



## **NORGESGRUPPEN'S ANNUAL AND SUSTAINABILITY REPORT 2021**

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## Our chains and concepts



JOH. JOHANSSON  
— kjent for god kaffe siden 1860

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→ We have directed significant resources to safeguarding our social responsibility to provide food and beverages throughout the country in a safe and effective manner.

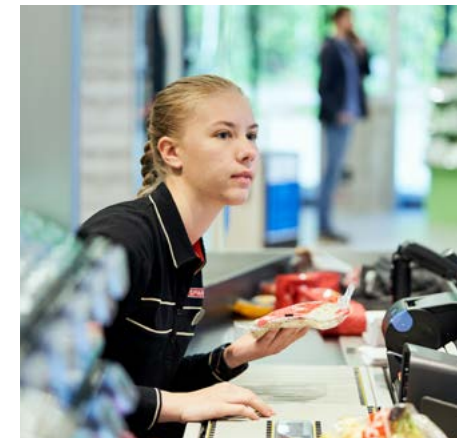
→ Our sustainability work is based on the areas of environment, health and people. The results are pointing in the right direction, but we are facing a significant change in the coming years.

→ In 2021, NorgesGruppen invested in significant price reductions for customers in a market with strong competition.

→ Our strategy supports our vision of "making your everyday easier" and details the route and direction ahead.



NorgesGruppen is a family of concepts with strong positions within consumer goods and services in the food market.



8.2  
million customer visits  
per week

2,140  
Number of stores  
(44% fully-owned stores)



men women  
49,9/50,1  
Gender balance (per cent)

1.5  
billion NOK in accrued Trumf bonus  
for 2.6 million members



44,618  
Number of employees  
(66 per cent in fully-owned  
companies)



# Our business model

NorgesGruppen's business model consists of production, distribution and sales. In cooperation with several thousand retailers and employees, we offer food and other consumer goods throughout the country.

→ Our value chain creates revenues, jobs, good shopping experiences and food supplies throughout the country.

The business model is based on long-term active ownership and the ability to develop the company in step with society. Major investments have laid the foundation for increasingly environmentally-friendly distribution, early adoption of new technology and strong chain concepts.

Our vision is to provide you with a better everyday life. Our values are Customer-oriented; Responsible, and Collaborative. To pursue the vision, to live by the values, and to achieve our own ambitions, we follow four governing principles:

- Independent business areas
- Competitiveness through economies of scale
- Promoting competition between the chains
- Taking ownership and responsibility – you are important!





# 2021 summary

## Financial key figures

- Operating revenues increased by 1.5 per cent to 103.1 BNOK.
- Operating profit was lower than the previous year due to investments in price reductions for customers.
- NorgesGruppen achieved an annual profit of 3.9 BNOK in 2021, giving an unchanged profit margin of 3.8 per cent from 2020.
- We realise productivity gains and have good underlying operations.



## Market and chain development

- Virtually unchanged market share of 31 per cent of the total food market.
- MENY became a growth winner in the market. MENY's online store increased its revenue by 29 per cent.
- KIWI cut prices on more than 800 products.
- SPAR and Joker maintained their unique local and convenience store positions.
- Good progress for NorgesGruppen Servicehandel in a demanding market.

## Operations in the value chain

- ASKO delivers stable and safe supply of goods in a demanding situation in society.
- Technical infrastructure within IT/payment/ID upgraded in all stores.
- The brand businesses ensured store competitiveness through seasonal concepts, new products and a satisfactory level of service.



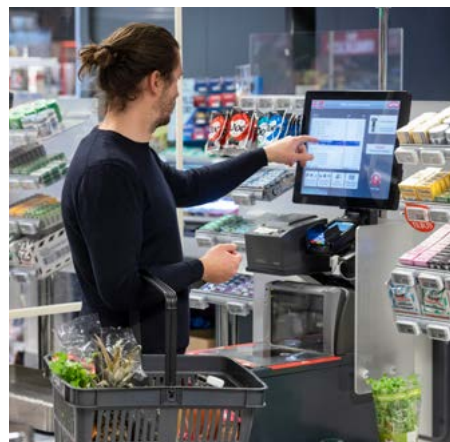
## Investments and technological development

- Prepared for investment in new concepts in large-scale retail and discount non-food retail (Gigabox and Dollarstore).
- The coffee roastery at Joh. Johansson Kaffe and ASKO Oslofjord provides a more efficient and environmentally-friendly flow of goods.
- Manual tasks replaced with automation and robots in ASKO.
- Automated baking systems at MENY significantly reduce food waste.



## Sustainability across the board


- Reduction in greenhouse gas emissions since 2019: 6.2 per cent.
- Good development in food waste, environmentally-friendly packaging and selected health goals.
- Established the 100 MNOK HANDLE sustainability fund.
- Investing in renewable energy and low-emission solutions within transport and construction.



## Products & Services

- Sales growth for locally produced food totalling 6.8 per cent.
- Measures taken to increase the Norwegian proportion of strawberry production and grains.
- Trumf launched the apps Kostholdsinnstikt [Diet Insights] and Klimainnsikt [Climate Insights].
- Record customer bonus of 1.5 BNOK from Trumf and the number of members exceeded 2.6 million.





Runar Hollevik together with the employees (from left) Christian Fredrik Ekeren, Øystein Watne and Emilie Kristiansen at MENY Bryn.

Message from  
the CEO



**“We must offer the best shopping  
experience across all customer interfaces.”**

→

# **“Supplying Norway with food is a mission that is critical to society. We have solved our part of that mission thanks to a robust distribution network and good collaboration throughout the food value chain.”**

**We look back at two very unusual years. Much of the revenue from cross-border retail and the catering sector was moved to groceries, and we have directed significant resources to safeguarding our social responsibility to supply the entire country with food safely and effectively. I feel that we have delivered on that. A big thank you to all our partners and skilled food producers!**

## **Record volumes in a time of demanding supply of goods**

18 per cent growth and 14 BNOK more in revenue since 2019 for company-owned and retailer-owned operations means many more goods out and into the store shelves every day. Adaptations at every stage of our business model have been necessary, from production to distribution, to stores and e-commerce. All links in the value chain have shown a willingness to change in order to deliver on customer needs and wishes. I am impressed by what all our employees have achieved and the way the job has been done. After the demanding time we have now put behind us, it is particularly nice to see employees reporting

great motivation, pride and well-being in their workplace.

## **A wider range of products**

A wide range and good selection made MENY a growth winner in 2021. MENY has grown 19 per cent organically over the course of two years. The growth triggered a great need for more skilled employees, and colleagues from other sectors have been welcomed with open arms. Several have made a permanent career change.

Interest in food is increasing, more customers are preparing meals from scratch and want tasty ingredients they can find at MENY. In addition, the demand for e-commerce and home delivery remains high, and MENY Nettbutikk has increased delivery capacity and improved user experience. This has contributed to a growth of 29 per cent last year and a sales record of 940 MNOK in 2021.

## **KIWI made everyday life more affordable**

KIWI reduced the price of more than 800 products per year, and has managed to retain a portion of its 'loaned' revenue from periods when there have been social restrictions. KIWI aims to be Norway's cheapest chain, and put prices under pressure throughout 2021. For example,

KIWI ran a big campaign on diapers in 2021, and cut prices on sugar-free soft drinks. In 2022, the goal is to open 20 completely new KIWI stores for the benefit of customers throughout Norway.

Through the pandemic, we have invested in significant price cuts for our customers. Our customers will always expect discount prices from us, and we will continue to deliver on this. While prices for goods and services in society increased by more than 5 per cent in 2021, food prices fell by 2 per cent. KIWI's price cuts contributed to this.

## **Uneven impact of the pandemic**

The impact of the pandemic has been very varied depending on geography and locations. The fact that most Norwegians chose to holiday in Norway in 2021 resulted in a large increase in revenue for many SPAR and Joker stores, as well as for roadside Deli de Luca stores. For stores at traffic hubs and in town and city centres, the pandemic has presented significant challenges due to reduced travel and increased homeworking. Focusing on customer needs, good infection control and the ability to adapt quickly, the chain concepts in co-operation with franchisees and retailers have managed to create satisfying shopping experiences despite challenging conditions. ASKO Servering has

alleviated pressure on its customers by granting payment deferrals and credit extensions and facilitating new revenues.

## **More Norwegian food**

Variety and food enjoyment are customer needs that we believe will continue to be highly valued in the future. MENY finds that the pandemic has led to many consumers generally preferring variety and Norwegian-produced food. In 2021, NorgesGruppen launched a number of initiatives to increase the Norwegian proportion of high-demand products, including strawberry production and food grains.

## **Boost for digitalisation**

Digitalisation and major investments in new technology make us even more efficient and robust in the supply of goods. All our stores have upgraded technical infrastructure to ensure good shopping experiences for our customers and easy operation for our retailers. The new coffee roastery at Vestby, ASKO Oslofjord and automated picking-of-items are other examples that increase our productivity and flow of goods.

## **A more sustainable food chain**

Since 2019, our greenhouse gas emissions were cut by 6.2 per cent. We have good results →



Runar Hollevik with Henrik Flaten at KIWI Solli Plass.

→ in food waste, and we have increased our recycled plastic packaging by 18 per cent. It is an important contribution to reducing the environmental impact of the products we sell. In the health authorities' selection of positive contributions to national health, we held seven nominations. Sunnhetslotteriet [The Health Lottery], one of KIWI's contributions to increased sales of fish, fruit and vegetables, came out on top.

### We are geared for the future

Customers have more and more choices within food, beverages and non-food. New operators and sales channels have been established. We want to participate in the competition for customers and continue to develop good offers. Our goal is to manage to keep more of the borrowed revenue we have had during the pandemic. The grocery market has received 30 BNOK in "loaned" sales from sales channels that had to close during the pandemic. We have experienced the consequences of the closed border to Sweden and seen what value creation could potentially be developed in Norway. For example, KIWI has at the most employed 2,000 more people.

In the future, we will contribute to strengthening competition in the food market, including a wide range of products, discount non-food and

health and well-being. We must continue to develop completely unique concepts to ensure that the market becomes even larger and that there is even more choice. Existing chain concepts must continue to develop and manage the trust we have earned from customers effectively.

"Sustainable and climate-neutral" is one of our ambitions. We will reduce food waste by more than half by 2025 and become climate-neutral by 2030. As a major operator, we can contribute to better public health through a healthier shopping basket, and we can contribute to a more diverse working life.

The Holmenkollstafetten relay race is an important event for public health and well-being both for our employees and for our customers. In 2021, NorgesGruppen mobilised 5,000 employees in 1,000 teams across the country to run in a virtual Holmenkollstafetten relay race.

Two demanding years have shown us the strength of our employees and the importance of good collaboration throughout the food chain. This strengthens motivation and the belief that we have the right conditions for continued long-term, profitable and sustainable growth.



**"We have great ambitions: Being the most affordable, having the widest range – and at the same time being the best in the industry in terms of both health and resource efficiency."**

### Key figures

	Unit	2021	2020	2019
Operating income	MNOK	103,059	101,560	90,504
Operating profit (EBIT)	MNOK	4,963	5,096	3,650
Operating margin	%	4.8	5.0	4.0
Profit for the year	MNOK	3,922	3,827	2,746
Profit margin	%	3.8	3.8	3.0
Greenhouse gas emissions, change	%	-6.2	-5.0	-
Apprentices, total	Number	625	545	473
Apprentices transferred to permanent positions	%	34.0	30.0	31.0
Accrued Trumf bonus	MNOK	1,500	1,450	1,225





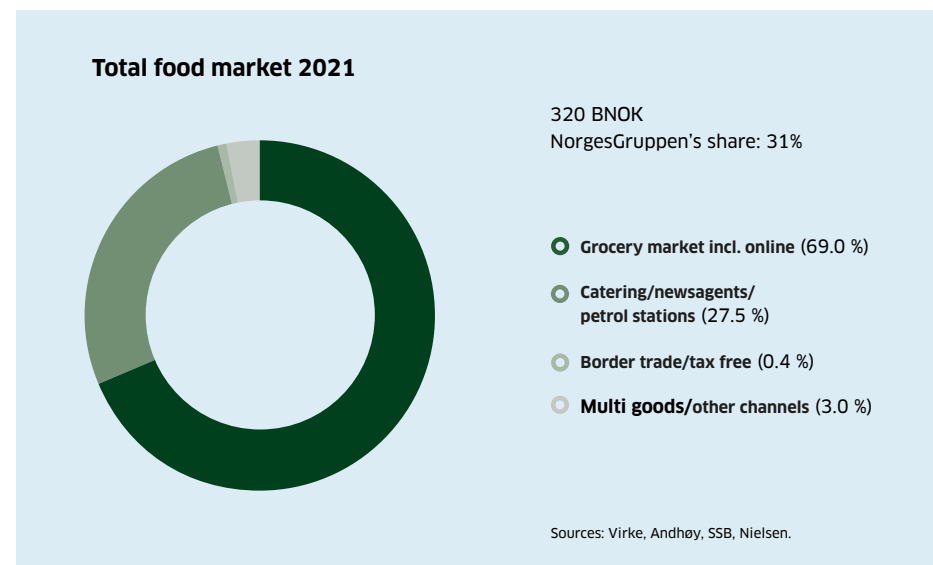
# **Market and strategy**

## Market and trends

Many different operators compete in the food market: grocery stores, e-commerce, restaurants, kiosks and petrol stations, cross-border retail stores, specialised retail stores, tax-free stores and several other niche stores.

# Strong competition in the food market

NorgesGruppen's chains compete in a food market with a combined revenue of approximately 320 BNOK (2021). The total food market offers food and beverages and other everyday consumables.



→ NorgesGruppen offers shopping experiences through several different concepts: discount prices, supermarkets, convenience stores, and food-on-the-go. The chain concepts offer a combination of physical stores and e-commerce, both from independent retailers and company-owned retail outlets throughout the country. Distribution, procurement and food production are integrated parts of the business that guarantee customers low prices and a wide selection of products, and provide retailers with a good operating basis. When NorgesGruppen competes in the large food market, this must be on the customer's terms and with us being aware of our role in society.

### Many consumer choices

As the pandemic flattens out and society opens

# 31%

NorgesGruppen's market share in the total food market of 320 BNOK (2021). Virtually unchanged from the previous year. (Virke, Andhøy, SSB, Nielsen)

# 4.5

Number of chains within shopping distance for consumers. An increase from 4.3 chains the previous year. Customers have many stores to choose from. (Nielsen Norske Dagligvarekjeder)

# 20%

The proportion of people's food budgets associated with large quantity shopping, which increased during the period with coronavirus restrictions. (NorgesGruppen's Kjedet Tracker [NorgesGruppen's Chain Tracker])

# 3.7

The number of different chains that consumers use each month. Virtually unchanged from the previous year. (Nielsen Norske Dagligvarer)



up, NorgesGruppen expects the food market to largely return to normal and the long-term trends in the market we saw before the pandemic to continue to affect the market. Food and daily consumables are sold in several different sales channels. Before the pandemic, the food market was approximately 300 BNOK and grew by around 2 per cent annually. Grocery stores accounted for around 60 per cent of sales. Restaurants, kiosks and petrol stations account for around 90 BNOK, and the retail sector otherwise accounts for approximately 30 BNOK. In recent years, sales growth in the food market has been highest outside traditional grocery retail. In particular, the catering sector, e-commerce and industry slippage categories have experienced major growth.

### Eating and shopping habits are changing

Consumer preferences are changing – be they eating habits and shopping habits. Increasingly, we are eating more smaller meals. We are becoming more price-aware. At the same time, awareness and willingness to pay are increasing for unique products, such as locally produced and sustainable products. In the coming years, we expect further growth of new operators and business models in the grocery sector and related sectors. We will have new technology that affects efficiency and quality

in physical grocery retail. Price, convenience, health and sustainability will be key drivers in the years to come.

### New operators

New operators and business models in the grocery sector and related sectors are emerging. Increasingly, we will see technology and user interfaces changing consumer decision-making and purchasing processes. With an increasing number of operators in the food market, competition is increasing. The marketing of prices is crucial for us to be able to keep up with the strong competition, which we also saw in 2021 when food prices fell by 2 per cent while prices for other goods and services in society increased.

### Pandemic effect in traditional groceries

The pandemic has led to high growth in groceries. Revenue was 208.1 BNOK in 2021, a decline of 0.4 per cent. This development is due to high volumes in the previous year, as well as fewer periods of restrictions. Compared with 2019, the market has grown by almost 17 per cent and 30.3 BNOK. Taxable categories have accounted for a large part of the growth. Restrictions have contributed to these products, e.g. beverages, being purchased in Norwegian grocery chains instead of tax-free channels such as border stores.



## MARKET CHANGES

### Low population growth

→ The food market is adapting to demographic changes, both in terms of distribution and range. In recent decades, there have been major changes in the types of households we live in. The population of Norway continues to grow, and numbered over 5.4 million at the end of 2021. Population growth, on the other hand, is low. Women give birth to fewer children and are older when they have their first child than was the case in the past. In 2021, the number of births in Norway increased for the first time in many years. The proportion of immigrants and Norwegian-born children with immigrant parents has increased significantly over the past decades. The proportion of elderly people has increased and

will continue to increase in the coming years. Statistics Norway expects that there will be more elderly people than children in Norway by 2030. 1,005,600 people live alone in Norway in 2021. This corresponds to 18.8 per cent of the population, and is an increase of 0.5 percentage points from last year (SSB). An increasing number of children live with cohabiting parents, and many children experience changes in family structure during childhood. While many district municipalities are seeing a decline in population, more people are moving to towns and cities. The fact that young people are drawn to towns and cities leaving elderly people in the country is creating major differences between urban and rural areas.



## MARKET CHANGES

### Technology, digitalisation and new business models

→ Technological development provides great opportunities in business development throughout the food value chain. There is an enormous growth both within the development of customer services, but also to streamline the flow of goods and in-store operations. At the same time, new technology offers great opportunities in sustainable food production. Digitalisation is shaping the shopping experience, and the pandemic has led to strong growth in online grocery shopping. In addition, the pandemic has prompted new users to embrace digital solutions. Unmanned stores, delivery

where you are, and automation of warehouses and orders have been transformed from ideas into reality. Others are using technology to create transparency in the value chain and give customers full insight into the footprint of the food they buy. Behind some of the most innovative projects are international operators who build alliances in commerce and technology. Digitalisation, which is taking place throughout society, means that new operators are emerging, including in the large food market.

## MARKET CHANGES

### Changing customer preferences

→ An increasing proportion of consumers are showing interest and increasing willingness to pay for unique and sustainable products. The attention to health effects and lifestyle is also evident in the shopping basket. The same goes for the need for simple meal solutions, but ultimately price is the most important criterion for the customers' choice of store. Shopping experience, expertise and customisation of the product range to customers is becoming increasingly important. The chains must develop and offer products that make them stand out and meet customers with relevant and individual offers. Changes in customer preferences follow both technological developments and demographic changes in society. Through the period of the pandemic, demand has shifted from catering and food-on-the-go to home cooking needs. When society returns to normal, NorgesGruppen expects consumers to once again demand on-the-go food and beverage services, and an increasing number of people to opt for meals in the catering market.



During the pandemic, customers' shopping baskets in grocery stores have become bigger and we have bought more groceries online. This trend seems to persist. At the same time, the biggest trends have continued throughout the pandemic. Customers want new flavours and buy more plant-based products, as well as simpler meal solutions. The trend towards more quality products has become stronger.



# Strategy and ambitions

NorgesGruppen's vision is to make your everyday easier. Our strategy supports the vision and describes the direction going forward. The strategy can be summed up with three ambitions: The customer's first choice, Competitive value chain, and Sustainable and climate-neutral operations.

→ NorgesGruppen has three ambitions that the strategy is based on. The ambitions point out the long-term direction for the Group and set guidelines for our goals and priorities in the strategy period.

Growth and continuous development are crucial for any company. The market in which NorgesGruppen competes is changing continuously. Therefore, the company must at all times have a strategy that is adapted to environmental drivers, market competition and consumer trends.

Through annual productivity improvements and efficient operations, NorgesGruppen will achieve competitiveness to compete in the large food market. An important goal for the Group is that revenue growth should be higher than cost growth.

NorgesGruppen aims to become climate-neutral by 2030 and halve food waste by 2025. We will also contribute to better public health through a healthier shopping basket.



## The customer's first choice

→ We aim to be the customer's first choice of consumer goods and services in the grocery market. We achieve this by being the most affordable, by having the largest range of products, and offering the best shopping experience in all customer interfaces.



## Competitive value chain

→ We aspire to have a value chain that is cost-leading, and outstanding in terms of collaboration and innovation. We will achieve this by being the industry's preferred place to work and running the best operations.



## Sustainable and climate-neutral

→ We will lead the way in the green transition towards climate-neutrality. We are working to improve public health and shall be the industry leader in terms of health and resource efficiency. We will create opportunities for everyone and earn people's trust.

# The customer's first choice



NorgesGruppen must be the customer's first choice of consumer goods and services in the food market.

→ To achieve this, we will have the best discount stores, have the chains with the largest selection in the market and offer the best shopping experience locally and in all channels where we meet customers.

Demographic changes in the population impact how we work with range and distribution. Population patterns show that more and more people are moving to central areas. There are more people living alone, and the proportion of seniors is increasing across the country. At the same time, families with children have their own shopping patterns and a need for large-scale retail. Many customers are starting to become more willing to pay for unique and sustainable products, and more people are more aware of health and lifestyle.

In light of the driving forces around us and changes in customer preferences, our chains are adapting our product range to their unique customer base and local communities. Stores with a large number of single customers and visits from students are providing food-on-

the-go and dinners in smaller portion sizes. Others have the family unit as their main target group, and then adapt their range to family packaging, a wide selection of dinners with simple recipes and a large selection of good offers.

NorgesGruppen renewed and refurbished many existing stores in 2021. In addition, the entire technical infrastructure was upgraded, making it easier for stores to offer a fast and enjoyable shopping experience for their customers. Examples include the installation of fibre cables and new payment platforms. In 2021, NorgesGruppen also expanded its capacity in online shopping and home delivery. This means that even more people in Norway can order from MENY's online store, which now offers supermarket selections in approximately 70 per cent of the country.

NorgesGruppen will offer unique concepts within consumer goods, convenience stores and selected segments in the catering market.



**“We will offer shopping experiences with a selection that enables our customers to choose us. In addition, we will continue to squeeze prices in the market.”**

**Truls Fjeldstad/Group**  
Director, Retail, Region and Property

## Key figures

The customers' first choice	Unit	2021	2020	2019
Accrued Trumf bonus	MNOK	1,500	1,450	1,225
Trumf members	Numbers (in mill.)	2.60	2.47	2.39
Customers per day	Numbers (in mill.)	1.20	1.24	1.24
Comparable growth, NorgesGruppen	%	-1.0	16.7	1.7



# Competitive value chain



NorgesGruppen must have a value chain that is cost-leading and outstanding in terms of collaboration and innovation.

→ To achieve this, we must be the industry's preferred place to work and run the best operations.

On average, the purchasing cost of goods accounts for around three quarters of the price paid by the customer for a product. NorgesGruppen carries out annual negotiations with suppliers in order to achieve the best possible purchasing conditions, thereby ensuring the lowest possible food prices for customers. All discounts that are negotiated centrally for the stores in NorgesGruppen benefit customers in the form of lower prices.

Technological development provides great opportunities throughout the food value chain. NorgesGruppen and ASKO are making significant investments in improving the efficiency of the flow of goods and in-store operations. This results in cost savings, but also productivity growth for retailers who simplify their routines and can spend more time with their customers.

The ASKO companies are working on simplifying operations by optimising operational procedures and using automation solutions. Several of the companies have adopted robots and other solutions for part-automation in 2021. NGFLYT, a tool for automatic replenishment of goods and operational support for customers and warehouse operations, is undergoing continual development to improve the flow of goods. NorgesGruppen has also changed its fresh-food packaging with the aim of reducing in-store waste and more optimal production for suppliers.

NorgesGruppen also aims to have a future-oriented, effective and customer-oriented way of working and an organisation that will attract and develop the right skills. Each business area has its own development programmes and measures for training employees.



**“Our task is to make all our stores competitive through competitive pricing and product ranges!”**

Øyvind Andersen /  
Group Director Purchasing and Category Development

## Key figures

Competitiveness throughout the value chain	Unit	2021	2020	2019
Annual productivity improvement in stock	%	3.2	9.1	4.1
Productivity improvement in ASKO in the last five years	%	17.8	12.2	15.5
Percentage of empty space on shelves	%	2.4	2.6	3.1
Increased durability of fresh produce	Days	No change	0.6	0.8
Operating income per man-hour	MNOK	6.7	6.8	6.1

The 2020 and 2021 figures are affected positively by changes in revenues related to the corona pandemic.

# Sustainable and climate-neutral



NorgesGruppen will lead the green transition, improve public health and offer good working opportunities for everyone.

→ Our sustainability work is based on the main areas of environment, health and people, and 2021 was the first year of the new strategy period. We have set the goals to navigate towards:

- climate-neutral operations by 2030
- healthier and greener shopping and shopping baskets
- a sustainable value chain
- a diverse working life

We are working to produce new renewable energy, reduce food waste and develop solutions for utilising our food waste. The product range is heading in a healthier and greener direction.

We will contribute to improving public health, offering a diverse working life and creating a more sustainable value chain. For us, our sustainability goals will be a natural part of everything from operations, product develop-

ment, production and business development to investments and HR.

We are very satisfied with the most important sustainability results in 2021.

- We are on our way to achieving climate-neutral operations with a further reduction in greenhouse gas emissions in 2021, supported by, for example, of good results in food waste.
- We are turning the product portfolio in a greener direction, and in 2021 we took important steps in our work with more environmentally-friendly packaging.
- We invested in new technology to better guide our customers to sustainable choices.
- We continue to increase the number of apprentices and vocational training positions.



**“Sustainability across the business is the goal for NorgesGruppen. We’re on our way, but it requires new solutions and hard work.”**

Signe Bunkholt Sæter /  
Sustainability Director

## Key figures

Sustainable and climate-neutral	Unit	2021	2020	2019
Greenhouse gas emissions (per cent change since 2019)	%	-6.2	-5.0	-
Reduced food waste	%	-36.0	-38.0	-24.0
A sustainable working life: Apprentices	Number	625	545	473



Chief Finance Officer Mette Lier, in front of Norway's eco-friendly coffee roastery in Vestby.

Chief Finance Officer

## Financial performance

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103 BNOK

Operating income



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4.8%

Operating margin



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3.8%

Profit margin



In 2021, NorgesGruppen invested in significant price reductions for customers in a market with strong competition. At the same time, we are achieving efficiency gains as a result of increased productivity and good underlying operations.

→ NorgesGruppen's operating revenues amounted to 103.1 BNOK, compared with 101.6 BNOK the previous year. This represents a moderate increase of 1.5 per cent. Our chains have managed to maintain a large part of the borrowed pandemic revenue during the periods when the entire food market was open.

Through the pandemic, we have focused on delivering a stable and wide selection of products throughout the country. Despite periods of unpredictability in distribution and stores, our employees and retailers have delivered solid results. Upgrading the technical infrastructure in all stores has helped to ensure stable operations.

### Lower operating margin, unchanged profit margin

Major price cuts, marketing campaigns and strong market competition reduces our operating profit somewhat in 2021. The decrease is also due to increased electricity costs.

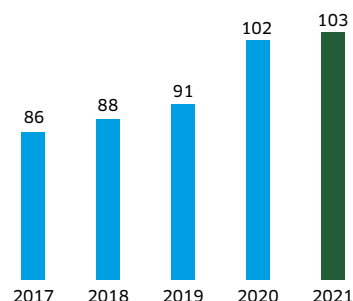
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All figures excl. IFRS 16.



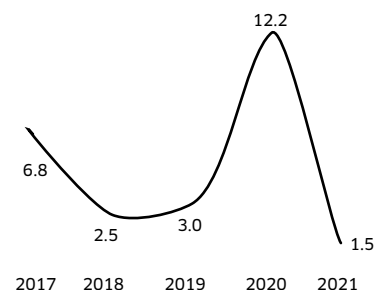
### Operating revenues

Amounts in BNOK (excl. IFRS 16)



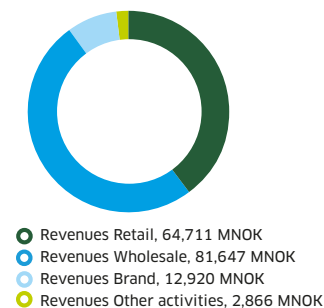
### Growth in operating revenues

Per cent (excl. IFRS 16)



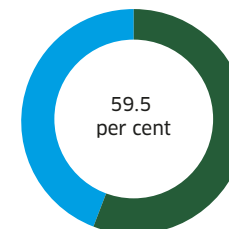
### Distribution of operating revenues 2021

MNOK (unconsolidated figures)



### Equity ratio 2021

Per cent (excl. IFRS 16)



→ Our operating profit is 5.0 BNOK, down from 5.1 BNOK the previous year. This gives an operating margin of 4.8 per cent compared to 5.0 per cent in 2020 and 4.0 per cent in 2019. Good cost control and increased productivity help our operating margin to remain at a higher level than before the pandemic.

