with respect to the CEO.

The guidelines' promotion of Axfood's business strategy, long-term interests and sustainability

Axfood's purpose is to create a better quality of life for everyone, and Axfood's vision entails that the Company shall be a leader in affordable, good and sustainable food. To achieve this, Axfood works according to a strategy of growth-promoting priorities and efficiency improvement measures.

Added to this is a strong employee focus. Axfood's strategies rest upon a values-steered culture and core values, on sustainability and on community engagement. Axfood's business concept is to serve as a family of different concepts working together. This entails, among other things, that every concept shall offer the best customer experience for its target group, and that purchasing and logistics for all of food concepts are handled in a joint organisation. This results in collaboration that creates an efficient and strong Group. Axfood's purpose, vision, strategy and goals are described in more detail on the Company's website.

Successful implementation of Axfood's business strategy and capitalisation of Axfood's long-term interests, including sustainability and health, requires that Axfood can recruit and retain qualified employees with the right competence. Achieving this requires that Axfood can offer competitive remuneration. The guidelines ensure that senior executives can be offered a competitive total remuneration package.

Axfood has both long and short-term goals. Axfood has established long-term share-based incentive programmes. These have been set by the AGM and therefore are not covered by these guidelines. The programmes include the CEO, other senior executives, members of their management teams and key persons. The performance requirements used to assess the outcome of the programmes have a clear link to the business strategy and to Axfood's long-term value creation, and include a sustainability target (sustainability-labelled products). For further information about these programmes, including the criteria that the outcomes are based on, see the Company's website.

The variable remuneration shall aim to promote Axfood's business strategy and long-term interests, including sustainability and health.

Forms of remuneration

Axfood shall offer remuneration that is in line with the going rate in the market and that is based on factors such as the importance of the work duties and the executive's expertise, experience, performance and, as regards variable remuneration, achievement of previously set targets. Remuneration may consist of a fixed base salary, short-term variable remuneration, pension benefits, insurance and other benefits. In addition, the general meeting of shareholders may – and independent of these guidelines – decide on share-based and share price-related remuneration.

Fixed salary

Fixed base salary constitutes remuneration for a committed work contribution at a high professional level that ultimately aims to create added value for Axfood's customers, shareholders and employees. Fixed base salary shall be attractive in comparison with the market and be based on the executive's competence, experience and performance. Salaries are reviewed annually. Senior executives do not receive fees for board assignments in the Axfood Group's subsidiaries and associated companies.

Variable remuneration

In addition to fixed base salary, variable remuneration may be payable. Variable remuneration shall be linked to measurable and predetermined criteria that are formulated to promote the Company's business strategy and long-term interests, including sustainability. The criteria shall be adopted annually by the Remuneration Committee and the Board of Directors. Variable remuneration shall be based on the achievement of Axfood's – and where applicable, the subsidiary's – targets for earnings and sales growth as well as the executive's personal goals for the financial year. The measurement period is one year, and the remuneration can amount to a maximum of 60% of fixed base salary.

Additional variable remuneration may be payable under extraordinary circumstances, provided that such extraordinary arrangements are only made at the individual level for the purpose of recruiting or retaining executives, or as remuneration for an extraordinary work contribution on top of the person's normal work duties. Such remuneration may not exceed an amount corresponding to 50% of fixed annual salary and may not be awarded more than once a year per individual. Decisions on such remuneration shall be made by the Board of Directors following preparation by the Remuneration Committee.

When the measurement period for fulfilment of the criteria for payment of variable cash remuneration has ended, it shall be assessed and determined to what extent the criteria have been met. In the annual evaluation, the Remuneration Committee – or the Board, where applicable – can adjust the targets and/or remuneration for both positive and negative extraordinary events, reorganisations and structural changes or similar circumstances.

Variable remuneration shall not be payable if the Axfood Group has a negative result, regardless of whether the specific targets for a subsidiary and/or the individual goals for the senior executive, where applicable, have been achieved.

Pension and other benefits

Axfood applies a retirement age of 65 for all senior executives.

For the CEO, pension benefits shall be in accordance with a defined contribution solution. Variable remuneration shall not be pensionable. Pension premiums for defined contribution pensions shall amount to a maximum of 35% of pensionable salary (which corresponds to the fixed monthly salary multiplied by a factor of 12.2).

Other senior executives shall have a defined contribution pension plan in accordance with ITP 1 applicable at the time. The premium for pensions under ITP 1 currently corresponds to 4.5% of the portion of salary up to 7.5 times the income base amount and 30% of the portion of salary up to 30 times the income base amount.

Senior executives with ITP 1 and ITP 2 are eligible for an executive pension plan, meaning that an extra pension premium of 30% is paid for fixed salary portions (fixed monthly salary multiplied by a factor of 12.2) between 30 and 50 times the income base amount.

To compensate for the accrual effect that can arise for senior executives with ITP 1 due to the payment of short-term variable salary in a certain month, Axfood can, where appropriate, pay an extra one-time pension premium in cases where the fixed salary does not exceed 30 times the income base amount (per month), although the payment of short-term variable sal-

ary combined with the fixed salary may not total more than 30 times the income base amount (current payment month). This compensation is limited to a yearly one-time premium corresponding to 30% of the difference between the employee's fixed monthly salary and the cap for pensionable salary, currently 30 times the income base amount.

Other benefits shall be of limited scope and may include, for example, disability, life and health insurance, and a car, travel and housing benefit.

With respect to employment conditions subject to rules other than those that apply in Sweden, with respect to pension benefits and other benefits, customary adjustments may be made to comply with such compulsory rules or local practice, whereby the overarching purpose of these guidelines shall be met.

Cessation of employment

For notice of termination served by the employer, the notice period may be a maximum of 12 months. Fixed base salary during the notice period and severance pay may together not exceed an amount corresponding to two years' fixed base salary. For notice given by a senior executive, the notice period may be a maximum of six months, without any right to severance pay.

In addition, remuneration may be payable for any non-compete obligation. Such payment shall compensate the executive for possible loss of income and shall only be made during the period that the executive lacks a right to severance pay. The monthly remuneration shall amount to a maximum of 60% of the executive's average monthly income for the 12 months preceding the end of employment. The remuneration shall be payable during the time that the non-compete obligation applies, which shall be a maximum of nine months after the end of employment.

Salary and terms of employment for employees

Salary and terms of employment for Axfood's employees have been taken into account in the drafting of the Board's proposal for these remuneration guidelines. Information on the employees' total remuneration, remuneration components and the increase in remuneration and the rate of growth over time has made up part of the Remuneration Committee's and the Board's decision-making documentation in their evaluation of the fairness of the guidelines and the limitations that emanate from these. The change in the difference between the remuneration to senior executives and the remuneration to other employees will be reported in the annual remuneration report.

Decision-making process for adopting, reviewing and implementing the guidelines

The Board is to prepare a proposal for new guidelines for remuneration to senior executives and submit the proposal for resolution by a general meeting of shareholders. The guidelines shall apply until new guidelines have been adopted by a general meeting of shareholders, but at most for four years. The Board of Directors has established a Remuneration Committee. The committee's duties include conducting preparatory work for the Board's decisions on proposed guidelines. The Remuneration Committee shall also monitor and evaluate ongoing programmes and programmes concluded during the year for variable remuneration to members of the Executive Committee, application of guidelines for remuneration to senior executives, and applicable remuneration structures and remuneration levels at Axfood. The Remuneration Committee's members are independent in relation to Axfood and the Executive Committee. In the Board's handling of and decisions on remuneration-related matters, the CEO or other members of the Executive Committee are not present to the extent they are the subject of the matter at hand.

NOTES Note 6, cont.

Departures from the guidelines

The Board of Directors may decide to temporarily depart from the guidelines entirely or partly if in specific cases there are special reasons for doing so and a departure is necessary to safeguard the Axfood Group's long-term interests, including sustainability, or to safeguard the Group's financial soundness. As stated above, it is part of the Remuneration Committee's duties to conduct preparatory work for the Board's decisions on remuneration matters, which also includes decisions to depart from the guidelines.

Long-term incentive programmes

Axfood has long-term share-based incentive programmes (LTIP) that run over a three-year period. The programmes are offered to senior executives and other key persons in the Group. The aim is that the programmes will strengthen the joint interest in achieving maximum long-term value creation in Axfood and facilitate Axfood in recruiting and retaining senior executives and other key persons.

Participation requires that the participants buy or previously own a certain number of shares in Axfood ("savings shares") and that the shareholding continues throughout the entire term. All participants have bought shares in Axfood at market price up to the predetermined, maximum number of shares for each category of participants. After the set vesting period, the participants will be allotted shares in Axfood, free of charge, provided that the established conditions are met.

If a participant's employment ceases during the vesting period due to contractual or age-based retirement, the allotment of share rights is reduced in proportion to the amount of the vesting period that had passed at the time of retirement.

The cost is allocated on a straight-line basis over a three-year period and includes social security contributions. The carrying amounts during the year have been affected by individuals who have left the programmes and individuals who have retired.

Repurchased shares

To secure the Company's obligation for under the long-term share-based incentive programmes, Axfood repurchases shares in accordance with the resolution passed at each AGM. Allotment was carried out for LTIP 2022 in April 2025 using treasury shares. The holding of treasury shares amounts to 921,517 shares and is sufficient to secure the delivery of shares for all of the Company's incentive programmes.

Vesting terms in brief

LTIP 2025

- Sales growth in line with the market to +2 percentage points on average over three years' time and EBIT margin >3.5% on average over three years' time (1-3 share rights)
- TSR in line with or exceeding 8% of the accumulated reference index for 2025-2027 (TSR for groups of reference companies) (1-3 share rights)
- Accumulated sales of sustainability-labelled products during the 2025-2027 period reach a level of up to 10% higher than the level as of 31 December 2024 (0-1 share right)

LTIP 2024

- Three-year TSR (total return) >0 (1 share right)
- Sales growth in line with the market to +2 percentage points on average over three years' time and EBIT margin >3.5% on average over three years' time (1-3 share rights)

- TSR in line with or exceeding 10% of the accumulated reference index for 2024-2026 (TSR for groups of reference companies) (1-2 share rights)
- Accumulated sales of sustainability-labelled products during the 2024-2026 period reach a level of up to 10% higher than the level as of 31 December 2023 (0-1 share right)

LTIP 2023

- Three-year TSR (total return) >0 (1 share right)
- Sales growth in line with the market to +2 percentage points on average over three years' time and EBIT margin >3.5% on average over three years' time (1-3 share rights)
- TSR in line with or exceeding 10% of the accumulated reference index for 2023-2025 (TSR for groups of reference companies) (1-2 share rights)
- Accumulated sales of sustainability-labelled products during the 2023-2025 period reach a level of up to 10% higher than the level as of 31 December 2022 (0-1 share right)

LTIP 2022

- Three-year TSR (total return) >0 (1 share right)
- Sales growth in line with the market to +2 percentage points on average over three years' time and EBIT margin >3.5% on average over three years' time (1-3 share rights)
- TSR in line with SIX return index 2022-2025 accumulated up to 10 percentage points better than same period (1-2 share rights)
- Accumulated sales of sustainability-labelled products during the 2022-2025 period reach a level of up to 10% higher than the level as of 31 December 2021 (0-1 share right)

