



PRESSMEDDELANDE 2010-04-20

Axfood presents sustainability programme with tough climate targets

Axfood will present its sustainability programme, with some of the toughest climate targets in the industry, at a press conference to be held today at 10.30 CET at the Sustainability Day at Cirkus in Stockholm.

The Group's sustainability programme covers environmental aspects, animal welfare and social issues. Axfood will reduce the climate impact from its operations by 75% by 2020, among other things by using renewable electricity and reducing energy consumption by 30% per square metre.

Some examples from the sustainability programme:

Willys to launch Sweden's cheapest bag of organic groceries.

We do not sell fish on WWF's red list.

We will increase the number of social audits and raise the quality of follow-up.

We will provide employees with training in environmental matters.

We purchase certified palm oil for our private labels.

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Axfood AB conducts food retail and wholesale business in Sweden. Retail business is conducted through the wholly owned store chains Willys, Hemköp and PrisXtra, comprising 225 stores in all. In addition, Axfood collaborates with a number of proprietor-run stores that are tied to Axfood through agreements. These include stores within the Hemköp and Willys chains as well as stores run under the Handlar'n and Tempo profiles. In all, Axfood collaborates with approximately 840 proprietor-run stores. Wholesaling is conducted through Dagab and Axfood Närlivs. Axfood is listed on Nasdaq OMX Stockholm AB's Large Cap list. Axel Johnson AB is the principal owner, with approximately 46% of the shares.

Axfood's sustainability programme 2010

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0. Sustainability policy

Axfood AB seeks to achieve continual improvements in its work with environmental, natural resource and social issues. Initiatives are based as much as possible on the principle of preventive action and application of the precautionary principle. Axfood mainly works in accordance with ISO 14001.

Axfood's aim is to be a leader within sustainability and to have the courage to break new ground in terms of new technical solutions and working methods.

Through systematic work with environmental and social issues including clear targets, measures and follow-up these initiatives can be easily monitored by customers, employees, owners and society at large.

Environmental work focuses on reduced climate impact from handling of goods, waste, transport, energy and use of premises. Ahead of major structural changes we perform environmental impact assessments. In our stores we want to make it easy for eco-aware customers by offering an environmentally compliant product range, fair trade certified products, practical solutions and good consumer information. We also want to offer our customers opportunities to become involved in sustainability issues through cooperation with non-profit organizations. Social responsibility initiatives involve promoting a good social environment both for the people who work at Axfood and its companies and the people who produce and deliver the group's products.

Axfood's code of conduct makes it clear to our suppliers what we expect of them, above all within the social area. We are becoming successively better at applying our code of conduct in order to improve conditions where our goods are produced.

Axfood works with sustainability issues as an integrated part of its business and the individual companies within Axfood AB are responsible for the practical implementation of Axfood's sustainability work. Good skills and involvement in environmental issues among employees are a prerequisite for realization of these aims. Environmental coordinators have been appointed in all companies.

1. Products

- In 2010, Willys will launch Sweden's cheapest bag of organic groceries
- Willys to complete eco-labelling of all its stores in 2010
- Axfood Group to increase its sales of organic products during 2010 to at least 3% of food sales
- By 2010 Axfood will increase its sales of organic products to at least 6% of food sales
- All chains to draft proposals for targets for reduced shrinkage in 2010
- Product range/purchasing to complete work on purchasing guidelines (environmental requirements) for different product categories during 2010
- During 2010 Axfood will purchase green palm oil certificates for the palm oil included in Axfood's private label products

2. Waste and lifecycle

- All warehouses and owned stores to introduce waste sorting in 2010 where all producer liability fractions are included as well as biodegradable and other waste. The intention is to recycle as much of the waste as possible.
- All companies to achieve better profitability for sales of waste fractions to recycling.

3. Transport

- Axfood will start to climate-neutralize its air travel in 2010
- All drivers of company cars will be offered information about eco-driving
- In future, all vehicle drivers will also be offered training in eco-driving
- Dagab and Axfood Närlivs to draft clear environmental requirements for suppliers of transport services and fuel in 2010
- Dagab and Axfood Närlivs to reduce their carbon dioxide emissions from fuel by 2% per tonne kilometre from owned vehicles during 2010
- Dagab and Axfood Närlivs to reduce their carbon dioxide emissions from fuel by 10% per tonne kilometre from owned vehicles by 2015
- 10% of business travel in excess of 50 km should be by train or bus from 2010
- 25% of business travel in excess of 50 km should be by train or bus from 2015
- Axfood will conduct a survey of employees' travel to and from the workplace in 2010 in order to have a better record of Axfood's environmental impact.

4. Energy and use of premises

- Reduce climate impact by 75% by 2020
- Reduce energy consumption by 30% per m² in our premises by 2015. The reduction plan includes a review of lighting, ventilation, refrigeration and heating.
- Reduce energy consumption by 4% per m² by the end of 2010 in premises where we are able to measure energy consumption.
- Ensure accurate energy measurement in all stores when renegotiating leases
- Invest in solar panels and/or wind power on the roofs of warehouse buildings in 2010
- Become "climate neutral" by 2020
- Axfood will transfer to renewable electricity with a guarantee of origin starting in 2010

- Axfood will transfer to Bra Miljöval (Good Environmental Choice) electricity starting in 2013
- Halve climate impact from refrigerants by 2015
- Axfood to use eco-labelled office machines (computers, printers and copiers) when available. This objective has been partly met since it has been carried out for all desk-top computers.

5. Social issues

- Carry out consultations with key organizations in the social field
- During 2010 all chains will carry out a marketing activity with Fairtrade in order to strengthen sales of fair trade labelled products
- Continue to be a member of CSR Sweden
- Improve risk assessments of producer countries
- Strengthen the Shanghai office's work with social issues when choosing suppliers
- Steadily increase the number of social audits
- Raise the quality of follow-up of social audits
- Axfood to stop selling products with azo colorants during 2010
- Strengthen work with wellness initiatives for employees
- Achieve an even gender distribution in management positions, i.e. women and men represented within the 40-60% band by 2015 at the latest
- 90% of employees should perceive the company as an equal opportunities workplace as regards women and men by 2015 at the latest
- Achieve an even gender distribution among those who attend Axfood's management training courses, i.e. women and men represented in the 40-60% band during 2010
- Double the number of employees who utilise the fitness subsidy by 2015
- Reduce long-term and short-term absence

6. Customer in sustainability work

- All chains to improve their communication with their customers on sustainability issues during 2010
- All chains to inform their customers about ethical choices made from 2010 onwards
- During 2010 all chains will introduce clear shelf edge labelling for eco-labelled and organic products
- All chains to ensure that information about how to reach all stores by public transport is available on the web.

7. Animal welfare

- The target for sales of organic meat is 2% of meat sales for 2010.
- Country of origin labelling for meat raw material used in private label products to be introduced with the aim of completion in 2011

8. General questions and training

- 20% of employees to receive basic environmental training in 2010
- All regional managers and sales leaders to receive basic training in environmental and social issues during 2010
- All employees to have received basic environmental training by 2012 at the latest
- Environmental demands to be made when purchasing office materials and cleaning services. The environmental. The Environmental Management Council's guidelines to be used in purchasing work.
- A special programme for green IT and the sustainable office¹ to be drafted by 2010 at the latest
- A green IT audit to be performed in 2010
- All employees who work with purchasing of goods and services to a significant extent to receive training in the code of conduct during 2010.

¹ To include such items as computer and server use, print-out policy, eco-labelled purchasing, effective use of server rooms, measures to reduce travel through better opportunities for distance working and conferences.