Furthermore, we had larger write-downs in the first year of the pandemic than in 2021. Absence due to sickness has been higher than normal due to COVID-19 and quarantine rules, but the business areas have made adjustments to maintain production, distribution and opening hours in stores.

NorgesGruppen has implemented several efficiency measures during the year. The Joh. Johansson Kaffe coffee roastery, which started operations in the second quarter, provides efficiency gains through a high degree of automation and an annual production capacity of 12,000 tonnes of coffee. The establishment of ASKO Oslofjord has increased the efficiency and flow of goods. ASKO has automated a

number of manual tasks. At MENY, they have adopted automated baking systems that have significantly reduced the amount of food waste. In 2021, all stores in NorgesGruppen had their infrastructure upgraded with a new payment platform and fibre access. The introduction of electronic invoice processing and e-signatures has led to significant savings and reduced incoming paper and e-mail invoices from 40,000 to under 10,000 per month.

Operating revenues per FTE are 6.7 MNOK in 2021 compared with 6.8 MNOK in 2019 and 6.1 MNOK in 2019.

Overall, we are very satisfied with the results we delivered in 2021 and throughout the pandemic. NorgesGruppen achieved a profit for the year of 3.9 BNOK in 2021, which gives an unchanged profit margin of 3.8 per cent from 2020.

### Price cuts lead to weaker growth

KIWI cut prices significantly in 2021, an initiative to win over the consumer and secure its position as the most competitive chain. As a

result, both income and operating income from Retail have dropped compared to the previous year. Total segment revenues for Retail amounted to 64.7 BNOK in 2021 compared with 64.9 BNOK in 2020.

Online shopping continues to remain at a high level. MENY's online store delivers solid growth of 29 per cent in 2021 with a revenue of 940 MNOK.

The development in revenue for several of our stores has been particularly strong during the closed-border periods. During the periods when restrictions were lifted, demand and revenue moved from grocery to catering, cross-border retail and a wide range of goods.

Compared with the previous normal year (2019), NorgesGruppen overall has grown more than the market (source: Nielsen) and all our chains show double-digit percentage growth. NorgesGruppen overall, including our retailer-owned concepts, increased sales by 18 per cent, while the market increased by 17 per cent.

### Increased sales in Catering

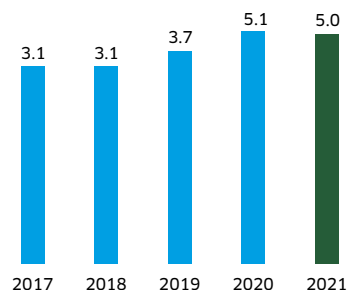
ASKO has experienced demanding general conditions with unpredictability in demand and deliveries. There have been higher volumes than normal for grocery and lower volumes than normal for catering. The performance of Wholesale has improved compared to the previous year due to sales to the catering market increasing in 2021. High electricity costs have not affected Wholesale to the same extent as Retail due to the increased use of renewable energy sources. Total segment revenues for Wholesale were 81.6 BNOK in 2021 compared with 79.2 BNOK in 2020.

### Product concepts strengthen competitiveness

The brand businesses have used considerable resources to handle the pandemic situation. They produce innovative product lines from many different production sites. Total segment revenues for Branded Goods amounted to 12.9 BNOK in 2021, compared with 13.0 BNOK in 2020. One of the main reasons for the fall in revenues is that UNIL

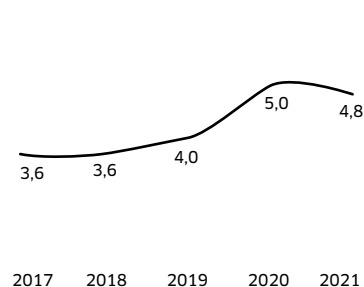
### Operating profit (EBIT)

Amounts in BNOK (excl. IFRS 16)



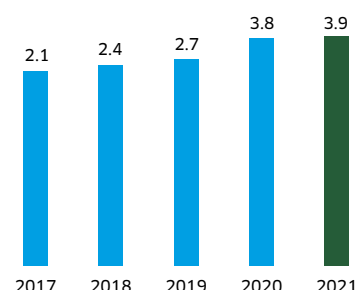
### Profit margin

Per cent (excl. IFRS 16)



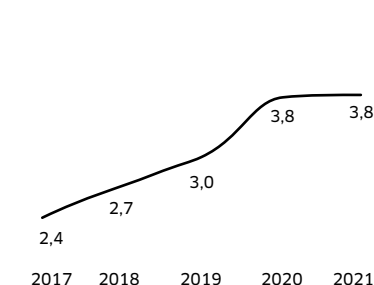
### Profit for the year

Amounts in BNOK (excl. IFRS 16)



### Profit margin

Per cent (excl. IFRS 16)



reduced its revenue, partly as a result of price reductions.

### Sustainable establishments

Total segment revenues for Norges Gruppen Eiendom were 513 MNOK in 2021 compared to 431 MNOK in 2020. The change is due to gains from the sale of property. Throughout the year, NorgesGruppen Eiendom initiated and implemented several major renovation projects, and increased investments in environmental build-ings to reduce energy consumption.

### Progress for Convenience retail and Dagrofa

The pandemic has had a very varied impact on convenience stores and catering, depending on geography and locations. Throughout much of 2021, there has been positive development in sales along the way, in the districts and in residential areas in Oslo. This has contributed to an overall growth in operational revenue of 3.3 per cent compared to 2020 and 1 per cent compared to 2019.

Dagrofa in Denmark delivered improved results in 2021, and retailer earnings are rising. They have, for example, strengthened the organisation by appointing new chain directors.

Eurocash in Sweden, which we own jointly with Axfood, was still heavily influenced by closed borders throughout 2021. Revenue rose during the periods when the border was open.

In 2021, other activities included the signing of a new agreement between Travel Retail Norway and Avinor.

### Major investments and new concepts

NorgesGruppen invested 3.5 BNOK in 2021 in more efficient and environmentally-friendly operations, competence development, digital services and upgrades in stores and online commerce. Net cash flow from investing activities in 2021 was 3.1 BNOK.

Large investments are important for the development of the business. In 2021, we received

our first official rating to contribute to financial freedom in the coming years. The Nordic Credit Rating credit agency has given NorgesGruppen ASA an official long-term credit rating of BBB+.

NorgesGruppen adjusts equity and the rest of its financing structure to the company's objective, strategy and risk profile. The Group's equity ratio is 59.5 per cent.

ASKO is in the process of establishing an all-electric transport chain that crosses the Oslo Fjord with battery-powered autonomous sea drones that transport trolleys between Horten and Moss Harbour. The transport chain is becoming climate-neutral, reducing road transport with environmentally-friendly deliveries.

NorgesGruppen wishes to give consumers even better service within the broad product range. We will, for example, take a clearer position within large-scale retail, discount non-food retail and health and well-being.

### Cost leadership and sustainability

In the future, we will continue to invest in better shopping experiences for our customers, in increased competitiveness in the value chain and in solutions that reduce the environmental impact of our operations. We have set lower yield requirements for green investments than other investments, just to stimulate sustainable development. Since 2019, we've cut our greenhouse gas emissions by 6.2 per cent.

NorgesGruppen has entered in a new strategy period in which we will meet increasing competition in the food market. After a two-year period with abnormally high revenue, restructuring and cost leadership are important in the coming years.

# Financial performance measures for the Group excl. IFRS 16

Income statement		2021	2020	2019	2018	2017
Operating revenues	NOK mill.	103 059	101 560	90 504	87 813	85 632
EBITDA <sup>1)</sup>	NOK mill.	6 810	7 397	5 325	4 992	5 238
Operating profit (EBIT)	NOK mill.	4 963	5 096	3 650	3 140	3 052
Profit before tax	NOK mill.	4 939	4 968	3 450	3 057	2 778
Profit for the year	NOK mill.	3 922	3 827	2 746	2 410	2 090
<b>Shares</b>						
Earnings per share <sup>2)</sup>	NOK	98,92	95,70	69,34	61,14	52,33
Total shares outstanding per 31.12.	1000 shares	40 000	40 000	40 000	40 000	40 000
Dividend per share	NOK	25,00	24,00	18,00	16,00	16,00
<b>Capital</b>						
Total capital	NOK mill.	45 802	43 743	41 248	39 171	37 678
Equity	NOK mill.	27 252	24 355	21 930	19 843	18 135
Equity ratio	%	59,5	55,7	53,2	50,7	48,1
Net interest-bearing debt	NOK mill.	-308	1 952	4 467	3 791	4 177
<b>Profits</b>						
Operating margin EBITDA <sup>3)</sup>	%	6,6	7,3	5,9	5,7	6,1
Operating margin <sup>4)</sup>	%	4,8	5,0	4,0	3,6	3,6
Profit margin <sup>5)</sup>	%	3,8	3,8	3,0	2,7	2,4
Return on capital employed <sup>6)</sup>	%	18,6	19,3	14,6	13,7	13,7

1) Operating profits before depreciation, impairment and profit/(loss) from associated companies

2) Profit for the year to owners of the Company / average number of shares outstanding

3) EBITDA / Operating revenues

4) Operating profit / Operating revenues

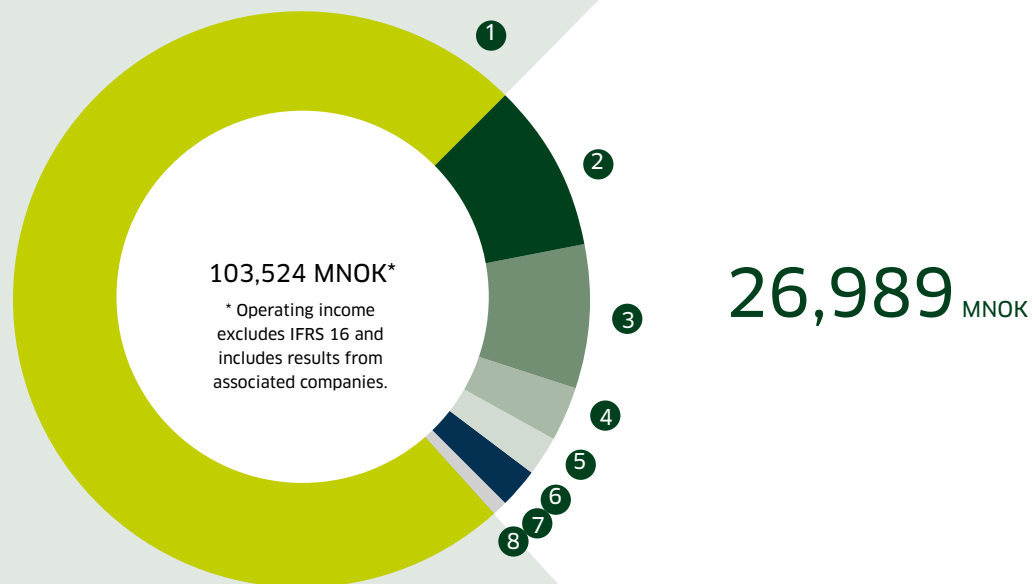
5) Profit for the year / Operating revenues

6) EBIT / Average (equity + net interest-bearing debt)



# The value we create

This is how NorgesGruppen's operating revenues are distributed. Most of what we are left with is reinvested in better stores, customer shopping experiences and eco-friendly operations.



## 1 COST OF GOODS

In 2021, NorgesGruppen purchased goods for approximately 76.5 BNOK from 1,200 different suppliers. Mainly, these are Norwegian and many are small cornerstone companies and local food producers.

## 2 EMPLOYEE SALARIES

10,036 MNOK

The Group's 29,654 employees received a total of over 10 BNOK in salaries and other benefits before tax.

## 3 OTHER COSTS

8,329 MNOK

Among other things, this includes rent, freight and transport, repairs and maintenance.

## 4 RETAINED IN THE BUSINESS

2,947 MNOK

We retained almost 2.9 BNOK in the business. A significant proportion of this is reinvested in the value chain and, not least, in green projects.

## 5 TAXES AND EMPLOYERS' CONTRIBUTIONS

2,367 MNOK

Tax on profit and employer's National Insurance contributions created revenues for the government of more than 2.4 BNOK. VAT on goods is supplementary.

## 6 DEPRECIATION AND WRITE-DOWNS

2,312 MNOK

Every year, NorgesGruppen invests significant amounts with a long-term perspective. In many cases, we absorb additional costs to explore new technologies and good environmental solutions.

## 7 TO OWNERS OF NORGESGRUPPEN ASA

Proposed dividend 975 MNOK

There are 762 shareholders in NorgesGruppen ASA, many of them retailers. Actual dividend is approved at the general meeting in May 2022.

## 8 NET FINANCIAL ITEMS

24 MNOK

We use bank loans and bonds to invest in the future.



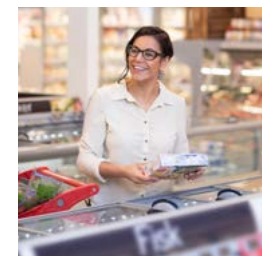
Salaries to employees



Other costs



Retained in the company



Depreciation and write-downs

## Retail



**Revenue:** 22 BNOK

**Number of stores:** 186 stores

(152 company-owned stores and 34 retailer-owned stores)

**Number of employees:** 10,277 (8,085 in company-owned stores)

→ In 2021, MENY's employees have demonstrated great flexibility and robustness for yet another year of closed borders and lockdowns. Turn-over among permanent employees and managers has been low. At the same time, "borrowed" revenue growth has meant that we have needed extra hands. We have welcomed temporary staff from other sectors with open arms and given them a good introduction to MENY and grocery. Many have even made a permanent career change, as the experience of working with range, quality and fresh produce in MENY has resulted in lust for more.

The chain has a healthy and solid internal culture. Pride in our own workplace made clear contributions to this year's employee survey, with both the highest participation ever and a very high score on pride and well-being. MENY's investment in apprentices has led to more than 150 young people taking their professional training in our stores.

MENY must be the best in terms of selection, fresh produce, food enjoyment and shopping experiences. The chain is constantly working on strengthening the store concept, both in terms of shape and colour, but also with new on-the-go and meal solutions. The stores are upgraded on an ongoing basis and adapted to their target markets with local customisation. The "Steakhouse" meat concept, the larger fresh food counter and MENY's own cake counter are established in most stores, and more stores will be getting orange juicers and meat maturation cabinets.

MENY finds that more and more people want to combine digital and →



**Ida Bø**  
Cashier  
at MENY Røa



physical shopping. Customers seek inspiration and product information in both channels and shop in both places. MENY has increased delivery capacity for online shopping and improved customer service and user experience in the online store. Meny. no had 57 million visits in 2021 and is Norway's largest online food channel.

Food waste is a priority area for MENY. In the spring of 2021, automated baking systems were introduced in the bread departments, based on advanced algorithms, purchasing statistics and real-time sales. This innovation has led to a 35 per cent reduction in bread waste in 2021, corresponding to 750,000 loaves of bread. MENY has saved nearly 170,000 food bags from ending up as waste through its collaboration with Too Good To Go in 2021.

MENY wants to make it easier to shop more sustainably. In the spring of 2021, the chain, in collaboration with Lerstang Kylling, launched an entire chicken concept completely free of imported soya in the feed.

Throughout 2021, local food producers were prioritised, which has resulted in a 9 per cent growth in locally produced food. And to stimulate healthier shopping baskets, "Fish Tuesday" has

**Najib Sharif**  
assistant fresh food manager at  
MENY Holmlia



**"We will win over the customer by becoming even better at innovation – both in store, digitally and throughout our product range."**

**Vegard Kjuus /**  
CEO, MENY

continued a 30% discount on fresh fish and weekly fish recipes, resulting in MENY winning the Norwegian Ministry of Health and Care Services' award in February 2021. In the autumn of 2021, MENY launched a dietary insight in the MENY app, where customers get an overview of everything they buy, split into product categories and energy sources, as well as tips on how to eat a little healthier.

MENY expects that competition in the market will be tough in the future. Many grocery stores compete for the same customers, while on-the-go, catering and efficient online home delivery concepts eat into Norwegian food budgets. Price is at the heart of the battle for customers, but quality, shopping experience, sustainability and customer service are important too. MENY will cultivate its position as best at wide product range, good ingredients, food expertise and personal service. Furthermore, MENY will prioritise tasty meal solutions, an effective online store, strong campaign offers and options for healthier and greener shopping. Digitalisation and new technology are major drivers, which means new opportunities. MENY will continue its digital journey and use data and insights to further personalise marketing – adapted to each individual customer. MENY is well on its way, and was rewarded as Advertiser of the Year in 2021.





**Revenue:** 45.8 BNOK

**Number of stores:** 689 stores

(590 company-owned stores and 99 retailer-owned)

**Number of employees:** 13,565 (11,387 in company-owned stores)

→ In terms of revenue, 2021 was a very good year for KIWI. Revenue amounted to 45.8 BNOK. KIWI was the clear growth winner in 2020 and therefore met tough competition. KIWI also significantly reduced prices throughout 2021.

From 2019 to 2020, the chain increased its revenue by 8.2 BNOK. A large part of this was “borrowed sales” as a result of closed borders and restrictions. However, KIWI retained 7.7 BNOK of the growth from 2020 in 2021, even when society opened up more again.

KIWI has strong positions on price, attractiveness, health, fruit and vegetables. They have topped a number of reputation surveys in recent years, and were Norway’s best-loved grocery chain in YouGov’s BrandIndex for the sixth year in a row. KIWI is also regarded as the most sustainable grocery chain in the Sustainable Brand Index. This confirms that KIWI is a very strong brand.

In 2021, KIWI continued to work for lower prices, healthy products for the public, a greener Norway and more diversity and inclusion in working life. KIWI held new rounds of Sunnhetslotteriet [The Health Lottery], for which the chain won the health award from the health authorities. Sunnhetslotteriet has contributed to increasing sales of fresh fish, fish cakes, fish balls and frozen fish by 10 per cent annually, both in 2020 and in 2021. The chain also had a 15 per cent increase in the number of shopping baskets containing fish. →



**Elle Lenes Grindheim**  
store employee at KIWI  
Heggedal



**Jones Derraz**  
Store Manager,  
KIWI Osloveien

→ KIWI was first to launch a diaper deal in 2000, and the deal has resulted in Norway having the cheapest diapers in Europe. In the autumn of 2021, KIWI launched a campaign offering two diaper packs for the price of one. The chain also sharply cut prices for sugar-free soft drinks.

KIWI's goal is to be Norway's most affordable grocery chain, and the chain continued to squeeze prices on hundreds of products throughout 2021. This contributed strongly to a 2.0 per cent decline in the consumer price index for food and non-alcoholic beverages in 2021. In a challenging period of pandemic, layoffs, high electricity prices and higher interest rates, KIWI helped to keep the price level lower.

Throughout the pandemic, KIWI has had three main priorities: preventing infection, having enough products and keeping all stores open. Thanks to expert employees and effective routines, KIWI managed to keep the stores open, and there were no known cases of in-store infection.

More shopping in Norway contributed to more jobs, and during the pandemic, the discount chain employed 2,000 more employees. In 2021, KIWI had over 68,000 applicants.

Due to the pandemic some planned store openings were delayed. KIWI opened eight new stores in 2021, but upgraded and



**"We will be the most competitive chain and lead the way in the price war in the market. We never give up on price!"**

**Jan Paul Bjørkøy /**  
CEO, KIWI

expanded a number of other stores. In addition, KIWI continues to invest in environmental measures in stores, such as more environmentally-friendly refrigeration and freezer systems. In 2022, KIWI plans to open 20 new stores.

In addition to working with public health, KIWI is aiming to become climate-neutral. The chain has reduced its own food waste by 48 per cent since 2015 and is well on its way towards its goal of a 60 per cent reduction by 2025.

The employees are KIWI's biggest competitive advantage. The chain has been working for a long time on formalising trainee training at the KIWI School, so that course participants receive a formal diploma after completing the course. Now finally, trainees at the KIWI School can take a certificate of apprenticeship in sales through a collaboration with Folkeuniversitetet. Hamza Haque was the first person in his group of 15 trainees to complete the practical diploma in 2021.

There is tough competition in the market, and KIWI's ambition is to continue leading the way in the price war. The discount chain must squeeze prices every single day and never give up on offering the best price. At the same time, KIWI must inspire a healthier and greener shopping basket, and work towards greater diversity and inclusion in working life. KIWI's goal is to have the most satisfied customers and employees in the grocery market.



**Tone Kristin  
Munthe**  
Retailer,  
SPAR Hjelmeland



**Revenue\*:** 14.3 BNOK

**Number of stores:** 292 stores (105 company-owned stores, 8 franchises and 179 retailer-owned stores)

**Number of employees:** 6,556 (2,668 in company-owned stores)

SPAR maintained its solid position in the market throughout 2021 thanks to its talented employees: 292 retailers and 6,556 employees. SPAR has skilled employees and many good locations where people are holidaying. The fact that most Norwegians chose to holiday in Norway in 2021 also resulted in a significant increase in revenue compared with a normal year.

For the last three years, SPAR has opened around 20 new stores, contributing to increased sales. Three to five new SPAR stores are planned in 2022. In 2021, the chain set new records in sales of hot food in the stores. SPAR Norge also received international recognition when it received the European Convenience Retail Sustainability Award from NACS for its environmental store SPAR Snarøya. The store is described as an inspiring example of international best practice in innovative, sustainable store solutions.

SPAR continues its fight against food waste with the Throw No More app. The app provides customers with information about reduced products due to the sell-by date in nearby SPAR stores. In 2021, the chain sold more than 5.5 million discounted products, which is equivalent to saving 1,500 tonnes of food.

In the coming year, the chain expects lower growth in the market when the pandemic effect is on the wane. SPAR also expects

an increased focus on sustainability from customers between now and 2025.

SPAR is working to differentiate itself from the discount chains. The strategy includes a major focus on hot food, freshly baked bread and baked goods, a focus on the premium range Jacobs Utvalgte, and developing the fruit and vegetables department of the future.



**“We need to differentiate ourselves  
from the discount market.”**

**Ole Christian Fjeldheim /**  
CEO, Kjøpmannshuset Norway

\* Includes franchisee-owned and retailer-owned sales.





**Revenue:** 8.2 BNOK

**Number of stores:** 615 stores (13 company-owned stores, 8 franchises and 594 retailer-owned stores)

**Number of employees:** 5,112 (185 in company-owned stores)

Joker and Nærbutikken had another good year in 2021. The chains experienced growth of 13.4 per cent compared to the last 'normal year', 2019. Joker has managed to maintain its market share despite a demanding year for many urban stores that were heavily affected by lockdowns and restrictions in society.

Joker and Nærbutikken are the leading local store concepts in Norway, with a 70 per cent market share within the local store segment.

In 2021, we opened 13 new Joker stores and Nærbutikken rolled out several stores with the "partial self-service" concept, enabling our customers to buy groceries 24 hours a day, every day of the year.

The ambition to cut food waste by 70 per cent by 2025 was further strengthened through our collaboration with Too Good To Go. In addition, Joker and Nærbutikken have continued their collaboration with Throw No More. Together, these two initiatives have resulted in a 750-tonne reduction of food waste in the stores since the collaboration began.

Going forward, Joker and Nærbutikken will strengthen their activities in order to be competitive in their local market. They will also use new technology to a far greater extent than before

to meet the competitive situation of the future. In recent years, the chains have gained good experience from various pilots, which will now be established to a far greater extent than before.

Joker and Nærbutikken wish to contribute to living local communities throughout the country. They do this best by ensuring sustainable and competitive local stores, with the right concept, throughout the country.



**"Good and profitable merchantry will contribute to further strengthening the position of our chains in the market."**

Kjetil Flåtrud /  
Chain Manager, Joker & Nærbutikken



**Khajeh SH Sadiqi**  
Store Manager,  
Joker Sandaker

## Wholesale

# ASKO

**Revenue:** 81.6 BNOK\*

**Number of employees:** 3,871

The most important thing for ASKO during the pandemic has been to maintain a secure and effective supply of goods. The volumes of groceries have been at a very high level, while the catering market has experienced periods with very little activity and other periods with almost record sales.

Overall, ASKO increased its revenue by 3 per cent compared to 2020. At times, the delivery situation has been demanding, and great work has been done to adapt volumes and deliveries in line with a fluctuating revenue. Strict measures have been implemented to prevent infection. Employees of ASKO have shown ability to adapt and a strong, concerted effort.

Measures are constantly being implemented to streamline the flow of goods from supplier to customer. NGFLYT, a tool for automatic replenishment of goods and operational support for customers and warehouse operations, is undergoing continual development to improve the flow of goods.

An improved electronic solution for complaint handling was established in the autumn of 2021. The ASKO companies are working on simplifying operations by optimising operational procedures and using automation solutions. Several of the companies have started using self-driving trucks and other solutions for part automation.

ASKO produces more clean energy from solar and wind power than is consumed in the business overall. 30 electric trucks and



\*Includes Storcash and Konsum Gruppen.



**Younas Rasool**  
warehouse employee,  
ASKO



**Kamila  
Bratkowska**  
driver, ASKO



four hydrogen trucks are in operation. Renewable fuel is used as much as possible in other vehicles. Collection of food waste from stores has started with the aim of optimising use of the resource, including the production of biogas.

The catering market is an important area for ASKO. The company is playing its part in ensuring that sales in this channel return to normal. ASKO will focus on being a trusted supplier and will support the catering industry to get back to a new normal. In 2021, the catering market was above the 2019 level for parts of the year, and the industry recovered lost revenue and experienced new records from the summer until December.

In 2022, several major changes will be made. ASKO Oslofjord will start production in a new automated warehouse and will gradually be ramping up operations throughout the year. A new cooperation model will be implemented with Bama, where ASKO will be taking over warehouse operation of fruit and vegetables. This transfer of operations involves a large number of skilled Bama employees being employed by ASKO. An all-electric transport solution will be established over the Oslo Fjord between Moss and Horten by putting two sea drones into operation on this stretch of water. This will spare the environment, removing between 200 and 300 truck journeys daily on the roads between the east and west sides of the fjord. In transport, targets for zero emissions by the end of 2026 is within reach. During 2022, ASKO will have around 70 electric trucks, 45 biogas and 4 hydrogen vehicles in operation.

A lack of manpower can be a challenge in the future, especially when it comes to lorry drivers. In 2022, ASKO will have around 140 apprentices. The main emphasis of the training will be on transport, and will focus on getting a better gender balance into different positions.



**“We are proud to have provided a secure and effective supply of food products nationwide throughout the pandemic!”**

**Tore Bekken/CEO,**  
ASKO NORGE



## Convenience retail

2021 was yet another year of major fluctuations in the convenience and catering markets. The pandemic has affected this sector very differently depending on the locations.

→ Overall, we can see that NorgesGruppen Convenience retail's portfolio has been well balanced during the pandemic. Throughout much of 2021, there has been positive development in sales in roadside stores, in the districts and in residential areas in Oslo.

Thanks to sales-promoting measures, good infection control and the ability to move quickly, the chains in NorgesGruppen's Convenience retail business have delivered good results. This resulted in an overall growth of 3.3 per cent compared to 2020 and 1 per cent above 2019. Combined with cost-reducing measures and solid operations, this means that we are delivering good results.



**“Together with franchisees and retailers, our chain concept have been able to create good shopping experiences in a challenging time!”**

Marianne Ødegaard Ribe /  
CEO,  
NorgesGruppen Servicehandel



**Revenue\*:** 909 MNOK

**Number of stores:** 101 profiled and 333 associated

**Number of employees (profiled):** 750

→ MIX increased its comparable revenue by 5.3 per cent in 2021. This growth is largely due to the further development of MIX 2.0 stores, which account for 70 per cent of the stores. Some stores experienced declines due to the pandemic.

MIX has made concept upgrades and worked with locations. The upgrade addresses the customer's expectation of sitting down and enjoying food and drink. Despite the pandemic, around 70 per cent of the stores have increased their revenue. MIX prioritises making the chain's retailers competitive with an upgraded concept, adapted to the range and digital marketing. In 2022, MIX will launch a digital ordering channel. The chain has worked in a goal-oriented manner with climate-neutral packaging, reducing salt and sugar consumption and making wholegrain bread choices.

MIX expects that 2022 will mean less travel and a more flexible home office share of



20–40 per cent. This provides a “new” attractive market for lunch and coffee in the places where people live. Reduced public transport offers in cities mean fewer customers at traffic hubs, while the use of digital ordering and take-away is increasing in the future. MIX expects increased competition where other operators dominate the scene more than pure food and drink operators.