Group	LTIP 2025	LTIP 2024	LTIP 2023	LTIP 2022
Base value, share price, SEK	272.0	286.9	241.6	275.0
Number of participants at start of programme	78	83	72	75
Number of participants on balance sheet date	78	81	69	—
of whom, senior executives ¹⁾	11	11	11	—
Number of outstanding share rights on 1 Jan 2025	—	283,847	243,652	432,598
Number of share rights allotted during the period	261,498	—	—	—
Number of share rights forfeited during the period	—	3,500	3,500	160,889
Number of share rights redeemed during the period	—	—	—	271,709
Number of outstanding share rights on 31 Dec 2025	261,498	280,347	240,152	—
of whom, senior executives ¹⁾	103,200	89,250	82,250	—
Maximum number of share rights	284,952	307,445	263,582	—
Average share price on redemption date, SEK	—	—	—	263.09
Weighted average fair value for entire term, SEK m	62.7	63.3	46.0	—
of whom, senior executives, SEK m ¹⁾	24.7	20.1	15.8	—
Cost for the year, SEK m	18.8	30.9	22.4	-20.8
Accumulated cost, SEK m	18.8	51.3	62.7	102.0
Liability (social security contributions), SEK m	5.5	15.2	21.2	—
Vesting period	3 years	3 years	3 years	3 years
Term	May 2025-April 2028	May 2024-April 2027	May 2023-April 2026	May 2022-April 2025

Parent Company	LTIP 2025	LTIP 2024	LTIP 2023	LTIP 2022
Weighted average fair value for entire term, SEK m	22.9	22.5	19.3	—
of whom, senior executives, SEK m ¹⁾	15.7	11.7	9.4	—
Cost for the year, SEK m	6.9	11.0	9.0	-8.0
Accumulated cost, SEK m	6.9	19.1	26.5	41.5
Liability (social security contributions), SEK m	2.0	5.7	8.9	—

1) Pertains to senior executives as of 31 December 2025

1) Pertains to senior executives as of 31 December 2025

NOTES

7. Auditors' fees

	Group		Parent Company	
	2025	2024	2025	2024
Deloitte				
Auditing fees	10	7	4	3
Auditing activities in addition to the audit assignment	0	0	0	0
Other services	–	–	–	–
PwC (pertains to the audit of City Gross Sverige AB)				
Auditing fees	–	1	–	–
Total	10	8	4	3

Audit assignment refers to the statutory audit of the annual report and consolidated financial statements and bookkeeping, the Board of Directors' and President's administration, and auditing and other review activities performed in accordance with an agreement or contract. Other services pertain to tax consulting and other consulting.

8. Items affecting comparability

Group	2025	2024
Structural costs City Gross	–116	–
Revaluation City Gross	–	–143
Total	–116	–143

The Executive Committee reviews the segments' operating profit or loss, both including and excluding items affecting comparability. Items affecting comparability are not reported in the statutory reporting, and the note is therefore only intended to clarify the derivation of the items found in the operating segment reporting.

For 2025, items affecting comparability amounted to SEK –116 m and pertained entirely to structural costs related to City Gross, including discontinuation costs for stores, sales clearance within the non-food assortment and costs for reorganisations. The costs are included in other operating expense, cost of goods sold and administrative expenses.

Items affecting comparability in 2024 amounted to SEK –143 m and pertained in their entirety to the revaluation of the previous 9.9% minority stake in accordance with the valuation conducted in connection with the acquisition of the remaining shares in City Gross. The cost was included in other operating expenses.

9. Government assistance and grants

The Group has received labour market policy grants amounting to SEK 52 m (43), which has been recognised as a reduction in personnel costs. The Group has received electricity support for businesses of SEK 8 m (2) and other government grants of SEK 1 m (2), which has been recognised as other revenue. No other unfulfilled conditions or contingent liabilities exist.

10. Related party transactions

The Axfod Group's transactions with related parties, aside from those covered by the consolidated financial statements, consist of transactions with associated companies and joint ventures and with subsidiaries within the Axel Johnson Group.

Axfod leases properties and premises, and purchases certain goods through companies in the Axel Johnson Group. Axfod had a delivery and cooperation agreement with City Gross until 31 October 2024. These transactions were recognised as transactions with related parties. All prices are set on an arm's length basis.

Group	Sales to related parties		Purchases from related parties		Receivables from related parties		Liabilities to related parties	
	2025	2024	2025	2024	2025	2024	2025	2024
Associated companies	–	5,733	–	–	–	–	–	–
Joint ventures	53	48	–	–	4	4	–	–
Other related parties	37	44	173	171	1	3	18	19
Total	90	5,825	173	171	4	6	18	19

11. Intra-Group purchases and sales

The Parent Company's revenue from Group companies amounted to SEK 389 m (373). The Parent Company's expenses from Group companies amounted to SEK 110 m (117). The Parent Company's sales to Group companies consist mainly of remuneration to cover shared costs for rents, central administration, and shared systems. The Parent Company's remuneration to Group companies consists mainly of remuneration for system support and rents.

12. Net financial items

	Group		Parent Company	
	2025	2024	2025	2024
Interest income	12	17	4	8
Dividends from participations in Group companies	–	–	51	–
Interest income from Group companies	–	–	156	203
Other financial income	26	34	0	1
	38	51	212	212
Interest expenses	–77	–54	–68	–41
Interest expenses to Group companies	–	–	–11	–29
Interest expenses for leases	–455	–364	–	–
Impairment	–	–	–	–436
Other financial expenses	–47	–37	–15	–10
	–579	–456	–94	–516
Net financial items	–541	–405	118	–304

All interest income and interest expenses pertain to financial assets and liabilities recognised at amortised cost.

13. Appropriations and untaxed reserves

Parent Company	2025	2024
Appropriations		
Group contribution received	2,769	2,883
Group contribution paid	–649	–683
Provision to tax allocation reserve	–650	–600
Dissolution of tax allocation reserve	570	532
Change in accumulated excess depreciation	–1	0
Total	2,040	2,132
Untaxed reserves		
Tax allocation reserves	4,100	4,020
Accumulated excess depreciation	13	12
Total	4,113	4,032

NOTES

14. Taxes

	Group		Parent Company	
	2025	2024	2025	2024
Current tax				
Current tax on net profit for the year	-470	-585	-416	-427
Adjustment of current tax from previous years	0	-1	0	-
Deferred tax on temporary differences	-186	-80	-1	0
Recognised tax expense	-655	-666	-416	-427

Group, reconciliation of effective tax rate

	Group		Parent Company	
	2025	%	2024	%
Recognised profit before tax	3,031		2,885	
Tax based on applicable tax rate	-624	-20.6	-594	-20.6
Tax effect and percentage impact of:				
Non-deductible expenses	-7	-0.2	-38	-1.3
Tax-exempt revenue	1	0.0	1	0.0
Taxable income and expenses not recognised in the income statement	-23	-0.8	-28	-1.0
Profit participations recognised in accordance with the equity method	-10	-0.3	-12	-0.4
Other	8	0.3	6	0.2
Recognised tax expense/effective tax rate	-655	-21.6	-666	-23.1
Tax attributable to other comprehensive income	3		6	

Parent Company, reconciliation of effective tax rate

	Group		Parent Company	
	2025	%	2024	%
Recognised profit before tax	2,020		1,625	
Tax based on applicable tax rate	-416	-20.6	-335	-20.6
Tax effect and percentage impact of:				
Non-deductible expenses	-2	-0.1	-1	-0.1
Impairment of participations in Group companies	-	-	-90	-5.5
Tax-exempt revenue	0	0.0	0	0.0
Tax-exempt dividend	11	0.5	-	-
Taxable income and expenses not recognised in the income statement	-9	-0.5	-1	-0.1
Other	0	0.0	-	-
Recognised tax expense/effective tax rate	-416	-20.6	-427	-26.3
Current and deferred tax items recognised directly against equity	-		-	

Recognised deferred tax assets and change in deferred tax assets

	Group				
	Amount at start of year	Recognised in net profit for the year	Effect of acquired/sold companies	Recognised in other comprehensive income	Amount at end of year
Intangible assets	20	-1	-	-	20
Equipment, tools, fixtures and fittings	1	0	-	-	1
Deficit	84	-39	-	-	45
Provisions	14	0	-	-3	11
Right-of-use assets/Lease liabilities	90	25	-	-	114
Other liabilities	18	0	-	8	27
Total deferred tax assets	227	-15	-	5	218

The Group has no unreported deferred tax assets pertaining to temporary differences.

	Parent Company				
	Amount at start of year	Recognised in net profit for the year	Effect of acquired/sold companies	Recognised in other comprehensive income	Amount at end of year
Provisions	7	-1	-	-	6
Total deferred tax assets	7	-1	-	-	6

Recognised deferred tax liabilities and change in deferred tax liabilities

	Group				
	Amount at start of year	Recognised in net profit for the year	Effect of acquired/sold companies	Recognised in other comprehensive income	Amount at end of year
Intangible assets	-377	-5	0	-	-382
Equipment, tools, fixtures and fittings	0	0	-	-	-
Other receivables	-1	-	-	-2	-2
Untaxed reserves	-1,131	-166	-	-	-1,298
Provisions	0	-	-	-	0
Total deferred tax liabilities	-1,509	-172	0	-2	-1,682

The Group has no unreported deferred tax liabilities pertaining to temporary differences.

NOTES

15. Intangible assets

Group	Goodwill		Intangible assets in progress		Other intangible assets ¹⁾	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Opening cost	4,769	3,606	313	485	4,192	3,186
Business combinations	2	1,129	–	–	–	829
Investments	78	34	273	394	–	2
Sales and disposals	–	–	–4	–	–4	–357
Reclassifications	–	–	–223	–566	224	531
Closing accumulated cost	4,848	4,769	359	313	4,412	4,192
Opening amortisation	–	–	–	–	–1,990	–2,136
Sales and disposals	–	–	–	–	3	352
Reclassifications	–	–	–	–	–1	–
Amortisation for the year	–	–	–	–	–259	–205
Closing accumulated amortisation	–	–	–	–	–2,246	–1,990
Opening impairment ²⁾	–	–	–	–	–76	–76
Impairment for the year	–	–	–4	–	–7	–
Closing accumulated impairment	–	–	–4	–	–83	–76
Closing planned residual value	4,848	4,769	355	313	2,083	2,126

1) Of other intangible assets, SEK 425 m (469) pertains to customer relationships, SEK 865 m (864) to IT development, and SEK 793 m (793) to trademarks.

2) Opening impairment pertains to impairment of trademarks.

Goodwill

Goodwill is broken down and tested at the level of cash generating units, which are identified as Axfood's operating segments. The Group's recognised goodwill is broken down as follows:

	31 Dec 2025	31 Dec 2024
Willys	1,218	1,188
Hemköp	711	634
City Gross	1,100	1,129
Snabbgross	57	57
Dagab	1,762	1,762
Total	4,848	4,769

Impairment testing of intangible assets

Estimates of the value of the Group's goodwill items and other intangible assets are based on the cash-generating units' value in use. Value in use is based on cash flows after tax that are estimated to be generated during the remaining useful life of the units, with an assumption of infinite useful life.

For the first year, the future cash flows that have been used in calculating the respective units' value in use are based on the business plan for the following year for the respective units, with the exception of City Gross, for which the unit's value in use is based on a five-year business plan. Thereafter, the cash flows are based on assumed annual growth of 2.0% (2.0). The forecast cash flows have been discounted to present value with a discount rate of 6.3% after tax (6.4), which corresponds to a discount rate before tax of approximately 7.4% (7.6). The discount rate corresponds to Axfood's estimated average cost of capital. For City Gross, a higher discount rate has been applied compared with the Group's other cash-generating units, amounting to 7.7% after tax and 9.1% before tax, reflecting the specific risk profile of the operation.

The estimated value in use exceeds the carrying amount for all units and no impairment requirement exists.

Sensitivity analysis

For the cash-generating units a 1 percentage point increase in the discount rate, a decrease in the EBITDA margin of 1 percentage point or a reduction in sales growth by 1 percentage point does not indicate impairment.

