

Dansk Supermarked A/S

Højbjerg

CVR no. 35 95 47 16

**Statutory Corporate Social Responsibility statement made in
pursuance of section 99a of the Danish Financial Statements Act
2013**

Social responsibility

Up to and including 2012 Dansk Supermarked Group was included in A.P. Møller – Mærsk Group's Sustainability Report. In connection with the expected sale of 49% of the ownership in Dansk Supermarked A/S to F. Salling Holding A/S and F. Salling Invest A/S, it has been decided that as from the 2013 financial year Dansk Supermarked will present an independent reporting regarding social responsibility in accordance with Danish Financial Statements Act section 99a and b.

Dansk Supermarked considers social responsibility to be important for the Group. By the end of 2013 Dansk Supermarked is still part of the A.P. Møller – Mærsk Group, and has as such been comprised by the A.P. Møller – Mærsk Group's policies regarding climate, human rights and diversity during the financial year. As part of the A.P. Møller – Mærsk Group Dansk Supermarked Group has been covered by A.P. Møller – Mærsk's signing of UN Global Compact. In the future the Dansk Supermarked Group will independently join relevant partnerships and establish the necessary policies regarding social responsibility. Follow-up regarding the policies and the 2013 financial year can be found below.

Group diversity initiatives

Dansk Supermarked Group aims to reflect the communities in which we operate across the organisation, as well as attract talent from the broadest pool possible. Our diversity and inclusion initiatives seek to maximize our ability to leverage the differences among our employees and unleash our full talent capacity for individual development and exceptional business results.

Dansk Supermarked Group is committed to providing positive, productive and supportive working environments, where all employees are valued and inspired to be the best they can be. We base our diversity work on the principles that diversity benefits business results, that we will treat every employee with respect and dignity and that we will not tolerate discrimination or harassment of any kind. We will always choose the best person for the job and team, and employment-related decisions are based on a variety of relevant factors such as qualifications, skills, performance, team composition and relevant experience.

Our key focus areas of diversity are gender and ethnicity/nationality as these are where we have the greatest leadership opportunities. Accordingly, Dansk Supermarked Group's efforts concentrate primarily on two specific levers for change:

Develop and enable female talent through targeted development programs and increased visibility and exposure across the Group; and

Develop and enable growth market talent through targeted development opportunities and increased visibility and exposure across the Group

The principles and content of this program applies to all of Group's employees.

The Group's progress towards achieving diversity is tracked through representation of women and non-westerners across multiple leadership levels.

Dansk Supermarked has set a target regarding the under-represented gender in the Board of Directors stating that no later than in 2017 the under-represented gender should at a minimum constitute 25 % - 50 % of the total number of board members elected by the general meeting. Today,

there is one female member on the Board of Directors. The total number of board members elected by the general meeting is 4. The target regarding the under-represented gender must not compromise other recruitment criteria.

Working environment and safety

Working environment and safety is also taken seriously in Dansk Supermarked. A good working environment means more engaged employees who are motivated to provide customers with better service. Good working conditions also contribute to reducing illness, accidents and absence.

Dansk Supermarked Group analyses and monitors lost time incidents (LTIs) from top level down to department level in each store and warehouse, and based on the analysis preventive actions are developed, communicated and implemented. Focus areas have been lifting, slip/trip and robbery. Instruction material on lifting techniques has been developed and the employees have been trained. Regarding robberies safety procedures are reviewed and developed, and the campaign 'Netto Care' has been running in October. The campaign contains a number of initiatives such as meetings in every Netto store regarding prevention, posters, movies, training of employees, conflict resolution etc. The aim is to make the employees aware of what they should do to prevent a robbery, and how to react during a robbery to take best care of themselves and their colleagues.

To measure development within working environment and safety the LTI % is computed. The LTI % in 2013 is on the same level as in 2012 and Dansk Supermarked will continue to focus on these areas.

Human rights

Dansk Supermarked Group respects human rights and works to ensure that we do not contribute to human rights violations. A large part of the human rights agenda is covered by Dansk Supermarked's responsible procurement, which is described below.

Responsible procurement is implemented through the membership of the European supplier compliance and monitoring initiative BSCI (Business Social Compliance Initiative). Furthermore, Dansk Supermarked is in the process of investigating possible risk mitigating, responsible procurement systems for our sourcing practices.

This procedure will work as a risk screening prior to placing an order. It will provide a more nuanced risk picture across all our suppliers regardless of products and sourcing destination. This transparency will allow Dansk Supermarked to a larger extent than is the case today to adapt risk mitigation tools to the risk at hand.

Dansk Supermarked Group will continue the collaboration with BSCI and use this platform for engaging high risk suppliers in performance reviews and follow up. However the approach will be extended to include all high risk suppliers regardless of sourcing destination.

In addition Dansk Supermarked is working on updating the policy portfolio. Existing policies are revisited. Unwritten policies are captured and new policies are created where needed.

Furthermore the Group is implementing mandatory responsible procurement training for all buyers. This will take place in 2014.

Finally the Group is working on a resource site that will host our policies, important regulations, training material and other relevant tools and information to facilitate responsible procurement for Dansk Supermarked.

The Accord on Fire and Building Safety in Bangladesh was established in 2013 following the terrible accidents in Bangladesh. It is a multi-stakeholder initiative that includes major international brands, unions and government parties.

Dansk Supermarked decided to join. The accidents in Bangladesh have not only inspired participation in the Accord, but also made Dansk Supermarked rethink the Responsible Procurement programme overall. We realize that we alone cannot change the conditions in Bangladesh, but we can collaborate to make a difference and we can make sure that our internal procedures are as robust as they can be. Our customers should be able to buy products in our stores and trust that they have been produced in a responsible way.

Climate and environment

Climate change is a global concern, Dansk Supermarked shares. The Group recognises the risks climate change poses to society, and have identified reduction of CO₂ emissions and recycling of waste as 2 areas in which the Group can make a difference. The CO₂ emissions in 2013 is on the same level as in 2012, and Dansk Supermarked Group will continue efforts to reduce the CO₂ emissions. Compared to 2012 the percentage of recycled waste has increased from 53 % to 58 %, and efforts continue to increase the percentage even more.

Future development

Dansk Supermarked is in the process of developing a new sustainability strategy with focus on employees, the local communities, effective operations, optimisation of supplier relationships and responsible goods in the stores. The strategy is being rolled out and the reporting for the 2014 financial year and the following years will comprise information as to how the strategy is put into practice, which target have been set and which results have been achieved.