MIX is looking for 'sit down' solutions in the Spiseri [Dining] concept with a good ambience and the possibility to charge mobile devices. This will support the well-being of the customers and cover needs beyond eating and drinking.

\* Applies to company-owned, franchised and retailer-owned stores



**Revenue\*:** 200 MNOK  
**Number of stores:** 29  
**Number of employees:** 400

→ 2021 was a demanding year for the majority of Deli de Luca's 'city stores', primarily due to the pandemic. There have been fluctuating customer visits throughout the year, and in particular, shops in the city centre and at large traffic destinations such as airports and railway locations have been affected.

Developments throughout the year were steadily improving until new initiatives from the authorities that limited the flow of customers in the stores. It is impressive how Deli de Luca's retailers and employees have stood steadfast throughout this period – they are everyday heroes!

Deli de Luca's ambition to be the customer's first choice has been met through attractive offers, campaigns and, not least, a training programme with a focus on service for all customers. Despite a significant decline in the number of visitors to their stores, Deli de Luca has offered several attractive new products within



fresh, healthy products produced in their own kitchen – Deli Kitchen!

The pandemic will continue to affect Deli de Luca in 2022, but they expect that there will be a progressive improvement in the coming months and that all of their stores will soon be full of customers shopping for food and drink on the go. With a new city concept and many exciting launches, Deli de Luca intends to win the market.

\* Applies to company-owned and franchise operations.

## TIGER

**Revenue\*:** 1.2 BNOK  
**Number of stores:** 119  
 (68 Deli de Luca stores)  
**Number of employees:** 1,600

→ 2021 was a solid year for all retailers affiliated with Tiger AS. A fantastic job has been done in all of Tiger's stores, where the ambition is to be the customer's first choice. Summer 2021 was good with a successful campaign. Sales development was particularly strong in car washes and in their core food and drink category.

It's been a varied year due to the pandemic, and Tiger is proud of all the employees who meet our customers every day. Tiger's ambition is to be number 1 in customer service within the convenience market, and has, for example, initiated an exciting management development programme based on Tiger's most important asset when it comes to winning over customers in a competitive market, their employees.

\* Applies to company-owned and franchise operations.



The fight to win over customers gets tougher each year, and Tiger has a lot of exciting plans in 2022 to outperform the market. Some examples are increased loyalty through coffee agreements [Kaffeavtale] and digital services. The Deli de Luca concept will be further developed and other concepts renewed. In addition, Tiger has many product launches and exciting campaigns and activities. Tiger's ambition is to be number 1 for innovations, and their customers can look forward to many exciting experiences in Tiger's stores in 2022.



**Revenue (profiled and associated) \*:**

825 MNOK

**Number of stores:** 56 profiled  
and 500 associated

**Number of employees:** 270 profiled

→ Figures show positive development with overall growth of 22.3 per cent despite the pandemic. Jafs strengthened its position in 2021 with comparable growth of 8.2 per cent. This growth is due to strong campaigns and strong in-store activity and an increase in home deliveries.

Health and sustainability are becoming increasingly important to consumers, and NorgesGruppen and Jafs have worked on packaging optimisation, sugar-free beverage campaigns, reduction of salt content and vegetarian alternatives throughout 2021.

In 2021, Jafs began working on various training videos to give managers even better conditions for success. This will contribute to a greater degree of standardised procedures across the stores, which in turn will contribute to motivated employees and increased competence.



Jafs shall enable customers to order online via app and the website. Work is underway on a solution with Jafs' store data system (DataNova), with the goal of launching in 2022. We will establish ourselves on social media and take advantage of paid campaigns to reach more people with our offers, thereby building the Jafs brand. We continue to profile Jafs as a hamburger specialist. We will also continue employee competitions in cooperation with our suppliers.

\* Applies to franchises and retailer-owned.



**Revenue:** 307 MNOK

**Number of stores:** 44

**Number of employees:** 417

→ NorgesGruppen Servicehandel owns 50 per cent of Kaffebrenneriet AS.

In 2021, the coffee roastery opened two new stores in Oslo, one at Carl Berner and one at Holtet. The chain launched new pre-packed coffee bags for even better quality and durability on unique coffee beans. In order to reduce food waste, it also introduced a 50 per cent discount on baked goods the last half hour before closing time. Together with Kaffebakeriet, it continued to expand its range and Kaffebrenneriet launched its first Christmas calendar with coffee beans. The online store continued to see an increase in demand, and the coffee shops delivered a solid result. Courses and training have ensured that all the baristas at Kaffebrenneriet are of high calibre and have a high level of expertise.



**Revenue\*:** 92 MNOK

**Number of stores:** 11

**Number of employees:** 100

→ NorgesGruppen Servicehandel owns 50 per cent of Big Horn Steak House Norge AS.

The vision of Big Horn Steakhouse is to give each guest a unique steak experience. The aim is to be the preferred chain choice for franchisees who want to run a traditional steakhouse concept. Sales have been heavily influenced by the coronavirus restrictions in 2020 and 2021, and this has negatively affected the chain's revenues. In 2021, the service office worked on the implementation of an improved concept, visual profile, new menu and skills development for employees in the restaurants.

\* Applies to franchises.



## Brand



**Revenue\*:** 9.4 BNOK

**Number of employees:** 171

→ UNIL had a good start to 2021, despite the company meeting high sales volumes from lockdown in 2020. In addition, UNIL experienced negative growth after the summer due to lower volumes and price reductions compared to 2020. The majority of UNIL's sales is in groceries, and UNIL has therefore had a very positive development in revenues during the pandemic.

In 2021, UNIL has worked in a structured and effective way with the supply of goods in a demanding import and goods freight market. Several major purchasing projects have been implemented, and the company has contributed to the grocery stores' competitiveness, increased branding of First Price and Jacobs Utvalgte and strengthened its position with consumers.

Several major IT projects have been completed, as well as significant work on ongoing sustainability initiatives within packaging, the environment, health and ethics. UNIL is continuously working with product development, and launched a large number of new products



**Odd Ture Wang /**  
Managing Director, UNIL

and good product concepts for grocery and catering in 2021. Investment in own infrastructure with doubling the warehousing capacity in Våler started up.

Sales are expected to decline slightly when society opens up again, as sales for UNIL is largely affected by the growth of grocery chains. Work is underway on a significant number of initiatives in all product categories in order to continue to deliver competitiveness in product range, sustainability and price in the future.

\* Applies to UNIL AS



**Revenue\*:** 1.0 BNOK

**Number of employees:** 60

→ Joh. Johansson Kaffe achieved high sales in 2020, and has retained high revenues throughout 2021. The majority of Joh. Johansson Kaffe's sales was in groceries and the company therefore had very positive sales development during the lockdown.

In 2021, Joh. Johansson Kaffe started using Norway's environmentally-friendly coffee roastery at Vestby, and the significant planned positive effects of the facility are now coming to fruition. The facility is built for climate-neutral operation and is certified according to BREEAM-NOR Excellent. The old building at Filipstad was handed over to the Port of Oslo after it was vacated.

Further work has been carried out on the Evergood and Ali brands, and the brands are strengthening their position with consumers. Furthermore, the company closely monitors the raw material situation due to unpredictable raw coffee prices and access to raw materials and sea freight. In addition, the company continuously focuses on product quality and taste.



**Espen Gjerde /**  
Managing Director,  
Joh. Johansson Kaffe

Sales are expected to decline slightly when society opens up again. Evergood and Ali will help Joh. Johansson Kaffe retain its share even though growth is expected to decline somewhat. In addition, 2022 will also be defined by stabilising operations in Norway's environmentally-friendly coffee roastery.

\* Applies to Joh. Johansson Kaffe AS



**Revenue\*:** 739 MNOK  
**Number of employees:** 226

→ In 2021, Matbørsen achieved strong growth, driven by both increased volumes of the existing range, but also from new launches. Matbørsen experienced negative development in revenues during the lockdown in 2020 and somewhat lower volumes in 2020. The first half of 2020 was impacted by the pandemic, with a change in shopping patterns in stores and a decline in sales to the catering sector.

The majority of Matbørsen's sales is in groceries.

In 2021, Matbørsen directed resources to proper handling of the pandemic situation in a production facility with a large proportion of manual handling. Matbørsen is constantly developing its range with a large number of new products in 2021. In addition, they have focused on ensuring stable operation and good delivery capacity under demanding conditions and unpredictability of certain inputs. Continuous improvement of recipes in terms of taste and health means that consumers are more



**Dag Freddy Henriksen/Managing**  
Managing Director, Matbørsen

likely to prefer ready-made meal solutions from Matbørsen.

Sales are expected to decline slightly when society opens up again, since sales are largely affected by the growth of groceries. Some volume growth in catering and new launches is expected.

\* Applies to Matbørsen AS



**Revenue\*:** 1.8 BNOK  
**Number of employees:** 989

→ In 2021, Bakehuset achieved strong growth, driven by both increased volumes of the existing range, but also from new launches. Bakehuset performed poorly during the lockdown in 2020, and also achieved somewhat lower volumes in 2020. The first half of 2020 was defined by a change in in-store shopping patterns, where the trend was less frequent shopping and fewer small items. The majority of Bakehuset's sales is in groceries.



**Øystein Halvorsen/Managing**  
Managing Director, Bakehuset

In 2021, Bakehuset directed resources to the handling of the pandemic situation at 11 different production sites, as well as the continual development of the product range with more than 60 new products in 2021. Launches in 2021 included on-the-go Spiseklart [Ready-to-Eat], an expanded range of cakes and confectionery, and semi-baked bread launched as Jacobs Utvalgte. At the same time, the company has worked on reducing plastic consumption in product packaging, such as thinner plastic and optimised size. Some product groups are growing rapidly, for example fresh cakes. A new bakery in Trondheim is under

construction, with expected completion in 2022, and several ongoing maintenance and efficiency investments have also been made.

Sales for fresh bread, small goods and sausage/burger bread are expected to develop slightly negatively in 2022, but this will be compensated through new initiatives and product launches.

\* Applies to Bakehuset AS

## Properties

**Revenue:** 505 MNOK  
**Number of employees:** 24

→ NorgesGruppen Eiendom develops and manages NorgesGruppen's properties. Through strategic and long-term development work, as well as responsible management, we ensure good neighbourhoods and new locations for the company's chains and other businesses.

Total operating income for NorgesGruppen Eiendom, which includes transactions to other businesses in the Group, was 513 MNOK in 2021 compared to 431 MNOK in 2020.

The properties consist of everything from individual and combined buildings to shopping centres. In addition to our own retail areas of 275,000 square metres, we rent over 1,200,000 square metres.

NorgesGruppen is part-owner of several property companies throughout Norway. One of these is Scala Eiendom, a shopping centre company consisting of 22 shopping centres and with over 600 MNOK in annual rental income. NorgesGruppen Eiendom has an ownership share of 43 per cent.



In 2021, NorgesGruppen increased its investments in property in a larger geographical area, with both commercial and residential development projects in different towns and cities. One of the goals is to have a more diversified property portfolio.

One of our major development projects is the development of the former E.C. Dahls brewery in Trondheim, where we are responsible for a third of the project. In this joint venture, NorgesGruppen Eiendom has a clear hand on the steering wheel for setting up and integrating a sustainable grocery store into an impor-

tant transformation project for Trondheim. In Trondheim, we are also developing a quarter of the recently adopted site plan for Charlottenlund. The project is managed without external partners and includes around 20,000 square metres of buildings with 200 homes, retail and other properties.

NorgesGruppen Eiendom continues to invest in environmental buildings. Measures are made to reduce energy consumption, especially where the potential for saving energy is greatest. We have built up expertise on the environmental side through several pilot projects where we have tested various environmental measures. Examples of such environmental measures are solar panels on roofs and walls, heat pumps with the sale of surplus heat for homes, green roofs, the use of low-carbon concrete, the use of solid wood and the construction of low-energy buildings. We have also initiated and implemented several large renovation projects for our buildings. Further development of existing locations, particularly around hubs, is also important from a sustainability perspective.

The company's first "hypercharger" for electric



**Øistein Brevig Pjaaka /**  
 CEO,  
 NorgesGruppen Eiendom

cars was established in connection with KIWI Lilleby and has now been in operation for just over a year. The experiences from this project have been useful and are now being deployed as the basis for a coordinated parking and charging system to be drawn up.



## Affiliated companies

NorgesGruppen is represented in various sectors and markets through investments in affiliated companies.

Operating income is the 2020 figure.  
Ownership shares are 2021 figures.



**Operating income:** 20.3 BNOK  
**Number of FTEs:** 2,905  
**Our ownership share:** 45.5%

→ BAMA is Norway's leading company in the sale of fresh fruit, berries, vegetables, potatoes, processed products, fresh drinks, flowers and other products with limited shelf life.



**Operating income:** 1.4 BNOK  
**Number of FTEs:** 486 FTEs  
**Our ownership share:** 49.0%

→ Norli is Norway's leading bookstore chain, focusing on e-commerce and stores throughout Norway.



**Operating income:** DKK 17,543 million  
**Number of FTEs:** 3,179  
**Our ownership share:** 48.9%

→ Dagrofa is one of Denmark's largest grocery concerns. The Group is behind the grocery chains MENY, SPAR, Min Købmand and Let-Køb, in addition to the wholesale business, Dagrofa Logistik. Dagrofa is also a supplier to the catering sector through Dagrofa Foodservice.



**Operating income:** 805 MNOK  
**Number of FTEs:** 57  
**Our ownership share:** 42.9%

→ Scala Eiendom owns, develops and manages property within the shopping centre segment. The company has 22 shopping centres from Sortland in the north to Grimstad in the south, 17 of which are wholly owned, 4 part-owned and 1 owned by others.



**Operating income:** SEK 660 million  
**Number of FTEs:** 193  
**Our ownership share:** 49.0%

→ Eurocash is one of the leading grocery chains in cross-border retail with stores in Sweden along the border to Norway.



**Operating income:** 1.3 BNOK  
**Number of FTEs:** 293  
**Our ownership share:** 25.0% (50.0% ownership share in the holding company Norse-Trade, which again owns 50.0% of TRN)

→ Travel Retail Norway (TRN) sells tax-free goods to travellers at Avinor Airport Gardermoen and Avinor's airports in Kristiansand, Stavanger, Bergen and Trondheim. The company also operates seven duty-paid stores at Oslo, Bergen, Stavanger and Trondheim airports.



**Operating income:** DKK 1,304 million  
**Number of FTEs:** 524  
**Our ownership share:** 47.0%

→ Pisiffik is Greenland's largest retail chain. The company has 50 stores in six towns on the Greenland west coast through the chains Pisiffik, SPAR, Torrak Fashion, Jysk, Sweet Home, Pisattat, Elgiganten, Notabene, Akiki and the online store pisiffik.gl. Pisiffik also owns the wholesale business KK Engros, which supplies all of Greenland from its main warehouse in Nuuk, the online store and three Cash & Carry stores.

# Financial results

# Board of Directors' report

## IMPORTANT EVENTS IN 2021

### Moderate growth – strong market competition

The coronavirus pandemic has affected the food market throughout 2021, but to a somewhat lesser extent than the previous year. Sales growth in traditional groceries was more moderate in response to high volume figures, strong competition in the market, and to KIWI pushing prices down significantly throughout the year. Compared with the previous normal year (2019), the traditional grocery market increased by 17 per cent, while NorgesGruppen increased by 18 per cent (Nielsen).

### KIWI cut prices on more than 800 items

Despite the fact that several sales channels in the food market were significantly reduced during the periods with restrictions and lockdown, there was strong price competition in the market throughout 2021. Food prices fell by 2 per cent, while other prices in society rose by more than 5 per cent (SSB, KPI). This is due to lower taxes and the fact that KIWI made significant price cuts on more than 800 products.

### Price reductions affect operating profit

NorgesGruppen's chains have experienced solid development throughout the pandemic, and in 2021 have managed to retain some of the borrowed revenues from other sales channels. Operating revenues totalled approximately 103 BNOK (excluding IFRS 16). Operating profit declines slightly due to price reductions and high electricity costs. At the same time, NorgesGruppen realises gains as a result of increased productivity and strong underlying operations. Operating profit fell by 133 MNOK to 5.0 BNOK

(excluding IFRS 16). This gives an operating margin of 4.8 per cent (excluding IFRS 16), which is 0.2 percentage points lower than in 2020, but 0.8 percentage points higher than the previous normal year (2019).

### MENY best in market for comparable growth

MENY has developed strongly over the past two years. They became growth winners on comparable growth in 2021 and took market shares both in online shopping and in supermarket stores. MENY is the industry leader in range and quality, ranked best at local food (Nielsen Norske Dagligvarekjeder 2021) and won the Norwegian Championship in fruit and vegetables online. Meny.no is now Norway's largest food channel with 57 million digital visits in 2021.

### Technology investments provide competitiveness

Joh. Johansson Kaffe's new coffee roastery, with an annual production capacity of 12,000 tonnes of coffee, has a high degree of automation and delivers efficiency gains. The establishment of ASKO Oslofjord increases efficiency in the flow of goods. ASKO replaced manual tasks with automation and robots. Automated baking systems at MENY stores significantly reduce food waste. In 2021, all stores in NorgesGruppen had their infrastructure upgraded with a new payment platform and fibre access.

### More Norwegian food

In the early days of the pandemic, NorgesGruppen gave food producers confidence that we would prioritise Norwegian-produced

products. This has helped to maintain Norwegian production. In 2021, sales of local food from NorgesGruppen's chains increased by 6.8 per cent, and MENY is finding that more and more customers are concerned about Norwegian origin. In 2021, NorgesGruppen initiated several measures to increase the Norwegian proportion of products with high demand, including strawberry production and food grains.

### Reduced greenhouse gas emissions

NorgesGruppen has reduced greenhouse gas emissions by 6.2 per cent since 2019. There is good development regarding reduced food waste, environmentally-friendly packaging and selected health goals. Collaboration projects in the industry within food waste, circular production and packaging through the "Skiftnotat Mat og Landbruk" are under way. Several major investments in renewable energy and low-emission solutions within transport and construction were prioritised.

### High interest in sustainability fund

Via the HANDLE fund, NorgesGruppen has allocated 14.5 MNOK to eight different value chain projects with both large and small existing and potential business partners of NorgesGruppen. These include circular climate tomatoes; the development of plant-based products, and aerating balconies for pigs.

### Dietary and climate insights

In 2021, Trumf launched dietary and climate insight apps, making it easier for customers to make healthier and more climate-friendly choices. Dietary insights link customers'



purchases with the nutritional content of the goods to provide insight into their own diet and to enable customers to compare purchases with recommendations from the Norwegian Directorate of Health. Climate insight estimates the climate footprint of the products customers buy and shows how it develops over time and spreads across different groceries.

### **Clearer labelling**

NorgesGruppen implemented measures to provide better information about where meat products come from. The "Nyt Norge" label is used for Norwegian goods, and for other products we have introduced a label explaining why we use imported raw materials. In addition, we have highlighted the country of origin on the packaging.

### **Two finalists and seven nominations for the Norwegian Health Authority's awards**

KIWI Sunnhetslotteri [Health Lottery] – where all KIWI PLUSS customers who buy fruit or vegetables and minimum one fish product, are included in a draw to get the price of the shopping basket back – won the prize in the category of healthier marketing. MENY earned third place in the same category for the initiative to influence customers to shop for healthier alternatives in the online store. NorgesGruppen had a total of seven nominated initiatives at the health authorities' awards.

### **Record bonus from Trumf and many new members**

The loyalty programme for NorgesGruppen's chains passed 2.6 million members in 2021, an increase of 200,000 members since the pandemic. Over the course of two years, Trumf members have accrued 23 per cent more bonus. This gives a new record in Trumf bonus in 2021 of 1.5 BNOK. Some of the newest Trumf partners in 2021 were Apotek 1, Talkmore, and Fjordkraft.

### **Attractive workplace**

In 2021, NorgesGruppen climbed the Top 10 list of Norway's most attractive employers among economists. Occupational economists named NorgesGruppen as the 7th most attractive employer in Norway (Universum). NorgesGruppen was also

awarded the "IT Climber of the Year". In 2021, the first KIWI employee received a certificate of apprenticeship through the KIWI School. NorgesGruppen's stores receive a large number of applicants for part-time positions, which is an important entry for many people in the labour market.

### **Konsum Gruppen – an independent company under ASKO**

The Norwegian Competition Authority approved NorgesGruppen increasing its ownership stake from 49 to 100 per cent in the purchasing group Konsum Gruppen Norge AS. The aim for the company is to continue offering its members – who are within the hospitality and catering sector – good service and competitive purchasing prices. Konsum Gruppen will continue to be run as an independent company and a customer of ASKO, in competition with other purchasing chains.

### **Select Service Partner (SSP) and ASKO enter into a new wholesale agreement**

SSP, which has been a customer of ASKO since the 2000s, left Gress Gruppen and entered into a separate wholesale agreement with ASKO Servering. In Norway, SSP operates restaurants, kiosks and bars at airports and railway stations.

### **Travel Retail Norway won tenders for tax-free sales**

Travel Retail Norway (TRN) won the tender from Avinor for the operation of tax-free and "travel value" at Oslo's Gardermoen Airport for the next five years. TRN sells tax-free items to travelers in airports all over the country. NorgesGruppen's ownership share is 25 per cent (50 per cent interest in the holding company Norse-Trade, which again owns 50 per cent of TRN).

### **The Norwegian Competition Authority – current cases**

The Norwegian Competition Authority has closed the investigation case against Orkla, Mondelez and NorgesGruppen. The inspection has investigated whether differences in purchase prices have been a breach of competition law, but concluded that there is no basis to proceed with the case. In addition, the Norwegian Competition Authority revoked its decision to impose

a fine on NorgesGruppen for breaching the disclosure obligation in connection with the purchase of Sædalssvingene 3 in Bergen. In the so-called "price hunter case", where the Norwegian Competition Authority notified the three grocery groups of a possible ruling, NorgesGruppen has delivered its response.

### **The Fair Trading Practices Act came into force**

The Fair Trading Practices Act came into force on 1 January 2021. NorgesGruppen complies with the law in a satisfactory manner, and each business area ensures compliance with legal requirements.

## **OUR BUSINESS AND OUR BUSINESS IDEA**

NorgesGruppen's activities are within the food and beverages sector and other everyday consumer goods. We compete in the food market, where we provide shopping experiences through several different concepts: discount prices, supermarkets, convenience stores, and food-on-the-go. The chain concepts offer a combination of physical stores and e-commerce, both from independent retailers and company-owned retail outlets throughout the country. Distribution, procurement and food production are integrated parts of the business that guarantee customers low prices and a good selection of products, and provide retailers with a good operating basis.

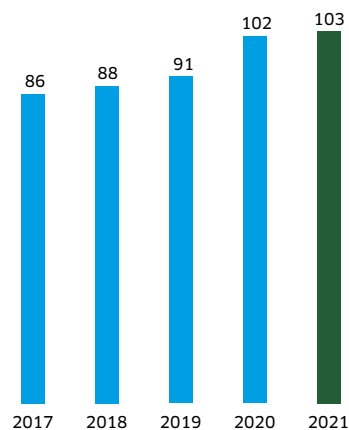
## **MARKET AND PROFIT TRENDS**

The pandemic has resulted in high growth in the traditional grocery market. Developments were more moderate in 2021 than the previous year, and the market declined by 0.4 per cent. Groceries account for approximately 69 per cent of the food market, of which NorgesGruppen's share is 31 per cent (Virke, Andhøy, SSB, Nielsen).

Restrictions throughout the pandemic have contributed to taxable categories being purchased in Norwegian grocery chains instead of tax-free channels such as border stores and tax-free stores. These have therefore accounted for a greater proportion

### Operating revenues

Amounts in BNOK (excl. IFRS 16)



of growth. Fresh meat, houses and homes, as well as fresh ready meals are the categories in NorgesGruppen with the greatest growth during the pandemic.

During the periods when restrictions ceased in 2021, demand and revenue moved from grocery to catering and cross-border retail. NorgesGruppen's chains have, however, managed to retain some of the borrowed revenues.

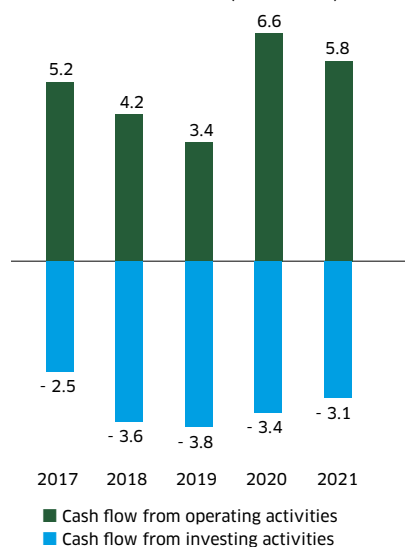
None of NorgesGruppen's wholly-owned companies have applied for financial support from the authorities throughout the pandemic.

### Financial performance

The development in key financial figures is commented on without IFRS 16 effects.

### Cash flow and investments

Amounts in billion NOK (excl. IFRS 16)

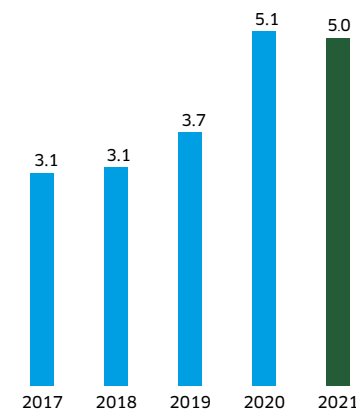


NorgesGruppen's operating revenues in 2021 amounted to 103.1 BNOK, compared with 101.6 BNOK the previous year. This represents an increase of 1.5 per cent. Our operating profit is 5 BNOK, down from 5.1 BNOK the previous year. This gives an operating margin of 4.8 per cent compared to 5.0 per cent in 2020. NorgesGruppen achieved an annual result of 3.9 BNOK in 2021, which gives an unchanged profit margin of 3.8 per cent compared with 2020.

Price reductions are reducing our operating profit in 2021. The decrease is also due to increased electricity costs. Absence due to COVID-19 and quarantine rules has been higher throughout the company, but the business areas have been able to make ongoing adjustments to maintain production, distribution and opening hours in stores.

### Operating profit (EBIT)

Amounts in BNOK (excl. IFRS 16)



In 2021, NorgesGruppen invested 3.5 BNOK in more efficient and environmentally-friendly operations, competence development, digital services and upgrades in stores and online shopping. Net cash flow from investing activities in 2021 was 3.1 BNOK.

The cash flow from operating activities was 5.8 BNOK in 2021, compared with 6.6 BNOK the previous year.

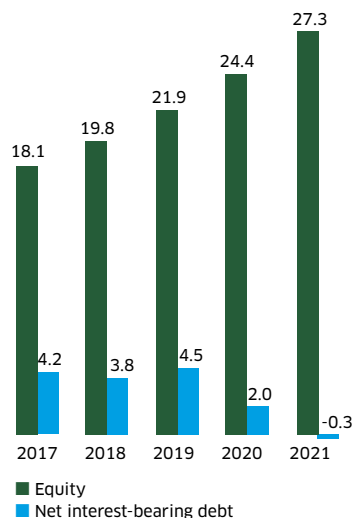
For further comments on financial development, see pages 17–20 in the report.

### PARENT COMPANY

NorgesGruppen ASA is the Group's parent company. The parent company's activities primarily comprise the Group functions Accounting and Finance; Communication and Public Relations,

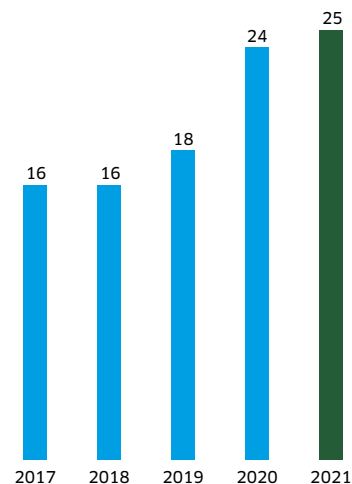
### Equity and net interest-bearing debt

Amounts in billion NOK (excl. IFRS 16)



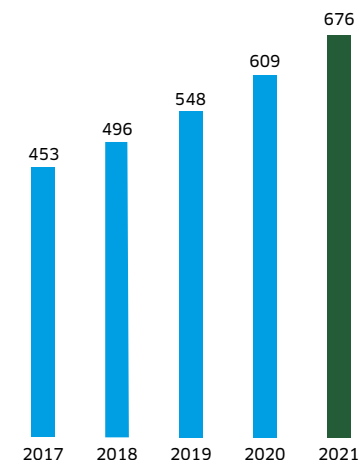
### Dividend per share

Amounts in NOK



### Book value per share

Amounts in NOK (excl. IFRS 16)



Category, Procurement and Quality; Business Development, and HR. Total operating revenues for the parent company in 2021 were 51 MNOK, compared to 499 MNOK the previous year. NorgesGruppen ASA's operating profit in 2021 ended at minus 120 MNOK compared to minus 140 MNOK the year before. Net income for the year was 849 MNOK compared with 1.5 MNOK in 2020.