NOTES

16. Property, plant and equipment

Group	Land and buildings		Equipment, tools, fixtures and fittings		Construction in progress	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Opening cost	281	282	12,682	10,911	252	952
Business combinations	–	–	–	386	–	18
Investments	–	–	322	308	1,057	801
Sales and disposals	–2	–1	–394	–478	–	–
Reclassifications	–3	–	1,015	1,553	–1,013	–1,519
Closing accumulated cost	276	281	13,624	12,682	296	252
Opening depreciation	–30	–26	–6,659	–6,100	–	–
Sales and disposals	2	–	364	464	–	–
Reclassifications	2	–	–2	–	–	–
Depreciation for the year	–5	–5	–1,200	–1,021	–	–
Closing accumulated depreciation	–32	–30	–7,496	–6,659	–	–
Opening impairment	–	–	–	–	–	–
Sales and disposals	–	–	–	–	–	–
Closing accumulated impairment	–	–	–	–	–	–
Closing planned residual value	245	251	6,127	6,023	296	252

Parent Company	Equipment, tools, fixtures and fittings	
	31 Dec 2025	31 Dec 2024
Opening cost	67	66
Investments	1	3
Sales and disposals	–1	–2
Closing accumulated cost	67	67
Opening depreciation	–39	–32
Sales and disposals	1	2
Depreciation for the year	–9	–9
Closing accumulated depreciation	–47	–39
Closing planned residual value	20	28

Parent Company depreciation is recognised in its entirety under administrative expenses.

NOTES

17. Leases

Lessee

The Group leases premises for stores, warehouses and offices, mainly for its own use but also to a certain extent for sub-letting, mainly to retailer-owned stores. The leases normally have a term of between three and ten years. The average remaining lease term for premises is three years. The Group also leases vehicles with a normal term of two to seven years as well as certain other equipment.

Right-of-use assets

Group	Premises		Vehicles		Other	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Opening right-of-use assets	12,286	9,045	199	158	3	6
Business combinations	–	2,003	–	13	–	–
Newly acquired assets	524	698	171	108	–	4
Sales and disposals	–4	–1	–23	–5	–2	–
Remeasurements	2,102	2,598	20	6	–	0
Depreciation	–2,492	–2,051	–96	–81	–2	–6
Impairment	–13	–6	–	–	–	–
Closing right-of-use assets	12,404	12,286	269	199	–	3

Lease liabilities

For a term analysis of lease liabilities, see Note 22 Financial risk management.

Amounts recognised in the Statement of profit or loss and other comprehensive income

Group	2025	2024
Depreciation of right-of-use assets	–2,590	–2,138
Impairment of right-of-use assets	–13	–6
Interest on lease liabilities	–455	–364
Variable lease payments	–150	–146
Revenue from sub-letting of right-of-use assets	177	170
Costs for short-term leases	–6	–8
Costs for low-value leases	–56	–49

Amounts recognised in the Statement of cash flows

Total outgoing cash flow attributable to leases for 2025 amounted to SEK 3,149 m (2,656) and includes both amounts for leases recognised as a lease liability and amounts paid for variable lease payments, short-term leases and low-value leases.

The Group enters into new leases on an ongoing basis, primarily for store premises. Future cash flows for leases that have not yet commenced but to which the Group is committed, and for which a commencement date has been determined, amount to approximately 4% of the total right-of-use assets.

Lessor

The Group sub-lets leased premises, mainly to retailer-owned stores. All sub-let premises have been classified as operating leases.

Term analysis of undiscounted lease payments to be received after the balance sheet date:

Group	2025	2024
Within one year	152	166
Between one and two years	118	115
Between two and three years	88	77
Between three and four years	59	50
Between four and five years	41	32
Later than five years	102	104
Total undiscounted lease payments	561	543

Parent Company

In the Parent Company, all leases are recognised as operating lease payments, and lease payments are recognised as an expense on a straight-line basis over the lease term.

Non-cancellable lease payments	2025	2024
Within one year	68	67
Between one and five years	143	201
Longer than five years	–	4

Expensed payments	2025	2024
Minimum lease payments	67	67
Variable payments	–	–
Total lease fees	67	67
<i>of which, rents for premises</i>	<i>61</i>	<i>60</i>
Lease income pertaining to sub-let premises	53	52

NOTES

18. Participations in Group companies

Axfood AB's direct and indirect holdings of shares and participations in subsidiaries

Parent Company	2025	2024	Parent Company	Corp. reg. no.	Registered office	No. of participations	Capital and voting rights, %	Book value 31 Dec 2025	Book value 31 Dec 2024
Opening cost	4,806	4,771	Willlys AB	556163-2232	Gothenburg	1,000	100	477	473
Acquisitions during the year	–	0	NAX AB	559029-7809	Stockholm	510	51	363	363
Shareholder contribution	224	35	Eurocash Food AB	556503-6141	Strömstad	45,000,000	100	612	712
Closing accumulated cost	5,030	4,806	Hemköpskedjan AB	556113-8826	Stockholm	100,000	100	591	587
Opening accumulated impairment	-786	-350	Hemköp i Lerum AB	559229-8904	Stockholm	910	91	0	0
Impairment for the year	–	-436	Hemköp i Härnösand AB	559069-0854	Stockholm	–	–	Merged 2025	0
Closing accumulated impairment	-786	-786	Hemköp i Värnamo AB	559019-8833	Stockholm	–	–	Sold 2025	0
Closing accumulated book value	4,244	4,020	Hemköp i Örby AB	559329-4134	Stockholm	910	91	0	0
			Hemköp i Bromma AB	559339-8307	Stockholm	910	91	0	0
			Hemköp 124 AB	559406-3363	Stockholm	1,000	100	0	0
			Hemköp 125 AB	559406-3389	Stockholm	1,000	100	0	0
			Tempo i Vikarbyn AB	559329-5586	Stockholm	–	–	Sold 2025	0
			Axfood Snabbgross AB	556000-3575	Stockholm	1,500	100	71	67
			Dagab Inköp & Logistik AB	556004-7903	Stockholm	3,434,656	100	2,174	2,167
			Axfood i Backa AB	556742-7942	Solna	1,000	100	50	50
			Axfood i Lund AB	556807-5310	Stockholm	500	100	0	0
			Falkenberg Seafood AB	556353-8973	Falkenberg	13,000	100	4	4
			Hall Miba AB	556865-8149	Alvesta	50,000	100	65	65
			Tempo AB	556261-6838	Stockholm	1,000	100	0	0
			Urban Deli Holding AB	556958-4781	Stockholm	1,360	91	33	33
			Urban Deli AB	556773-1228	Stockholm	125,000	100	0	0
			Axfood Investering och Utveckling AB	559229-8896	Stockholm	1,000	100	336	336
			City Gross Sverige AB	556597-2451	Hässleholm	3,000	100	1,829	1,828
			Middagsfrid AB	556752-4953	Stockholm	1,000	100	0	0
			Humla AB	559236-9341	Stockholm	100,000	100	3	3
			Axfood Försäkrings AB	556950-1199	Stockholm	1,000	100	200	0
			Axfood IT AB	556035-6163	Stockholm	1,000	100	33	28
			Dagab AB	556070-3166	Stockholm	20,000	100	0	0
			Total direct ownership Axfood AB					4,244	4,020

NOTES

19. Participations in associated companies and joint ventures

The online pharmacy Apohem AB is a company that is jointly owned by Axfood and two additional parties. Axfood owns 53.1% (53.0) of the company through a subsidiary in the Axfood Group. Based on all relevant information, Axfood assesses Apohem to be a joint venture.

On 1 November 2024, the acquisition of a share corresponding to 90.1% of the shares in City Gross Sverige AB ("City Gross") was completed, which meant that Axfood's holding in City Gross increased from 9.9% to 100% in conjunction with the transaction. Up until the date of acquisition, City Gross was recognised as an associated company.

Reconciliation of book value and reported profit participation	Group	
	2025	2024
Opening cost	336	627
New issue	46	16
Remeasurement	–	–143
Reclassification to subsidiary	–	–180
Shareholder contributions paid	–	16
Closing cost	382	336
<i>Adjustments of equity</i>		
Opening carrying amount	–302	–243
Share of profit	–48	–58
Closing carrying amount	–350	–302
Book value	33	35

Associated companies and joint ventures	Corp. reg. no.	Registered office	Share of voting capital, % 2025	Share of voting capital, % 2024	Book value 31 Dec 2025	Book value 31 Dec 2024
Associated companies owned indirectly by Axfood AB						
Svinesunds Handels AB	556872-4362	Strömstad	24.0	24.0	0	0
United Nordic Inc AB	556043-4606	Solna	33.0	33.0	0	0
Joint ventures owned indirectly by Axfood AB						
Apohem AB	559094-8401	Stockholm	53.1	53.0	33	35
Total					33	35

Reconciliation of reported profit participation	Apohem		City Gross	
	2025	2024	2025	2024 ¹⁾
Net profit for the year	–90	–81	–	–155
Share of profit ²⁾	–48	–43	–	–15
Reported profit participation	–48	–43	–	–15
Reconciliation of book value				
Share of equity	12	14	–	–
Surplus value	21	21	–	–
Book value	33	35	–	–

1) Pertains to the period 1 January 2024–31 October 2024.

2) Corresponds to total comprehensive income.

Condensed income statement and balance sheet	Apohem		City Gross	
	2025	2024	2025	2024 ¹⁾
Sales	1,023	836	–	7,356
Net profit for the year	–90	–81	–	–155
Other comprehensive income	–	–	–	–
Total comprehensive income	–90	–81	–	–155
Non-current assets	31	14	–	–
Current assets	161	147	–	–
Total assets	192	161	–	–
Equity	23	27	–	–
Non-current liabilities	–	20	–	–
Current liabilities	169	114	–	–
Liabilities and equity	192	161	–	–

1) Pertains to the period 1 January 2024–31 October 2024.

NOTES

20. Equity

Number of shares

	31 Dec 2025	31 Dec 2024
Number of shares	216,843,240	216,843,240
Number of treasury shares	921,517	1,098,345
Number of shares outstanding	215,921,723	215,744,895

Share capital

The share capital as per 31 December 2025 amounted to SEK 271,054,050 (271,054,050). The Company has only one class of shares, with equal voting power and equal entitlement to the Company's profit and equity. There are no limitations regarding how many votes each shareholder may exercise at general meetings of shareholders. The share quota value is SEK 1.25 (1.25).

Other capital contributions

Other capital contributions comprise the contributions made by shareholders in addition to share capital.

Hedging reserve

The hedging reserve includes the effective portion of the accumulated net change in the fair value of cash flow hedge instruments attributable to hedge transactions that have not yet been carried out.

Non-controlling interests

Pertains to Nax AB, Urban Deli Holding AB and companies in Hemköp in accordance with the 91/9 model.

Capital management

According to Axfood's finance policy, the foundation of the Axfood Group's financial strategy is to create sound financial conditions for the Group's operations and development. An important parameter is the Group's equity ratio target of 20% at year-end. Axfood's revolving credit facility is bound by a covenant which was met during the entirety of 2025. As of 31 December 2025, there is deemed to be no risk that the covenant will not be met in 2026. During the year, no changes were made to the Group's principles for capital management. Axfood's managed capital comprises the Group's recognised equity.

Earnings per share

Group	2025	2024
Earnings per share before dilution, SEK	10.84	10.16
Earnings per share after dilution, SEK	10.79	10.11
Average number of shares outstanding before dilution	215,865,727	215,787,900
Average number of shares outstanding after dilution	216,826,653	216,834,104

Earnings per share is based on net profit for the year attributable to owners of the parent, divided by the average number of shares outstanding. Dilution pertains to long-term share-based incentive programmes (LTIP).

Proposed disposition of profit

The Board of Directors proposes the following appropriation of the available funds:

SEK	
Share premium reserve	1,476,153,002
Profit brought forward	1,118,416,042
Net profit for the year	1,603,668,097
Total	4,198,237,141

Be disposed as follows:

SEK	
SEK 9.00 per share to be distributed to shareholders	1,943,295,507
To be carried forward	2,254,941,634
Total	4,198,237,141

NOTES

21. Pensions

Group

Defined benefit pension plans	31 Dec 2025	31 Dec 2024
Present value of funded obligations	6	7
Present value of unfunded obligations	257	282
Total present value of obligations	263	289
Fair value of plan assets	-6	-7
Present value of net obligations	257	282
Amounts recognised in statement of financial position		
– provisions	257	282
– assets	–	–
Net liability in statement of financial position	257	282

Of Axfood's net liability for defined benefit pension plans in Sweden, SEK 257 m (282) consists of obligations within the PRI system. All obligations are locked, which for Axfood's part entails that all new vesting takes place in the Alecta system. Obligations in the PRI system are unfunded pension plans, which is why these are recognised in their entirety as "Provisions for pensions."

In addition to unfunded pension plans, Axfood has an individually funded pension plan that is managed by the Axel Johnson pension foundation. Axfood is entitled to benefits from the foundation in maximum amounts corresponding to the pension obligation. No fees were paid into the foundation during the year.

Of the plan members, 4 (5) are persons on disability pensions, 360 (389) are owners of paid-up policies and 1,133 (1,169) are retirees.

Change in net liability during the year	31 Dec 2025	31 Dec 2024
Opening balance	282	253
Compensation from pension foundation	1	-1
Net expense in net profit for the year	9	11
Pension disbursements	-23	-23
Actuarial losses/gains recognised as a liability	-11	42
Net liability at year-end	257	282

Actuarial assumptions	2025	2024
Discount rate	3.40%	3.10%
Future annual pension increases (inflation)	1.70%	1.80%
Duration/average remaining maturity	11.0 years	12.0 years
Longevity assumption after 65 years	DUS23	DUS23
Sensitivity analysis	Increase	Decrease
Discount rate (-/+ 0.5% change)	15	13
Inflation (+/- 0.5% change)	15	14
Longevity (+/- 1 year change)	12	12

The sensitivity analysis shows how changes in actuarial assumptions as of the accounting date – with other assumptions unchanged – would affect the defined benefit obligation.

Pension costs in comprehensive income for the year	2025	2024
<i>Defined benefit pension plans</i>		
Interest expense	9	11
Actual return on plan assets	0	-1
Total	9	10
<i>Defined contribution pension plans</i>		
Costs during the period	638	553
Total	638	553
Total pension cost in net profit for the year	647	564
Remeasurements recognised in other comprehensive income, gains (-)/losses (+)	14	53
Pension cost in comprehensive income for the year	661	617

Pension insurance premiums paid during the year to Alecta for pension insurance under the ITP 2 plan amounted to SEK 57 m (54). Alecta's surplus can be apportioned among the policyholders and/or the insured. As of 31 December 2024, Alecta's surplus in the form of its collective funding ratio was according to preliminary information 168% (162).

Effects on future cash flows

In 2026, approximately SEK 23 m (23) is expected to be paid into defined benefit plans.

Parent Company

Pension costs	2025	2024
<i>Undertakings through insurance</i>		
Insurance premiums according to the ITP plan to Alecta	29	29
Special employer's payroll tax on pension contributions	6	7
Pension costs for the year	36	37

NOTES

22. Financial risk management

Framework for financial risk management

Axford is exposed to financial risks, which are described under the respective type of risk below. Every year, the Board of Directors adopts a Group-wide finance policy that regulates the delegation of responsibility for financial matters between the Board and the President and CEO. The Group's external financing and financial risk management is handled by Group Treasury within Axford AB. Group Treasury reports monthly to the CFO with a follow-up of the finance policy. The same report is also presented to the Board four times a year.

Financing and refinancing risk

Refinancing risk is defined as the risk that the Group at any given time cannot finance or refinance the Group's operations, or that it can only do so at a considerably higher cost. Responsibility for the Group's procurement in central financing matters rests with Group Treasury. The Group's external financing from credit institutions, mainly banks, is conducted by the Parent Company, while subsidiaries finance their operations through the central Group account systems.

To limit the risk and financial loss associated with the Group's inability to finance the Group's operations at any given time, a minimum permissible average remaining duration of 12 months has been set for the Group's credit facilities. In addition, Axford shall ensure that a maximum of 25% of requisite credit facilities falls due within 12 months. The guiding principle for the use of external credits, including leases, is to be the financial cost taking into account the risk limitation rules laid out in the finance policy.

Liquidity risk

Liquidity risk is defined as the risk of the Group being unable to meet its short-term payment obligations. Axford mitigates its liquidity risk by coordinating the management of surplus liquidity and financing within the Group. In addition, liquidity risk is mitigated by Axford ensuring that a liquidity reserve is always available that can handle fluctuations in forecast cash flow during the coming 12 months. The liquidity reserve consists of cash and unused credit facilities amounting to SEK 2,892 m. In addition, ongoing cash flows from operations are used, which are measured and monitored in the liquidity forecasting for recurring outflows. The liquidity reserve shall amount to a minimum of 1% of annual sales according to the most recently adopted financial statements and is calculated as the sum of available cash and short-term investments, and unutilised credit facilities at the end of every business day.

Group

Credit lines	31 Dec 2025	31 Dec 2024
Granted credit lines		
Revolving credit facility	4,000	3,500
Total granted credit lines	4,000	3,500
Utilised credit lines	-2,700	-2,900
Unutilised credit lines	1,300	600
Available bank balances	392	14
Liquidity reserve	1,692	614
Other credit lines		
Bank overdraft facilities	1,200	1,200
Utilised bank overdraft facilities	—	-2
Unutilised bank overdraft facilities	1,200	1,198

In 2025, Axford entered into an agreement with Handelsbanken, SEB and Swedbank regarding a new revolving credit facility to replace its previous one. The Group's revolving credit facility amounts to SEK 4,000 m (3,500), of which SEK 1,000 m matures in July 2028 and SEK 3,000 m in July 2030. The Group also has a bank overdraft facility of SEK 1,200 m (1,200).

Group

Maturity structure for financial liabilities	<1 year	1–2 years	3–5 years	>5 years
Forward exchange contracts	1,933	285	1,105	—
Trade payables	7,697	—	—	—
Interest-bearing loans	—	—	2,700	—
Utilised bank overdraft facilities	—	—	—	—
Lease liabilities (refers to undiscounted values)	2,722	2,392	4,821	5,419
Total	12,352	2,677	8,626	5,419

Axford has supplier finance arrangements defined in accordance with IAS 7. Supplier finance arrangements reduce liquidity risk by ensuring that suppliers covered by arrangements are paid on time by a financier. This allows the Axford Group to extend its own payment terms and retain cash and cash equivalents for longer, thereby improving its cash flow and reducing the risk of liquidity problems.

The Axford Group's average credit term within the framework of supplier financing to credit institutions was 73 days (72).

Supplier finance arrangements	31 Dec 2025	31 Dec 2024
Recognised in trade payables	1,464	1,233
– of which suppliers that have received payment	1,464	1,233

Investment policy

The Group's investment policy aims to ensure the Group's ability to pay in the short and long term. Furthermore, the investment policy's purpose is to reduce the Group's external borrowing as much as possible by coordinating the management of surplus liquidity within the Group and to achieve the best possible balance of net financial income and expense within the framework of this finance policy. Investments may only be made in highly liquid instruments with low credit risk, meaning investments that can be converted to cash and cash equivalents at any given point in time. As of 31 December 2025, the Group only had account balances in Swedish banks with a minimum rating of A– according to Standard & Poor's, which are approved counterparties in the finance policy.

Interest rate risk

Interest rate risk is defined as the risk that changes in interest rates will have a negative effect on the Group's earnings. Interest rate risk is managed through defined interest rate risk norms for Group Treasury and other Group companies. The Group's interest rate risk associated with interest-bearing assets is to be managed by investing cash and cash equivalents in such a way that maturity dates for investments with fixed rates of interest match the Group's known outflows and/or payment of principal. The norm for Axford is a remaining average term of fixed interest rates in the asset portfolio of 0–12 months. The goal is that no fixed-income investments are to be sold prior to maturity.

Interest rate risk and cash flow risk in the Group's debt portfolio shall be limited. The norm is to have terms of fixed interest that entail a risk-neutral position. This is achieved by maintaining short terms of fixed interest, which is defined as a remaining average term of fixed interest of a maximum of 12 months. This interest rate risk norm applies only when the Group has a need for long-term borrowing.

The effect on interest income during the coming 12-month period of a 1 percentage point increase or decrease in interest rates on interest-bearing assets amounts to +/- SEK 3.9 m (0.5).

During the coming 12-month period, the effect on interest expenses of a 1 percentage point increase/decrease in the interest rate on interest-bearing liabilities would amount to +/- SEK 156.7 m (156.0), mainly attributable to the Group's recognised lease liabilities.

Commodity risk

Commodity risk is defined as the risk that changes in commodity prices will have a negative effect on the Group's earnings. Within the Group, commodity risk arises partly in the goods for resale that the Group buys and in partly in operational overheads. Axford has a policy to not hedge commodity price risks in the operations' goods for resale. The Group's overhead costs include, for example, electricity prices and commodity price risk for fuel. Electricity price is the most significant commodity risk, and changes in energy prices can have a major impact on earnings. The Group has entered into long-term delivery contracts for electricity for many years. The Group's energy need for the next seven years is partly covered by long-term delivery contracts, which limits the Group's sensitivity to short-term changes in energy prices.

NOTES Note 22, cont.

Currency risk

Transaction exposure in foreign currency arises in connection with the import of goods paid for in foreign currency and in connection with cross-border sales in Norwegian kronor (NOK). Transaction exposure also arises in connection with investments in non-current assets contracted in foreign currency.

The Group's finance policy prescribes that 100% of orders are to be hedged at the time the order is placed. Overheads in foreign currency are not hedged. Currency exposure to investments in non-current assets is hedged at 100% at the time of the contract in cases where the SEK equivalent exceeds SEK 10 m, unless the Board has decided differently. Approved hedge instruments are forward exchange contracts and currency swap contracts.

In connection with the agreement reached with Witron to invest in the company's automation for the new logistics centre in Kungsbacka, Axfood has hedged approximately 70% of the future payment flows; the remaining portion will be hedged gradually until 2030. The total contracted investment amounts to EUR 265 m for the period 2026–2031. The investment undertaking is allocated as follows: approximately 15% in 2026, approximately 15% in 2028, approximately 40% in 2029, approximately 20% in 2030, and approximately 10% in 2031.

The Parent Company did not have any exchange rate exposure during the year.

Sensitivity analysis regarding exchange rate risk

The sensitivity analysis shows the hypothetical impact of a 10% change in exchange rate against the SEK on cash flow and profit before tax, and before taking currency hedges into account. Currency hedges are always taken out no later than at the time orders are placed, and the hedge rate is always linked to the respective orders. Based on this value, the price in stores is then determined for the respective products.

Currency	Net flow, SEK m	%	Change
EUR	8,483	92.7	+/-848.3
USD	596	6.5	+/-59.6
DKK	60	0.7	+/-6.0
GBP	8	0.1	+/-0.8
Total	9,147	100	
NOK	8	100	+/-0.8
Total	8	100	

Of the recognised fair value in EUR, SEK –22.5 m (–0.1) consists of hedging for investments. The carrying amount of the total hedging reserve is presented in the summary of changes in equity. The ineffective portion of cash flow hedges that has been recognised in net profit for the year amounts to SEK – m (–).