### Equality statement for the parent company

NorgesGruppen works continuously to promote equality and prevent discrimination within all parts of its HR policy. A sustainable working life is central to the Group's sustainability strategy. This means a working life that sees diversity and gender balance as important contributions to the company's value creation. NorgesGruppen has set a gender balance of 40-60% in all areas and at all levels.

NorgesGruppen's parent company, NorgesGruppen ASA, has a total gender balance of 48.1 per cent women and 51.9 per cent men. In the equal opportunities report, a survey of gender balance and pay differences in women's share of men's pay as a percentage has been carried out. The review has shown that there are many job categories and that further review as part of this work must be undertaken to give more and relevant details. This will provide good understanding in accordance with the purpose of equal pay and work of equal value.

Of all employees, 2.3 per cent women are temporary employees and 0.8 per cent are men. This is a very small proportion of temporary workers, and the difference between men and women cannot be a sign of discrimination.

The percentage of all employees who hold part-time positions is 4.7 per cent women and 3.1 per cent men. In NorgesGruppen ASA there are no employees who state that they have involuntary part-time. The distribution of parental leave is 28.2 weeks on average for women and 14.6 weeks for men.

Read more in the parent company's equality report at [norgesgruppen.no](https://norgesgruppen.no).

### Continued operation

The Board of Directors confirms that the criteria for continuing operations are in place. The Group is in a good economic and financial position.



## Allocation and dividends

The annual profit of the parent company is allocated as follows:

Profit for the year (in 1,000 NOK)	848,837
Dividends paid (in 1,000 NOK)	975,015
Set aside to other shareholders' equity (in 1,000 NOK)	(126,177)
Proposed dividend per share	25

## RISK MANAGEMENT

### Key strategic and operational risk factors

Risk management at NorgesGruppen is an integrated part of corporate management and is based on the COSO Enterprise Risk Management framework. The aim is to help ensure that strategic and operational goals are achieved by identifying and managing the risk factors facing the company. The Board of Directors and CEO assess that the Group as a whole had a moderate risk exposure in 2021.

The areas in which NorgesGruppen are more exposed to risk compared to last year are within suppliers and food safety, climate risk, framework conditions, political instability, ICT crime and privacy. This is described in more detail on pages 69 and 80–82 of the report.

In December 2021, the Norwegian Data Protection Authority notified Trumf of a fine of 5 MNOK for breaches of the General Data Protection Regulation. Trumf has accepted the fine and the case has been resolved. The reason for the Norwegian Data Protection Agency's decision is that Trumf has been delayed with a solution to verify ownership of registered bank account numbers. NorgesGruppen believes that the consumer's right to access and control is very important and a priority, and has weighed the right of access against the risk after carrying out a number of measures.

The Norwegian Transparency Act, with requirements for supplier assessments, has been adopted and comes into force on 1 July 2022. Due diligence assessments are being carried out for our

own brands, central procurement and service purchases, and we expect the same from our branded suppliers.

NorgesGruppen is working continuously to ensure that our suppliers have adequate systems to protect food safety and quality, employee rights, the environment and animal welfare. Regarding product preparedness, there was an increase in red withdrawal cases in 2021, and the degree of implementation declined slightly. The cause of the recalls has been inadequate allergen labelling and the discovery of ethylene oxide. Work is underway on better non-conformity management.

The Sustainable Finance Act has been adopted and is expected to come into force during 2022. NorgesGruppen is on schedule to adapt its reporting to the statutory requirements adopted.

In 2021, NorgesGruppen conducted an analysis of climate risks and opportunities based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD). The analysis revealed the greatest risk associated with the access to raw materials, and NorgesGruppen is in the process of increasing monitoring in this area. In 2022, NorgesGruppen plans scenario-based analyses of the most important climate risks.

Political instability can, to a greater or lesser extent, have an impact on commodity supply and supply of goods in the value chain. We make ongoing assessments related to ongoing conflicts between countries and how these could potentially impact our value chain.

### Financial risk

NorgesGruppen uses sound financial risk management and aims to maintain strong financial freedom. The most important financial risk areas are interest rate, liquidity, and currency risk. NorgesGruppen has a differentiated loan portfolio comprising bond loans and various committed credit facilities from banks. Refinancing the loan portfolio is a continuous process. The Board of Directors assesses the Group's financial situation and updates the situation throughout the year.

The Board of Directors' assessment is that the Group has satisfactory lending and payment capacity that maintains sufficient financial freedom. The loan portfolio appears well diversified against risk with regard to maturity structure and financing sources. NorgesGruppen is exposed to changes in the NIBOR money market rate, as the loans are largely based on this and changes in the interest rate derivatives' market value. NorgesGruppen's operative activities are not deemed to be particularly exposed to interest rates, and the Group has chosen a high proportionate interest rate.

The Board of Directors has adopted guidelines for the use of financial interest rate instruments to mitigate the effect of fluctuations in the short-term interest rate market. NorgesGruppen is mainly exposed to currency associated with goods flows, investments and services. The Group uses currency instruments to limit the effect of fluctuations in exchange rates. The Group has limited credit risk in connection with sales in stores, sales to other customers and chain members and loans. The Group has had low realised losses for a long time.

### Information security

NorgesGruppen's activities have a significant scope of transactions and agreements with suppliers and customers. It is important for NorgesGruppen that all agreement elements related to bonuses, discounts and market support are handled precisely and distributed throughout the value chain in line with established agreements and principles. This way, both the last link and the consumer will benefit. In order to administrate this – together with considerations for efficient and safe logistics and handling of food safety – the Group has established integrated IT solutions throughout the value chain.

Work with ICT (Information and Communication Technology) will contribute to increased competitiveness by streamlining business processes, exploiting economies of scale, and finding business opportunities. In addition, ICT must ensure stable operations and security, systemisation of business processes, streamlining business transactions, and rapid processing. In addition, ICT in Norg-

esGruppen will contribute to develop new services and channels all the way to both customers and partners. The information security measures we are taking must follow changes in the types and levels of risks and threats. We are particularly vigilant when it comes to cyber security.

NorgesGruppen's system portfolio consists of standardised package solutions and proprietary solutions that are further developed in close cooperation with the business activities. Infrastructure and applications are operated and managed in a central IT organisation using different subcontractors. A management structure has been established to ensure solid operation, division of work and internal control of the IT systems.

## RETAIL BUSINESS AREA

Total operating income for the Retail business area was 64.7 BNOK in 2021 compared with 64.9 BNOK the previous year. The trend is characterised by price reductions and strong price competition in the market. This means that operating income is somewhat reduced compared with the previous year.

Throughout the pandemic, all our chain concepts have worked on preventing in-store infection, having enough products and keeping all stores open. The chains have succeeded in this, and all our grocery concepts have shown double-digit growth since 2019. In 2021, sales in groceries remained at a high level, but the trend has been more moderate than in the previous year. This is because there have been fewer periods of restrictions than the previous year, and catering and cross-border retail recovered part of their revenues during the periods when society was open.

As with the grocery chains, customers have reduced their shopping frequency during the pandemic, but have also shopped more each time. In addition, customers have preferred range, quality and simplicity more than was the case before. This in turn has resulted in the supermarkets having had the strongest growth.

Our chains are presented on pages 22–27 of the report. The main points below give a brief insight into development in 2021.

## MENY

MENY had revenues of 22.0 BNOK in 2021. The chain has 10,277 employees and 186 stores.

MENY became a growth winner in the grocery market in 2021, and has achieved revenue growth of 19.3% compared with the previous normal year (2019).

MENY aims to be the best in terms of product range, fresh produce, food enjoyment and shopping experiences. The stores are upgraded on an ongoing basis and adapted to their target markets with local customisation. Larger fresh food counters and separate cake counters were introduced in most stores, and more stores will be given orange juicers and meat maturation cabinets.

The MENY chain is finding that more and more people want to combine digital and physical shopping. MENY Nettbutikk [MENY's online store] increased its delivery capacity and increased its revenue by 29.0 per cent in 2021. Sales totalled 940 MNOK. Meny.no had 57 million visits throughout the year and is thus Norway's largest food channel.

In 2021, MENY introduced automated baking systems in the bread departments. The technology uses algorithms, purchasing statistics and real-time sales. This resulted in a reduction in bread waste of 35.0 per cent, corresponding to 750,000 loaves of bread.

In 2021, MENY worked with Lerstand Kylling to launch a chicken concept completely free of imported soya in the food. They also experienced growth of 9.0 per cent in locally produced food.

## KIWI

KIWI had revenues of 45.8 BNOK in 2021. The chain has 13,565 employees and 689 stores.

KIWI achieved growth of 20.2 per cent compared to the previous normal year (2019).

In 2021, KIWI reduced prices on more than 800 products. This contributed to a reduction in the consumer price index for food and non-alcoholic beverages by 2.0 per cent, while the price of other goods and services in society increased by more than 5.0 per cent.

With the Sunnhetslotteriet [The Health Lottery] initiative, the discount chain won the health award from the health authorities. The measure resulted in increased sales of fish by 10.0 per cent per year and a 15.0 per cent increase in the number of shopping baskets that contained fish. KIWI also carried out a major campaign for diapers, and the chain cut prices for sugar-free beverages. In 2021, KIWI won YouGov's brand award for the sixth consecutive year.

KIWI opened eight new stores in 2021, and also upgraded and expanded several stores. Due to the pandemic some store openings were delayed. KIWI continues to invest in environmental initiatives in stores, including more environmentally-friendly refrigeration and freezer systems. In 2022, KIWI has planned to open 20 new stores.

## SPAR

SPAR had revenues of 14.3 BNOK in 2021. The chain has 6,556 employees and 292 stores.

The SPAR stores have achieved a growth of 11.3 per cent compared to 2019. The fact that most Norwegians chose to holiday in Norway contributed strongly to a good development in 2021. SPAR set new records in sales of hot food in the stores, which is an area of focus for the chain.

Online sales amounted to 38 MNOK in 2021. SPAR retained much of the revenue growth in e-commerce from the previous year.

SPAR is working to differentiate itself from the discount operators. Its strategy includes a major focus on hot food, freshly baked bread and baked goods; a focus on the premium range Jacobs Utvalgte, and developing the fruit and vegetables department of the future.

SPAR also invests in reducing food waste using the Throw No More app. The app provides customers with information about discounted products in SPAR stores. In 2021, SPAR sold more than 5.5 million discounted products, which corresponds to 1,500 tonnes of food.

### **Joker and Nærbutikken**

Joker and Nærbutikken achieved a revenue of 8.2 BNOK in 2021. The chains have 5,112 employees and a total of 614 stores.

Joker increased its revenues by 12.1 per cent compared to 2019. Joker has managed to maintain its market share despite a demanding year for many urban stores affected by lockdowns and restrictions.

13 new Joker stores opened in 2021. Some Nærbutikken stores have rolled out the “partial self-service” concept, which allows customers to shop for groceries 24 hours a day.

Going forward, Joker and Nærbutikken will strengthen their activities in order to be competitive in their local markets. They will also use new technology to a far greater extent than before to meet the competitive situation of tomorrow.

### **WHOLESALE BUSINESS AREA**

Total operating income for the Wholesale business area was 81.6 BNOK in 2021, compared with 79.2 BNOK in the previous year.

The supply situation was demanding during periods of the pandemic. ASKO has worked well to adapt volumes and deliveries in line with highly variable sales. Sales from the catering sector increased in 2021. ASKO Servering has contributed with payment deferrals and credit extensions for operators within the catering sector throughout the pandemic, and facilitated new revenues.

Several new operators within deliveries to the catering market have established themselves, leading to increased competition in the market.

The ASKO companies are working continuously to simplify operations by optimising operational procedures and using automation solutions. ASKO has adopted automation and robots to replace physically demanding manual tasks. The measures provide productivity gains. The establishment of ASKO Oslofjord will ensure efficient, competitive and environmentally-friendly logistics from a long-term perspective.

In 2022, ASKO established a fully electric transport chain that crosses the Oslo Fjord with battery-powered autonomous sea drones that transport trolleys between Horten and Moss harbour. The trolleys are to be pulled between ports, customers and warehouses with electric vehicles that will be phased in later in 2023. The transport chain is becoming climate-neutral and is reducing road transport with environmentally-friendly deliveries to our customers.

### **BRAND BUSINESS AREA**

Total operating income for the Brand business area was 12.9 BNOK in 2021 compared with 13.0 BNOK the previous year. Several areas are declining slightly due to price reductions and high demand from the previous year. Others have developed negatively during the pandemic due to changed eating habits as a result of the lockdown in society.

### **UNIL**

UNIL has experienced good development throughout 2021, despite the company meeting high sales volumes and price reductions compared with the previous year. In 2021, UNIL has worked in a structured way with supply of goods in a demanding import and goods freight market. Several major purchasing projects have been implemented, and the company has strengthened the stores' competitiveness, increased branding of First Price and Jacobs Utvalgte and strengthened its position with consumers. Several major IT projects have been completed, as well as significant work on ongoing sustainability initiatives within packaging, the environment, health and ethics. Investment in own infrastructure with doubling the warehousing capacity in Våler started up.

### **Bakehuset**

Bakehuset has enjoyed solid growth, driven by both increased volumes of the existing range, but also from new product launches. Bakehuset developed negatively during the lockdown in 2020, as well as somewhat lower volumes. 2020 was characterised by a change in in-store shopping patterns, where the trend was lower shopping frequency and fewer small items. In 2021, Bakehuset used resources to handle the pandemic situation at 11 different production sites, and to develop a product range with more than 60 new products in 2021. At the same time, the company has worked on reducing plastic consumption in product packaging. Some product groups had high growth, for example fresh cakes. A new bakery in Trondheim is under construction, with expected completion in 2022.

### **Joh. Johannson Kaffe**

Joh. Johannson Kaffe has enjoyed a high revenue throughout the pandemic. In 2021, Joh. Johannson Kaffe started using his new coffee roastery at Vestby, and significant planned positive effects of the facility are now bearing fruit. The facility is built for climate-neutral operation and is certified to BREEAM-NOR Excellent. Further work has been carried out on the Evergood and Ali brands, and the brands strengthened their position with consumers. Furthermore, the company closely monitors the raw material situation due to unpredictable coffee prices and access to raw materials and sea freight. In addition, the company continuously focuses on product quality and taste.

### **Matbørsen**

In 2021, Matbørsen achieved good growth, driven by both increased volumes of the existing range, but also from new product launches. Matbørsen experienced a negative development in revenues during the lockdown in 2020 and somewhat lower volumes. The coronavirus pandemic has changed shopping patterns in stores and reduced sales to the catering sector. Matbørsen has devoted resources to the good handling of the pandemic situation in a production facility with a large proportion of manual handling. They focused on ensuring stable operation and good delivery performance under demanding conditions and unpredictability of certain inputs. Continuous



improvement of recipes in terms of taste and health means that consumers are more likely to prefer ready-made meal solutions from Matbørsen.

## PROPERTY BUSINESS AREA

Total operating income for NorgesGruppen Eiendom, which includes transactions to other businesses in the Group, was 513 MNOK in 2021 compared to 431 MNOK in 2020.

Through strategic property acquisitions, long-term development work and responsible management, NorgesGruppen Eiendom ensures good neighbourhoods and new locations for the company's chains and other operations.

One of the current major development projects is the transformation of the former E.C. Dahls Brewery in Trondheim. Through its collaboration with local real estate companies, NorgesGruppen Eiendom has a firm hand on the steering wheel in order to establish a sustainable grocery establishment that is adapted to an important development project for the city.

NorgesGruppen Eiendom has initiated and implemented several large renovation projects for our buildings. Further development of existing locations, particularly around hubs, is also important from a sustainability perspective. In addition, in the last year NorgesGruppen has increased its investments in environmental buildings in order to reduce energy consumption.

## OTHER ACTIVITIES

### Convenience retail

With the continuation of the pandemic in 2021, the convenience stores have experienced yet another year of major market fluctuations. The pandemic has had a very varied impact on convenience stores and catering, depending on geography and locations. Overall, we can see that the portfolio has been well balanced in meeting the pandemic.

Throughout much of 2021, there has been positive development in sales along the way, in the districts and in residential areas in Oslo. This has contributed to an overall growth in concept revenues of 3.3 per cent compared to 2020 and 1.0 per cent above 2019. Combined with cost-reducing measures and good operations, this means that NorgesGruppen Convenience retail is delivering well over budget on its profit targets for this year.

### Nordics

Several of our affiliated companies have seen increased sales due to the pandemic. Eurocash has lost revenue due to closed borders. However, Pisiffik and Dagrofa have developed positively. Dagrofa delivers better than its targets, and retailer earnings are on the rise. Dagrofa has also strengthened the organisation with the appointment of new chain directors for MENY, SPAR, Min Købmand and Let-Køb, the new director for Dagrofa Foodservice and the new digital director.

## EMPLOYEES & LEADERSHIP

The total number of employees, including retailer-owned activities, was 44,618 as at 31 December 2021 (43,782 in 2020). A major reason for the increase in the number of employees over the past two years has been various infection control measures during the pandemic that have resulted in the need for increased work capacity. In company-owned activities, the total number of employees is 29,654.

### Diversity

Our employees represent a large diversity in terms of nationality, age, education, experience, gender and cultural background. Around the same number of women and men work in NorgesGruppen, while our employees have backgrounds in more than 70 different nationalities.

Read more about our work for a diverse working life on pages 71–76 of the report.

## Gender balance and equal opportunities statement – Group

Throughout NorgesGruppen, there is approximately an even distribution between women and men (50.1 per cent women and 49.9 per cent men). There are major differences between the Group's business areas and the different position levels in the Group.

At Group level, with a diversity of business types and job categories, the salary survey shows that it does not make sense to show an overall report for the entire Group on pay differences between men and women at different position levels. It will not give an accurate picture of salary differences between men and women in percentage terms at position level. This must be done at company level in order to provide a survey in accordance with the purpose of the equality statement.

Of our total of 29,654 employees in company-owned activities, 43.4 per cent are in part-time positions (-0.6 percentage points compared to the previous year), of which 18.0 per cent are men and 25.4 per cent are women. The gender balance among part-time employees is 41.4 per cent men and 58.6 per cent women who are within NorgesGruppen's ambitions for gender balance at different levels and areas of between 40–60 per cent. 24.0 per cent are temporary employees, of whom 12.0 per cent are men and 12.0 per cent are women. The average number of weeks of parental leave is 12.1 for men (12.8 last year) and 22.3 for women (compared with 21.8 last year).

7.0 per cent women and 5.2 per cent men of the total number of employees hold part-time positions, where the position holder both wishes and is available to work more. (Part-time is defined as a position of less than 100 per cent.)

NorgesGruppen's total target area for gender balance, including senior and middle management levels, is between 40–60 per cent. The proportion of women in 2021 was 27.1 per cent, which is the same level as the previous year. The key management role in NorgesGruppen is the store manager – a management position

with a strong impact on the Group's total value creation. Among all our store managers in our company-owned operations, we have a gender balance of 42.3 per cent women and 57.7 per cent men.

There must be no discrimination in NorgesGruppen. This must be ensured through equal terms, rights and opportunities in terms of employment and working relationships. NorgesGruppen considers ethics, quality in learning, corporate democracy and people's opportunities to exploit their potential as key to achieving its business objectives.

Read more about NorgesGruppen's work to reduce the risk of discrimination in NorgesGruppen's equality statement for the Group at [norgesgruppen.no](https://norgesgruppen.no).

### Age distribution

53.8 per cent of our employees are under the age of 30. Approximately 40.8% of these employees are under the age of 25. NorgesGruppen is proud to be able to offer young people their first experience of employment in a long working life. It sees itself as performing an important role in the work to create sustainable working lives. Our diversity of job types provides opportunities for many people in different stages of life.

### Competence development

Competence development and competence assurance are crucial in all business areas. Competency mapping is created in relation to the goals and tasks to be undertaken by the individual company and department. Different partners, internal schools and our own resources are used to ensure a continuous focus on learning. How employees experience development opportunities in NorgesGruppen is evaluated in the annual employee survey.

### Absence due to illness

Total absence due to illness for NorgesGruppen in 2021 was 7.6 per cent of total working time. This is an increase of 0.1 percentage points from 2020 and 1.6 percentage points from 2019, respectively. The increase must be viewed in the context of a challenging period of pandemic and infection control measures

that have resulted in absence from work. All companies have a continuous focus on sickness absence follow-up and individual adaptation through dialogue between the employee and manager.

### Health, safety and environment

Health, safety and the environment are important in all of NorgesGruppen's operations. This is safeguarded in accordance with the individual company's HSE policy. How to ensure safety in the workplace and contingency planning to safeguard this is set out in the guidelines for contingency planning at NorgesGruppen ASA. The overall scope and responsibility are described here, as well as the general and governing document for contingency planning and crisis management at NorgesGruppen ASA. The purpose of the contingency planning and crisis management is to ensure that NorgesGruppen is prepared and able to take measures to avoid or limit adverse effects on people, the environment and values.

### SUSTAINABILITY

"Sustainable and climate-neutral" is one of the Group's three ambitions. NorgesGruppen's priorities are to become climate-neutral; to turn the product portfolio in healthier and greener direction, and to offer a diverse working life. NorgesGruppen has set specific goals within each area for the new strategy period up to 2025.

In 2021, NorgesGruppen established the HANDLE sustainability fund, which will contribute to a more sustainable value chain. For 2021, NorgesGruppen distributed 14.5 MNOK to eight different external projects.

Our chains have excelled in sustainability in 2021 as well. MENY was the climber of the year in the Sustainable Brand Index, where they moved from 30th place in 2020 to 13th place in 2021. KIWI was named the most sustainable grocery chain and is on the podium among all 254 brands in the Sustainable Brand Index. SPAR Norge and NorgesGruppen

won the Convenience Retail Sustainability Award for the SPAR Snarøya eco-store.

A complete DNV-verified carbon footprint report for 2021 is being presented. NorgesGruppen has reduced its greenhouse gas emissions by 6.2 per cent since 2019.

For further comments on sustainability, see pages 59-78.

### FUTURE OUTLOOK

NorgesGruppen expects the food market to return to normal during 2022 as restrictions are lifted and society opens up. This will lead to increased competition from cross-border retail as well as continued industry slippage. NorgesGruppen expects online sales and home delivery in the market to remain at a high level in the coming years. NorgesGruppen believes that the key market trends from before the pandemic will largely persist when the market returns to normal.

The international situation with political turmoil and associated increased energy prices, fuel prices, raw material prices and uncertainty regarding the supply situation could affect NorgesGruppen's activities in the future.

Some of the key drivers in the market and the environment around us are low population growth; the use of new technology, and changing business models, as well as changing customer preferences and shopping patterns.

In order to meet market trends, NorgesGruppen is prepared for growth in the large food market in the new strategy period from 2021 to 2025. Changing customer preferences should be met by offering even better discount and supermarket offerings, adapting to local differences and consumer needs, and contributing to increased competition in the market in terms of meal solutions, food-on-the-go and industry slippage. NorgesGruppen will increase its focus on large-scale retail, a broad selection of goods, discount non-food retail and health and well-being. Continuous

value chain improvements and efficiency enhancements shall increase competitiveness in a market characterised by strong competition.

More information about our strategy, market and drivers can be found on pages 9–16 of the report.

## CORPORATE GOVERNANCE

NorgesGruppen complies with the currently applicable

Norwegian Code of Practice for Corporate Governance and Section 3-3b of the Norwegian Accounting Act.

Our corporate governance policy is published in its entirety on pages 83–88 in the report.

Insurance has been taken out for the members of the Board of Directors and the Managing Director for their possible liability towards the company and third parties. The insurance covers amounts to 100 MNOK per year.

Oslo, 30 March 2022  
Board of Directors of NorgesGruppen ASA

Knut Hartvig Johannson  
*Chairman of the  
Board of Directors*

Sverre Lorentzen

Hilde Vatne

Guri Størvold

Ørjan Svanevik

Gisele Marchand

Jan Magne Borgen

Lise Hanne Midtgaard

Mats Gunnar Knudsen

Trine Dahlstrøm

Runar Hollevik  
*Group CEO*

# Condensed consolidated income statement

(MNOK)	2021 excl. IFRS 16	2020 excl. IFRS 16	2021 incl. IFRS 16	2020 incl. IFRS 16	2021 IFRS 16 effecy	2020 IFRS 16 effecy
Operating revenues	103 059	101 560	102 885	101 385	(174)	(175)
Operating expenses	(96 249)	(94 163)	(93 691)	(91 659)	2 558	2 504
<b>Operating profit before depreciation and impairment (EBITDA)</b>	<b>6 810</b>	<b>7 397</b>	<b>9 194</b>	<b>9 726</b>	<b>2 384</b>	<b>2 329</b>
Profit/(loss) from associated companies	465	284	465	284	-	-
Depreciation and impairment	(2 312)	(2 585)	(3 993)	(4 244)	(1 681)	(1 660)
<b>Operating profit</b>	<b>4 963</b>	<b>5 097</b>	<b>5 666</b>	<b>5 766</b>	<b>703</b>	<b>669</b>
Net financial items	(24)	(128)	(1 072)	(1 182)	(1 048)	(1 054)
<b>Profit/(loss) before tax</b>	<b>4 939</b>	<b>4 969</b>	<b>4 594</b>	<b>4 583</b>	<b>(345)</b>	<b>(385)</b>
Income tax expense	(1 017)	(1 142)	(941)	(1 057)	76	85
<b>Profit/(loss) for the year</b>	<b>3 922</b>	<b>3 827</b>	<b>3 653</b>	<b>3 526</b>	<b>(269)</b>	<b>(301)</b>
Non-controlling interest's share of profit/(loss) for the year	63	91	63	91	-	-
Owners of the Company's share of profit/(loss) for the year	3 858	3 736	3 590	3 435	(269)	(301)
Earnings per share / diluted earnings per share in NOK 1)	98,92	95,70	92,03	88,00	(6,89)	(7,70)

\* Owners of the Company's share of earnings/average number of shares outstanding



# Condensed consolidated statement of comprehensive income

(MNOK)	2021 excl. IFRS 16	2020 excl. IFRS 16	2021 incl. IFRS 16	2020 incl. IFRS 16	2021 IFRS 16 effecy	2020 IFRS 16 effecy
<b>Profit/(loss) for the year</b>	<b>3 922</b>	<b>3 827</b>	<b>3 653</b>	<b>3 526</b>	<b>(269)</b>	<b>(301)</b>
<b>Other comprehensive income</b>						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Actuarial gains/(losses)	(42)	(56)	(42)	(56)	-	-
Share of other comprehensive income of associated compa-nies	(45)	24	(45)	24	-	-
Other	(2)	(3)	(2)	(3)	-	-
Income tax related to items that will not be reclassified sub-sequently to profit or loss	9	13	9	13	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Cash flow hedges	78	(48)	78	(48)	-	-
Foreign exchanges differences on translation of foreign operations	(26)	39	(26)	39	-	-
Income tax relating to items that may be reclassified subse-quently to profit or loss	(17)	10	(17)	10	-	-
<b>Other comprehensive income for the year net of income tax</b>	<b>(44)</b>	<b>(20)</b>	<b>(44)</b>	<b>(20)</b>		
<b>Total comprehensive income for the year</b>	<b>3 877</b>	<b>3 807</b>	<b>3 608</b>	<b>3 506</b>	<b>(269)</b>	<b>(301)</b>
Non-controlling interest's share of total comprehensive income	70	95	70	95	-	-
Owners of the Company's share of total comprehensive income	3 808	3 712	3 539	3 412	(269)	(301)

# Condensed consolidated statement of financial position

(MNOK)	2021 excl. IFRS 16	2020 excl. IFRS 16	2021 incl. IFRS 16	2020 incl. IFRS 16	2021 IFRS 16 effecy	2020 IFRS 16 effecy
Property, plant and equipment, and investment property	19 936	19 455	19 936	19 455	-	-
Goodwill and other intangible assets	5 393	5 487	5 393	5 487	-	-
Non-current financial assets	4 927	4 735	5 978	5 860	1 051	1 125
Right-of-use assets	-	-	17 533	17 921	17 533	17 921
<b>Non-current assets</b>	<b>30 255</b>	<b>29 677</b>	<b>48 839</b>	<b>48 724</b>	<b>18 584</b>	<b>19 046</b>
Inventories	6 956	6 929	6 956	6 929	-	-
Trade and other receivables	4 522	4 612	4 671	4 773	149	161
Cash and cash equivalents	4 069	2 524	4 069	2 524	-	-
<b>Total current assets</b>	<b>15 546</b>	<b>14 066</b>	<b>15 696</b>	<b>14 226</b>	<b>149</b>	<b>161</b>
<b>TOTAL ASSETS</b>	<b>45 802</b>	<b>43 743</b>	<b>64 535</b>	<b>62 950</b>	<b>18 733</b>	<b>19 207</b>
Paid-in equity	1 824	1 824	1 824	1 824	-	-
Retained earnings	25 064	22 203	24 175	21 583	(889)	(620)
Non-controlling interests	364	328	364	328	-	-
<b>Total equity</b>	<b>27 252</b>	<b>24 355</b>	<b>26 363</b>	<b>23 735</b>	<b>(889)</b>	<b>(620)</b>
Non-current liabilities	5 233	5 554	5 233	5 554	-	-
Non-current liabilities (IFRS 16)			17 616	17 758	17 616	17 758
Current liabilities	13 316	13 834	15 322	15 903	2 006	2 069
<b>Total liabilities</b>	<b>18 549</b>	<b>19 388</b>	<b>38 172</b>	<b>39 215</b>	<b>19 623</b>	<b>19 827</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45 802</b>	<b>43 743</b>	<b>64 535</b>	<b>62 950</b>	<b>18 733</b>	<b>19 207</b>

# Condensed consolidated statement of change in equity

(MNOK)	Paid-in equity	Retained earnings	Total	Non-controlling interests	Total equity
<b>Equity 31.12.2019</b>	<b>1 825</b>	<b>19 510</b>	<b>21 335</b>	<b>275</b>	<b>21 610</b>
Profit/(loss) of the year	-	3 435	3 435	91	3 526
Other comprehensive income of the year	-	(23)	(23)	3	(20)
Changes in treasury shares	(1)	(45)	(46)	-	(46)
Written put option on own shares	-	(590)	(590)	-	(590)
Dividends	-	(703)	(703)	(42)	(745)
<b>Equity 31.12.2020</b>	<b>1 824</b>	<b>21 583</b>	<b>23 407</b>	<b>328</b>	<b>23 735</b>
Profit/(loss) of the year	-	3 590	3 590	63	3 653
Other comprehensive income of the year	-	(51)	(51)	6	(44)
Changes in treasury shares	-	(9)	(9)	-	(9)
Transactions with non-controlling interests	-	(2)	(2)	13	11
Dividends	-	(936)	(936)	(46)	(982)
<b>Equity 31.12.2021</b>	<b>1 824</b>	<b>24 175</b>	<b>25 999</b>	<b>364</b>	<b>26 363</b>

# Condensed consolidated statement of cash flows

(MNOK)	2021 excl. IFRS 16	2020 excl. IFRS 16	2021 incl. IFRS 16	2020 incl. IFRS 16	2021 IFRS 16 effecy	2020 IFRS 16 effecy
Profit/(loss) before tax	4 939	4 968	4 594	4 583	(345)	(385)
Income tax paid	(19)	(91)	(1 145)	(1 226)	(1 126)	(1 135)
Depreciation and impairment	2 312	2 586	3 993	4 245	1 681	1 660
Other non-cash items	(1 298)	(353)	(255)	699	1 043	1 052
Changes in working capital	(166)	(502)	(166)	(502)	-	-
<b>Net cash flows from operating activities</b>	<b>5 767</b>	<b>6 608</b>	<b>7 020</b>	<b>7 799</b>	<b>1 254</b>	<b>1 191</b>
Proceeds on disposal of property, plant and equipment	487	254	487	254	-	-
Purchase of property, plant and equipment	(3 306)	(3 682)	(3 306)	(3 682)	-	-
Other investing activities	(306)	(5)	(306)	(5)	-	-
<b>Net cash flows from investing activities</b>	<b>(3 125)</b>	<b>(3 432)</b>	<b>(3 125)</b>	<b>(3 432)</b>	<b>-</b>	<b>-</b>
Proceeds from loans and borrowings	2 782	3 926	2 782	3 926	-	-
Repayments of loans and borrowings	(3 115)	(5 324)	(3 115)	(5 324)	-	-
Repurchase of treasury shares	(9)	(46)	(9)	(46)	-	-
Dividends paid	(982)	(745)	(982)	(745)	-	-
Other financing activities	227	(92)	(1 027)	(1 284)	(1 254)	(1 191)
<b>Net cash flows from financing activities</b>	<b>(1 098)</b>	<b>(2 281)</b>	<b>(2 351)</b>	<b>(3 473)</b>	<b>(1 254)</b>	<b>(1 191)</b>
<b>Net changes in cash and cash equivalents</b>	<b>1 544</b>	<b>893</b>	<b>1 544</b>	<b>893</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at 1 January	2 524	1 631	2 524	1 631	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>4 069</b>	<b>2 524</b>	<b>4 069</b>	<b>2 524</b>	<b>-</b>	<b>-</b>



# Notes to the condensed consolidated financial statements

## NOTE 1 • ACCOUNTING POLICIES

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The condensed consolidated financial statements for 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU.

The accounting principles used in the financial statements are the same principles used in the 2020 financial statements, except from the following new standards and interpretations adopted in the period:

**The following new IFRS standards, changes in standards and interpretations have been adopted in the period:**

Amendments in IFRS 16 Leasing

Covid-19 - Related Rent Concessions

The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments in IFRS 9, IAS 39 and IFRS 7

Impact on the initial application of the IBOR-reform

The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The condensed consolidated financial statements are not audited.

## NOTE 2 • SEGMENT INFORMATION

(MNOK)						
2021*	Wholesale	Retail	Brand	Real Estate	Other/ elimination*	Group
Total segment revenues	81 647	64 711	12 920	513	2 353	162 144
Revenues between segments	(45 685)	-	(11 869)	(334)	(1 371)	(59 259)
<b>Operating revenues</b>	<b>35 962</b>	<b>64 711</b>	<b>1 051</b>	<b>179</b>	<b>981</b>	<b>102 885</b>
<b>Operating profit</b>	<b>1 553</b>	<b>2 343</b>	<b>399</b>	<b>279</b>	<b>1 092</b>	<b>5 666</b>
2020	Wholesale	Retail	Brand	Real Estate	Other/ elimination*	Group
Total segment revenues	79 238	64 885	13 001	432	2 544	160 100
Revenues between segments	(44 854)	-	(12 079)	(318)	(1 465)	(58 715)
<b>Operating revenues</b>	<b>34 384</b>	<b>64 885</b>	<b>922</b>	<b>113</b>	<b>1 080</b>	<b>101 385</b>
<b>Operating profit</b>	<b>1 373</b>	<b>3 030</b>	<b>413</b>	<b>209</b>	<b>739</b>	<b>5 765</b>

\*IFRS 16 effects are included in the other/elimination column.

## NOTE 3 • DIVIDENDS AND TREASURY SHARES

In 2021, dividends amounting to NOK 25 per share were paid to the parent company's shareholders. In 2021, 982 MNOK has been paid in dividends for 2020,

including dividends to the Group's non-controlling shareholders. 936 MNOK is paid in dividends to the parent company's shareholders.

As of 31.12.2021, NorgesGruppen holds a total of 999 414 treasury shares, which constitutes 2.5% of the share capital. The number of treasury shares held at the end of 2020 was 990 248.

The proposed dividend for 2021 is NOK 25 per share, 975 MNOK in total.

## NOTE 4 • REPAYMENT AND ISSUANCE OF BONDS

In the period, NorgesGruppen ASA has repaid ISIN NO0010709512 of 700 MNOK. It was during 2021 issued one new green bond in total of 500 MNOK, ISIN NO0010996499. As per 31 December 2021, NorgesGruppen had no outstanding certificate loans. We refer to [www.norgesgruppen.no](http://www.norgesgruppen.no) for a complete overview of amounts outstanding of bonds.

## NOTE 5 • CONTINGENT LIABILITIES

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NorgesGruppen is involved in some disputes. Based on the available information, management is of the opinion that these disputes will be solved without any material effect on the financial statements. NorgesGruppen assess that it is not probable that these disputes would lead to any payments from the company. Hence, the disputes are assessed as contingent liabilities without any provisions recognized in the financial statements. The most significant case relates to a warning of fine from the Norwegian Competition Authority, in relation to the so-called price hunting practices. The remaining disputes are assessed as immaterial, both standalone and in total.

### **Warning of fine in relation to the price hunting practices**

On 15 December 2020, NorgesGruppen ASA received a warning from the Norwegian Competition Authority ("the Authority") in relation to the so-called price hunting practices. The Authority's preliminary assessment is that Coop, NorgesGruppen and Rema 1000 through the application of the "Industry norm for Comparative Advertising within the Grocery Industry", have cooperated to give access to each other's grocery stores to scan shelf prices. In the warning, the Authority has informed that it is considering imposing a fine of 8 749.9 MNOK to NorgesGruppen ASA.

In management's opinion, it is not made probable that NorgesGruppen has participated in a cooperation that is in violation of the Competition Act § 10.

NorgesGruppen's deadline for replying is set to 28 February. Subsequently, the Authority will make its final assessment.

## NOTE 6 • SUBSEQUENT EVENTS

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No events have occurred subsequent to the balance sheet date that would have a material effect on the financial statements.

# Condensed financial statement for the parent company (NGAAP)

## Income Statement

(MNOK)	2021	2020
Operating revenues	513	499
Operating expenses	(629)	(635)
<b>EBITDA</b>	<b>(116)</b>	<b>(136)</b>
Depreciation and impairment	(4)	(5)
<b>Operating profit</b>	<b>(120)</b>	<b>(140)</b>
Net financial items	1 348	1 651
<b>Profit before tax</b>	<b>1 228</b>	<b>1 510</b>
Income tax expense	(380)	2
<b>Profit for the year</b>	<b>849</b>	<b>1 512</b>

## Balance sheet

(MNOK)	31.12.2021	31.12.2020
Goodwill and other intangible assets	130	124
Property, plant and equipment	1	1
Non-current financial assets	27 259	28 446
<b>Non-current assets</b>	<b>27 389</b>	<b>28 571</b>
Receivables	2 059	1 512
Cash and cash equivalents	1 459	5
<b>Total current assets</b>	<b>3 517</b>	<b>1 517</b>
<b>TOTAL ASSETS</b>	<b>30 907</b>	<b>30 088</b>
Paid-in equity	1 824	1 824
Retained earnings	10 535	10 698
<b>Total equity</b>	<b>12 359</b>	<b>12 523</b>
Provisions	471	434
Non-current liabilities	3 545	3 727
Current liabilities	14 531	13 403
<b>Total liabilities</b>	<b>18 548</b>	<b>17 565</b>
<b>Total equity and liabilities</b>	<b>30 907</b>	<b>30 088</b>

## Cash flow statement

(MNOK)	2021	2020
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5</b>	<b>7</b>
Cash flows from operating activities	(200)	628
Cash flows from investing activities	1 187	(103)
Cash flows from financing activities	467	(527)
<b>Cash and cash equivalents at the end of the year</b>	<b>1 459</b>	<b>5</b>



# Alternative Performance Measures

In accordance with ESMA's guidelines regarding Alternative Performance Measures ("APM"), APM is intended as a financial measure for historical or future financial performance, financial position or cash flows, unlike a financial measure defined or specified in the applied framework for financial reporting. NorgesGruppen uses alternative performance measures in its market communications that are directly derived from the reported financial statements in accordance to IFRS, excl. IFRS 16 effects. It is not considered appropriate to further adjust the reported accounting figures in the calculation of alternative performance measures. This is because NorgesGruppen believes that the reported accounting figures presents the underlying operations in a good and balanced way for the users of the financial information. As such, there are no reconciliation items between reported accounting figures and the APMs. The overview below shows the APMs NorgesGruppen has used and the related definitions. The APMs are defined and calculated based on reported accounting figures that can be traced directly to the financial statements and accompanying disclosures.

The APMs are used consistently over time.

NorgesGruppen uses the following APMs:

- EBITDA – Operating profits before depreciation, impairment and profit/(loss) from associated companies
- Operating profit EBIT – profit before financial items. Includes profit/(loss) from associated companies
- Operating margin EBIT – EBIT / Total operating revenues
- Operating margin EBITDA – EBITDA / Total operating revenues
- Profit margin – Profit for the year / Total operating revenues
- Return on capital employed – EBIT / average equity and net interest-bearing debt
- Net interest-bearing debt – Interest-bearing debt less interest-bearing receivables and bank deposits/cash holdings

The alternative performance measures used by NorgesGruppen in the market communications provides a good picture of the ongoing operations and financial performance of the Group. The alternative performance measures above represent the most important financial performance measures used by management.

## Financial performance measures for the Group excl. IFRS 16

Income statement		2021	2020	2019	2018	2017
Operating revenues	NOK mill.	103 059	101 560	90 504	87 813	85 632
EBITDA <sup>1)</sup>	NOK mill.	6 810	7 397	5 325	4 992	5 238
Operating profit (EBIT)	NOK mill.	4 963	5 096	3 650	3 140	3 052
Profit before tax	NOK mill.	4 939	4 968	3 450	3 057	2 778
Profit for the year	NOK mill.	3 922	3 827	2 746	2 410	2 090
<b>Shares</b>						
Earnings per share <sup>2)</sup>	NOK	98.92	95.70	69.34	61.14	52.33
Total shares outstanding per 31.12.	1000 shares	40 000	40 000	40 000	40 000	40 000
Dividend per share	NOK	25.00	24.00	18.00	16.00	16.00
<b>Capital</b>						
Total capital	NOK mill.	45 802	43 743	41 248	39 171	37 678
Equity	NOK mill.	27 252	24 355	21 930	19 843	18 135
Equity ratio	%	59.5	55.7	53.2	50.7	48.1
Net interest-bearing debt	NOK mill.	(308)	1 952	4 467	3 791	4 177
<b>Profits</b>						
Operating margin EBITDA <sup>3)</sup>	%	6.6	7.3	5.9	5.7	6.1
Operating margin <sup>4)</sup>	%	4.8	5.0	4.0	3.6	3.6
Profit margin <sup>5)</sup>	%	3.8	3.8	3.0	2.7	2.4
Return on capital employed <sup>6)</sup>	%	18.6	19.3	14.6	13.7	13.7

1) Operating profits before depreciation, impairment and profit/(loss) from associated companies

2) Profit for the year to owners of the Company / average number of shares outstanding

3) EBITDA / Operating revenues

4) Operating profit / Operating revenues

5) Profit for the year / Operating revenues

6) EBIT / Average (equity + net interest-bearing debt)

# Sustainability performance



## Sustainable and climate-neutral

"Sustainability entails that we take social, ethical and environmental issues into account, while running profitable operations."



### In our operations



### In the value chain



### Customers/society

### The UN Sustainable Development Goals and NorgesGruppen

#### Environment



#### Climate-neutral by 2030

- Renewable fuels
- Energy efficiency and renewable energy
- Waste and sorting at source
- Food waste and food waste management
- Refrigerants (HFCs)

#### Greener products

- Greenhouse gas emissions
- Food waste, packaging, chemicals, water resources, land management
- Sustainable fisheries
- Animal welfare and health
- Certified products

#### Greener shopping basket

- Information and transparency
- Strategic collaboration
- Funds and support schemes

NorgesGruppen will be climate-neutral by 2030 and will lead the way in developing environmentally-friendly products, renewable energy and climate-friendly transport. Climate measures throughout the value chain, and good animal welfare, are important in achieving balanced use of resources.

#### Health



#### Healthier operations

- "Game rules" promoting healthy choices
- Systems to ensure timely and safe quality products
- Efficient handling of deviations and contingency planning
- Health-promoting initiatives for NorgesGruppen employees

#### Healthier products

- #MerAv [More] wholegrain, fruit and vegetables and seafood
- #MindreAv [Less] salt, sugar, saturated fat
- Range and category development
- Safe and reliable products
- Certified products

#### Healthier shopping basket

- Information and transparency
- Strategic collaboration
- Funds and support schemes
- Good public health

NorgesGruppen makes it easier to eat healthier, and contributes to safe and sustainable consumption. We will contribute to good public health by selling more fruit and vegetables, wholegrain products and fish, and reduce salt, sugar and saturated fats in our product range.

#### People



#### Sustainable working life

- Ethical guidelines and good corporate management
- Diversity
- Vocational training
- Future skills and expertise
- Flexible working life

#### Sustainable value chain

- Human rights and social development
- Local production in Norway
- Anti-corruption
- Certified products

#### Sustainable shopping basket

- Information and transparency
- Strategic collaboration
- Funds and support schemes
- Living communities

→ NorgesGruppen must safeguard the rights, health and safety of our employees, and the manpower included in our value chain. This means equal pay for equal work, a good learning environment and effective integration, also when it comes to apprentices and vocational training.



# Materiality and securing commitment of sustainability practices

## Customer's priorities in sustainability

Since 2015, we have been conducting the same customer survey in order to gain insight into what customers expect from us as a responsible grocery operator. Treating employees fairly has been prioritised ahead of customers for several consecutive years. Otherwise the variations are minor. This year, "reducing food waste" and "working against corruption" climbed to second and third place, and "right price of products" fell to two places.

Our priorities correspond well with what cus-

tomers expect grocery operators to do when it comes to environmental work. Food waste, plastics, animal welfare and sustainable food and products are important issues for customers and key focus areas in NorgesGruppen. The survey provides direction for our sustainability work, but we also prioritise topics that do not reach the Top 10, such as renewable energy and programmes for apprentices and vocational training.

## Broad stakeholder dialogue

Our customers are our most important stake-

holders, but we also have frequent contact and dialogue with partners, stakeholder organisations, trade unions, professional environments and the authorities. Input from all of these stakeholders was important when we developed the Group strategy and sustainability goals towards 2025, and through dialogue we create opportunities to focus on sustainability work and to collaborate on achieving common goals. NorgesGruppen's sustainability work is rooted in a strong willingness to make a difference to the Board of Directors, among owners and management, all of which are regularly kept up-to-date on results relating to our three sustainability focus areas: The environment, health and people.

## See more on our website

<https://www.norgesgrupper.no/barekraft/barekraft-i-norgesgrupper/slik-jobber-vi/>

2019	2020	2021	2022	Issue
1	1	1	→	1 Treating employees fairly
2	3	3	→	2 Reducing food waste
3	5	4	→	3 Anti-corruption
4	4	2	→	4 Having the right price for products
-	2	5	→	5 Reducing plastic packaging on products where plastic is not needed to maintain food quality (new in 2020)
6	6	6	→	6 Ensuring good animal welfare
8	8	9	→	7 Ensuring sustainable fish and preventing over-fishing
5	7	7	→	8 Reducing the environmental impact of the production of products and packaging
7	9	8	→	9 Fair trade
9	10	11	→	10 Clear labelling of product content, such as sugar, salt and artificial additives

## How we report sustainability results for 2021

→ We wish to report as openly and transparently as possible and have taken new steps in 2021.

- We present climate accounts verified by an independent third party
- The carbon footprint includes operational emissions (scopes 1 and 2), as well as emissions related to food waste and other waste (scope 3)
- In addition, we have estimated greenhouse gas emissions based on our sales, see page 63.
- We report climate risks based on the Task Force on Climate-related Financial Disclosures (TCFD) framework, see overview on pages 69 and 78.
- We report in accordance with relevant indicators within the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), see overview on page 78.
- We have started to prepare for the Norwegian Transparency Act (Due diligence assessments) and the Norwegian Act on the Disclosure of Sustainability Information (EU taxonomy), which will come into force in 2022
- In the course of 2022, we will assess whether sustainability reporting should be verified in its entirety by an independent third party.

# Our performance in brief

→ How do we get on after one year in a new strategy period? We continue in the right direction, but we are facing a major transformation in the coming years. The results from last year have been accounted for in the following pages. We have been working in a goal-oriented manner on the environment, health and people for many years, and are building systematically to help create a sustainable value chain for food. It is our responsibility, and our wish to lead the way in this development.

Our sustainability work is based on the three main areas environment, health and people.

We have set targets in order to navigate towards

- climate-neutral operations by 2030
- healthier and greener shopping and shopping baskets
- a sustainable value chain
- a diverse working life

NorgesGruppen's sustainability fund was established in 2021, and this will accelerate important collaboration in the value chain.

## -6.2%

greenhouse gas emissions, reduction since 2019

## 36%

reduced food waste since 2015

## 625

apprentices. One in three in a permanent position at the end of the apprenticeship



## Environment 😊→😊

→ We have reduced our greenhouse gas emissions by 6.2 per cent since 2019. After two years of significantly higher revenue due to the pandemic, we are very satisfied with this result. However, there is still a lot of work to be done before we reach our environmental targets for 2025. The same applies to the goal set for the products we sell, even though we have taken important steps in both product development and packaging.

## Health 😊

→ The development in our health goals is strongly influenced by the pandemic. A result of restrictions in society is that grocery products have had abnormally large sales in all categories, healthy as well as unhealthy. NorgesGruppen has kept up the pressure on initiatives that make customers choose a little healthier. The most important priorities in 2022 are to get customers to buy more fish, fruit and vegetables and more plant-based products.

## People 😊

→ We have taken new steps in our work to ensure a diverse working life in NorgesGruppen. We are increasing the number of apprentices and are retaining many of them. This is important because we need manpower in the coming years.

We will work strategically with recruitment and training to further ensure diversity in competence and gender balance.

# Environment

## This is how we will become climate-neutral

See our  
climate accounts  
on pages 66–68.

→ NorgesGruppen aims to have climate-neutral operations by 2030. This is an ambitious goal, because we must first compensate for residual emissions after we have streamlined as much as possible. We have set the strict definition because the cleanest energy is the one that is not used. It is important to continuously chase measures that reduce or eliminate greenhouse gas emissions.

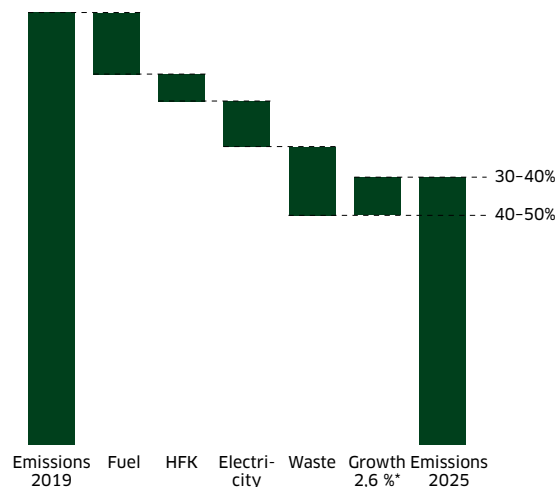
### The ambition of being climate-neutral has been reached when

- we only use renewable fuels in our distribution and production
- we have ensured renewable energy production in amounts that match our consumption
- we have eliminated our direct greenhouse gas (HFC) emissions from stores and warehouses
- we have maximum material recovery or reuse of our packaging and waste by
  - utilising waste as early as possible in the waste hierarchy
  - halving food waste
  - eliminating meat waste
  - sorting at source more than 90 per cent of waste
  - sorting out more than 90 per cent of food waste
  - utilising more than 90 per cent of food waste from baked goods, fruit and vegetables into animal feed
- we have compensated for the remaining emissions, but only when the points above have been achieved

### Effect of climate targets

The graph below illustrates the effect of the climate targets we have set towards 2025. The sum of the targets for the four areas of fuel, HFC, electricity and waste corresponds to a reduction of around 40–50 per cent of NorgesGruppen's greenhouse gas emissions from 2019 to 2025. With estimated annual growth, we have calculated the reduction to be just under 30–40 per cent. Our environmental targets are efficiency targets, and the results show that we reduce greenhouse gas emissions per krone sold. There is uncertainty associated with these calculations, as we have still not chosen all the measures that will bring us to the goal in 2025. The choice of technology, for example, has a significant impact on the climate gains in the area of fuel, where electric vehicles will provide greater climate gains than vehicles that use biogas.

### Estimated emission reductions towards 2025



\* Estimate

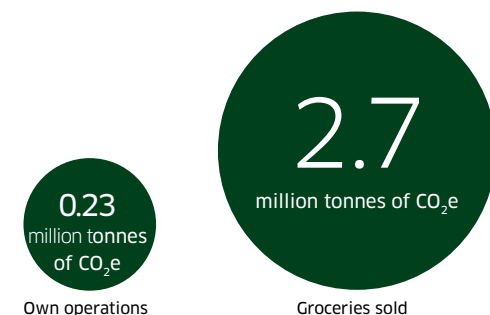
See climate accounts on page 66 for details of the greenhouse gas emissions in 2019.

## Greenhouse gas emissions of sold food

→ NorgesGruppen's goal of climate-neutral operations does not include greenhouse gas emissions from the products sold, but NorgesGruppen has an opportunity – and responsibility – to also make an impact here. Over the next decade, collaboration throughout the food value chain will be important in accelerating the green transition. In NorgesGruppen, we have therefore estimated our emissions related to the products sold in our sales outlets.\* These are greenhouse gas emissions we “share” with both suppliers and customers. However, measuring the emissions makes it easier to look at what can be done to reduce them.

\* NorgesGruppen uses values from RISE's Norwegian climate database to calculate the emissions from the food we sell. The climate database contains footprints for more than 720 general food groups. Each climate footprint in the database is based on available life cycle analyses or other climate calculations. The greenhouse gas emissions from packaging are not included.

### Total greenhouse gas emissions 2021



# Environment

## Our climate goals and performance

NorgesGruppen's targets	Target 2025	2019	2020	2021	Comment	
<b>Renewable fuel</b> Litres of renewable fuel of total fuel	96%	36%	39% <sup>1)</sup>	42%	We do not want to use palm oil in our fuels and therefore we do not have access to biofuels that work in wintertime. 23 new electric lorries were purchased in 2021 and another 30-40 are expected to be delivered in 2022. As of 2021, gas and oil consumption is included in the target.	🔴
<b>HFC gases</b> Change in climate impact from HFC emissions	-98% from 2010	-73%	-75% <sup>2)</sup>	-79%	Phase-out of HFC and replacement of facilities with a high probability of leaks continued in 2021. 83 HFCs units were phased out and replaced with CO <sub>2</sub> -facilities in KIWI and MENY.	🟢
<b>Energy efficiency</b> Change in kWh electricity consumption per revenue	-23% since 2010	-16%	-26%	-25%	The systematic work on improving energy efficiency continued in 2022. The extra high outcomes in 2020 and 2021 were due to abnormally high revenue due to the pandemic, as the target figure is calculated from the electricity consumption/inflation-adjusted revenue.	🟢
<b>Renewable energy</b> Triggered renewable energy of total power consumption (kWh)	48%	9%	11%	10%	No new major renewable energy projects were developed during 2021, and less wind than in 2020 resulted in a slight decline in the proportion of renewable energy. New water, wind and sun projects are under development.	🔴
<b>Reduced food waste</b> Change in wasted food (in value) per revenue	-55% since 2015	-24%	-38%	-36%	Discounting of food products has been introduced in a large proportion of our stores. This, together with a number of other measures has contributed to the reduction in food waste. The extra high results in 2020 and 2021 are due to abnormally high revenue and a target calculated from food waste/revenue, but the underlying trend is good.	🟢
<b>Disposal of meat</b> Change of thrown fresh meat (in value) per revenue	-100% since 2015	-51%	-64%	-6%	Discounting meat is an effective tool that has significantly reduced food waste. We are working on establishing sustainability information at product level, which will lead to increased control and less waste.	🟡
<b>Waste sorting at source</b> Share of waste sorted at source	89%	83%	84%	84%	Continuous work is underway to improve sorting of waste in stores and warehouses. ASKO collects most types of waste from stores, and in 2021 this was expanded with the collection of food waste from stores.	🟢
<b>Sorting of food waste</b> Share of pre-sorted food waste	90%	77%	82%	83%	The sorting of food waste in stores is increasing gradually, and may be further improved by ASKO starting to collect this waste fraction from stores.	🟢
<b>Fruit, vegetables and baked goods for animal feed</b> Share of fruit, vegetables and baked goods that are not sold but go to animal feed	91%	36%	41%	40%	A high percentage of the baked goods that are not sold are returned to Bakehuset and go to animal feed. Work is underway to find good downstream solutions to use fruit and vegetables for animal feed. The investment in the company Invertapro enables the expansion of the production of insects fed on food waste.	🟡
<b>Greenhouse gas emissions from products</b> Reduced greenhouse gas emissions within selected food groups	- 60,000 tonnes of CO <sub>2</sub> from 2019	-	-	+3,500 tons	Volume growth on red meat contributes to an increase, and good growth in chicken products also means that the overall contribution from meat is significant. The goal is new, it concerns dinner protein, and is strongly linked to the work to achieve the dietary guidelines. We will look at the definition of the goal during 2022.	🔴

<sup>1)</sup> History changes due to expansion of scope (gas and oil consumption)

<sup>2)</sup> History changes due to post-reported leaks for 2020 during 2021



# Environment

## Our environmental goals and performance

NorgesGruppen's targets	Target 2025	2019	2020	2021	Comment
<b>Plastic</b> Reduction of virgin fossil plastic	-20.0%	-	-	-2.2%	We are on the right track but need to intensify our efforts to reach our goal by 2025. The improvement is driven by good initiatives with the use of recycled plastic and transition to cardboard/paper. 😐
<b>Deforestation</b> Percentage of suppliers approved in accordance with NorgesGruppen's policy	100%	81.0%	83.0%	83.0%	Welcome development in feed composition in the aquaculture industry. But political factors mean, for example, that deforestation in the Amazon will continue. New guidelines from the EU are expected in 2022, which will increase efforts in this area. 😐
<b>Fish and seafood</b> The proportion of revenue from sustainable stocks and responsible fishing and fish farming methods	100%	97.0%	98.0%	98.0%	Good relations with suppliers continue. Challenges in both the management of wild fish and farming mean that achievement of goal is complex. 😊

### Undesirable substances

Our work with chemicals and undesirable substances continued in 2021, with a focus on washing and cleaning products. Suppliers have good control over chemicals used in the products, and substitution work is generally good. However, this year we have also made findings that we follow up on.