Currency derivatives	<3 months	3–6 months	6–12 months	>12 months	Nominal amount, SEK m	Average exchange rate	Nominal amount, foreign currency	Fair value
EUR ¹⁾	1,451	35	288	1,390	3,163	10.94	289	–36
USD	89	34	7	–	130	9.34	14	–2
DKK	17	–	–	–	17	1.47	11	0
NOK	13	–	–	–	13	0.92	14	0
As of 31 Dec 2025	1,570	69	295	1,390	3,323			–38
As of 31 Dec 2024	1,300	79	3	–	1,381			1

1) Of the currency derivative's nominal amount, SEK 1,859 m (94) pertains to hedges of investments.

Credit risk

In the Axfood Group, credit risks and credit losses are mainly attributable to trade receivables, although some risks are linked to a few minor guarantee commitments. Through coordination of credit monitoring and its handling of security within the Group, Axfood ensures that its risk exposure and thus its credit losses are kept at a commercially acceptable level.

To reduce its credit exposure, Axfood has entered into netting agreements with its derivative counterparties, which means that receivables and liabilities can be offset in certain situations such as in the event of the counterparty's insolvency.

There is no concentration of credit risks, neither through exposure to individual borrowers nor groups of borrowers whose financial situation is such that it can be expected to be affected in a similar manner by changes in the external environment. The Parent Company did not have any external credit risks at year-end.

To limit the maximum credit risk in trade receivables, Axfood has received collateral which on the balance sheet date covered SEK 248 m (228) of outstanding trade receivables. Collateral received consists mainly of chattel mortgages, bank guarantees and guarantee commitments. In 2025, a total of SEK 2 m (1) of collateral received was utilised to settle unpaid trade receivables.

Trade receivables are recognised net, with expected credit losses based on the Group's loss reserve matrix, which in turn is based on an analysis of actual bad debts during the last three years. The provision for expected credit losses amounts to SEK 18 m (18), of which SEK 18m (18) pertains to trade receivables that are more than 90 days past due.

Changes in provision for expected credit losses	31 Dec 2025	31 Dec 2024
Opening balance	–18	–15
Provisions	–2	–11
Reversals	0	5
Confirmed and recovered credit losses	2	2
Closing balance	–18	–18

Maturity analysis of trade receivables	31 Dec 2025	31 Dec 2024
Trade receivables not due	2,381	1,304
Trade receivables past due 0–30 days	147	156
Trade receivables past due >30–90 days	11	58
Trade receivables past due >90–180 days	1	15
Trade receivables past due >180–360 days	4	7
Trade receivables past due >360 days	12	10
Total	2,556	1,551

NOTES

23. Financial assets and liabilities

Group	31 Dec 2025	31 Dec 2024
Financial assets measured at fair value through profit or loss		
Financial assets – Oda (Level 3)	7	7
Other current receivables – Forward exchange contracts (Level 2)	0	1
Financial assets measured at amortised cost		
Other long-term securities holdings	2	2
Other non-current receivables	133	134
Trade receivables	2,538	1,532
Cash and cash equivalents	1,077	735
Total financial assets	3,757	2,411
Financial liabilities measured at fair value through profit or loss		
Other non-current liabilities – Forward exchange contracts (Level 2)	19	–
Other current liabilities – Forward exchange contracts (Level 2)	19	0
Financial liabilities measured at amortised cost		
Non-current interest-bearing liabilities	2,700	2,900
Lease liabilities	12,702	12,394
Current interest-bearing liabilities	–	2
Trade payables	7,697	7,229
Total financial liabilities	23,138	22,525

Fair value of financial instruments

Financial assets measured at fair value amounted to SEK 7 m (8). SEK 0 m (1) is attributable to Level 2 of the fair value hierarchy and SEK 7 m (7) is attributable to Level 3. Financial liabilities measured at fair value amounted to SEK 38 m (0). The entire amount is attributable to Level 2 of the fair value hierarchy.

Forward exchange contracts are measured at fair value based on the Central Bank of Sweden's spot rates on the accounting date, which is assessed to be a reasonable approximation of fair value.

The carrying amount of the participation in Oda Group amounted to SEK 7 m (7). Axfood's shareholding in Oda Group amounted to 2.3% (2.3).

Changes in the fair value of financial assets attributable to Level 3

	31 Dec 2025	31 Dec 2024
Fair value at start of year	7	134
Revaluation via other comprehensive income	–	–156
New issue	–	29
Fair value at end of period	7	7

24. Prepaid expenses and accrued income

	Group		Parent Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Prepaid rents	192	174	–	–
Accrued bonuses and similar	123	1,086	–	13
Other prepaid expenses	306	266	26	22
Other accrued income	51	55	0	0
Total	672	1,581	26	35

NOTES

25. Interest-bearing receivables and liabilities

	Group		Parent Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Non-current interest-bearing liabilities				
Non-current interest-bearing liabilities	2,700	2,900	2,700	2,900
Non-current lease liabilities	10,478	10,161	–	–
Provisions for pensions	272	300	–	–
Total non-current interest-bearing liabilities	13,451	13,361	2,700	2,900
Current interest-bearing liabilities				
Current liabilities to credit institutions	–	2	–	2
Current lease liabilities	2,224	2,233	–	–
Liabilities to Group companies ¹⁾	–	–	1,693	1,727
Total current interest-bearing liabilities	2,224	2,235	1,693	1,729

1) Recognised in the Parent Company balance sheet as part of liabilities to Group companies.

	Group		Parent Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Net debt/net receivable				
Non-current interest-bearing liabilities	13,451	13,361	2,700	2,900
Current interest-bearing liabilities	2,224	2,235	1,693	1,729
Current interest-bearing receivables ¹⁾	–	–	–6,170	–7,317
Cash and cash equivalents	–1,077	–735	–392	–14
Net debt (+)/net receivable (-)	14,598	14,861	–2,170	–2,702

1) Recognised in the Parent Company balance sheet as part of receivables from Group companies.

26. Accrued expenses and deferred income

	Group		Parent Company	
	2025	2024	2025	2024
Personnel-related items	2,342	2,236	88	89
Accrued bonuses and similar	235	239	–	–
Accrued real estate costs	81	95	–	–
Received, uninvoiced	404	269	–	–
Other accrued expenses	283	275	14	25
Other deferred income	124	104	5	6
Total	3,468	3,218	107	120

Group

	31 Dec 2024	Cash changes	Non-cash changes	31 Dec 2025
Reconciliation of liabilities attributable to financing activities				
Non-current interest-bearing liabilities excl. lease liabilities	2,900	–200	–	2,700
Current interest-bearing liabilities excl. lease liabilities	2	–2	–	0
Lease liabilities	12,394	–2,478	2,786	12,702
Reconciliation of liabilities attributable to financing activities	15,296	–2,680	2,786	15,402

	2023-12-31	Reclassification	Cash changes	Non-cash changes	31 Dec 2024
Reconciliation of liabilities attributable to financing activities					
Non-current interest-bearing liabilities excl. lease liabilities	–	300	2,600	–	2,900
Current interest-bearing liabilities excl. lease liabilities	519	–300	–217	–	2
Lease liabilities	9,246	–	–2,294	5,442	12,394
Reconciliation of liabilities attributable to financing activities	9,765	0	89	5,442	15,296

27. Pledged assets and contingent liabilities

	Group		Parent Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Contingent liabilities				
Guarantees for subsidiaries	–	–	245	264
Guarantees for others	2	2	–	–
PRI	5	5	–	–
Other contingent liabilities	21	11	22	11
Total	28	18	267	275

Guarantees for others consist of guarantee commitments for collaborating stores and associated companies. In cases where there is a risk of loss, a provision has been made among expected credit losses. Other contingent liabilities consist primarily of counterbonds for bank guarantees that have been made for the Axfood Group.

There are no pledged securities in either the Parent Company or the Group.

28. Events after the balance sheet date

No significant events have occurred after the end of the balance sheet date.

BOARD SIGNATURES

The Board of Directors and CEO certify that the consolidated financial statements and Annual Report have been prepared in accordance with the International Financial Reporting Standards referred to in European Parliament and Council of Europe Regulation (EC) No. 1606/2002 of 19 July 2002, on application of International Financial Reporting Standards and generally accepted accounting principles, and give a fair overview of the Group's and Parent Company's financial position and results of operations. The Board of Directors and

CEO also certify that the Sustainability Report for the Group has been prepared in accordance with the European Sustainability Reporting Standards as referenced in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 (ESRS). The administration report for the Group and Parent Company gives a fair overview of the Group's and Parent Company's operations, financial position and results of operations, and describes material risks and uncertainties that the Parent Company and companies included in the Group face.

The Annual Report and consolidated financial statements have been dated and were approved for publication by the Board of Directors on 13 February 2026. The Group's statement of comprehensive income and statement of financial position, and the Parent Company's income statement and balance sheet, will be subject to approval by the AGM on 18 March 2026.

Stockholm, 13 February 2026

Caroline Berg
Chairman of the Board

Björn Annwall
Director

Fabian Bengtsson
Director

Christian Luiga
Director

Mia Brunell Livfors
Director

Peter Ruzicka
Director

Kristofer Tonström
Director

Sara Öhrvall
Director

Anders Helsing
*Director,
employee representative*

Michaela Livenborn
*Director,
employee representative*

Michael Sjören
*Director,
employee representative*

Simone Margulies
President and CEO

Our auditor's report on the annual report and the consolidated financial statements, as well as our limited assurance report on the sustainability report, was submitted the date as evidenced by our digital signature.

Deloitte AB

Didrik Roos
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Axfood AB (publ)
corporate identity number 556542-0824

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Axfood AB (publ) for the financial year 2025-01-01–2025-12-31 with the exception of the corporate governance report and the sustainability report on pages 30–36 and 40–108. The annual accounts and consolidated accounts of the company are included on pages 109–150 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. Our opinions do not cover the corporate governance report and the sustainability report on pages 30–36 and 40–108.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit

Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Dependence on IT systems

Description of risk

Axfood sells groceries through the store chains Willys, Hemköp, Eurocash and a large number of collaborating stores. Wholesale trading is conducted through Snabbgross and Dagab holds the responsibility for assortment, purchasing and logistics. Well established procedures regarding secure IT-operations and well-functioning IT-processes are of the outmost importance for

Axfood's business as the large volume of transactions means that completeness of transactions is critical in order to avoid material misstatements in the financial reporting. Complete transfer between the cash handling system and the accounting system as well as between the inventory system and the purchasing system is of particular significance for revenue recognition, cost of goods sold and valuation of inventory. For further information, please refer to note 1 regarding the group's accounting policies and note 3 regarding segment reporting.

Our audit procedures

Our audit included but was not limited to the following audit procedures:

- Evaluating general IT controls in the cash handling system and accounting system as well as the inventory and purchasing system with the involvement of IT specialists, and
- Auditing transfer of data between critical IT-systems with the involvement of IT specialists. In the audit we have used analytic tools to enable the audit of large sample selections.

Valuation of goodwill

Description of risk

Axfood reports goodwill of SEK 4,848 million in the statement of financial position for the group as of 31 December 2025. Goodwill has resulted from business combinations. The value of the reported goodwill depends on future returns and profitability in the cash-generating units to which the goodwill relates and is tested at least annually.

Valuation of goodwill is considered a key audit matter due to the risk of inaccurate judgements and estimates in the impairment testing, such as estimated future growth, profitability and discount rates, which could have a material impact on the group's result and financial position. Management has not identified any need for impairment for 2025. For further information, please refer to note 1 regarding the group's accounting policies, note 2 regarding key estimates and assessments, note 4 regarding acquired and divested operations and note 15 regarding intangible assets.