We report openly and honestly on the sustainability results of our work. The symbols in red, yellow and green show how we performed in relation to the targets we set for 2020. Each symbol must be viewed in the context of the explanation in the column, since each process is unique.

# Environment

## Climate accounts 2019–2021

→ In 2021, NorgesGruppen had total location-based emissions equivalent to 230,256 tonnes of CO<sub>2</sub> equivalents (CO<sub>2</sub>e). Greenhouse gas emissions were reduced by 15,341 tonnes of CO<sub>2</sub>e (6.2 per cent) from 2019 to 2021. This is a satisfactory result, due in particular to good work on phasing out fossil fuels, cutting emissions of HFC gases, and reducing food waste.

The carbon footprint accounts cover ASKO, MENY, SPAR, Joker, KIWI, Bakehuset, Joh. Johannson Kaffe, UNIL and Matbørsen. The carbon footprint accounts include all operational emissions that are mandatory to include in the carbon footprint accounts (scope 1 and scope 2). In addition, we have included two areas within the optional reporting (scope 3),

as these constitute significant operational emissions. This is waste and ASKO's hired transport.

The 2021 climate accounts have been prepared in accordance with "The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard, Revised Edition" and ISO 14064-1:2018, and have been verified by DNV Business Assurance Norway AS.

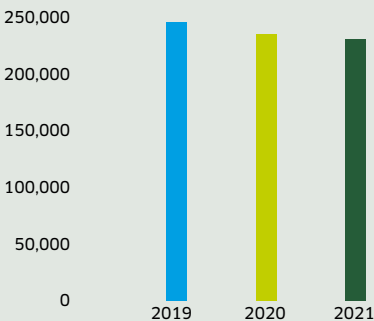
For the strategy period 2021–2025, NorgesGruppen decided to use fixed emission factors in order to measure the effect of measures more precisely. We use 2019 as our base year. The emission factors are calculated by Rambøll and based on the best available sources.

### The carbon footprint accounts are based on the following sources of emissions factors:

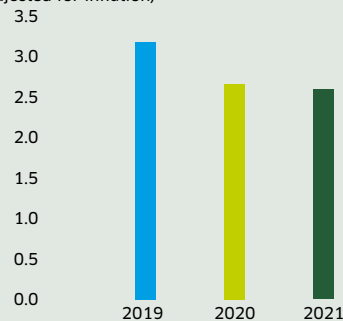
Fossil fuel	Source: Rambøll/GHG conversion factors 2018 (UK Gov.)
Renewable fuel	Source: Rambøll/GHG conversion factors 2018 (UK Gov.)
HFCs	Source: Return gas
Electricity (from grid)	Source: NVE/Rambøll (Nordic Mix 2019–2025)
Electricity (own renewable)	Source: NVE/Rambøll
Food waste – production	Source: RISE climate database, Norwegian version
Food waste – recycling	Source: Rambøll/Østfoldforskning
Other waste – production	Source: Rambøll/Norsus
Other waste – recycling	Source: Rambøll/Norsus

Reference is made to Rambøll as the source, since Rambøll has contributed to investigating factors based on data published by the other stated source. NorgesGruppen's market-based emissions in 2021 amounted to 492,306 tonnes of CO<sub>2</sub>e.

**GHG emissions total, 2019–2021**  
Tonnes CO<sub>2</sub>-equivalents

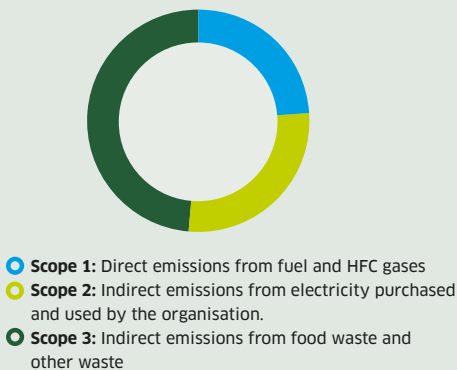


**Climate efficiency, total 2019–2021**  
Tonnes CO<sub>2</sub> per million NOK operating revenues (adjusted for inflation)

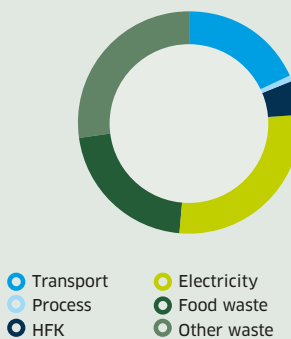


Climate Efficiency is not part of the verified climate accounts, but the calculation is based on verified emission figures as well as inflation-adjusted net sales in NorgesGruppen.

**GHG emissions 2021, by scope 1–3**  
Tonnes CO<sub>2</sub>-equivalents



**GHG emissions 2020, by source**  
Tonnes CO<sub>2</sub>-equivalents



# Environment

## Climate accounts 2019–2021

				QUANTITIES			CLIMATE ACCOUNTING (tonnes CO <sub>2</sub> )				
Scope	Area	Emission source	Unit	2021	2020	2019	GWP 2021	2019 (base year)	2021	2020	
Total scope 1–3								245,597.5	230,255.7	234,743.1	
Scope 1 <sup>1</sup>								64,735.6	55,604.6	59,876.7	
	Transport	Biodiesel for transport	1,000 litres	1,329.8	1,390.5	1,469.5	0.35	510.7	462.2	483.3	
		Bioethanol for transport	1,000 litres	1,029.4	1,027.5	672.3	0.62	418.6	640.9	639.8	
		Biogas for transport	1,000 litres	363.5	227.5	192.8	0.78	151.0	284.8	178.3	
		HVO for transport	1,000 litres	6,689.5	6,683.0	6,163.8	0.59	3,636.6	3,946.8	3,942.9	
		Hydrogen for transport	1,000 litres	110.2	108.2	15.5	0.04	0.6	4.5	4.5	
		Electricity for transport	MWh	Not separated from other power consumption							
	Process	Fossil fuel	1,000 litres	12,755.6	13,331.0	14,933.8	2.85	40,072.2	36,360.8	38,001.2	
		Biogas	tonnes	342.4	-	-	0.13	-	46.2	-	
		Fossil gas	tonnes	260.6	679.8	634.3	3.30	2,092.2	859.5	2,242.2	
		Fuel oil	tonnes	526.6	416.7	372.4	3.16	1,178.7	1,416.5	1,318.8	
	HFCs	HFCs	kg	5,258.7	5,836.1	6,190.7	2,300.0 <sup>4</sup>	16,675.0	11,582.4	13,065.8	
	Scope 2								63,509.9	63,225.1	61,798.1
		Electricity <sup>1</sup>	Mains power	MWh	805,639.0	784,172.8	810,283.8	0.077	62,173.1	61,816.7	60,169.6
			Sun – own/triggered	MWh	11,403.5	11,387.9	10,847.4	0.015	157.3	165.4	165.1
Wind – own/triggered			MWh	73,124.1	86,081.7	69,385.0	0.017	1,179.5	1,243.1	1,463.4	
Water – own/triggered			MWh	-	-	-	0.011	-	-	-	
Scope 3 <sup>5</sup>								117,352.0	111,426.0	113,068.3	
	Waste	General waste	tonnes	15,196.6	15,463.6	16,083.7	1.40 <sup>4</sup>	22,580.7	21,335.3	21,710.1	
		– recycling	tonnes	13,179.9	13,763.6	14,348.6	0.27	3,874.1	3,558.6	3,716.2	
		Food waste	tonnes	32,935.5	32,990.0	32,860.3	1.74	61,356.6	57,203.5	57,683.2	
		– recycling animal feed	tonnes	9,583.2	9,795.6	8,276.3	-0.82	-6,806.9	-7,881.7	-8,056.4	
		– recycling biogas	tonnes	16,438.3	15,230.2	14,893.3	-0.03	-446.8	-493.1	-456.9	
		– recycling compost	tonnes	1,110.9	1,758.0	1,968.2	-0.02	-39.4	-22.2	-35.2	
		Cardboard	tonnes	40,409.7	41,953.9	39,584.4	0.80	31,667.5	32,327.8	33,563.1	
		– recycling	tonnes	37,349.0	38,878.5	36,026.9	-0.14	-5,043.8	-5,228.9	-5,443.0	
		Plastic	tonnes	3,131.8	3,198.1	2,948.1	2.22	6,544.8	6,952.7	7,099.8	
		– recycling	tonnes	2,952.7	3,027.8	2,721.1	-0.94	-2,557.9	-2,775.5	-2,846.1	
		Glass/Metal	tonnes	1,955.1	1,877.5	2,039.0	1.20	2,441.5	2,341.0	2,248.2	
		– recycling	tonnes	1,338.0	1,351.1	1,418.4	-0.14	-204.3	-192.8	-194.6	
		Other waste <sup>2</sup>	tonnes	3,213.6	3,091.0	3,304.3	1.52 <sup>4</sup>	4,619.5	4,869.7	4,627.9	
		– recycling	tonnes	2,951.0	2,812.5	3,053.3	-0.19 <sup>4</sup>	-633.7	-568.3	-547.9	

<sup>1</sup> Parts of the fuel consumption reported in scope 1 come from hired transport and are therefore in reality scope 3 emissions. <sup>2</sup> Includes electricity for transport. <sup>3</sup> EE waste, polystyrene, hazardous waste, wood and fat.

<sup>4</sup> Factor is derived from NorgesGruppen based on volume of HFC/waste with different emission factors. <sup>5</sup> Scope 3 emissions related to operations do not include greenhouse gas emissions related to the revenue of products.

# Environment

## Other environmental data

Area	Unit	2021	2020	2019
<b>Prevention of food waste</b>				
<b>Reduced food waste</b>	tonnes	<b>16,846</b>	14,130	16,415
Discount (food sold)	tonnes	12,948	11,414	11,059
Charity (food donated)	tonnes	580	499	491
Other consumption (food used for other purposes)	tonnes	3,318	2,217	4,865
<b>Handling of food waste</b>				
<b>Total food waste</b>	tonnes	<b>32,935</b>	<b>32,990</b>	<b>32,860</b>
Fruit, vegetables and baked goods for animal feed	tonnes	9,583	9,796	8,276
Food waste for biogas production	tonnes	16,438	15,230	14,893
Food waste for compost/combustion	tonnes	1,111	1,758	1,968
Food waste for unknown processing	tonnes	5,803	6,206	7,723
<b>Plastic</b>				
Total weight of packaging	tonnes	16,898 <sup>1)</sup>	16,263	
Proportion of packaging made from recycled plastic	per cent	18.0 <sup>1)</sup>	16.2	
<b>Certified products</b>				
Sales in certified products	MNOK	2,472 <sup>2)</sup>	2,530	2,141
<b>Animal welfare</b>				
Portion of cage-free eggs	per cent	100	-	-
Proportion of cage-free eggs as an ingredient in NG brands	per cent	98.0 <sup>3)</sup>	-	-
Additional cost of environmental investments <sup>4)</sup>	MNOK	111	85	240

<sup>1)</sup> Applies only to plastic packaging for NG brands, NG industry and strategic partners. Base year 2020.

<sup>2)</sup> Applies to the Nordic Swan Ecolabel, Fairtrade and organic labels.

<sup>3)</sup> All Norwegian eggs are now cage-free. In products where eggs are an ingredient, some of what we import may still be from cage eggs, but work is continuously underway to phase out the remaining volume.

<sup>4)</sup> Additional cost by choosing a more environmentally-friendly alternative.



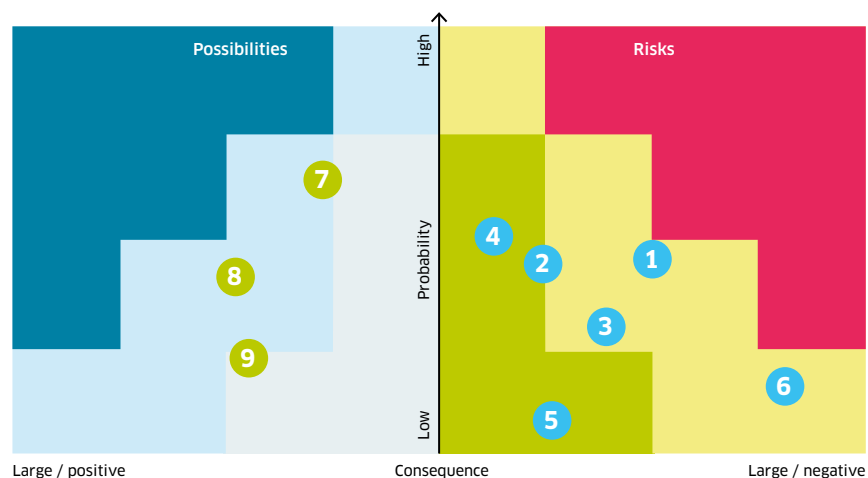
# Environment

## Risks and opportunities

The climate risk analysis we conducted in 2021 revealed that the greatest risk is associated with future raw material access.

→ Climate risk is already part of the Group's risk management. In 2021, NorgesGruppen conducted an extended analysis of climate risk and opportunities. The analysis is based on recommendations from Task Force on Climate-related Financial Disclosures (TCFD), a leading framework for climate risk reporting. We have assessed which climate risks and opportunities could have an impact on NorgesGruppen's ability to achieve the goals in the Group's strategy. Each risk factor was assessed in terms of probability and consequence, where in the value chain it occurs and when it is expected to occur. The work was carried out in collaboration with relevant business areas and professional resources within the Group.

The analysis concludes that NorgesGruppen's greatest climate risk is linked to the access to raw materials. Extreme weather events and long-term climate change already have a negative impact on raw material production in many parts of the world, and this is expected to increase. Many of the climate targets set up for 2025 are important for counteracting negative effects, and in 2022 scenario analyses of the most important climate risks will also be carried out. Climate risk analysis in accordance with TCFD will be included in the Group's enterprise risk management system in 2022.



	Where			When		
	Value chain	Operations	Market	Short	Between:	Long
1 Extreme weather and long-term climate change hamper NorgesGruppen's access to raw materials	✓			✓	✓	✓
2 Extreme weather damages NorgesGruppen's assets or infrastructure		✓			✓	✓
3 NorgesGruppen and the value chain are covered by stricter and new regulations	✓	✓	✓		✓	✓
4 Strict climate and environmental criteria limit access to capital		✓			✓	✓
5 Innovation and new low-emission solutions require rapid phasing out of existing solutions	✓	✓				✓
6 Consumer preferences are changing faster than what NorgesGruppen is able to predict			✓		✓	✓
7 Circular solutions contribute to business development and greater use of resources	✓	✓	✓		✓	✓
8 NorgesGruppen gains from early use of environmental technology	✓	✓			✓	✓
9 NorgesGruppen succeeds with a green value chain and benefits from this	✓	✓	✓			✓

# Health

## Our health goals and performance

NorgesGruppen's targets	Target 2025	2019	2020	2021	Comment	
<b>Fruit and vegetables</b> Comparable volume change in kg	8.0% growth (1.5 %/year)	+0.4%	+5.2%	-1.9%	Negative volume development for NorgesGruppen overall in 2021. The decline is less than expected against the strong growth last year. Dinners are increasingly eaten outside the home again after the pandemic and typical dinner vegetables (such as carrot, onion and cabbage) are seeing negative developments. Berries continue to show positive growth, while fruit sales remain stable.	😊
<b>Fish and seafood</b> Comparable volume change in kg	8.0% growth (1.5 %/year)	+1.2%	+5.2%	-1.7%	At an overall level, fish and seafood develop negatively, but we still see very good growth within fresh fish in 2021, despite the fact that we meet strong figures from last year. Deep-frozen fish declined after an enormous increase in 2020.	😊
<b>Wholegrain bread</b> Share of total revenue (volume) in fresh bread	56.0% Weighted incision	52.0%	54.5%	54.8%	Positive increase in the degree of wholegrain to 54.8 per cent, well on the way to the new goal. The proportion of wholegrain/extra wholegrain bread is 68.8 per cent.  Several good initiatives contribute to this: "Our Most Wholegrain" [Våre Groveste] bread product line, campaigns on extra wholegrain bread at MENY and SPAR, and KIWI's price cut on wholegrain bread. Again, we see the importance of health being emphasised in campaigns.	😊
<b>Keyhole products</b> Share of total revenue	22.5%	20.1%	20.8%	21.0%	Positive development, with an improvement of 0.2 percentage points for Keyhole Products to 21.0 per cent for NorgesGruppen. KIWI pulls up the average with a 24.6 per cent keyhole share. The Keyhole is important and has a strong position in Norway.	😊
<b>Salt</b> Comparable volume change in kg	-5.0% (-1.0 %/year)	-0.2%	+9.9%	-2.1%	Decrease in salt mainly due to a decline in sales of pure salt. There has also been good work on recipes and products in line with the Salt Partnership.	😞
<b>Sugar</b> Comparable volume change in kg	-10.0% (-2.0 %/year)	-1.1%	+10.8%	-1.1%	The decline in volume of pure sugar contributes a lot to the reduction, along with positive developments in soft drinks. Tough price squeeze on sugar-free soft drinks is a major contributor to this. The sugar-free share for soft drinks increases from 58.8 to 62.3 per cent. Increase in sugar products and chocolate. Lower prices as a result of the lifting of tax contribute to increased volume.	😞
<b>Saturated fat</b> Comparable volume change in kg	-5.0% (-1.0 %/year)	-0.8%	+9.1%	-2.5%	Decrease in saturated fat in 2021, about 1.5 times greater than the decrease in total volume. Positive shift towards leaner variants in most areas, especially in dairy, while chocolate increases due to the lifting of tax.	😞
<b>Product preparedness</b> Implementation of a red alert (possible health risk) within two hours	100%	95.0%	95.0%	94.0%	In 2021, we had 66 red cases, an increase of 21 cases from 2020. The response rate has declined, and better work must be carried out on the handling of deviations for each individual case in order to achieve the goal.	😐



We report openly and honestly on the sustainability results of our work. The symbols in red, yellow and green show where we stand in terms of achieving the goals we have set for 2025. Each symbol must be viewed in the context of the explanation in the column, since each process is unique.

# People

## Our goals and performance

NorgesGruppen's targets	Target 2025	2019	2020	2021	Comment	
<b>Apprentices</b> Ongoing apprenticeships over the course of a year	750	473	545	625	A lot of work was done to accommodate apprentices in 2021 despite an ongoing pandemic. An increase of 77 apprenticeships (i.e., 14 per cent more apprentices) is a good start towards the goal of 38 per cent more apprentices by 2025 compared to 2020.	😊
<b>Vocational training positions</b> Ongoing vocational training positions over the course of a year	1,300	1,008	938	893	The pandemic has made it difficult to increase the number of vocational training positions. An increase of 100 positions per year until 2025 in normal operation is realistic to achieve.	😊
<b>Percentage of apprentices entering ordinary positions</b>	40.0%	31.0%	30.0%	33.9%	A high level of competence development among apprentices has produced good results.	😊
<b>Gender balance in managerial positions</b> The goal applies to all levels and business areas	40–60%	26.2% women 73.8% men	27.1% women 72.9% men	27.1% women 72.9% men	NorgesGruppen has many different environments where there has historically been an unbalanced gender balance. Measures are initiated and developed to cover unwanted gaps.	😞
<b>Gender balance among store managers</b>	40–60%	42.0% women 58.0% men	42.1% women 57.9% men	42.3% women 57.7% men	The store manager is very important and a key role in NorgesGruppen. Structured and good succession planning is being carried out, and the gender balance is good and within NorgesGruppen's targeted level.	😊
<b>Supplier follow-up</b> Follow-up on food safety, employee rights, the environment and animal welfare	100%	99.0%	100%	100%	All suppliers are followed up regularly. The purpose of this follow-up is to ensure that our suppliers have proper systems for ensuring safe and sustainable food.	😊



We report openly and honestly on the sustainability results of our work. The symbols in red, yellow and green show where we stand in terms of achieving the goals we have set for 2025. Each symbol must be viewed in the context of the explanation in the column, since each process is unique.

# People

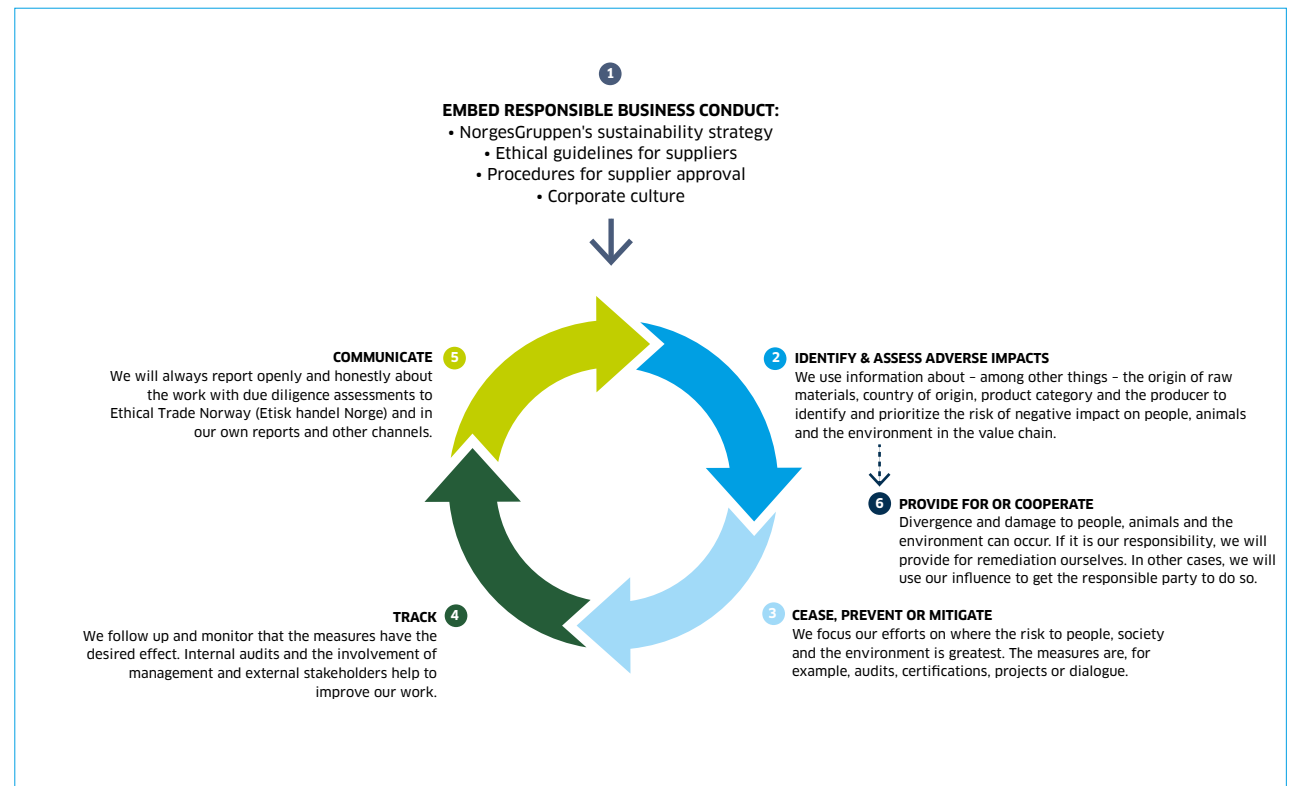
## The Norwegian Transparency Act and due diligence assessments

NorgesGruppen works to ensure responsibility in all parts of our value chains. To achieve this, we must ensure that the products we sell in our stores protect human and employment rights, the environment and animal welfare. Our aim is to give our customers peace of mind in the knowledge that products they buy from us are produced in a way that protects people, animals and the environment, and to make it easy for customers to choose the most sustainable alternatives. The food sold by us must also be produced under conditions that make it safe to eat.

This requires us to prioritise our efforts where the risk is greatest and to select our actions based on each issue we face. In this work, the OECD model is used for due diligence assessments. Implementation of this model is also a requirement when the Norwegian Transparency Act comes into force in July 2022 in Norway.

Due diligence assessments must be carried out for our own brands and central procurement, and we expect the same from our branded suppliers. The assessments are based on evaluations of probability and consequence, with the aim of identifying particularly high-risk products or suppliers. In other words, our due diligence assessments should enable us to identify, prioritise and manage negative impacts on people, communities and the environment we directly or indirectly contribute to through our value chains.

It is important to emphasise that even though a company is actively working with due diligence assessments, it does not exclude the companies' possible negative impact on people, society and the environment. Instead, it suggests that the company is open and honest about challenges and handles these based on an overall assessment and prioritisation and in consultation with its stakeholders.



More information about this work can be found on [our website](#).



# People

## Other performance measures

Gender balance and equal pay	Gender balance* 2021				Equal pay 2021
	Female	Male	Female %	Male %	Women's share of men's salary
All Employees	14,855	14,799	50.1	49.9	85.4

\* Gender balance position level measured for the first time in 2021

Read more about measures and the work related to gender balance in NorgesGruppen's equality statement at [norgesgruppen.no](https://norgesgruppen.no)

Gender balance companies	Female	Male	Female %	Male %
Retail	12,686	9,669	56.7	43.3
Wholesale	631	3,236	16.3	83.7
Brand	604	1,083	35.8	64.2
Convenience retail	445	212	67.7	32.3
Other	489	599	44.9	55.1
<b>Total</b>	<b>14,855</b>	<b>14,799</b>	<b>50.1</b>	<b>49.9</b>

Part-time and temporary employees	Unit	2021		2020	
		Female	Male	Female	Male
Part-time employees	Number	7,548	5,328	7,667	5,332
Part-time employees who want and are available to work more	per cent	7.0	5.2	-	-
Temporary employees	Number	3,553	3,560	3,610	3,454

Parental leave	Unit	2021		2020		2019	
		Female	Male	Female	Male	Female	Male
Average leave	Weeks	22.3	12.1	21.8	12.8	-	-

Turnover	Unit	2021	2020	2019
Percentage of Employees Termination by Total Employees	per cent	26.6	26.2	30.3

Absence due to illness	Unit	2021	2020	2019
Percentage of absence from agreed man-days	per cent	7.6	7.5	6.0

Age distribution	%	<18	18-24	25-29	30-39	40-49	50-59	>60
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### Total age distribution

Percentage of employees per age group (company-owned operations)	per cent	5.4	35.4	13.0	19.5	13.0	9.9	3.8
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### Age distribution for new employees

Percentage of new employees per age group (company-owned operations)	per cent	19.9	59.7	7.4	7.2	4.1	1.5	0.2
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# People

## Other performance measures (cont.)

### Gender balance

Throughout NorgesGruppen, there is approximately an even distribution between women (50.1 per cent) and men (49.9 per cent).

There are major differences between the Group's business areas, including at the various position levels in the Group. This is based on the company's history and access to manpower.

### Equality report – survey

Of our total of 29,654 employees in company-owned operations, 43.4 per cent are in part-time positions (-0.6 percentage points compared to the previous year), of which 18.0 per cent are men and 25.4 per cent are women. The gender balance among part-time employees is 41.4 per cent men and 58.6 per cent women. NorgesGruppen's ambition for gender balances is between 40–60 per cent.

24.0 per cent are temporary employees, of whom 12.0 per cent are men and 12.0 per cent are women, which gives a very balanced weighting of 50.0 per cent men and 50.0 per cent women.

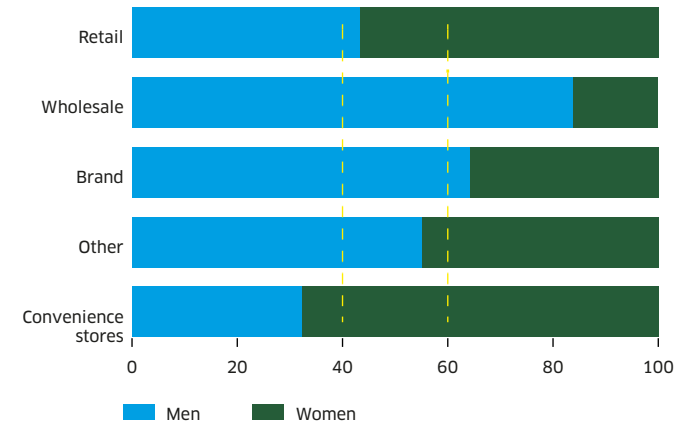
The average number of weeks of parental leave is 12.1 for men (12.8 last year) and 22.3 for women (21.8 last year).