Our audit procedures

Our audit included but was not limited to the following audit procedures:

- Auditing Axfood's routines for impairment testing and evaluation of fairness and consistency of applied estimates and routines, and the integrity of calculations,
- Verification of input data from budgets and business plans in the forecast period,
- Testing of sensitivity analysis for each cash-generating unit, and Audit of completeness and accuracy in relevant disclosures in the financial reports.

Fair value specialists have been involved in the audit procedures.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–29 and 155–164. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S REPORT

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Axfood AB (publ) for the financial year 2025-01-01–2025-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts.

Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Axfood AB (publ) for the financial year 2025-01-01–2025-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

AUDITOR'S REPORT

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Axfod AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of The Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of Axfod AB by the general meeting of the shareholders on the 2025-03-20 and has been the company's auditor since 2016-03-16.

Signature on Swedish original

Deloitte AB

Didrik Roos
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.



Auditor's limited assurance report of Axfood AB's statutory sustainability statement

To the general meeting of the shareholders of Axfood AB (publ), corporate identity number 556542-0824

Conclusion

We have conducted a limited assurance engagement of the sustainability statement for Axfood AB (publ) for the financial year 2025. The sustainability statement is included on pages 40–108 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of the European Sustainability Reporting Standards (ESRS),
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement,
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8 (EU Taxonomy).

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages 1–39, 109–150 and 155–164. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of sustainability statement in accordance with Chapter 6, paragraphs 12–12f of the Swedish Annual Accounts Act, and for such internal control as they determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability statement has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of Axfood AB (publ) in accordance with professional ethics for auditors in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Chief Executive Officer prepare the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

Our review procedures concerning the entity's process for identifying sustainability information to be reported included, but were not limited to:

- Obtain an understanding of the process by:
- Perform inquiries to understand the sources of the information used by management, and
- Review the entity's internal documentation of its process
- Evaluate whether the evidence obtained from our procedures about the process implemented by the entity is consistent with the description of the process set out on page 46–48 in the sustainability statement.

The review procedures with respect to the sustainability statement included but were not limited to the following:

- Obtain an understanding of the entity's control environment, reporting processes, and information systems relevant to the preparation of its sustainability statement
- Evaluate whether the information identified to be material by the entity's the process for identifying sustainability information to be reported, is included in the sustainability statement
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the requirements in ESRS
- Performe inquires of relevant personnel and analytical procedures on selected disclosures in the sustainability statement
- Performe substantive assurance procedures on a sample basis on selected disclosures in the sustainability statement

- Performe inquires and analytical procedures to evaluate the methods for developing material estimates and forward-looking information and on how these methods were applied

The review procedures with respect to the EU Taxonomy included but were not limited to the following:

- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement
- Evaluate whether the activities within the EU Taxonomy are consistent to the financial statements and related notes
- Evaluate processes, documentation and assessment of eligibility and alignment with the economic activities and technical screening criteria within the EU Taxonomy
- Evaluate whether the reporting is in accordance with the requirements in EU Taxonomy

Inherent limitations

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Chief Executive Officer for Axfood AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the entity. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Signature on Swedish original

Deloitte AB

Didrik Roos
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Ten-year overview

Each year is recognised as reported for the respective year and in accordance with the accounting policies applicable at the time. Previous years have not been restated unless stated otherwise.

SEK m	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Result of operations										
Net sales	89,152	84,057	81,111	73,474	57,891	53,696	50,740	48,085	45,968	43,355
Operating profit	3,572	3,290	3,353	3,101	2,704	2,510	2,288	2,025	1,886	1,902
Profit after financial items	3,031	2,885	3,037	2,935	2,582	2,394	2,173	2,016	1,881	1,894
Tax	-655	-666	-664	-564	-488	-531	-494	-439	-414	-421
Net profit for the year	2,375	2,219	2,373	2,370	2,094	1,862	1,679	1,577	1,467	1,473
Financial position										
Intangible assets	7,286	7,208	5,065	4,990	5,295	3,519	3,472	3,449	3,388	2,478
Property, plant and equipment	6,668	6,525	6,019	5,294	3,815	2,912	2,744	2,202	2,032	1,799
Right-of-use assets	12,674	12,488	9,210	9,025	6,384	5,656	5,407	–	–	–
Financial and other non-current assets	393	405	874	850	731	286	259	168	215	199
Inventories and other current assets	8,815	8,070	8,163	7,900	6,772	4,906	4,614	4,750	4,458	4,337
Cash and cash equivalents and assets held for sale	1,077	735	688	559	734	1,534	798	1,675	1,376	1,726
Assets	36,913	35,432	30,018	28,618	23,731	18,814	17,293	12,244	11,469	10,539
Equity	7,508	7,053	6,877	6,609	4,952	4,331	4,020	4,304	4,266	4,117
Non-controlling interests	323	335	308	292	224	232	229	224	212	1
Lease liabilities	12,702	12,394	9,246	9,050	6,404	5,708	5,509	–	–	–
Other interest-bearing liabilities and provisions	2,972	3,203	781	492	1,971	403	421	524	528	498
Other liabilities	13,408	12,448	12,805	12,176	10,181	8,139	7,115	7,192	6,463	5,923
Equity and liabilities	36,913	35,432	30,018	28,618	23,731	18,814	17,293	12,244	11,469	10,539
Cash flow										
Cash flow from operating activities	6,751	5,459	5,807	5,927	4,590	4,851	3,555	2,702	2,534	2,241
Cash flow from investing activities	-1,767	-3,184	-2,210	-2,778	-3,842	-1,080	-1,386	-992	-1,500	-559
Cash flow from financing activities	-4,643	-2,227	-3,468	-3,324	-1,548	-3,036	-2,943	-1,515	-1,384	-1,889
Cash flow for the year	341	47	129	-175	-800	735	-774	195	-350	-207

Ten-year overview

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Key ratios										
Operating margin, %	4.0	3.9	4.1	4.2	4.7	4.7	4.5	4.2	4.1	4.4
Equity ratio, %	21.2	20.9	23.9	24.1	21.8	24.3	24.6	37.0	39.0	39.1
Net debt (+)/net receivable (-), SEK m	14,598	14,861	9,339	8,982	7,640	4,577	5,131	–	–	–
Net debt (+)/net receivable (-) excl. IFRS 16, SEK m	1,896	2,467	93	–68	1,236	–1,131	–377	–1,047	–871	–1,249
Net debt/EBITDA, multiple	1.9	2.2	1.5	1.6	1.5	1.0	1.2	–	–	–
Net debt/EBITDA excl. IFRS 16, multiple	0.4	0.6	0.0	0.0	0.4	–0.4	–0.1	–0.4	–0.3	–0.5
Net debt-equity ratio (+)/net receivable-equity ratio (-), multiple	1.9	2.0	1.3	1.3	1.5	1.0	1.2	–	–	–
Net debt-equity ratio (+)/net receivable-equity ratio (-) excl. IFRS 16, multiple	0.2	0.3	0.0	0.0	0.2	–0.2	–0.1	–0.2	–0.2	–0.3
Capital employed, SEK m	23,505	22,985	17,212	16,442	13,550	10,674	10,178	5,052	5,006	4,616
Return on capital employed, %	15.5	16.6	20.3	20.9	22.4	24.2	30.1	40.4	39.4	39.5
Return on equity, %	32.1	31.5	35.0	40.8	46.3	45.7	39.6	36.2	34.9	34.1
Average number of employees during the year	15,620	13,709	13,185	12,772	12,202	11,451	10,854	10,215	9,903	9,211
Total capital expenditures, SEK m	4,548	6,516	4,087	6,967	3,565	2,755	2,452	1,021	1,934	580
Investments in intangible assets and in property, plant and equipment, SEK m	1,730	1,539	1,946	2,593	1,825	1,031	1,481	1,021	1,934	580
Depreciation/amortisation, SEK m	–4,054	–3,369	–2,993	–2,580	–2,399	–2,252	–2,146	–760	–744	–719
Number of shares outstanding at end of period	215,921,723	215,744,895	215,777,588	215,805,384	209,104,732	209,198,604	209,298,712	209,494,712	209,676,712	209,870,712
Key data per share										
Earnings per share before dilution, SEK	10.84	10.16	10.92	11.04	10.20 ¹⁾	9.12	7.87	7.41	6.98	7.02
Earnings per share after dilution, SEK	10.79	10.11	10.87	10.99	10.16 ¹⁾	9.09	7.85	7.40	6.98	7.02
Ordinary dividend per share, SEK	9.00 ²⁾	8.75	8.50	8.15	7.75	7.50	7.25	7.00	7.00	6.00
Equity per share, SEK	34.77	32.69	31.87	30.62	23.68	20.70	19.21	20.54	20.35	19.62
Cash flow per share, SEK	1.58	0.22	0.60	–0.82	–3.82	3.51	–3.70	0.93	–1.67	–0.99
Cash flow from operating activities per share, SEK	31.27	25.30	26.91	27.81	21.95	23.18	16.98	12.89	12.08	10.68

1) Comparison figures for 2021 were restated for the bonus issue element of the rights issue that was completed in 2022. Other years have not been restated.

2) Proposed by the Board of Directors.

Definitions and glossary

Financial key ratios

In addition to the financial key ratios prepared in accordance with IFRS, Axfood presents financial key ratios that are not defined by IFRS or by the Swedish Annual Accounts Act, so-called alternative performance measures (APMs). These APMs aim to provide supplementary information that contributes to analysing Axfood's operations and development. The APMs used are considered generally accepted in the industry. APMs should not be seen as a substitute for financial information presented in accordance with IFRS, but as a complement. The APMs are defined below under the financial key ratio definitions.

Some APMs are also reported excluding IFRS 16 to enable a follow-up of operational development excluding the technical accounting effects as a result of IFRS 16. Some APMs are also reported excluding items affecting comparability since the adjusted performance measure provides a better understanding of the operations' underlying development when comparing between periods.

Reconciliation of EBITDA

SEK m	2025	2024
Operating profit (EBIT)	3,572	3,290
Depreciation/amortisation/impairment	4,077	3,375
EBITDA	7,649	6,665
IFRS 16 Lease fees	-2,937	-2,452
EBITDA excl. IFRS 16	4,712	4,213

For reconciliation of additional key ratios, see Axfood's website, axfood.com.

Financial key ratio definitions

Capital employed: Total assets less non-interest-bearing liabilities and non-interest-bearing provisions. Measures the Group's capital use and efficiency.

Cash flow from operating activities per share: Cash flow from operating activities for the period divided by the average number of shares outstanding before dilution. Indicates cash flow generated from operating activities.

Cash flow per share: Cash flow for the period divided by the average number of shares outstanding before dilution. Indicates cash flow generated per share.

EBITDA: Operating profit before depreciation, amortisation and impairment. Also reported excluding the effects of reporting in accordance with IFRS 16 as EBITDA excl. IFRS 16. Indicates the underlying development of the operations.

Earnings per share (defined in IFRS): Net profit for the year attributable to owners of the parent divided by the average number of shares outstanding. Reported both before and after dilution. Earnings per share are also reported based on earnings excluding items affecting comparability.

Equity per share: Share of equity attributable to owners of the parent divided by the number of shares outstanding at the end of the period. Indicates shareholders' share of the Company's total equity per share.

Equity ratio: Equity including non-controlling interests as a percentage of total assets. An equity ratio of at least 20% at year-end is one of Axfood's Group-wide strategic targets.

Items affecting comparability: Financial effects in connection with major acquisitions and divestments or other major structural changes as well as material non-recurring items that are relevant in order to understand the results when comparing between periods.

Net debt/EBITDA: Net debt divided by EBITDA. Also reported excluding the effects of reporting in accordance with IFRS 16. Indicates the Group's ability to pay its debt.

Net debt/net receivable: Interest-bearing non-current and current receivables and liabilities less cash and cash equivalents and interest-bearing financial assets. Used to show the Company's net interest-bearing assets and liabilities.

Net debt/net receivable excluding IFRS 16: Interest-bearing non-current and current receivables and liabilities, excluding lease liabilities, less cash and cash equivalents and interest-bearing financial assets.

Net debt-equity ratio/net receivable-equity ratio: Net debt/net receivable divided by equity including non-controlling interests. Also reported excluding the effects of reporting in accordance with IFRS 16. Indicates the Company's debt-equity ratio.

Operating margin: Operating profit as a percentage of net sales for the period. An operating margin of at least 4.5% is one of Axfood's strategic Group-wide targets.

Operating margin excluding items affecting comparability: Operating profit excluding items affecting comparability as a percentage of net sales for the period. Also referred to as adjusted operating margin.

Operating profit: Profit before net financial items and tax. Indicates profitability for operating activities.

Operating profit excluding items affecting comparability: Profit before net financial items and tax adjusted for items affecting comparability. Also referred to as adjusted operating profit.

Return on capital employed: Profit after financial items, plus financial expenses as a percentage of average capital employed. Indicates profitability in both equity and borrowed capital in the Company.

Return on equity: Net profit for the year attributable to owners of the parent as a percentage of the share of average equity attributable to owners of the parent. Indicates the return that owners receive on capital invested.

Sales growth: Percentage change in sales between two periods. Axfood monitors growth in both retail sales and net sales. One of Axfood's Group-wide strategic targets is to grow faster than the market, and growth in retail sales is the target Axfood uses to measure this.

Working capital: Average of current assets less current liabilities (adjusted for dividends), rolling 12 months. Shows the average financing requirement for the Group's working capital.

Definitions and glossary

Operating key ratio definitions and glossary

Average number of employees: Total number of hours worked divided by the number of hours worked per year of 1,920. Also referred to as FTEs.

Dividend payout ratio: Dividend per share divided by earnings per share before dilution.

Dividend yield: Dividend per share divided by the share price at year-end.

Joint-Group: Pertains to support functions at the head office, such as the Executive Committee, Finance, Legal Affairs, Communications, Business Development, HR, IT and Insurance.

Like-for-like sales: Sales for stores that existed and generated sales in both the current period and the comparison period.

Market capitalisation: Share price at year-end multiplied by the number of shares outstanding.

Online sales: Reported online sales of the Willys concept, Hemköp Group-owned stores, Hemköp retailer-owned stores and City Gross.

P/E ratio: Share price in relation to earnings per share before dilution.

Private label products, share of sales: Sales of private label products, excluding meat, fruits and vegetables, as a percentage of retail sales.

Retail sales: Reported store sales including online sales for the concepts Willys, Willys Hemma, Eurocash, Hemköp Group-owned stores, Hemköp retailer-owned stores, Tempo and City Gross, excluding adjustments mainly related to customer bonuses.

Share price: Closing share price.

Share turnover rate: The number of shares traded during the year divided by the number of shares outstanding at year-end.

Wholesale sales: Company and private customer sales including online for Dagab and Snabbgross (including Snabbgross Club).

Sustainability key ratio definitions

Kg CO₂eq per kg of food sold: The amount of greenhouse gas emissions (kilogram carbon dioxide equivalents) from food in relation to total food sold (kilograms of food). The sample includes sales in stores within Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross.

KRAV-certified meat, share of sales: Sales from KRAV-certified meat products (both fresh and frozen) as a share of meat sales. The sample includes sales in stores within Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross.

Organic products, share of sales: Sales of products labelled as organic, with a valid country of origin label, as a share of food sales. The sample includes sales in stores within Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross.

Share of women/men in management positions: Share of women/men in management positions at the end of the current period. Management positions are defined as employees with subordinates, including team managers with employee responsibility and members of the Executive Committee.

Sustainability-labelled products, share of sales: Sales of sustainability-labelled products, with a valid country of origin label, as a share of retail and wholesale sales, respectively, from corresponding chains. The sample includes sales in stores within Willys, Eurocash, Hemköp (including retailer-owned stores), City Gross and Snabbgross.

Sustainability glossary

Amfori Business Social Compliance Initiative (BSCI): European network for social audits of suppliers.

Aquaculture Stewardship Council (ASC): International organisation that promotes ecolabels for farmed fish and shellfish. ASC reviews environmental and social topics in fish and shellfish farming. The standard is supported by the WWF and products with its certification are automatically green-listed.

Corporate Sustainability Reporting Directive (CSRD): EU Directive for sustainability reporting.

Ethical Trading Initiative (ETI): Initiative that gathers companies, unions, civil society and public institutions to secure good working conditions and human rights in global supply chains.

European Sustainability Reporting Standards (ESRS): Common reporting framework for sustainability reporting within the EU.

Fairtrade: Product label for goods that aim to improve working and living conditions for farmers and workers in developing countries. The label means that the product meets the international criteria.

Forest Stewardship Council (FSC): Independent international organisation that advocates for a more environmentally adapted, socially responsible and economically sustainable use of the world's forests through a certification system.

Global Compact: The UN's initiative to encourage companies to support developments within human rights, working conditions and the environment.

Global Deal: Declaration of undertakings that will help the world's countries reach the UN Sustainable Development Goals (SDGs) pertaining to working conditions, economic growth and gender equality.

Greenhouse Gas Protocol (GHG): Global standard to calculate, handle and report GHG emissions.

IP Sigill: Standard for certification of a more sustainable production of food and flowers based on criteria including food safety, animal welfare, environmental responsibility and working conditions.

Marine Stewardship Council (MSC): International organisation that promotes ecolabels for fish and shellfish. The label shows that the fish come from viable stocks and have been caught with a low impact on the environment.

Roundtable on Sustainable Palm Oil (RSPO): Organisation that stipulates criteria for sustainably produced palm oil with regards to for example the preservation of forest areas with particularly sensitive ecosystems and use of pesticides.

Science Based Targets initiative (SBTI): Organisation that assists companies in setting climate targets in line with the Paris Agreement to limit GHG emissions and global warming.

Substitute it Now (SIN): Database of particularly hazardous substances that are not covered by legislation.

TCFD (Task Force on Climate-Related Financial Disclosures): Framework of recommendations that guides the work of identifying climate-related financial risks and opportunities.

TNFD (The Taskforce on Nature-related Financial Disclosures): Framework for measuring and reporting risks, impacts and dependencies on biodiversity.

Shareholder information



Investment case

Axfood is one of the leading players in food retail in Sweden. A broad presence, strong concepts and brands, and efficiency through collaboration create the conditions for long-term profitable growth. The most important reasons to invest in Axfood are presented below.

1 Strong store concepts with leading positions in attractive market segments

Axfood operates in the food retail sector in Sweden, a growing and non-cyclical market largely driven by population growth and inflation. The Group has a broad presence in all segments through strong concepts and brands as well as attractive store locations. Changing and varying customer behaviours are met through a high rate of expansion, a focus on price value in physical stores and in e-commerce, and continuous development of the customer offering. Being a leader in sustainability and health is a strategic priority that is integrated into all aspects of the operations. The Group's aim is to grow faster than the market with a long-term operating margin of at least 4.5%.

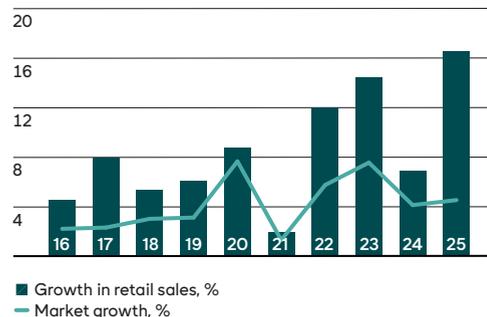
2 Efficiency and economies of scale through close collaboration

Axfood's operating model – with a high share of Group-owned stores combined with retailer-owned stores and an integrated value chain – is unique in Swedish food retail. Economies of scale and cost efficiency are achieved through close collaboration between the Group companies and the central support functions. The purchasing and logistics company Dagab creates the conditions for price value, quality and sustainability. Along with increased capacity and productivity, efficient and highly automated logistics lay the foundation for profitable growth and a competitive offering. Axfood's IT company plays a central role in the Group's digital development, automation and data-driven approach to meeting current and future needs.

3 Strong financial position and stable cash flows

Axfood's strategy is to have a strong financial position to provide the scope to make long-term business decisions. Its operations generate stable cash flows, with efficient management of working capital and capital employed. According to the dividend policy, the shareholder dividend is to be at least 50% of profit after tax and is to be paid out on two occasions. During the last five years, the dividend yield has averaged just over 3% on an annual basis. Axfood's gearing is low, and excluding the accounting effects of IFRS 16, the Group's net debt divided by EBITDA amounted to 0.4 at year-end 2025.

Growth in retail sales, %



Return on capital employed

16%



The share and ownership structure

LISTING: NASDAQ STOCKHOLM, LARGE CAP

TICKER: AXFO

MARKET CAPITALISATION AT YEAR-END: SEK 63 BILLION

NUMBER OF SHARES: 216,843,240

ISIN: SE0006993770

Axfood's shares are listed on Nasdaq Stockholm. The share capital as of 31 December 2025 was SEK 271 m, distributed among 216,843,240 shares with a share quota value of SEK 1.25. Each share carries entitlement to one vote.

Trading volume

A total of 194.8 million (170.0) Axfood shares were traded in all marketplaces in 2025, with an average daily trading volume of 782,426 shares (677,484). Trading on Nasdaq Stockholm accounted for approximately 38% (37) of the total trading volume in Axfood shares. Daily trading in relation to Axfood's market capitalisation on Nasdaq Stockholm amounted to 0.14% (0.12), compared with an average of 0.14% (0.15) for the Large Cap list. Daily trading in relation to Axfood's market capitalisation on all marketplaces amounted to 0.36% (0.31), compared with an average of 0.42% (0.41) for the Large Cap list.

Share performance and market capitalisation

Based on the closing share price on 31 December 2025, SEK 290.20, Axfood's market capitalisation was SEK 62,928 m (50,741). The share price development was +24.0% during the year, while the trend for the total index (OMXSPI) was +9.5%. The total return, including reinvested dividends, was +28.3%. The highest closing price quoted during the year was SEK 311.00 on 21 August. The lowest closing price quoted during the year was SEK 219.40 on 24 March.

Ownership structure

The number of shareholders in 2025 increased to 131,719 (129,953) at year-end. The Axel Johnson Group remains the principal owner, with 50.1% of the shares (votes and capital). No other shareholder owns – directly or indirectly – more than 10% of the shares in Axfood (votes and capital). Foreign ownership at year-end corresponded to 13.0% of the share capital (12.7). Swedish ownership, which corresponded to 87.0% of the share capital, was distributed between Axel Johnson, institutional shareholders (18.5%), private persons (15.4%) and other Swedish owners (3.0%). The largest foreign ownership is in the US, Norway, Finland, France and Canada.