7.0 per cent women and 5.2 per cent men of the total number of employees hold part-time positions where the job holder wishes and is available to work more. Part-time is defined as a position of less than 100 per cent.

A salary survey has been done for all companies. Such a survey makes sense and can assist in further activity where one can refer to an equal job of equal value. For all employees, the salary survey shows that the average salary level for women is 85.4 per cent of the average salary for men. The driver is gender balance at different levels and the wide variety of types of activities and position levels in the Group as a whole. Surveys that can indicate the need for action are done for each company to contribute to the desired intention.

Read more about measures and the work related to gender balance in NorgesGruppen's equality statement at [norgesgruppen.no](https://norgesgruppen.no)

### Gender balance

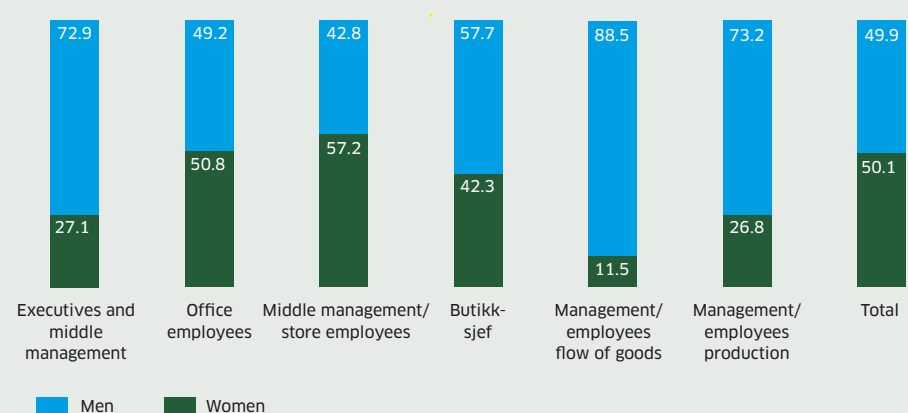


### Gender balance position level (company-owned operations)

NorgesGruppen's target for gender balance at senior and middle management level is between 40–60 per cent. The proportion of women in 2021 was 27.1 per cent and the same level as the previous year. Updated guidelines provide guidance for how to work towards achieving the goal of a better gender balance at NorgesGruppen's senior and middle management levels. This will take time and emphasis will be placed on continued growth among middle managers in terms of, in particular, including talent in the succession planning of senior and middle managers in accordance with the target gender balance. Various measures are being implemented to promote diversity management.

The key management role in NorgesGruppen is the store manager – a management position with a strong impact on the Group's total value creation. Among all store managers in our company-owned operations, we have a gender balance of 42.3 per cent women and 57.7 per cent men.

### Gender balance, positions (in %)



# People

## Other performance measures (cont.)

### A diverse working life

Our employees represent great diversity in terms of nationality, age, education, experience, gender and cultural background. Around the same number of women and men work in NorgesGruppen, and our employees come from more than 70 different nationalities. Diverse teams with different backgrounds and perspectives are a great asset in day-to-day work and in the ever-changing market environment. Conscious diversity management based on respect, inclusion and involvement facilitates a safe working environment where each individual realises their full potential, is listened to, and contributes to value creation. We leverage both similarities and differences as strengths by cultivating an open, curious and collaborative culture. Examples of activities that build on the value of diversity include language training, vocational training, agile working methods, leadership development and other competence development measures.

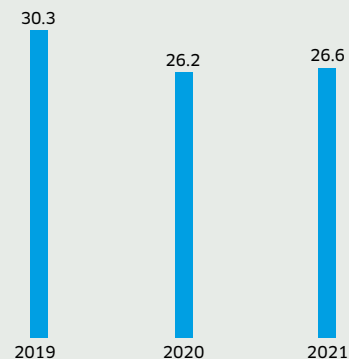
### Sustainable pension savings

At the end of 2021, NorgesGruppen's pension capital amounted to close to 2.8 BNOK. We are committed to ensuring that our employees have a good pension and a safe world in which to spend their retirement. Sustainability is therefore the key word for investments. Key areas are a **reduced carbon footprint** (in 2021, the carbon footprint of pension savings was 28 per cent lower than if it had been invested in funds without sustainability requirements): **saving in fossil fuel companies** (only 3.9 per cent of the pension funds were invested in fossil fuel companies) and **saving in solutions of tomorrow** (20.5 per cent of the pension funds were invested in companies that are positioned to solve challenges related to the UN Sustainable Development Goals).

### Turnover at NorgesGruppen

In 2021, turnover has seen a slight increase in many areas of our operations. A clear reason for the change is the dynamics of the pandemic during the period. The total level of turnover remains high in large parts of the business. This is closely related to the type of work, and the large number of students or people who find suitable work in our companies for shorter periods where the desire for a flexible work opportunity is crucial. There is a very large number of candidates for the vast majority of advertised jobs. Through our digital recruitment tool, we have received around 150,000 applications for 2,500 positions advertised with variations from one to almost 1,000 applicants per position.

Turnover at NorgesGruppen  
Per cent

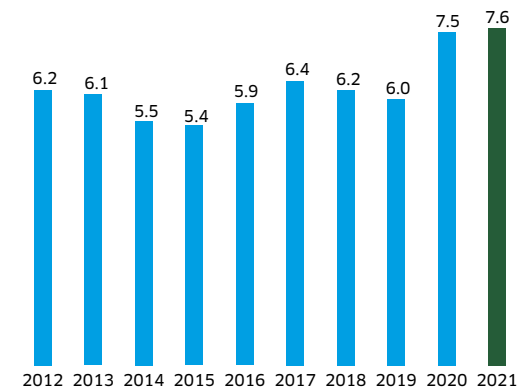


### Sick leave 2021 (company-owned operations)

Total absence due to illness for NorgesGruppen in 2021 was 7.6 per cent of total working time. This is an increase of 0.1 percentage points from 2020 and 1.6 percentage points from 2019. The increase must be seen in the context of a very challenging period of pandemic and infection control measures that have resulted in absence from work. Corona-related disease remained very low in 2021, a testament to good infection control and responsibility among all companies and employees.

All companies continuously track sick leave and focus on the importance of seeing the individual and promoting dialogue between employee and manager.

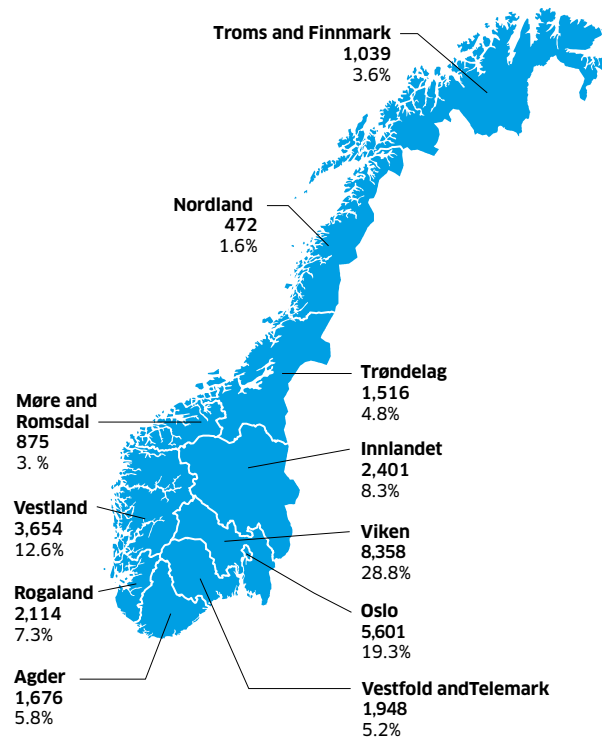
Absence due to illness  
Per cent



# People

## Other performance measures (cont.)

### Geographical distribution of employees in NorgesGruppen

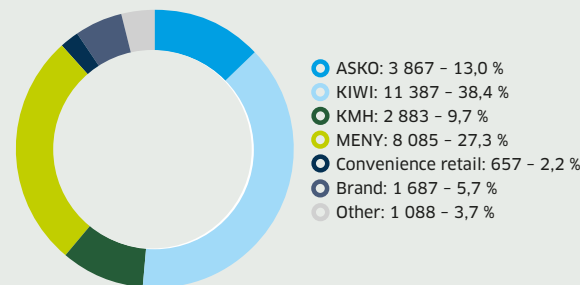


### Age distribution, in total and through new recruitment (company-owned operations)

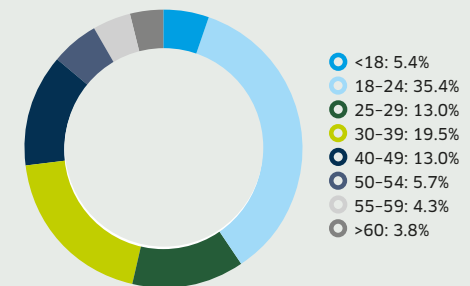
53,8 per cent of our employees are under the age of 30. Approximately 40,8% of these employees are under the age of 25. NorgesGruppen is proud to be able to offer many their first job in the course of a long working life, and sees this as an important task in the work to create a sustainable working life. The focus is on providing young employees with insight into everything a good workplace can offer in terms of competence, belonging and ability to cope. Our diversity of job types provides opportunities for many people in different phases of life. These opportunities may form part of their education and training; may come between other job opportunities, or throughout an entire working life.

The total number of employees, including retailer-owned activities, was 44,618 (43,782 in 2020). A major driver of the increase in the number of employees over the past two years has been various infection control measures during the pandemic that have required increased work capacity (closed borders and reduced outdoor activities). For company-owned operations, the total number of employees is 29,654, divided into the following business areas:

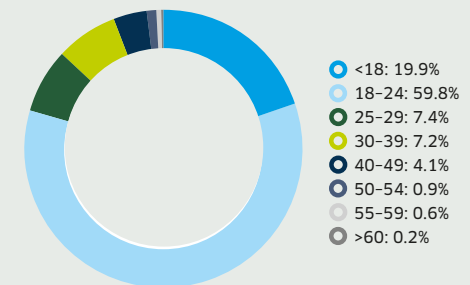
#### Distribution of employees per business area Including retailer-owned business



#### Age distribution, total (company-owned activities) Per cent



#### Age distribution new employees, total (company-owned activities) Per cent



## ESG Index

NorgesGruppen reports the status in the sustainability area within the main areas of the environment, health and people. The table below shows the where relevant ESG information (Environmental, Social, Governance) is in this Annual and Sustainability report.

Environmental	Read	Social	Read	Governance	Read
Animal welfare	68, 72	Apprentices	22, 29, 62, 71	Anti-corruption	82
Certified products	68	Diversity and inclusion	71, 74-75	Corporate governance	83-88
Climate accounting	69, 81	Employee development	15, 76	Data security	81-82
Climate risk	69	Labour rights	71-72	Ethical guidelines	83
Climate targets	63, 64	Employment	21, 76	EU taxonomy	61
Deforestation	65	Equal pay	73-74	Green bonds	82
Energy	63-64, 66-67	Gender balance	71, 73-74	Remuneration	87
Fisheries	65	Health (employees)	73, 75	Risk management and risk factors	80-82
Food waste	64, 66-68	Healthier products	70	Securing commitment on sustainability	61, 152-153
Fuel	64, 66-67	Healthy diet	70	Stakeholder dialogue	61
HFCs	64, 66-67	Involuntary part-time	73-74	Sustainability reporting	62, 78, 85, 87
Packaging	65, 68	Parental leave	73-74	Sustainability strategy	16
Plastic	65, 68	Product safety	70, 81		
Renewable energy	63-64, 66-67	Supplier assessments	71-72		
Undesirable substances	65	Vocational training	71		
Waste	64, 66-67				

### NorgesGruppen and the EU Taxonomy

→ The Norwegian Sustainable Finance Act, which implies implementation of the EU Taxonomy, was adopted in December 2021 and is expected to come into force in 2022.

As a large company of public interest, NorgesGruppen is covered by the mentioned law.

NorgesGruppen has activities that may be covered by the taxonomy in the form of, for example:

- transport
- building, construction and property
- waste disposal
- production of energy

NorgesGruppen will use the coming year to plan reporting in accordance with the EU Taxonomy for 2022 and in periodic reports.



## Sustainability standards

We have adopted selected indicators from the GRI and SASB reporting standards, as well as recommendations from TCFD, to strengthen reporting and make it easier to compare results. The indices below show which indicators this applies to, and where they have been answered.

<b>GRI Index</b> NorgesGruppen ASA has reported the information cited in this GRI content index for the period 1 January to 31 December 2021 with reference to the GRI Standards, GRI 1: Foundation 2021.	Standard	Indicator	Page
	GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	82
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity	66-67
	GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	73, 89-90
<b>Task Force on Climate related Financial Disclosures (TCFD)</b> In 2021, we adopted the framework and guidance from TCFD to analyse and report on climate risk. This work will be further developed in the coming year. In line with TCFD's recommendations, we are publishing more details about our climate goals and emissions this year. The index to the right shows where the recommendations in the TCFD are covered.	Recommendations	Statements	Page
	<b>Governance</b>	a) The board's oversight of climate-related risks and opportunities	42, 80
		b) Management's role in assessing and managing climate-related risks and opportunities	80
	<b>Strategy:</b>	a) Identified climate-related risks and opportunities	69
		b) Impacts of climate-related risks and opportunities	42, 69
		c) Resilience of the organisations strategy	42, 69
	<b>Risk Management</b>	a) Processes for identifying and assessing climate-related risks	69
		b) Processes for managing climate-related risks	69
		c) Integration of climate-related risk in overall risk management	69, 80
	<b>Data and targets</b>	a) Metrics used to assess climate-related risks and opportunities	64-67
		b) Scope 1-3 greenhouse gas emissions	66-67
		c) Targets used to manage climate-related risk	64-65

### Sustainability Accounting Standards Board (SASB)

SASB has developed two sector-specific standards that are relevant to NorgesGruppen: Food Retailers & Distributors and Processed Foods. We have extended our reporting on the environment and animal welfare based on these standards.

Standard	Indicator	Exceptions	Page
SASB Food Retailers & Distributors 2018	FB-FR-110a.1. Fleet fuel consumed, percentage renewable	Stated in volume	64, 67
SASB Food Retailers & Distributors 2018	FB-FR-130a.1. Operational energy consumed, percentage grid electricity, percentage renewable	Stated in quantities	66-67
SASB Food Retailers & Distributors 2018	FB-FR-150a.1. Amount of food waste generated, percentage diverted from the waste stream	Stated in quantities	68
SASB Food Retailer & Distributors 2018	FB-FR-430a.1. Revenue from products third-party certified to environmental or social sustainability standard		68
SASB Food Retailers & Distributors 2018	FB-FR-430a.2. Percentage of revenue from eggs that originated from a cage-free environment and pork produced without the use of gestation crates	Only reported for eggs	68
SASB Processed Foods 2018	FB-PF-410a.1. Total weight of packaging, percentage made from recycled and/or renewable materials, and percentage that is recyclable, reusable, and/or compostable	Sections 1-2 reported for plastic	68

A man with short blonde hair, wearing a light blue button-down shirt and dark trousers, stands in a modern office. He is pointing his right hand towards a large screen on the wall. The screen shows a reflection of him. The office has large windows in the background, and a person's head is visible on the left. A white geometric shape is overlaid on the left side of the image, containing the text 'Governance and management'.

# **Governance and management**

# Risk management

NorgesGruppen works systematically with risk management in all operations to achieve business objectives and comply with legal obligations. It is primarily about downside risk, but also about identifying business opportunities.

→ Risk management at NorgesGruppen is an integrated part of corporate management and is based on the COSO Enterprise Risk Management framework. The aim is to help ensure that strategic and operational goals are achieved by identifying and managing the risk factors facing the company.

NorgesGruppen's internal control procedures shall enable the identification and management of risk, ensure effective and goal-oriented management of activities and ensure the high quality of the Group's external and internal financial reporting.

Each year the Board of Directors reviews the company's most important risk areas and internal control routines to ensure that risk management is appropriate and contributes to NorgesGruppen meeting its goals and complying with laws, regulations and internal guidelines.

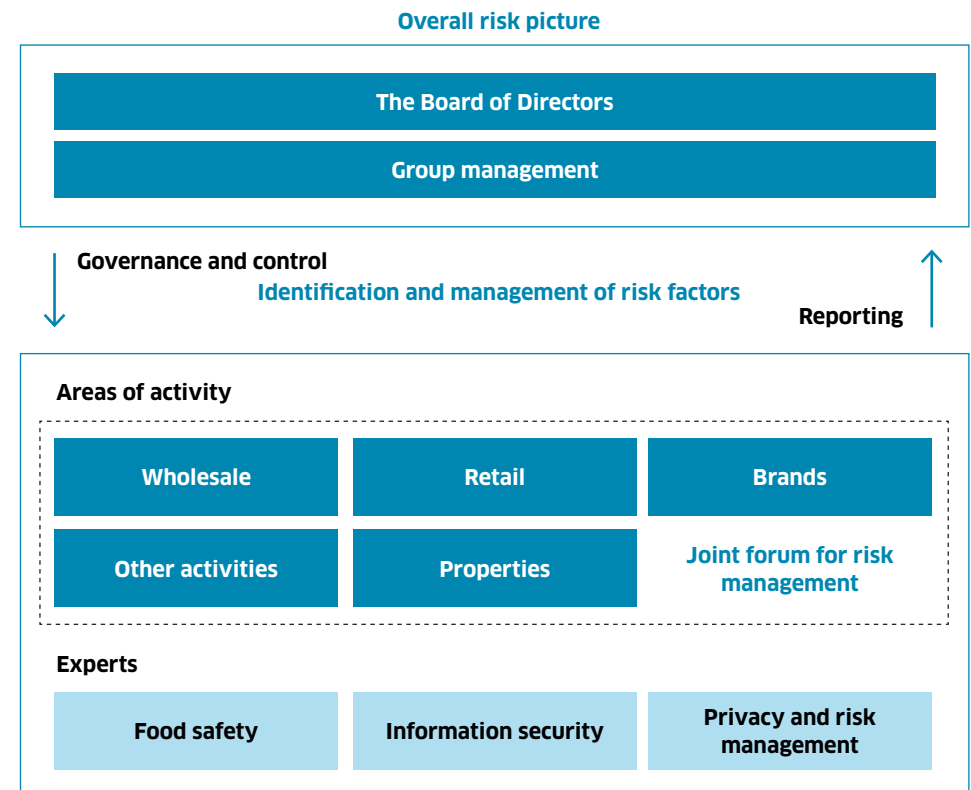
The Board of Directors and CEO assess that the Group as a whole had a moderate risk exposure in 2021.

## Decentralised decisions, centralised management

NorgesGruppen is a group with independent subsidiaries with decision-making authority within their area, while each company benefits from large-scale operations and an efficient, integrated value chain. Risk management reflects this.

Group management follows up the risk picture in the central subsidiaries through Board management and annual risk assessments carried out by subsidiaries. The subsidiaries relate to NorgesGruppen's governing documents, including support tools for risk assessment in specific areas. In addition, the central subsidiaries take part in a joint risk management forum and discuss current risk issues.

→





**Relevant topics in 2021 have been climate risk, cyber risk, other ICT-related risk and contingency planning in the event of major unforeseen events. Centrally, NorgesGruppen has its own roles with specialist responsibility for food safety, information security, privacy and risk management.**

### Market growth

#### ↓ Less exposed

In 2021 as in 2020, the pandemic made a mark on NorgesGruppen's revenues and operations. Over time, the reopening of society is expected to enable the market for traditional grocery products to return to normal. Compared to 2020, traditional groceries had a negative development. New strategy period (2021–2025) plans for activities based on a market development with low growth for traditional grocery operations. The market is affected by industry slippage, food waste, niche operators and increased e-commerce. The strategy addresses measures for the further development of business areas in the food market as a whole and the streamlining of the value chain.

### Suppliers and food safety

#### ↑ More exposed

The food value chain involves risks related to food safety, quality and negative consequences for the environment, people and animals. NorgesGruppen is working continuously to ensure that our suppliers have adequate systems to protect food safety and quality, employee rights, the environment and animal welfare. In product preparedness, there was an increase in red withdrawal cases in 2021, and the degree of implementation declined slightly. The cause of the recalls has been inadequate allergen labelling and the discovery of ethylene oxide. Work is underway on better non-conformity management.

NorgesGruppen ASA works to ensure responsibility in all parts of our value chains. In terms of supplier follow-up and a sustainable value chain, we prioritise our work where the risk is greatest,

and choose the actions we take based on each individual issue we face. In this work, the OECD model is used for due diligence assessments. Implementation of this model is also a requirement when the Norwegian Freedom of Information Act comes into force in July 2022 in Norway. In accordance with the legislation, due diligence assessments must be carried out for our own brands, central procurement and service purchases, and we expect the same from our branded suppliers. Read more on page 72.

### Food supply and contingency planning for unforeseen events

#### → No change

The pandemic has highlighted the importance of having good contingency planning to handle unexpected events. The outbreak quickly changed conditions for society and business, and infection control measures implemented by the government changed shopping patterns and made the product situation unpredictable. We have contingency plans to ensure sufficient stock and efficient distribution of goods even in emergency situations. In 2021, NorgesGruppen and ASKO generally managed to maintain good access to goods throughout a challenging period. Good cooperation with retailers, suppliers and customers has played an important role in this work.

### Political instability

#### ↑ More exposed

Political instability can, to a greater or lesser extent, have an impact on commodity supply and supply of goods in the value chain. We make ongoing assessments related to ongoing conflicts between countries and how these could potentially impact our value chain.

### Climate risk

#### ↑ More exposed

Climate change entails physical risks in the food chain and for NorgesGruppen's assets and infrastructure. At the same time, efforts to stagnate global warming have implications for the business community through regulation and the introduction of

new technology, and the changes create new expectations from consumers. In 2021, NorgesGruppen conducted an analysis of climate risks and opportunities based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD). The analysis revealed the greatest risk associated with the access to raw materials, and NorgesGruppen is in the process of increasing monitoring in this area. In 2022, NorgesGruppen plans scenario-based analyses of the most important climate risks. The main features of the climate risk analysis are presented on page 69.

### Information security and ICT crime

#### ↑ More exposed

The ICT work will contribute to increased competitiveness and development of services and channels aimed at customers and partners. Cyber attacks are increasing in scope and consequence, and the Group is particularly vigilant to the threat of cyber attacks. The Group has therefore implemented enhanced security measures that follow changes in the types of risk and threat. The information security work in NorgesGruppen Data and the companies is crucial to safeguard operations and to protect business and personal data against cyber attacks. We offer target-group based e-learning courses, as well as annual refresher courses.

### Money laundering

#### → No change

NorgesGruppen Finans AS has a licence as a finance and payment company and issues credit, loans and guarantees to companies, and credits to private individuals. The company conducts customer due diligence in accordance with the Norwegian Money Laundering Act and other regulatory requirements.

On behalf of the banks in Norway and through a cooperation agreement with Vipps AS (BankAxept), most of our grocery stores offer customers the facility to make both deposits and withdrawals in stores. Our employees who offer the service undergo annual training in all aspects of the service. Our employees follow the procedures for this service that are laid down by the banks.

## Privacy

### ↑ More exposed

Each company in NorgesGruppen is responsible for complying with data protection legislation, while the Group is responsible for the governance model, for following up compliance and providing professional support. Privacy ombudsmen are appointed where this is required by the companies' activities. Managing the personal data of the two million plus Trumf members and the large number of employees in the Group is a considerable responsibility and is very important. NorgesGruppen gives priority to better support tools and to the systematics in assessing privacy in existing and new ventures.

In December 2021, the Norwegian Data Protection Authority notified Trumf of a fine of 5 MNOK for breaches of the General Data Protection Regulation. Trumf has accepted the fine. The reason for the Data Protection Agency's decision is that Trumf has not had a solution for verifying ownership of registered bank account numbers. A member has therefore been able to register another person's account number for their own membership and gain access to another member's purchase information. There is now a solution in place for account verification, and all Trumf members must verify their account number in order to access their shopping data.

## Anti-corruption

### → No change

The anti-corruption work is enshrined in the Group's general policies and ethical guidelines for suppliers and companies in NorgesGruppen. NorgesGruppen has zero tolerance for corruption, and has established a framework to ensure that all employees, managers and partners adhere to this policy. All transactions at NorgesGruppen shall be contractual, legal and commercially justified. Employees or employee representatives at NorgesGruppen shall never demand, receive, offer or give bribes, gifts, benefits, services or other favours beyond this, nor contribute to such behaviour. No cases of corruption were discovered in 2021. NorgesGruppen is facilitating sufficient training in all business areas, and based on a risk assessment, 819 employees were

asked to attend anti-corruption courses as of 2021. At the end of the year, 700 of these employees had completed the course.

## Financial risk

### → No change

NorgesGruppen uses sound financial risk management as a basis. The most important financial risk areas are interest rate, liquidity and currency risk. The Board of Directors assesses the Group's financial situation and updates the situation throughout the year. Details of NorgesGruppen's financial risk management and factors are described in the Board of Directors' report on pages 38-47. NorgesGruppen has established a framework for financing with green bonds. Loans under the green framework will solely be used to finance or refinance investments in environmentally-friendly transport and buildings, and renewable energy. The CICERO research foundation has given the framework a dark green rating. In 2021, NorgesGruppen received an official rating of BBB+, which confirms that NorgesGruppen has a solid position both financially and in the market, an effective management model and good risk management.



# Statement on corporate governance

**NorgesGruppen complies with the currently applicable Norwegian Code of Practice for Corporate Governance and Section 3-3b of the Norwegian Accounting Act. The full Code of Practice is available at [www.nues.no](http://www.nues.no). The main features of NorgesGruppen's principles are described below in accordance with the 15 paragraphs of the Code of Practice. The statement is issued by the Board of Directors of NorgesGruppen.**

## **PARAGRAPH 1: STATEMENT ON CORPORATE GOVERNANCE**

NorgesGruppen is concerned with good corporate governance which will contribute to creating confidence in the Group, and giving the Group a good reputation and high value creation over time. Integrity and ethical standards in all aspects of the Group's activities are of crucial importance for maintaining confidence in the Group and its reputation. The Board of Directors is responsible for the Group's corporate governance.

NorgesGruppen ASA's principles for corporate governance essentially correspond to the Norwegian Code of Practice for Corporate Governance of 14 October 2021. Deviations from the Norwegian Code of Practice are discussed under each paragraph.

*Deviation from the Norwegian Code of Practice: None.*

## **PARAGRAPH 2: BUSINESS PURPOSE**

The Articles of Association for NorgesGruppen have the following mission statement:

"The company's activities are to conduct business with an emphasis on streamlining the wholesale and retail functions, as well as relevant production activities, with the aim of improving competitiveness in terms of procurement, marketing and goods flow, as well as everything related to these areas. This includes investing in property, shares and other Norwegian and foreign companies, insofar as such investment is part of the realisation of the above purpose." The Articles of Association are available in their entirety at [www.norgesgruppen.no](http://www.norgesgruppen.no).

The Board of Directors prepares clear goals, strategies and risk profiles for the business so that the company can create value for shareholders in a sustainable way. In this work, the Board of Directors take into account economic and social factors, as well as factors relating to the environment, working environment, equality and non-discrimination, compliance with human rights and the fight against corruption and bribery. Goals, strategies and risk profile are evaluated annually.

The Group's vision and core values are presented in the annual report. Common ethical guidelines for NorgesGruppen have also been prepared and can be viewed at [www.norgesgruppen.no](http://www.norgesgruppen.no). Ethical guidelines for NorgesGruppen's suppliers have also been prepared and these are attached to contracts for purchase of goods. NorgesGruppen requires honesty, integrity, loyalty

and fairness in all matters relating to our business. In its work, all employees and employee representatives in NorgesGruppen must promote the Group's fundamental values and operate within the framework of the ethical guidelines.

NorgesGruppen must be a responsible and sustainable group. Environment, health and people are defined as main areas of sustainability. A sustainable value chain is the foundation of everything we do.

NorgesGruppen works systematically towards the sustainability goals. Our ambition is to be "sustainable and climate-neutral". Sustainability means "taking social, ethical and environmental issues into account, while ensuring that we remain profitable."

*Deviation from the Norwegian Code of Practice: None.*

## **PARAGRAPH 3: EQUITY AND DIVIDENDS Equity (Share capital)**

As at 31 December 2021, Group equity was 26,363 MNOK, which gives an equity ratio of 40.9 per cent. The company has a continuous focus on ensuring that equity, together with other financing structures, is adapted to the company's objectives, strategy and risk profile. The Board of Directors takes the view that the company's equity and other financing structure are sufficient to achieve the current objectives and strategies, and are adapted to the required solidity and security profile for operations.

## Dividend policy

Over time, NorgesGruppen's shareholders must benefit from the company's value creation through competitive returns on their shares, based on the development in actual equity and dividends. The aim is for a minimum of 25 per cent of the profit per share to be distributed as dividend, provided that the company's future capital requirement is covered on a satisfactory basis.

## Capital increases

The annual general meeting has authorised the Board of Directors to increase the company's share capital by up to 2,000,000 shares, each with a nominal value of NOK 10. The authorisation applies until the annual general meeting in 2022. In addition to cash deposits, the authorisation also covers deposits in the form of holdings in companies as well as contracts with financial benefits in the company's favour and other non-cash contributions in accordance with the explicit instructions of the Board of Directors. The shareholders' preferential right to subscription may be waived in accordance with the explicit instructions of the Board of Directors. The authorisation of the Board of Directors is limited to defined purposes.

## Purchase of company shares

The annual general meeting has also authorised the Board of Directors to acquire company shares with a nominal value of up to 10 per cent of the registered share capital in the company. The authorisation applies until 4 May 2023. Shares acquired by the company may only be disposed of in accordance with the company's Articles of Association as consideration in the event of mergers, acquisitions, capital reductions or other commercial disposals in the interest of the company. NorgesGruppen ASA's holdings of company shares as at 31 December 2021 were 999,414 shares and comprised 2.5 per cent of the share capital.

*Deviation from the Norwegian Code of Practice: None.*

## PARAGRAPH 4: EQUAL TREATMENT OF SHAREHOLDERS

### Equal treatment of shareholders

The company has only one class of shares. Each share has one vote at the company's annual general meeting. As a general rule, issues should be carried out as preferential rights issues. As stated in the Board of Directors' authorisation, as described above, the annual general meeting has given the right to waive the preferential rights of existing shareholders when subscribing for new shares. This shall ensure flexibility in any transactions with other companies or persons that the Board of Directors believes may contribute to creating competitive returns for shareholders in NorgesGruppen.

The company's trading in its own shares must comply with the principle of equal treatment. NorgesGruppen is not listed on the Norwegian stock exchange. The requirement for equal treatment with the purchase of company shares is ensured by the fact that the value of the NorgesGruppen share is determined by the Board of Directors on the basis of external valuation twice a year. This value is used as a basis for calculating the minimum value when buying company shares.

### Transactions with related parties

Transactions with related parties must be carried out at market value. Significant transactions with related parties are handled by the audit committee. Significant transactions with related parties are referred to in the notes to the consolidated accounts.

*Deviation from the Norwegian Code of Practice: None.*

## PARAGRAPH 5: SHARES AND NEGOTIABILITY

The company's Articles of Association contain provisions that limit the negotiability of the shares. NorgesGruppen ASA has a pre-emptive right to shares that are traded. NorgesGruppen's shares are not listed on the Norwegian stock exchange. NUES's recommendation on free sale of shares is therefore not deemed relevant to NorgesGruppen.

*Deviation from the Norwegian Code of Practice: Not considered relevant.*

## PARAGRAPH 6: ANNUAL GENERAL MEETING Notice

The annual general meeting is held each year before the end of June. All shareholders with a known address will receive a written notice of the annual general meeting by post. The notice is sent to the shareholders and is published on the company's website no later than 21 days before the date of the annual general meeting. Pursuant to Section 5-11a of the Norwegian Public Limited Liability Companies Act, the company only issues the notice of the annual general meeting. Other supporting documents can be found on the company's website or can be sent to shareholders by post on request. The supporting documents must contain all necessary information so that shareholders can decide on the matters to be dealt with at the annual general meeting. The deadline for registering for the annual general meeting is as close to the date of the meeting as practically possible.

### Participation

The annual general meeting is the company's supreme authority. The Board of Directors will arrange for as many shareholders as possible to attend the company's annual general meeting. The notice sets out the procedure that shareholders must follow to be able to participate and vote at the annual general meeting, the procedure for voting at a meeting by proxy and the shareholders' right to submit proposals for agenda items to be addressed at the annual general meeting. The company appoints a person who may vote for the shareholders as a proxy. The shareholders may bind the power of attorney on each agenda item.

### Holding the annual general meeting

The Board of Directors may elect to hold an annual general meeting as a physical or electronic meeting. Shareholders are entitled to participate electronically unless the Board of Directors deems that there are reasonable grounds to refuse such participation.

The annual general meeting is opened by the Chairman of the Board of Directors. The annual general meeting elects the chairman of the meeting. The company does not require the entire Board of Directors and nomination committee to be present at the annual general meeting. The Group CEO and the company's auditor are present at the annual general meeting. The minutes of the annual general meeting are published on the company's website.

*Deviation from the Norwegian Code of Practice: There is no requirement for all members of the Board of Directors and chairman of the nomination committee to be present at the company's annual general meeting. The recommendation from the nomination committee and the Board of Directors' statement on executive pay are presented at the annual general meeting.*

## PARAGRAPH 7: NOMINATION COMMITTEE

Pursuant to Article 8 of the Company's Articles of Association, the annual general meeting shall elect a nomination committee that shall have between two and six members. The annual general meeting elects the chair of the nomination committee and determines the nomination committee's instructions as well as the remuneration to the members of the nomination committee. The members of the nomination committee must be shareholders or representatives of shareholders and be elected so that the broad interests of shareholders are represented. The Chairman of the Board of Directors shall be a member of the nomination committee. The Group CEO or other senior executives are not members of the committee. The nomination committee shall submit a recommendation concerning the election of shareholder-elected members and shall submit proposals for remuneration for members of the Board of Directors to the annual general meeting. The members of the nomination committee are mentioned in a separate list. The deadline for presenting proposals to the committee is 1 February each year.

*Deviation from the Norwegian Code of Practice: The Chairman of the Board of Directors is a member of the nomination committee and the nomination committee submits a general proposal to candidates who are members of the Board of Directors.*

## PARAGRAPH 8: THE BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE

Provisions concerning the composition of the Board of Directors are included in the company's Articles of Association. The Board of Directors has a total of eight shareholder-elected members, two employee-elected representatives and two employee-elected observers. Board members are elected for a period of two years. The Chairman of the Board of Directors is elected by the annual general meeting for one year at a time. Further information about the experience of individual members of the Board of Directors can be found in the annual report.

Some of the members of the Board of Directors have commercial relationships with NorgesGruppen outside their position on the Board of Directors and the main shareholder is employed by the Group. This is stated in Note 22 in the Norwegian language edition of the complete consolidated financial statements. NorgesGruppen's ethical guidelines contain provisions on the management of impartiality and conflicts of interest. Representatives from the day-to-day management team are not on the Board of Directors.

*Deviation from the Norwegian Code of Practice: Several of the members of the Board of Directors have commercial relationships with NorgesGruppen outside their position on the Board. No information is provided in the annual report concerning attendance at Board meetings.*

## PARAGRAPH 9: THE WORK OF THE BOARD OF DIRECTORS

### The work of the Board of Directors

The Board of Directors has overall responsibility for the management of the company.

Among other things, the Board of Directors

- ensures the proper organisation of the business, establishes plans and budgets for the business and ensures that its activities, accounts and asset management are subject to adequate control

- appoints the CEO and determines his/her remuneration
- approves the overall organisation of the company
- approves the company's overall goals and strategy, including ambitions, targets and focus areas related to the company's sustainability work
- approves the company's business plan, investment framework and financing plan, including profit and loss and balance sheet statement
- processes and approves the company's periodic financial reporting and reviews results within the sustainability areas of the environment, health and people, and submits annual reports
- ensures that the company has satisfactory procedures and systems for risk management and annually reviews the company's overall risk profile
- determines the price for the purchase of company shares
- ensures that agreements with affiliated parties are handled in such a way that they provide sufficient clarity. This is to ensure that agreements are balanced in order to prevent assets from being transferred from the company to affiliated parties

The adopted rules of procedure provide more detailed rules concerning the work of the Board of Directors and its proceedings within the framework of the Norwegian Public Limited Liability Companies Act and the company's Articles of Association. The rules of procedure also stipulate the CEO's tasks and obligations towards the Board of Directors.

The Board of Directors establishes an annual plan for the coming year's work. The Board of Directors shall carry out an annual evaluation of its work and its competence.

The Board of Directors monitors and ensures that the company's internal control is satisfactory.

The Board of Directors determines the CEO's salary and other remuneration CEO and has established guidelines for remuneration to other senior executives.

A total of nine Board meetings were held in 2021, of which one

meeting was a strategy meeting with the Group's management team.

### **Audit Committee**

The audit committee consists of three members elected by and from the members of the Board of Directors. One of the members represents retailers. The audit committee held five meetings in 2021 and is tasked with:

- Informing the Board of Directors of the result of the statutory audit and explaining how the audit contributed to accounts reporting with integrity and the role of the audit committee in that process.
- Regularly reviewing the work and results within the sustainability areas of the environment, health and people, and making recommendations to ensure that the company's procedures help to meet sustainability reporting requirements and expectations.
- Preparing the Board of Directors' consideration of the financial reporting and making recommendations or proposals to ensure its integrity in terms of financial reporting, monitoring the systems for internal control, risk management and internal auditing without violating the independent role of the audit committee.
- Having ongoing contact with the company's elected auditor regarding the audit of the company's annual financial statements and consolidated accounts, including in particular monitoring the performance of the audit in light of conditions that the Financial Supervisory Authority of Norway has pointed out in accordance with Article 26 no. 6 of the Audit Regulations, cf. section 12-1 of the Norwegian Auditor Act.
- Assessing and monitoring the auditor's independence in accordance with chapter 8 of the Norwegian Auditor Act and Article 6 of the Audit Regulations, cf. section 12-1 of the Norwegian Auditor Act, including in particular services other than auditing being delivered in accordance with section 5 of the Audit Regulations.

- Being responsible for preparing the company's choice of auditor and making its recommendation in accordance with Article 16 of the Audit Regulations, cf. section 12-1 of the Norwegian Auditor Act.
- Pre-authorising the auditor's fixed fees and additional services.

The audit committee has the authority to:

- Review significant transactions and liabilities related to associated parties.
- Review pricing proposals when buying company shares and putting forward recommendations for decisions by the Board of Directors.

The committee has no independent decision-making authority, with the exception of what is allocated separately by the Board of Directors.

The members of the audit committee are independent of the company's day-to-day management team and significant business associates, and do not have share options or loans in the company.

### **Remuneration committee**

The remuneration committee consists of three members elected by and from among the members of the Board of Directors. The Chairman of the Board of Directors leads the work of the remuneration committee. The committee has the authority to:

- Put forward proposals to the Board of Directors for salary and other terms and conditions for the company's Group CEO.
- Recommend guidelines for remuneration to other senior executives.

The committee has no independent decision-making authority, with the exception of what is allocated separately by the Board of Directors.

*Deviation from the Norwegian Code of Practice: None.*

## **PARAGRAPH 10: RISK MANAGEMENT AND INTERNAL CONTROL**

### **General**

Risk management and effective control systems are central to NorgesGruppen's activities. Risk management in NorgesGruppen is based on the COSO Enterprise Risk Management framework. NorgesGruppen's internal control procedures shall enable the identification and management of risk, ensure effective and goal-oriented management of activities and ensure the high quality of the Group's external and internal financial reporting. Improving internal control routines in NorgesGruppen is a continuous process.

The Board of Directors is responsible for ensuring that the company has satisfactory control procedures and systems for risk management in relation to the scope and nature of the company's activities. In this connection, the Board of Directors carries out an annual review of the company's most important risk areas and internal control procedures, including guidelines, processes and conduct. This review

- facilitates targeted and effective business activities within the company, enabling the management of business risk, operational risk, risk of violation of laws and regulations and other risks that are of significance to the achievement of the company's business objectives
- helps to ensure the quality of internal and external reporting
- helps to ensure that the company operates in accordance with relevant laws and regulations and internal business guidelines

The Board of Directors receives annual reports of the Group's most important risks. In addition, the Board of Directors receives ongoing information throughout the year, when the risks require this to be done.

### **Financial reporting**

NorgesGruppen prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS), while the parent company's accounts are presented in accordance with

the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The Group has decided on a set of common uniform accounting policies regardless of business area. The accounting policies are documented. Within the Wholesale business area, there is a common ERP system adapted to the logistics business, while the vast majority of other business areas use another common ERP system. There is a common chart of accounts within the systems. There is a high degree of integration between ERP systems and underlying sub-systems, such as payroll, invoice flow, logistics and property systems. NorgesGruppen has a single auditor for all significant Group units, helping to ensure consistent use of the Group's accounting policies.

The Group's financial reporting is organised in such a way that work is divided between Group finance, accounting centres and the business areas. Group finance decides and follows up on common accounting policies, receives reports and carries out consolidation. The accounting centres keep accounts and report accounting information to Group finance, while the business areas prepare written monthly reports with comments.

The accounting centres work continuously with quality control, efficiency improvements and the development of competence. They run regular internal courses on, for example, accounting, including accounting rules, tax and VAT.

Each unit is responsible for reporting of accounting information for consolidation. Group finance carries out control of reported accounting information and consolidation. Reporting takes place via the Group's common consolidation tool, mainly based on input from the units' ERP systems. The business areas prepare monthly written reports with comments for Group finance.

Monthly consolidated accounts for the Group are prepared for the Group's management team and the Board of Directors. A complete balance sheet statement for the Group is prepared each quarter with comments and analyses.

### Sustainability reporting

Every year, NorgesGruppen reports externally on sustainability targets and results in the company's annual and sustainability report. The report covers the issues that NorgesGruppen considers to be significant, and is based on the company's established target figures for the current strategy period related to the three sustainability areas of the environment, health and people.

NorgesGruppen also uses selected indicators from the Global Reporting Initiative (GRI) Standard and Sustainability Accounting Standards Board (SASB) frameworks to contribute to standardisation and comparison between companies. In 2021, NorgesGruppen also adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to report climate risks. The estimate of indirect greenhouse gas emissions related to company purchases and the customers' use of goods and services (Scope 3) has been prepared in accordance with the guidelines from the Science Based Targets initiative (SBTi).

NorgesGruppen's carbon footprint accounts have been verified by an independent third party. Other parts of the sustainability reporting are prepared and quality-assured internally by specialist departments and experts involved in the sustainability work.

The Board of Directors is presented with a detailed review of the status of the sustainability work twice a year.

*Deviation from the Norwegian Code of Practice: None.*

### PARAGRAPH 11: REMUNERATION TO THE BOARD OF DIRECTORS

The nomination committee submits to the annual general meeting proposals for remuneration to the members of the Board of Directors. The annual general meeting determines the remuneration payable to the members of the Board of Directors. Remuneration to the members of the Board of Directors is not dependent on results. There are no share option schemes for members of the Board of Directors or others in NorgesGruppen.

At the 2021 annual general meeting, it was decided that the remuneration of members of the Board of Directors, nomination committee, remuneration committee and audit committee shall be as follows:

	Board fees	Nomination committee	Remuneration committee	Audit committee
Chair	650,000	45,000	40,000	135,000
Member	310,000	35,000	30,000	85,000

Apart from the work of the Board of Directors and committees, the Board of Directors has not undertaken significantly special tasks for NorgesGruppen. No remuneration has been paid for other tasks. Remuneration for special tasks must be approved by the Board of Directors and specified in the annual report. Reference is also made to paragraph 8 of the statement above.

*Deviation from the Norwegian Code of Practice: None of these*

### PARAGRAPH 12: SALARIES AND OTHER REMUNERATION TO SENIOR EXECUTIVES

The Board of Directors prepares guidelines for salaries and other remuneration to senior executives, and presents these to the annual general meeting.

NorgesGruppen does not follow regulations on guidelines and reports on remuneration to senior executives, as the Group's shares are not admitted to trading on regulated markets.

Salaries and other remuneration to senior executives in NorgesGruppen must be clear and easy to understand and reflect individual employees' responsibilities and efforts. At the same time, the scheme shall contribute to long-term value creation for all of the company's shareholders. Our objective is also to ensure that NorgesGruppen's management team is structured in such a way that competence is achieved through experience and diversity. This means that NorgesGruppen must have a salary policy that makes the company attractive and



attracts and retains a competent workforce in a competitive market.

Remuneration to senior executives at NorgesGruppen mainly includes fixed salaries, which are normally adjusted once a year based on individual assessment. Bonuses for the CEO and senior executives consist of an annual performance bonus and/or a long-term bonus scheme. The long-term bonus scheme has been established to maintain focus on long-term value creation in the Group. The maximum payout is six monthly salaries per year. The scheme is linked to the achievement of defined key figures in relation to the Group's returns.

There are no share option schemes or schemes for distributing shares to NorgesGruppen employees.

Benefits to the Group management team are specified and quantified in the notes to the consolidated accounts.

*Deviation from the Norwegian Code of Practice: None. The company has no listed shares.*

### **PARAGRAPH 13: INFORMATION AND COMMUNICATION**

When communicating financial and other price-sensitive information, NorgesGruppen complies with the requirements set out in the Norwegian Accounting Act, the Norwegian Securities Trading Act and the Norwegian stock exchange regulations, and is based on the principle of openness and equal treatment of shareholders and bondholders.

Information is published on the company's website [www.norgesgruppen.no](http://www.norgesgruppen.no), via the Oslo Stock Exchange's information service and/or sent to shareholders. NorgesGruppen publishes an annual overview of dates for presentation of annual and interim financial statements.

*Deviation from the Norwegian Code of Practice: The company has no listed shares. Establishing guidelines for the company's*

*contact with shareholders outside the annual general meeting is therefore not considered necessary.*

### **PARAGRAPH 14: COMPANY TAKEOVER**

The Board of Directors of NorgesGruppen has not yet found it necessary to draw up main principles on how to respond in the event of any takeover bids. In the event of a takeover bid, the Board of Directors will work to ensure equal treatment of shareholders and otherwise follow the recommendation.

*Deviation from the Norwegian Code of Practice: The Board of Directors of NorgesGruppen has not yet found it necessary to draw up main principles on how to respond in the event of any takeover bids.*

### **PARAGRAPH 15: AUDITOR**

NorgesGruppen's auditor annually presents the main features of the plan for the audit work to the audit committee. The auditor participates in the review of the annual financial statements by the audit committee and the Board of Directors. The auditor presents any changes in accounting policies, key conditions during the audit, assessment of significant accounting estimates and significant circumstances where there has been disagreement between the auditor and the administration. The auditor reviews at least once a year the Group's internal control, presents any weaknesses and makes suggestions for improvements.

In order to enhance the work of the Board of Directors on financial reporting and internal control, the auditor shall, in accordance with the audit regulations, present to the audit committee an annual supplementary report in which the auditor declares his/her independence and explains the results of the statutory audit by providing a range of information about the audit.

The auditor holds an annual meeting with the Board of Directors without the Managing Director or others from the day-to-day management team being present.

Every year, the auditor provides the Board of Directors with a

written confirmation stating that the auditor fulfils the requirements for independence. The auditor performs certain types of additional services that are pre-approved by the audit committee. The auditor's fees for ordinary audits and permitted additional services are stated in the notes to the accounts.

*Deviation from the Norwegian Code of Practice: There are no guidelines for the day-to-day management team's access to use other services from the auditor, but all permitted services that are provided in addition to the ordinary audit are pre-approved by the audit committee.*

# Board of Directors of NorgesGruppen ASA

as at 31.12.2021



**KNUT HARTVIG JOHANNSON**  
(1937)  
Board member

Chairman of Joh. Johannson Handel AS, which holds 29,760,242 shares in NorgesGruppen.

**CECILIE BLINDERN MYHRE**  
(1965)  
Elected observer

Marketing Manager at NorgesGruppen Detalj AS. Number of shares in NorgesGruppen: 0

**HILDE VATNE**  
(1965)  
Board member

CEO JM Norge AS. Board member DnB Næringsseiendom AS, JM OY and Parteo Bank ASA. Board member of several property development companies under the auspices of JM Norge. Number of shares in NorgesGruppen: 0

**ØRJAN SVANEVIK**  
(1966)  
Board member

CEO Arendal Fossekompagni ASA. Board member of NorgesGruppen Finans Holding AS. Number of shares in NorgesGruppen: 0

**GISELE MARCHAND** (1958)  
Board member

Full-time board member. Chairman of the Board Gjensidige Forsikring ASA, Nationaltheatret AS, Norgesgruppen Finans Holding AS and Boligbygg Oslo KF. Board member of Selvaag Bolig ASA, Scatec ASA, Eiendomsspar AS and Viktoria Eiendom. Member of the nomination committee of Entra ASA. Number of shares in NorgesGruppen: 0

**MATS GUNNAR KNUDSEN**  
(1986)  
Employee-elected  
Board member

STORE Manager KIWI Skedsmokorset. Number of shares in NorgesGruppen: 0

**GURI STØRVOLD**  
(1976)  
Board member

Partner in Zynk Communication & Leadership AS. Board member of Gammel Nok. Number of shares in NorgesGruppen: 0



**TRINE DAHLSTRØM** (1968)  
Employee-elected  
Board member

Lead employee representative  
MENY.  
Employee MENY Drøbak.  
Number of shares in Norges-  
Gruppen: 0

**JAN MAGNE BORGEN**  
(1950)  
Board member

Retailer and Board positions in  
various other commercial and  
property companies.  
Number of shares in Norges-  
Gruppen: 983

**STIAN KVALVAAG**  
(1980)  
Employee-elected observer

Group employee representative  
ASKO Norge AS. Board member  
ASKO Midt-Norge AS.  
Number of shares in Norges-  
Gruppen: 0

**SVERRE LORENTZEN**  
(1944)  
Board member

Director and board member of  
Brødrene Lorentzen AS.  
Number of shares in Norges-  
Gruppen: 3,600,000

**LISE HANNE MIDTGAARD**  
(1959)  
Board member

Retailer, SPAR Hurdal.  
Number of shares in Norges-  
Gruppen: 0

**RUNAR HOLLEVIK** (1968)  
CEO, NorgesGruppen

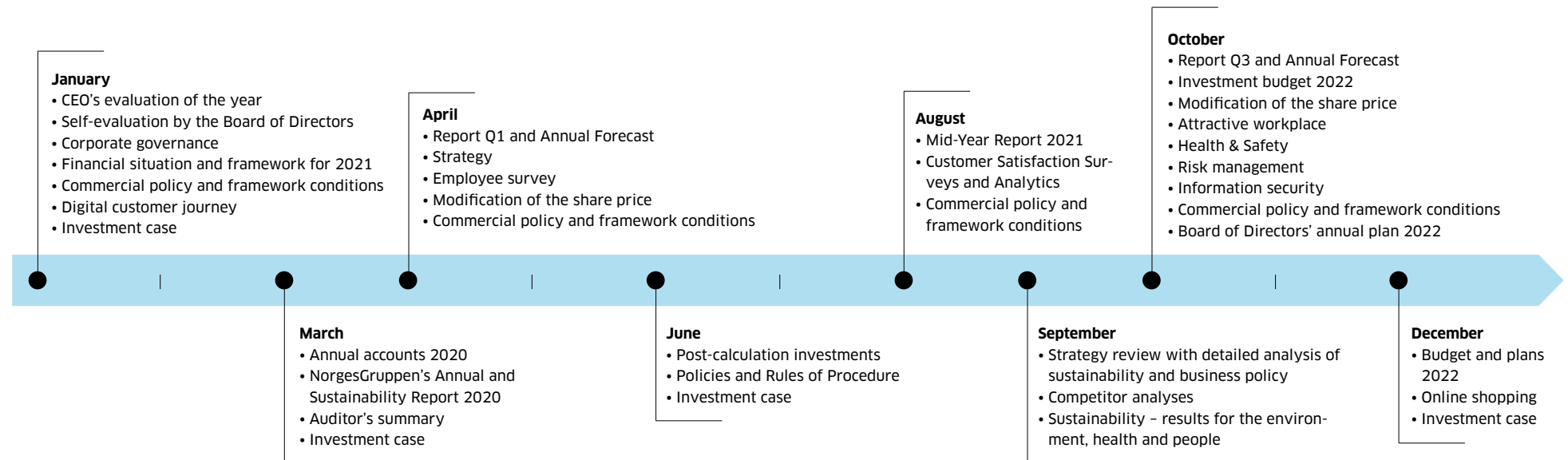
# Work of the Board of Directors 2021

In 2021, eight Board meetings were held as well as a strategy meeting with the Group's management team.

The work of the Board of Directors followed the annual plan adopted in 2020.

→ NorgesGruppen's strategy for the period 2021–2025 was decided in December 2020 and was also a central theme in the work of the Board of Directors throughout 2021. Relevant themes from the strategy were discussed in detail in two board meetings, while the administration dealt with the strategy status. At each meeting of the Board of Directors, the Board was informed of the development of one of the businesses. Furthermore, the work on sustainability was thoroughly reviewed in order to keep the Board of Directors updated on challenges and the achievement of objectives.

Fixed and practical items are excluded from the overview below. This includes the Group CEO's briefing on the company's operations and development, which is a fixed agenda item at board meetings.



# Shareholder relations and management

## Ownership structure as at 31.12.2021 (representative on the Board of Directors in brackets)

	Number of shares	Ownership share	Voting share
Joh. Johannson Handel AS (Knut Hartvig Johannson)	29,760,242	74.40%	74.40%
Brødrene Lorentzen AS (Sverre Lorentzen)	3,600,000	9.00%	9.00%
PETT Kjede og Servicekontor AS	2,026,502	5.07%	5.07%
Butikkdrift AS	722,133	1.81%	1.81%
Drageset AS	451,663	1.13%	1.13%
Kråtun AS	421,306	1.05%	1.05%
Terje Navjord Holding AS	402,770	1.01%	1.01%
<b>Total &gt; 1% ownership share</b>	<b>37,384,616</b>	<b>93.46 %</b>	<b>93.46 %</b>
Total other and own shares	2,615,384	6.54%	6.54%
<b>Total</b>	<b>40,000,000</b>	<b>100.00 %</b>	<b>100.00 %</b>

## The nomination committee consists of

Knut Hartvig Johannson  
Morten Corneliussen  
Knut Hage  
Odd Sverre Larsen

## Organisation as at 30.03.2022

Runar Hollevik (1968)	Group CEO
<b>Corporate Staff</b>	
Truls Fjeldstad (1967)	Group Director, Region, Retail and Property
Stein Rømmerud (1970)	Group Director, Communications and Public Affairs
Mette Lier (1963)	Group Director, Finance and Economics
Øyvind Andersen (1967)	Group Director, Purchasing and Category Development
Dina R. Thune (1968)	Group HR Director
Finn Dybvik (1973)	Business Development Director
<b>Operations</b>	
Vegard Kjuus (1972)	CEO, MENY AS
Marianne Ødegaard Ribe (1968)	CEO, NorgesGruppen Servicehandel AS
Jan Paul Bjørkøy (1955)	CEO, KIWI Norge AS
Tore Bekken (1966)	CEO, ASKO Norge AS
Ole Christian Fjeldheim (1972)	CEO, Kjøpmannshuset Norge AS
<b>Other activities</b>	
Espen Kjønsgberg (1962)	CEO, NorgesGruppen Data AS

## Shareholder ratio as at 31.12.2021

Share capital	NOK 400,000,000
Number of shares	40,000,000
The nominal value of the share	NOK 10
Number of shareholders	763

## Share classes and voting rights

There is one share class in NorgesGruppen.  
Each share has one vote at the company's annual general meeting.

## Securities number

The shares are registered in Verdipapirsentralen (VPS) with DNB as account holder/issuer.

The shares have securities number ISIN NO 000-4527607.

For further information about the NorgesGruppen share, go to [www.norgesgruppen.no/finans/finans-hjem/norgesgruppen-aksjen/aksjonaroversikt/](http://www.norgesgruppen.no/finans/finans-hjem/norgesgruppen-aksjen/aksjonaroversikt/)



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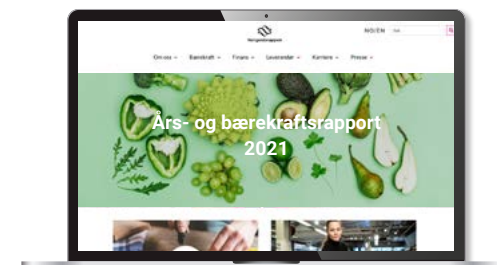
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See [norgesgruppen.no](https://norgesgruppen.no)

## **NorgesGruppen's report for 2021**



### **Annual and Sustainability Report 2021**

Including full accounts with notes,  
annual report and presentation of the Board of  
Directors.  
Norwegian and English version



**[www.norgesgruppen.no](https://www.norgesgruppen.no)**  
gives you updated information on  
NorgesGruppen. Here you can download the  
PDF version of the Annual and Sustainabil-  
ity Report.