Dividend

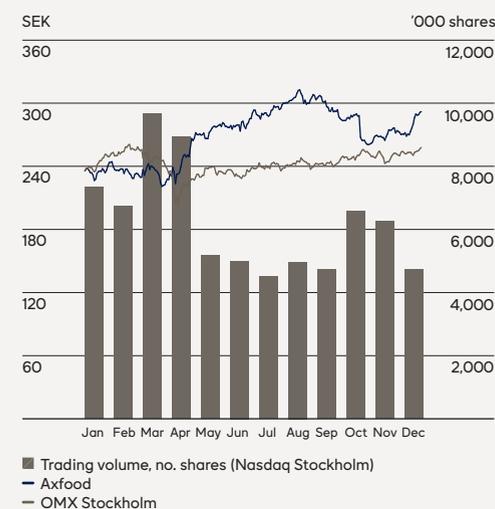
The Board of Directors proposes that the AGM resolve in favour of an increased dividend for the 2025 financial year of SEK 9.00 per share (8.75), corresponding to 83% of net profit for the year. During the last five years, the ordinary dividend has averaged approximately 79% of profit after tax.

Share repurchases

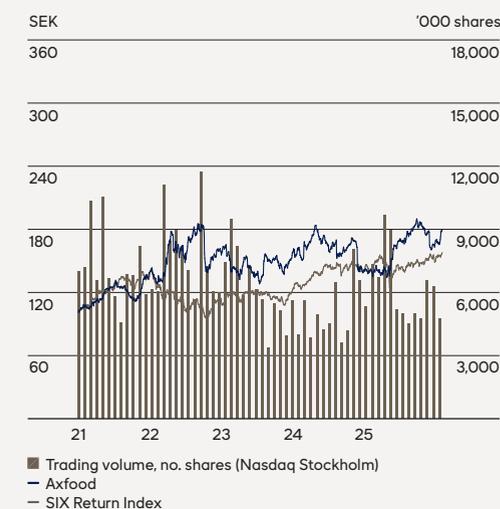
To secure delivery of shares linked to Axfood's long-term share-based incentive programmes, Axfood conducts share repurchases. At year-end, Axfood's holding of treasury shares amounted to 921,517 shares, corresponding to 0.4% of the total number of shares. More information about the share repurchase programmes is provided in Note 6.



Axfood share price and trading volume, 2025



Total return, Axfood share, index



THE SHARE AND OWNERSHIP STRUCTURE

Breakdown of ownership

Size class	No. shareholders	Shareholders, %	No. of shares	Share of votes and capital, %
1–500	119,035	90.4	8,905,968	4.1
501–1,000	6,272	4.8	4,650,845	2.1
1,001–5,000	5,371	4.1	10,859,332	5.0
5,001–10,000	541	0.4	3,826,624	1.8
10,001–20,000	217	0.2	2,994,613	1.4
20,001–	283	0.2	183,257,409	84.5
Breakdown unknown	–	–	2,348,449	1.1
Total	131,719	100.0	216,843,240	100.0

Source: Monitor by Modular Finance AB, with data from various sources, including Euroclear Sweden AB and Morningstar as of 31 December 2025. Totals may be affected by rounding.

Ten largest shareholders

Name	No. of shares	Capital and votes, %
Ax:son Johnson (family and companies)	108,541,606	50.1
Swedbank Robur Funds	7,346,083	3.4
Handelsbanken Funds	6,744,953	3.1
Lannebo Funds	4,661,235	2.1
Vanguard	4,646,897	2.1
Clients Fonder	3,489,674	1.6
Odin Funds	2,949,522	1.4
Nordea Funds	2,878,446	1.3
BlackRock	2,372,016	1.1
Göran Sax	1,914,034	0.9
Total	145,544,466	67.1
Others	71,298,774	32.9
Total	216,843,240	100.0

Source: Monitor by Modular Finance AB, with data from various sources, including Euroclear Sweden AB and Morningstar as of 31 December 2025. Totals may be affected by rounding.

Key data per share

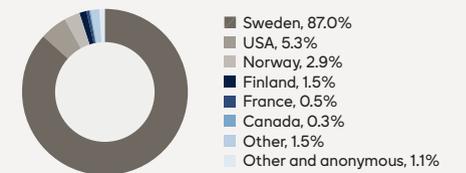
Amounts in SEK	2025	2024	2023	2022	2021
Ordinary dividend	9.00 ¹⁾	8.75	8.50	8.15	7.75
Dividend payout, %	83.0 ¹⁾	86.1	77.8	73.8	76.0 ²⁾
Number of shares outstanding	215,921,723	215,744,895	215,777,588	215,805,384	209,104,732
Share price at year-end	290.20	234.00	273.00	285.90	260.40
Market capitalisation at year-end, SEK m	62,928	50,741	59,198	61,995	54,650
Highest/lowest closing share price	311.00/ 219.40	311.60/ 229.70	293.70/ 223.60	333.60/ 233.20	260.40/ 192.70
Dividend yield, %	3.1 ¹⁾	3.7	3.1	2.9	3.0
Earnings per share before dilution	10.84	10.16	10.92	11.04	10.20 ²⁾
Equity per share	34.77	32.69	31.87	30.62	23.68
P/E ratio	26.8	23.0	25.0	25.9	25.5 ²⁾
Daily trading in relation to market capitalisation, all marketplaces, %	0.36	0.31	0.41	0.51	0.44
Volatility, standard deviation, %	19.5	22.6	22.7	28.6	14.7
Beta	0.18	0.16	0.15	0.30	0.27
Number of shareholders	131,719	129,953	124,252	117,685	97,249

- 1) Proposed by the Board of Directors.
- 2) Comparison figures for 2021 were restated for the bonus issue element of the rights issue that was completed in 2022. Other years have not been restated.

Trading volume for Axfood shares on various marketplaces



Geographic distribution of shareholders



Shareholder information



Source: Monitor by Modular Finance AB, with data from various sources, including Euroclear Sweden AB and Morningstar as of 31 December 2025. Totals may be affected by rounding.

Shareholder communication

Axfood keeps the capital market continuously informed about the Company’s operations and development. Through meetings with Swedish and international institutional investors and analysts, a dialogue is maintained and continuous information is provided. Presentations are made during conferences and meetings, and always in connection with the publication of interim reports and year-end reports. As a general rule, a Capital Markets Day is held every two years to provide the market with a more detailed description of the Group’s strategic progress.

Topics of particular interest for investors and analysts in 2025 were the development of Axfood’s various businesses and how they manage changing market dynamics characterised by shifting consumer behaviour in the wake of years of high inflation. There was also a focus on the establishment of a new logistics structure, AI and digital development, and sustainability.

Axfood engages in a continuous dialogue with non-institutional shareholders. For example, presentations are held during events organised by the Swedish Shareholders Association, an independent organisation for private persons who invest in equity-based securities.

Axfood’s website

Axfood’s website, axfood.com, provides information for the capital market and other stakeholders. It provides current as well as historical information about the Group’s operations, vision, purpose, business concept and strategy, corporate governance and sustainability work. Information is also available about the performance of Axfood’s shares over time. Press releases, presentations, financial reports and information about the Annual General Meeting are posted on the website. A service is provided that enables interested parties to subscribe for press releases and financial reports via email.

Financial statements

Axfood’s financial reports from 2000, the year in which the Group was established, and onwards are available from the Company’s website. Financial reports are only distributed in digital format and via the website. In connection with publication of Axfood’s interim reports and year-end reports, conference calls are held in English. Presentations and recordings of the conference calls are made available afterward on the website.

Analysts who cover Axfood

ABG Sundal Collier	Fredrik Ivarsson
Bloomberg Intelligence	Ignacio Canals Polo
BNP Paribas Exane	Robert Joyce
Danske Bank	Daniel Schmidt
DNB Carnegie	Niklas Ekman
Handelsbanken	Erik Cederberg
Kepler Cheuvreux	Erik Sandstedt
Nordea	Nicklas Skogman
SBI Markets	Magnus Råman
SEB	Gustav Hagéus

Financial calendar 2026

- 10 March**
Record date for Annual General Meeting
- 18 March**
Annual General Meeting
- 19 March**
Ex-dividend date
- 20 March**
Proposed record date for payment of dividend
- 25 March**
Proposed date for payment of dividend
- 23 April**
Interim report January–March
- 15 July**
Interim report January–June
- 17 September**
Ex-dividend date
- 18 September**
Proposed record date for payment of dividend
- 23 September**
Proposed date for payment of dividend
- 22 October**
Interim report January–September

Capital Markets Day 2025:

“The strength of our business concept allows us to keep challenging and growing.”

On 18 September 2025, Axfood hosted a Capital Markets Day for institutional investors, analysts and financial media at Urban Deli Hagastaden in Stockholm. An update on the Group’s strategy to drive long-term, profitable and sustainable growth through distinctive concepts in collaboration was provided during the Capital Markets Day. Axfood reaffirmed its financial targets and presented its various operations and ongoing investments for the future.



Contact

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2026 AGM

The Annual General Meeting (AGM) of Axfood AB (publ) will be held on Wednesday, 18 March 2026 at 5:00 p.m. at Münchenbryggeriet (Torkel Knutssonsgatan 2) in Stockholm, Sweden. Registration opens at 4:00 p.m. The Board of Directors has decided that shareholders may also exercise their voting rights by postal voting.

Registration and notification

To be entitled to participate in the AGM, shareholders must be recorded in the register of shareholders maintained by Euroclear Sweden AB not later than 10 March 2026, and must notify the Company of their intention to participate in the AGM not later than 12 March 2026. Shareholders who wish to participate at the AGM venue must notify the Company by 12 March 2026. Notifications may be submitted by post to Computershare AB, Attn: "Årsstämma Axfood", Box 149, SE-182 12 Danderyd, Sweden, by telephone at +46 771 24 64 00, by email to proxy@computershare.se or on Computershare's website, which can be reached via a link provided on Axfood's website. The notification must include the shareholder's name and personal identity number or corporate registration number, address, telephone number, email address and the number of assistants (a maximum of two) accompanying the shareholder. Shareholders who wish to participate in the AGM by postal voting must submit their postal votes so that their postal votes have been received by Computershare not later than 12 March 2026. A special form shall be used for postal voting. The postal voting form and other information are available on Axfood's website. If a shareholder is represented by a power of attorney, a power of attorney (together with any authorisation documents such as a registration certificate) must be submitted to Axfood in ample time prior to the AGM.

Shareholders whose shares are registered in the name of a nominee must, in addition to notifying the Company of their participation in the AGM, temporarily re-register their shares in their own names in the register of shareholders (so-called voting rights registration) to be able to participate in the AGM, so that the shareholder is included in the register of shareholders by the record date 10 March 2026. Voting rights registrations made by the nominee not later than 12 March 2026 will be taken into account in the production of the register of shareholders.

Dividend

The Board of Directors recommends that the AGM resolve in favour of a dividend of SEK 9.00 per share (8.75) for the 2025 financial year. The dividend is to be split into two payments, SEK 4.50 per share in March 2026 and SEK 4.50 per share in September 2026. 20 March and 18 September are proposed as the record dates for the payment of dividends. If the AGM votes in favour of the proposal, payment is expected to take place on 25 March and 23 September, respectively.

Notice of AGM

Notice of the AGM has been made through an advertisement in the Official Swedish Gazette (Post- och Inrikes Tidningar) and Svenska Dagbladet and through publication on Axfood's website. Documents that will be presented at the AGM are made available on the website. They will also be sent, upon request, to shareholders who provide their postal address.



www.solberg.se

Photo: AXL media AB, Anna Marxén/Deilig Media, Christian Widell, Christian Björnerhag/DDB Stockholm, Christopher Hunt, Dan Boman/Scania, Dan Coleman, Elin Andersson, Emma Shevtzoff, Erik Flyg, Fond&Fond, Gustav Kaiser, Jimmy Eriksson, Johannes Berner, Johnny Johansson/Kaneos Media, Marcus Carlsson/unsplash.com, Mamad Hormatipour, Martin Sörbo, Oskar Omne, Peter Jönsson, Pina Messina/unsplash.com, Raquel Pedrotti, Spencer Pugh, Witron.

Axfood



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